Cherat Packaging Limited
A Ghulam Faruque Group Company

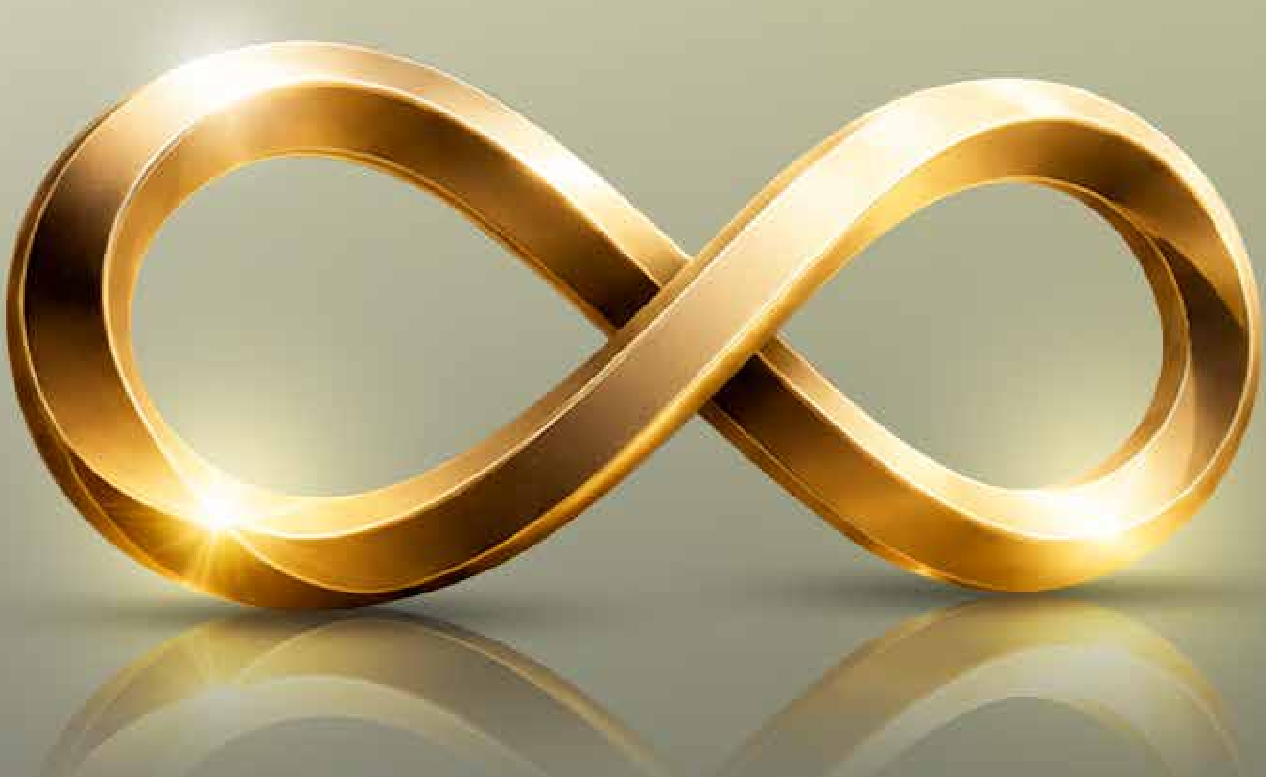
Infinite Opportunities
Sustainable Tomorrow

Annual Report 2026

Infinite Opportunities - Sustainable Tomorrow,

Every opportunity is a step toward growth, innovation, and a more sustainable future. We continuously explore new possibilities to create meaningful value for our customers, communities, and stakeholders.

Through innovative packaging solutions, trusted partnerships, and high-performing teams, we transform challenges into opportunities and ideas into lasting impact. Our commitment to quality, collaboration, and responsible growth enables us to build a future where progress and sustainability move forward together.



About this Report

Cherat Packaging's Annual Report is the blend of Company's voyage of success and progress through values and objectives internalizing its core competitive advantage and value systems and externalizing through successful implementation of corporate strategy to achieve its vision and service to the society.

This report is prepared with an aim to provide users of this report, the Company's insight on, strategic edge, risks & opportunities, current & future challenges and its strategic thinking that drives CPL to its success.

Our annual report focuses on three main functions:

- Providing understanding of our business model, value chain, risks and its mitigation strategies;
- Providing Company's approach of achieving sustainable growth and achieve its short and long-term objectives; and
- Clearly identifying management strategies with its impact on financial results of the Company and value creation for the society.

In producing this report, we referred to the framework of International Integrated Reporting, requirements of regulatory bodies, International Financial Reporting Standards and Companies Act, 2017.

Going forward, we intend to make continuous improvements to our Annual Report as a medium of communication with our stakeholders.

Reporting Scope: Cherat Packaging Limited
Reporting Period: July 01, 2025 to June 30, 2026

Accounting standards: International Financial Reporting Standards (IFRSs) are applied however, if contradiction between IFRS and Companies Act, 2017 occurs, requirement of Companies Act, 2017 shall prevail.

Infinite Opportunities to

Become the Premier Packaging Company of Pakistan

The cycle continues.
The impact is infinite.

Reduce | Renew | Reimagine

CPL aspire to lead the industry by providing cutting-edge, sustainable packaging solutions that empower businesses, enhance brands, and contribute to a prosperous future for Pakistan.

Infinite Opportunities to Innovate Relentlessly

The cycle continues.
The impact is infinite.

Reduce | Renew | Reimagine

We continuously explore smarter designs, sustainable materials, and advanced technologies to deliver packaging solutions that not only protect products but also inspire trust and delight customers.

Infinite Opportunities to Pursue Strategic Collaborations

The cycle continues.
The impact is infinite.

Reduce | Renew | Reimagine

By pursuing strategic collaborations with industry leaders, suppliers, and customers, we create powerful synergies that drive innovation and efficiency.

Infinite Opportunities to Nurturing High Performance Teams

The cycle continues.
The impact is infinite.

Reduce | Renew | Reimagine

At CPL, we uncover boundless potential through trust, collaboration, and continuous growth thereby empowering individuals to innovate, excel and collectively drive impactful, sustainable success across the organization.

Infinite Opportunities to Support Our Communities

The cycle continues.
The impact is infinite.

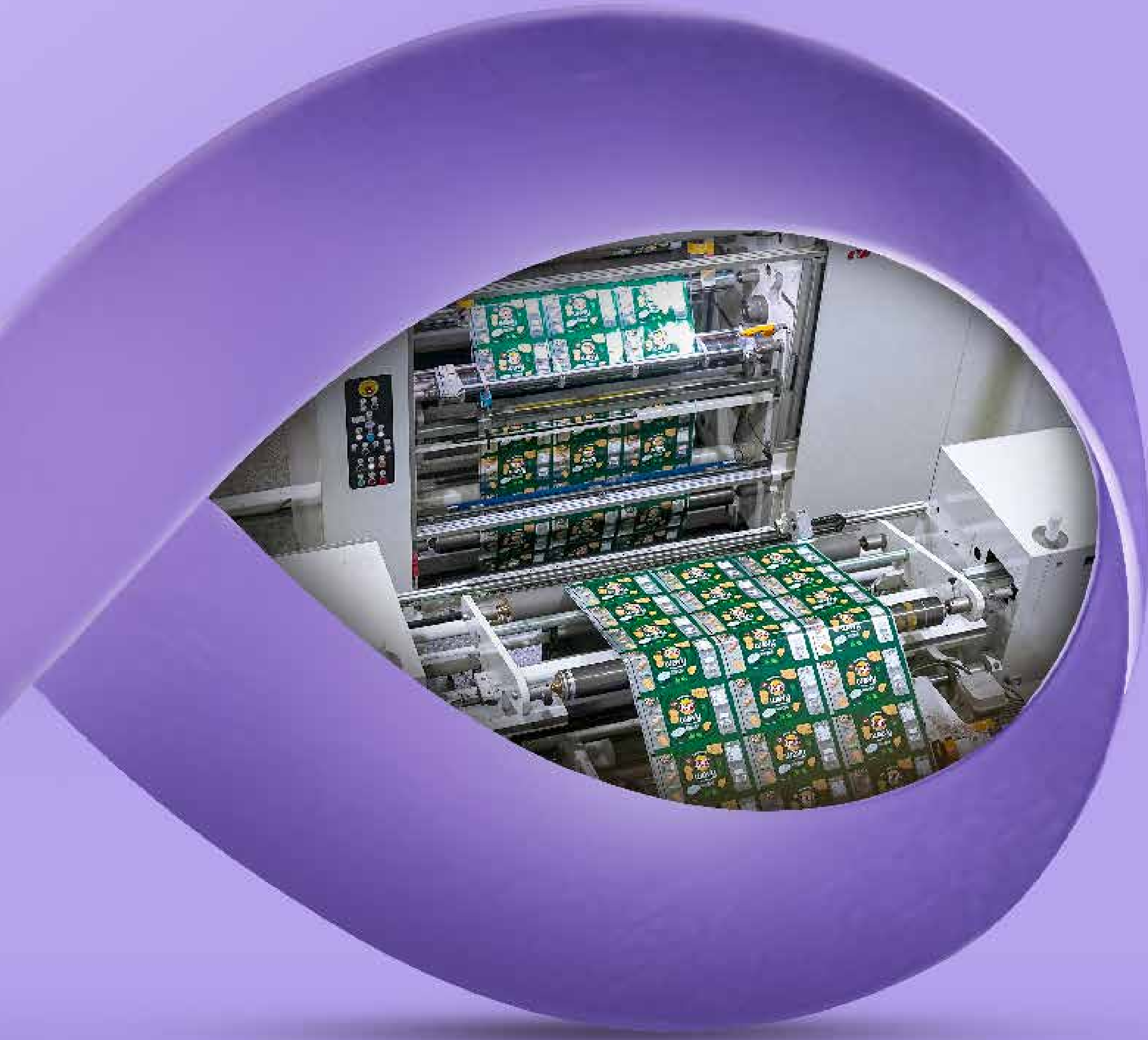
Reduce | Renew | Reimagine

Through social initiatives, environmental responsibility, and empowerment programs, we strive to create a positive impact beyond business.

Infinite
Opportunities to
Maintain World Class Quality Standards

The cycle continues.
The impact is infinite.

Reduce | Renew | Reimagine



Every stage of production undergoes rigorous scrutiny and meticulous inspection. CPL exceeds the expectations of its customers, enhancing their brand image through consistent, exceptional quality.

Infinite Opportunities to Uphold the Trust of Stakeholders

The cycle continues.
The impact is infinite.

Reduce | Renew | Reimagine

By maintaining transparency, delivering consistent quality, and honoring our commitments, we strengthen the confidence our stakeholders place in us.

Infinite Opportunities to Provide Unrivalled Services to our Customers

The cycle continues.
The impact is infinite.

Reduce | Renew | Reimagine

By delivering reliable, customized, and value-driven packaging solutions, we go beyond products to provide experiences that exceed expectations.

Infinite Opportunities to Reducing Our Carbon Footprint

The cycle continues.
The impact is infinite.

Reduce | Renew | Reimagine

By adopting eco-friendly materials, optimizing energy use, and improving production efficiencies, we actively work to minimize our environmental impact.

Chapters

Page No.

Organizational Overview and External Environment


WINDMÖLLER & HÖLSCHER

Nature of Business

We support the brands you rely on, dedicated to enhancing people's lives through small yet significant improvements on a daily basis.

We are market leaders in developing and producing packaging for food, beverage, pharmaceutical, home, personal-care, cement, sugar, chemical and other various sectors.

Incorporated in 1989, Cherat Packaging has Polypropylene, SOS / Carrier Bags and Flexible Packaging Divisions. The Company is one of the largest producer and supplier of Polypropylene bags to the cement industry in Pakistan. The Company has diversified its operations by making an entry in the Flexible Packaging Business, with an eye on increasing global urbanization, fast-paced consumer lifestyles and adoption of e-commerce. This establishes the Company as one of the most diversified packaging business players of the country. CPL commenced its Flexible packaging operations in the year 2018. It installed Rotogravure printer, Flexographic printer and Extrusion. Encouraged by the response from the market, the Company installed its second Rotogravure printer and Flexographic printer in the financial year 2023 and 2024, respectively, which are operational.

For Bags Manufacturing Division (BMD), the Company has installed Carrier/SOS bag plant in the month of April 2025. In addition to the above machine investments, the Company also successfully installed second Extrusion Plant- Barrier Film Extrusion Line for Flexible Packaging Division (FPD) having capacity of 3,800 tons per annum in June 2026. This addition of another product category will enable the Company to tap new markets for packaging materials, optimize the utilization of its available resources and enhance its sales volumes.

We remain firmly connected to our core values, and principles, with a profound mutual understanding within our team and organization. We believe in striving to excel and deliver our best for the world around us.

In a rapidly changing and competitive environment, our success is measured by the growth and prosperity of our customers, facilitated by our commitment to quality, service, and innovation. We provide our customers with a distinctive array of adaptable packaging solutions, simplifying the process of meeting the evolving needs of consumers both now and in the future.

Our Certifications

Vision
Packaging Your Future

Mission

- To be the Premier Packaging Company of Pakistan
- Innovate Relentlessly
- Pursue Strategic Collaborations
- Nurture High Performance Teams
- Support Our Communities
- Maintain World Class Quality Standards
- Uphold the Trust of Stakeholders
- Provide Unrivalled Services to Our Customers
- Reduce Carbon Footprint

Our Values

Respect
is our way of life

Fairness
is our way of work

Quality
is our legacy

Ownership
is our way to success

Culture

Organizational culture in Cherat Packaging Limited is a manifestation of shared values and beliefs, which we practice every day to move towards a better and more successful organization. These shared values have a strong influence on the respective teams and help them in a win win outcome for both the employees and the organization. Our values provide the foundation of our culture and bind us into a world class team yearning to outperform the competition.

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Ethics

Our Code of Conduct reflects our commitment to meet the expectations of our stakeholders and contains the fundamental principles and rules concerning ethical business conduct.

CPL's Code of Conduct forms an integral part of the terms of employment of all employees. The Company insists on full compliance and does not tolerate any misconduct and unlawful behaviour. Breach of the CPL Code of Conduct may lead to disciplinary action up to and including termination of employment.

It is the obligation of every employee to be responsible, honest, trustworthy, conscientious and dedicated to the highest standards of ethical business practices. The employees have a legal, moral and ethical responsibility to report to their Line Managers or Compliance Committee, any known or suspected violations of law, regulations and/or corporate policies.

Cherat Packaging Limited is committed to conduct its business with honesty and integrity, and we expect all our employees to maintain high standards in accordance with the Code.

Code of Conduct

This Code of Conduct of the Company is based on the principles of, including but not limited to, Personal Conduct, Conduct in business dealing, Integrity & Honesty.

Scope

This Code of Conduct is applicable to Directors, Senior Management and all regular and direct contract staff in the Company and its locations.

Compliance with the Law and Reporting of Violations

We firmly believe in good corporate governance and in providing advice concerning compliance with the Code of Conduct. All employees are encouraged to report any suspected violation of this Code of Conduct to their Line Managers (Functional Heads) who will report to the Chief Executive / Chief operating Officer and/or as provided under the Whistle Blowing Policy of the Company.

The observance of the laws and regulations of the legal systems in which we operate, along with policies of the Company, is mandatory for all employees in all their dealings, be it with customers, suppliers, competitors, other employees, government bodies or others.

Confidentiality & Anti-Retaliation

All reports submitted to the Compliance Committee are handled with strict confidentiality. The Company is fully committed to a zero-tolerance policy against retaliation. We actively encourage employees to raise concerns without fear. Even if an investigation does not substantiate a report, the individual who raised it will be protected from retaliation, provided the report was made in good faith.

Competition and Anti-trust Law

We obligate employees to strict compliance with Competition and Anti-trust Laws wherever the Company operates.

Bribery and Corruption

We are committed to conducting business ethically and transparently across all jurisdictions, maintaining a zero-tolerance policy for bribery or corruption. This applies universally to all stakeholders including employees, managers, directors, suppliers, vendors, and third-party partners. No individual or entity acting on our behalf may offer, solicit, or accept bribes, kickbacks, personal loans, excessive entertainment, or favored treatment from any current or prospective business partner or competitor. Gifts, meals, or entertainment are only permissible if modest and customary; any item or event valued at a prescribed value or above requires formal disclosure and prior approval from a line manager, granted only in exceptional, justifiable business contexts. Cash or cash equivalents (e.g., gift cards) and any offerings that create a conflict of interest or appearance of impropriety are strictly prohibited.

To ensure compliance, all approved items are to be fully documented with a description, monetary value, business justification, and written manager approval. Employees are responsible for full disclosure, while line managers must rigorously evaluate requests against organizational standards. Failure to comply with this compromises our business integrity and may result in disciplinary action up to and including termination of employment or contract cancellation.

Human Rights & Corporate Responsibility

In alignment with the GRI Sustainability Reporting Standards and the UN Global Compact's Ten Principles regarding Human Rights, Labor, Environment, and Anti-Corruption, The Company is committed to respecting and upholding the human rights of everyone involved in our business. We strictly prohibit and have zero tolerance for any form of forced, compulsory, or child labor across all our operations and supply chains.

Money Laundering

It is our policy to refrain from conducting business with persons or entities who are involved in criminal or illegal activities. All employees have to adhere to applicable anti-money laundering laws and regulations.

Product Quality

We develop and manufacture high-quality products that meet all regulatory requirements and pursue quality beyond compliance in both our products and processes. We focus on regularly updating ourselves with technological advancements to produce under the highest standards and maintain all relevant technical and professional standards.

Books, Records and Financial Reporting

The accuracy and completeness of our books, records and financial reporting is of critical importance for the Company. We fulfill all applicable legal obligations with regard to public filings and reporting.

Ensure Confidentiality

It is our policy that no employee entrusted with confidential information about the Company, its suppliers, customers or other business partners may disclose such information to any third party or use such information for his or her personal benefit while employed with the Company or thereafter, unless prior written approval is obtained from a duly authorized person, unless it is public knowledge at the time of disclosure or the disclosure is required by law.

Protection and Information Security

We have a policy that sets out rules on data protection and the legal conditions that must be satisfied in relation to the obtaining, handling, processing, storage, transportation and destruction of personal information. We comply with all applicable laws & regulations regarding the collection, processing and use of personal data. Any illegal collection, processing or use of personal data of our employees, suppliers, customers and third parties are strictly prohibited. All personal data must be safeguarded with appropriate care and protected against unauthorized access by third parties at all times.

Handling and Safeguarding of the Company's Property

Employees must handle the Company's assets, property, proprietary information and intellectual rights for business purposes and not for personal benefits or gains and to make utmost efforts for the protection and efficient use of the Company's assets.

Equal Treatment and Fair Working Conditions

We are committed to promoting equality of opportunity for all staff and job applicants. We aim to create a working environment in which all individuals are able to make best use of their skills and abilities, free from discrimination or harassment, and in which all decisions or promotions are objectively based on merit. We do not tolerate any form of discrimination, harassment or bullying in the workplace.

Social and Corporate Governance

We are committed to maintaining ethical leadership, advocating best practices, establishing comprehensive policies, implementing robust internal controls and engaging with shareholders and other stakeholders in a transparent and a fair manner. We encourage employees to participate in philanthropic activities, including contributing to charities of their choice.

Personal Conduct and Legal Duties

We encourage employees to improve competence and skills in their respective roles through continuing professional education, exercising due diligence, objectivity and sound judgment while performing their duties.

We also encourage employees to exhibit a high standard of personal conduct both inside and outside the Company.

Insider Trading

The employees of the Company may not partake in practices like insider trading, concealment of facts, misusing of privileged information and must ensure compliance with all relevant laws and Company policies.

Diversity, Equality and Inclusion

We are committed to promoting a diverse and inclusive staff composition and providing equal opportunities to all employees for employment in the Company irrespective of their culture, race, gender, caste, and religion. We do not tolerate intimidation and harassment in the workplace.

External Activities and Public Comments

We do not permit employees to undertake external activities during the working hours or at the expense of their duties and commitments to the Company.

Health, Safety and Environmental Protection

We are committed to complying with environmental laws and will strive to use eco-friendly technologies and practices to minimize our environmental footprint wherever reasonably possible. This includes making efficient use of natural resources and aiming to minimize the environmental impact of our activities and products.

We focus on all aspects of occupational health, safety and environmental protection. We identify and manage health, safety and environmental risks in our activities and over the entire value chain of our products and services.

We focus on customer satisfaction, employee well-being, ethical business conduct, community engagement and collaboration with government and regulatory authorities.

Avoiding Conflicts of Interest

Employees may not engage in any activities, on or off the job that conflict with the Company's business interests, nor may they use their position with the Company for their personal gain or for the improper benefit of others. As a policy, conflicts of interest must be reported to Management.

Group Structure

Since its inception, the Ghulam Faruque Group has continuously strengthened and diversified its lines of operations. Faruque (Private) Ltd is the Parent Company; details and brief profile of other leading group companies / ventures are as follows:

Faruque (Pvt.) Limited
Parent Company

Established in 1964 as a Parent Company of the Group, it primarily serves as an investment arm of the Group.

Mirpurkhas Sugar Mills Limited
Manufacturer and seller of Sugar and corrugated Paper

Mirpurkhas Sugar Mills Limited, established in 1964 and listed on the Pakistan Stock Exchange (PSX), was initially engaged in the manufacturing and sale of sugar. In line with its diversification strategy, the Company expanded into the Paper and Board business, which successfully commenced commercial production in May 2023. The Company now operates through its Sugar and Paper & Board Divisions, supplying products to various industries across Pakistan.

Sugar Division: The Sugar Division is located in Mirpurkhas, about 230 km from Karachi, with a crushing capacity of 12,500 tons per day. It is recognized as one of the most efficient sugar mills in Pakistan. In addition, the Company manages 351 acres of experimental farms dedicated to developing higher-yield sugarcane varieties, supporting sustainable growth in the sector.

Paper and Board Division: To further diversify its operations, the Company has established a Paper and Board Division at its existing site, with an installed capacity of 250 tons per day. The division successfully commenced commercial production in May 2023. Through this initiative, the Company aims to become a leading supplier of high-quality liner board and medium paper to the packaging industry in Pakistan. With this addition, MSM now operates the largest brown paper production facility in the region, and among the largest in the country.

Cherat Cement Company Limited
Manufacturer of Ordinary Portland Cement and composite Cement

Incorporated in 1981, the Company specializes in manufacturing, marketing, and selling cement under the brand names 'Cherat' and 'Cherat Khyber.' As a pioneer in Pakistan's cement industry, it holds the top position in its region with an annual installed capacity of 4.5 million tons. The plant, located in Village Lakrai, District Nowshera, Khyber Pakhtunkhwa (KPK), is strategically positioned to serve both the local market and export cement to Afghanistan. Listed on the Pakistan Stock Exchange and ISO 9001 and 14001 certified, the Company has received numerous prestigious awards, including the SAFA Award, Business Excellence in Export, PSX Top Companies Award, MAP's Best Company Award, and Best Corporate and Sustainability Report Award. To stay ahead in technology and strengthen operations, the Company has upgraded its SAP ECC system to S/4 HANA and implemented the HR Success Factor module.

CFS Minerals (Private) Limited
Acquisition, Leasing, Exploration and Development of Mining Rights

CFS Minerals (Private) Limited is incorporated in 2026 as a joint venture with equal shareholding among Cherat Cement Company Limited, Shirazi Investments (Private) Limited and International Industries Limited. The principal business activities include the acquisition, leasing, exploration, and development of mining rights, mineral concessions, and related assets. However, there were no operations carried out in the year 2026.

Zensoft (Pvt.) Limited

Information Systems Services Provider Specializing in Business Software Solutions it was established in 1998 and is engaged in development of computer softwares. The Company specializes in providing high quality business solutions.

Greaves Pakistan (Private) Limited

Providing Specialized Engineering Sales and Services

It was established in 1859 to provide specialized engineering equipment sales and services. However in 1964, the Group acquired a controlling interest in the shares of the Company and by 1981 Greaves became a wholly owned subsidiary of Faruque (Private) Limited. Greaves has the following divisions namely i) Power Generation, ii) CNG Equipment, iii) Industrial Machinery, iv) Solar Energy, v) LED, vi) Elevator, vii) Earth Moving & Construction Machinery, viii) Air Compressor ix) Fuel Dispenser and x) UPS.

Greaves Airconditioning (Private) Limited

HVAC and BMS Equipment Suppliers and Solutions Provider

Greaves Airconditioning (Private) Limited is Heating, Ventilation, Air Conditioning (HVAC) and Building Management Systems (BMS) Equipment Supplier and Solution Provider commenced operations in 1975, this is the one of the largest HVAC and BMS Companies in Pakistan which is providing the complete one window HVAC and BMS solution to its customers including supply, installation and maintenance of complete HVAC and BMS products range. Greaves Airconditioning is the authorized distributor of Johnson Controls International (York) and Schnieder BMS products in Pakistan.

Greaves Engineering Services (Private) Limited

HVAC Contractors

Established in 2003, its principal activity is to provide services associated with airconditioning, installation and maintenance of central and packaged units.

Greaves CNG (Private) Limited

Retail Sales of CNG to end consumers

Greaves CNG was established in 2001 with a prime motive to install CNG facilities at the retail outlets of Petroleum Companies. It is a preferred third party investor for all major petroleum companies in Pakistan.

Unicol Limited

Joint Venture Distillery Producing
Ethanol, Sugar and Liquid Carbon Dioxide (CO2)

Unicol was incorporated in 2003 as a Public Unlisted Company and is a joint venture with equal shareholdings among Faran Sugar Mills Limited, Mehran Sugar Mills Limited, and Mirpurkhas Sugar Mills Limited, each listed on the Pakistan Stock Exchange. The Company is engaged in the production and sale of industrial ethanol, sugar, and liquid carbon dioxide (LCO_2). Unicol has an installed ethanol production capacity of 56,000 MT per annum, a sugar division with a cane crushing capacity of 8,000 TCD, and an LCO_2 production capacity of 18,000 MT per annum. The Company exports its entire ethanol output to various regions worldwide, while sugar and LCO_2 are sold locally. Unicol is also the proud recipient of the FPCCI Best Export Performance Award for 2022–23.


15

Company Information

Board of Directors

Mr. Akbarali Pesnani	Chairman
Mr. Amer Faruque	Chief Executive
Mr. Aslam Faruque	Director
Mr. Shehryar Faruque	Director
Mr. Arif Faruque	Director
Mr. Ali H. Shirazi	Director
Mr. Abid Vazir	Director
Mr. Sher Afzal Khan Mazari	Director
Ms. Maleeha Humayun Bangash	Director

Audit Committee

Mr. Ali H. Shirazi	Chairman
Mr. Arif Faruque	Member
Mr. Shehryar Faruque	Member

Human Resource and Remuneration Committee

Mr. Sher Afzal Khan Mazari	Chairman
Mr. Amer Faruque	Member
Mr. Aslam Faruque	Member

Director and Chief Operating Officer
Mr. Abid Vazir

Chief Financial Officer
Syed Waqar Haider Kazmi

Company Secretary
Mr. Asim H. Akhund

Head of Internal Audit
Mr. Aamir Saleem

Auditors
Grant Thornton Anjum Rahman
Chartered Accountants

Legal Advisor
K.M.S. Law Associates

Bankers
Allied Bank Ltd
Bank Al Habib Ltd
Habib Bank Ltd
Habib Metropolitan Bank Ltd
Industrial and Commercial Bank of China Ltd
MCB Bank Ltd
National Bank of Pakistan
Samba Bank Ltd
Soneri Bank Ltd
The Bank of Punjab

Bankers (Islamic)
Askari Bank Ltd
Bank Alfalah Ltd
Bank Al Habib Ltd
BankIslami Pakistan Ltd
Dubai Islamic Bank Pakistan Ltd
Faysal Bank Ltd
MCB Islamic Bank Ltd
Meezan Bank Ltd
The Bank of Khyber
United Bank Ltd

Share Registrar
CDC Share Registrar Services Limited.
CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400
Tel: 0800-23275
UAN: 111-111-500
Email: info@cdcsrsl.com

Registered Office
1st Floor, Betani Arcade, Jamrud Road, Peshawar
Tel: (+9291) 5842285, 5842272
Fax: (+9291) 5840447

Head Office
Modern Motors House, Beaumont Road, Karachi-75530
Tel: (+9221) 35683566-67, 35688348, 35689538
Fax: (+9221) 35683425

Factory
Plot No. 26, Gadoon Amazai Industrial Estate, District Swabi, Khyber Pakhtunkhwa
Tel: (+92938) 270125, 270221
Fax: (+92938) 270126

Regional Offices

Lahore
3, Sundar Das Road
Tel: (+9242) 36286249-50, 36308259
Fax: (+9242) 36286204

Islamabad
1st Floor, Razia Sharif Plaza, Jinnah Avenue, Blue Area
Tel: (+9251) 2344531-33
Fax: (+9251) 2344534, 2344550

Contact Us:
UAN: 111-000-009
Email: info@gfg.com.pk
Web: www.gfg.com.pk

Journey at a Glance

1992

Cherat Packaging Limited started production with one Tuber and one Bottomer having installed capacity of 50 million papersacks per annum.

1996

Installed 2nd Bottomer to the production line.

1998

Acquired ISO 9001 QMS Certificate.

2003

Added 2nd Tuber to the production line and thus increasing the total production capacity to 105 million paper bags per annum.

2006

Added 3rd Tuber and Bottomer to production line, making the total effective production capacity to 160 million paper bags per annum.

2017

Arrival of Universal Papersack line with an annual capacity of 135 million bags. Decision to enter in to the field of Flexible Packaging and signing of contract for acquiring main plant with Windmoller & Holscher.

2018

Installation of Universal Papersack Line – Installation of Roto & Flexo printers and Laminator of the Flexible Packaging Division.

2019

Completion of Flexible Packaging Project enhancing production capacity from 7.2 million Kgs to 12.6 million Kgs.

2021

Established LC for the import of 4th line of PP having production capacity of 65 million bags.

2022

Commissioning of 4th PP Line having a capacity of 65 million bags per annum.

Established LCs for 2nd Rotogravure printer and allied equipment.

2009

Added 4th Tuber and Bottomer to production line. With this addition the total installed capacity reached 265 million paper bags per annum.

2012

Installed 1st PP Line having capacity of 65 million PP bags per annum.

2013

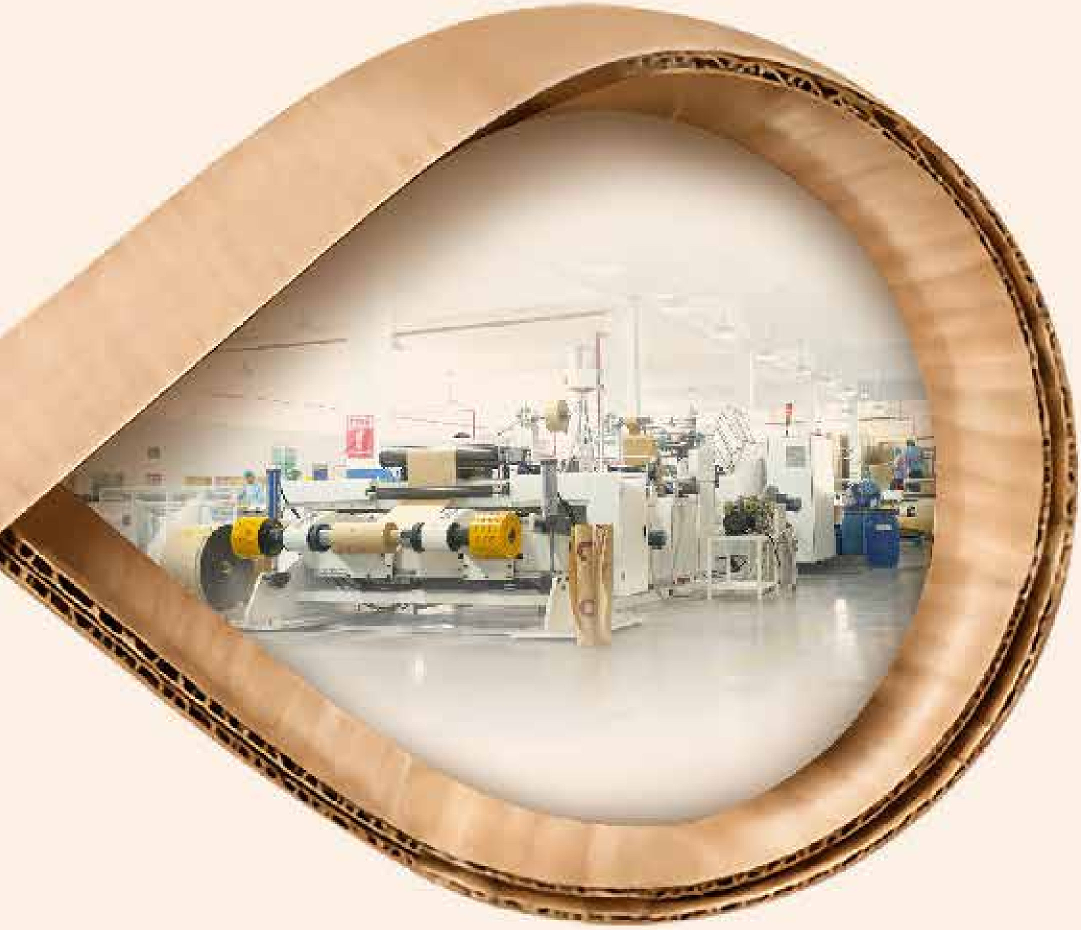
Installed 1st convertex of 2nd PP line increasing total capacity to 105 million PP bags per annum.

2014

Installed 2nd convertex of 2nd PP Line and increased the capacity to 145 million PP bags per annum.

2016

Installation of 3rd PP Line having annual capacity of 50 million bags per annum.



2023

Commissioning of 2nd Rotogravure printer having capacity of 3.6 million Kgs per annum.

2024

Commissioning of 2nd Flexographic printer having capacity of 3.6 million Kgs per annum.

Sale of KP lines I, II & V

2025

Commissioning of SOS / Carrier Bag Project having capacity of 250 million units per annum.

Established LC for Barrier Extrusion Line

Sale of KP lines III & IV

2026

Commissioning of Extrusion Line II having capacity of 3.8 million kgs per annum.

Commissioning of 2.7 MW Solar Power Plant

Hall of Fame

Pakistan Stock Exchange Top Companies Award

Pakistan Stock Exchange (PSX) recognizes the performance of top companies each year based on a comprehensive set of criteria, which includes Dividend Payout, Capital Efficiency, Profitability, Free-float of shares, Transparency, Corporate Governance & Investor Relations and Compliance with Listing of Companies & Securities Regulations. In recognition of its outstanding performance, the Company was honored with the Top Companies Award for the years 2016, 2020 and 2022.

Forbes: Asia's Best Under A Billion Company

In 2018, Cherat Packaging was also nominated for the Forbes- Asia's Best Under A Billion Company. Forbes annual Best Under A Billion list highlights 200 Asia-Pacific public companies with less than $1 billion in revenue and consistent top and bottom-line growth. In 2018, candidates came from 13 countries and averaged 55% growth in sales, a 24% profit margin, and 113% growth in earnings per share.

Corporate Social Responsibility Award

Cherat Packaging participated in the 15th to 18th Annual International Summits on Corporate Social Responsibility (CSR), organized by the National Forum for Environment and Health (NFEH) in 2023 to 2026, respectively. The Company received the Corporate Social Responsibility Award in the 'Best Practices' category in each of the four years. Further, in 2024 to 2026, the Company was also honored in the "Green Energy Initiatives" category.

NFEH is affiliated with the United Nations Environmental Program (UNEP) and aims to facilitate, promote, and create awareness about environment, healthcare, and education among the masses in general and industries, corporate sectors, youth, and children in particular.

Corporate Excellence Award

The Management Association of Pakistan (MAP) recognizes and honors companies that demonstrate outstanding performance, sound governance and enlightened management practices through its prestigious Corporate Excellence Awards. The awards are based on a comprehensive evaluation of financial performance and management practices, aimed at acknowledging organizations that demonstrate excellence in management.

Cherat Packaging Limited remains committed to transparency, information symmetry and the adoption of sound management practices in line with evolving business standards. This commitment, coupled with the Company's consistent performance and focus on operational excellence, has been recognized by MAP through the Corporate Excellence Awards. The Company has received Corporate Excellence Certificates and Awards in the "Paper and Board" category for the years 2015 to 2019 and 2025

Best Corporate Reporting Award ICAP & ICMAP

The Best Corporate Report Awards are organized annually by a joint committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP). The awards are based on comprehensive evaluation criteria aimed at promoting integrated thinking within organizations, inspired by the "Content Elements" of the International Integrated Reporting Framework. The awards recognize excellence in corporate reporting and promote accountability, good governance and transparency through the timely publication of informative, factual and reader-friendly information and disclosures.

Cherat Packaging has participated in these prestigious awards for the financial years 2014 to 2024 and secured 1st position in the "Others" category in each of these years. In addition, the Company's Annual Reports for 2017, 2021 and 2022 secured 1st, 3rd and 2nd position nationwide respectively.

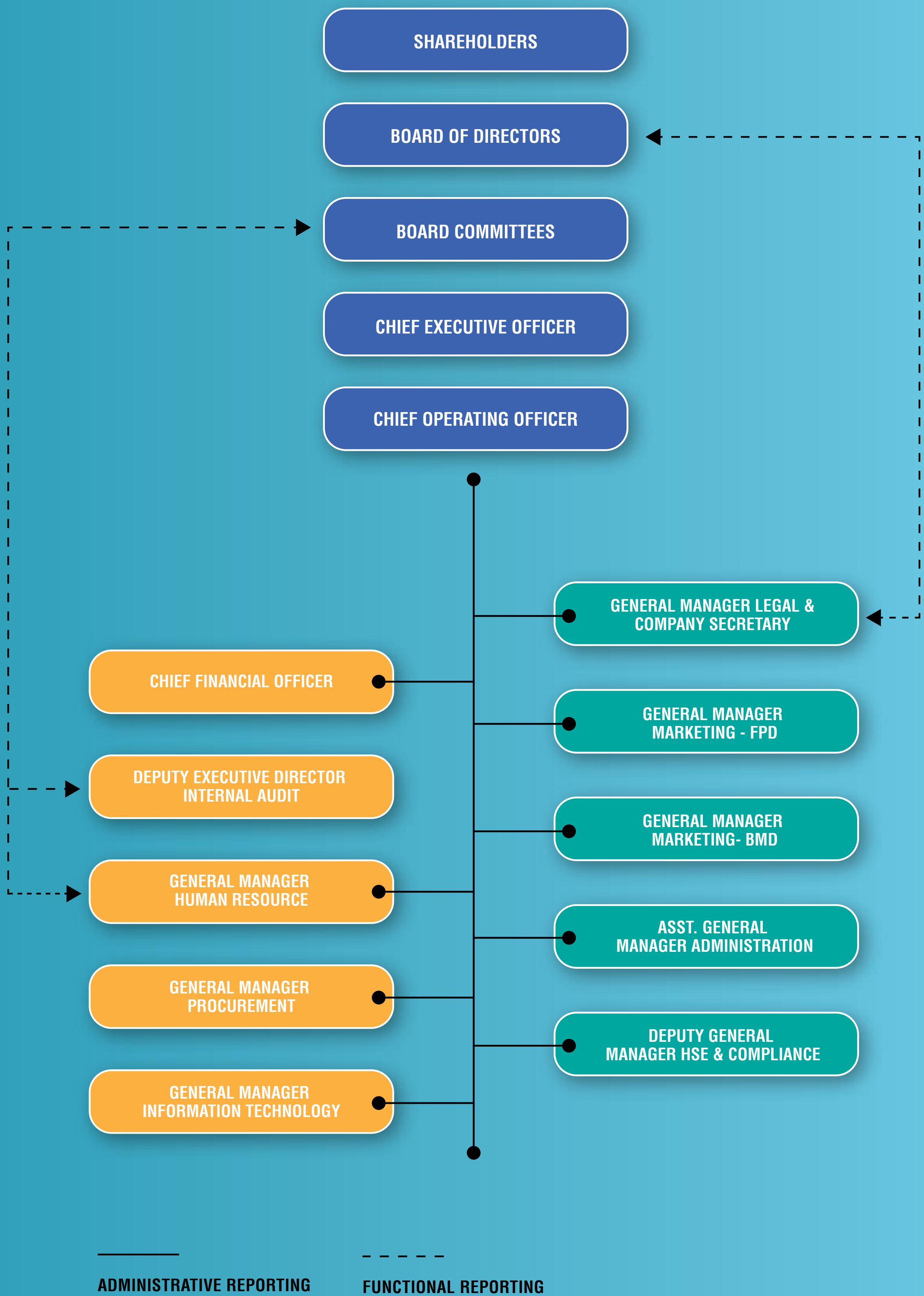
South Asian Federation of Accountants (SAFA) Award

The SAFA Committee for Improvement in Transparency, Accountability & Governance (ITAG) annually announces the SAFA Best Presented Annual Report. These Awards are adjudged on the basis of evaluation of the annual reports of nominations received from the South Asian countries in accordance with the predefined SAFA evaluation criteria. The SAFA Best Presented Annual Report Award is considered the most prestigious accolade for financial reporting in the entire South Asian region.

In acknowledgment of its transparency in accounting practices and its outstanding achievement in presenting and disclosing high-quality, relevant, reliable, and objective financial statements in accordance with the international framework, Cherat Packaging Limited was honored with a joint bronze award in "Manufacturing sector" category of these awards held in Nepal in December 2022 for its Annual Report 2021.


CSR
Certificate
CSR
Certificate
CSR
CSR
Pakistan Stock Exchange
Forbes
Asia

Organizational Structure



Factory Site Organizational Structure

General Manager BMD

Senior Manager PPD

Production
- HOD Extrusion
- HOD Weaving
- HOD Lamination
- HOD Printing
- HOD Conversion

Services
- HOD Electrical
- HOD Mechanical
- HOD Stores

Senior Manager SOS / Carrier Bags

Production
- HOD Production

Services
- HOD Maintenance
- HOD Stores

Asst. General Manager Finance

Deputy General Manager HSE & Compliance

Manager IT

Chief Executive Officer

Chief Operating Officer

General Manager FPD

Production
- HOD Roto Printing
- HOD Flexo Printing
- HOD Extrusion
- HOD Lamination
- HOD Cylinder Making
- HOD Plate Making
- HOD Bag Making

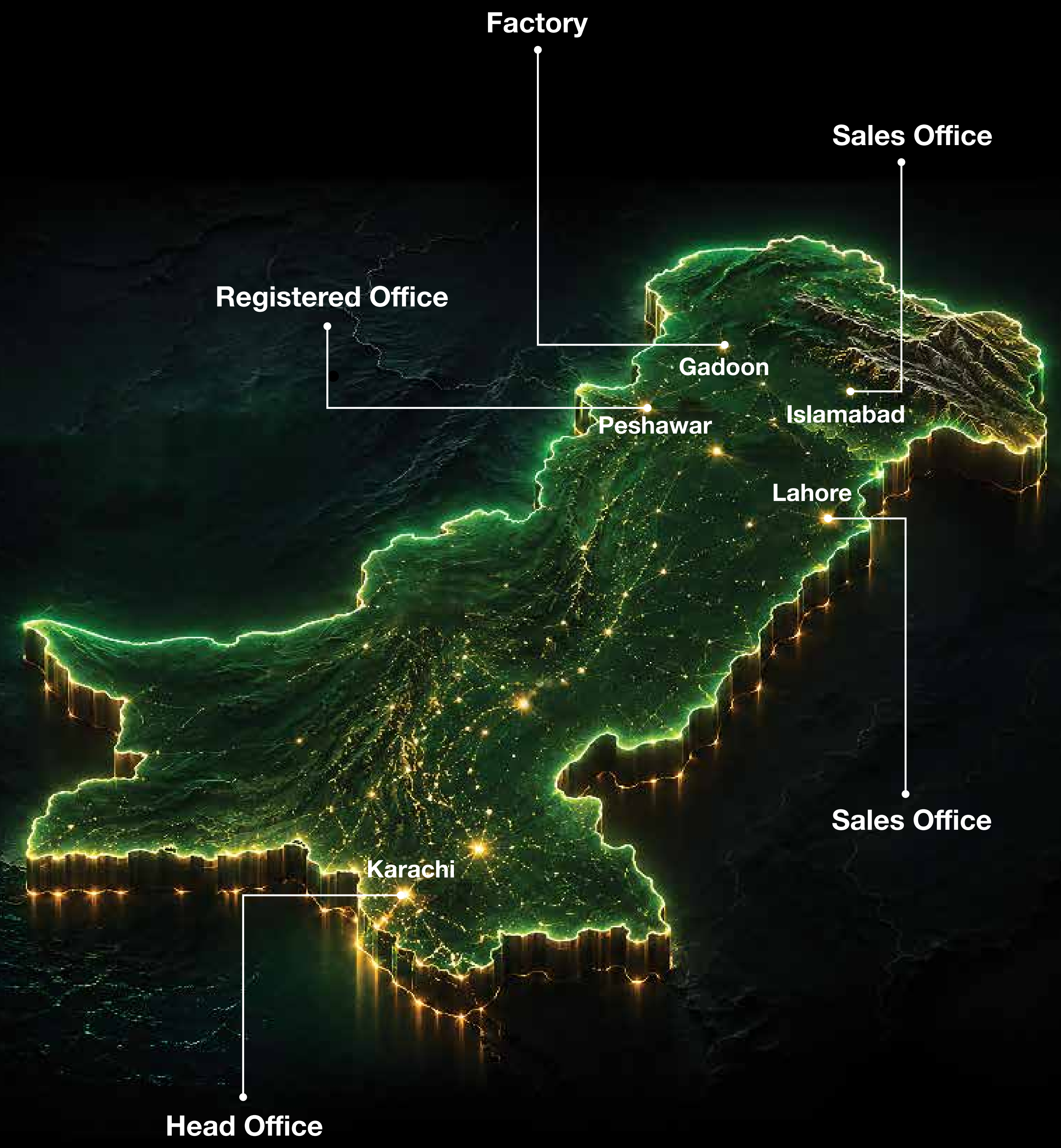
Services
- HOD Electrical
- HOD Mechanical
- HOD Stores
- HOD Dispatches

Manager HR

Senior Manager Administration

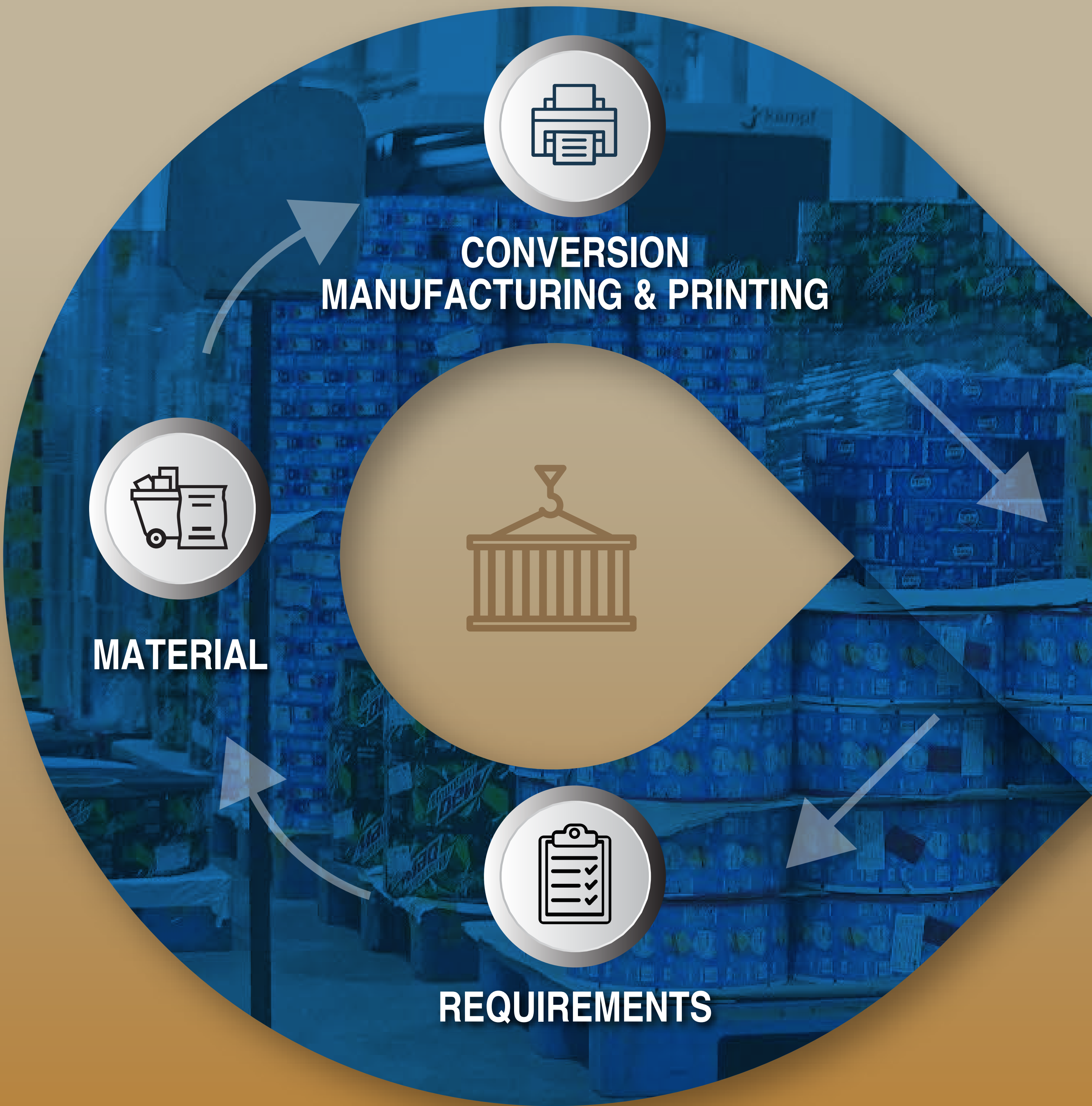
Senior Manager Quality Control

Local Presence

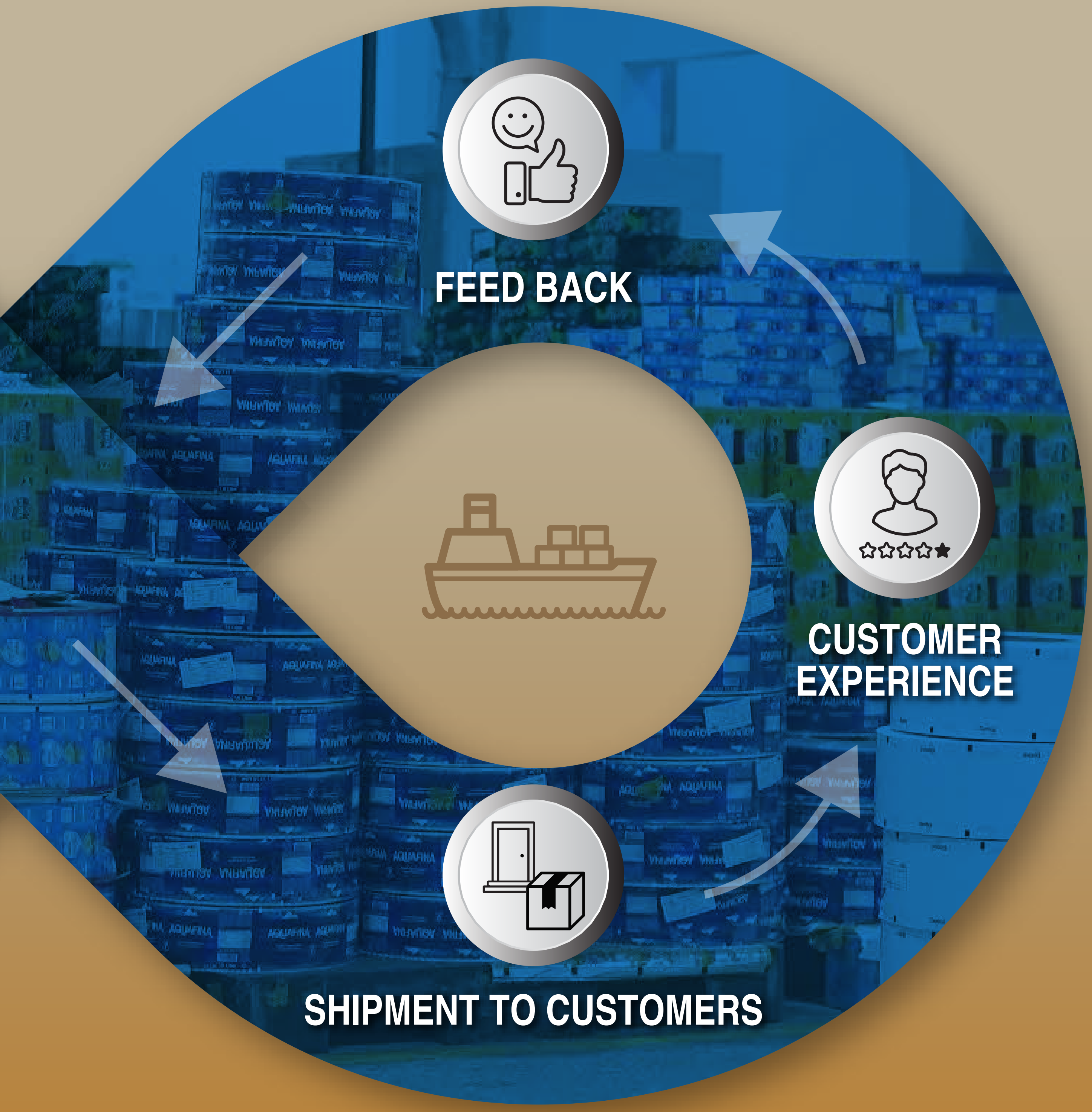


International Presence

Position in the Value Chain



Packaging impacts the sale-ability of a product. Therefore, quality packaging is the key to product success. Cherat Packaging Limited lies right in centre of the product value chain.



Significant Factors Affecting the External Environment

It's not possible for Organizations to work in vacuum. Organizations are affected by its external environment. Some of these factors are listed and elaborated below:

Factor	P POLITICAL	E ECONOMIC	S SOCIAL
Description	Political factors determine the extent to which a government may influence the economy or a certain industry. Political uncertainty trembles the business environment.	Economic factors refer to the financial state of the country. A strong economy invigorates business and vice versa.	Social responsibility of a company cannot be ignored. The Company must play its role in betterment of society in which it operates. Health issues, education problems are among the social problems.
Significant change from last year	- Political uncertainties. - Rifts among political parties. - Protests on food inflation, taxes and power costs	- Increased inflation. - Depleting foreign exchange reserves. - High Electricity & Power costs - US-Iran conflict	- Continuous improvement in HSE department. - Natural catastrophe causing public unrest. - Increased awareness and expectations of society.
Organization's response	The Company continuously analyzes and monitors the political situation of the country including changes in duty structures, taxes and other levies to mitigate any unwarranted affect.	Cherat Packaging Limited has been on strong financial standing. The Company keeps optimal Debt:Equity ratio. Furthermore, it has negotiated competitive rates with various banks for its financing needs. Additionally, healthy relation with suppliers ensures timely supply of material at competitive rates. The Company monitors exchange rates closely. It plans its rapprochement of imported raw material keeping in view, the economic situations, international supply chain issues and outlook of exchange parity.	The Company always strives to be a part of social causes and for the betterment of society. For this purpose, the Company donates in various social causes including education programs and health & safety of society. On the business front, the Company has full-fledged HSE department which works for the betterment and welfare of workers at factory. The Company implemented ISO 45001 to comply with HSE international standards. As a responsible person, the company join hands with other welfare institutions & Govt in provision of food & rations in far flung areas to flood affectees and distribution of food to the less privileged people in the month of Ramadan.

Factor	T TECHNOLOGICAL	L LEGAL	E ENVIRONMENTAL
Description	Technology plays a vital role in success of any Company. Technologically primitive companies often end-up being shutdown.	Companies are required to abide by various laws and regulations. Every responsible company must follow all rules and regulations laid by the Government.	Almost every manufacturing company has an impact on the environment. Climate changes and water shortage is the major area of concern.
Significant change from last year	- Fine tuning of Flexible Packaging machinery for product innovation. - Up-gradation of network and security measures. - Setup of 2nd Extrusion line. - Installed 2.7 MW solar power project.	- Companies Act, 2017. - Income Tax Ordinance. - Sales Tax Act. - SECP Acts, Rules and Regulations. - Code of Corporate Governance. - IFRS Amendments. - Labor and Environmental Laws & regulations	- Implementation of EMS ISO 14001:2015. - Steps to increase consumption of renewable energy.
Organization's response	The Company is equipped with latest technology to face the challenges of dynamic environment. Product innovation is inevitable to meet the ever changing customer demands. Therefore technological up keep of machinery is preordained. The Company continuously monitors and improves its networking infrastructure for smooth data processing and prevention from cyber threats. The Company acquired technical softwares & hardware technologies which helped in identification and analysing of customer products unique requirements and to deliver the best possible. Viewing the emerging demand of extrusion films, the Company has installed 2nd Extrusion line-a Barrier Film Extrusion Line thereby acquiring capability to produce Barrier Films.	The Company abides by all the laws enacted by Government. The Company has employed various professionals of respective fields so that the Company would strongly and strictly follow all the laws that are applicable to the Company.	The Company has always strived to work for the betterment of the environment. The Company is fully compliant of NEQS standards. Company is EMS ISO 14001:2015 certified Company and abides by international rules on environmental protection. The Company is also receiving around 1 MW electricity [Pure Hydro Energy] from Pakhtunkhwa Energy Development Organization (PEDO). Moreover, the Company installed 3.7 MW in aggregate solar power project at its both Bag Manufacturing & Flexible Packaging plant which helps Company to consume green energy, adding value to environment and also contribution to cost savings. To reduce environmental footprint and carbon reduction, the Company has kept its waste and carbon emission to the lowest possible level. The levels are monitored on regular basis.

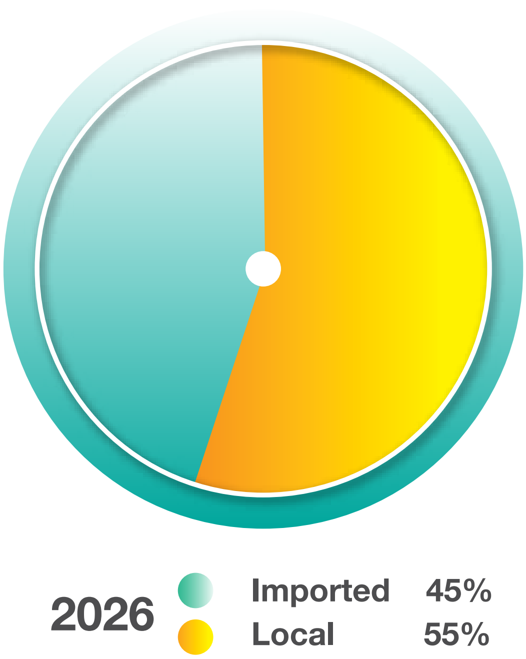
COMPOSITION OF LOCAL AND IMPORTED MATERIAL AND SENSITIVITY ANALYSIS DUE TO EXCHANGE FLUCTUATION

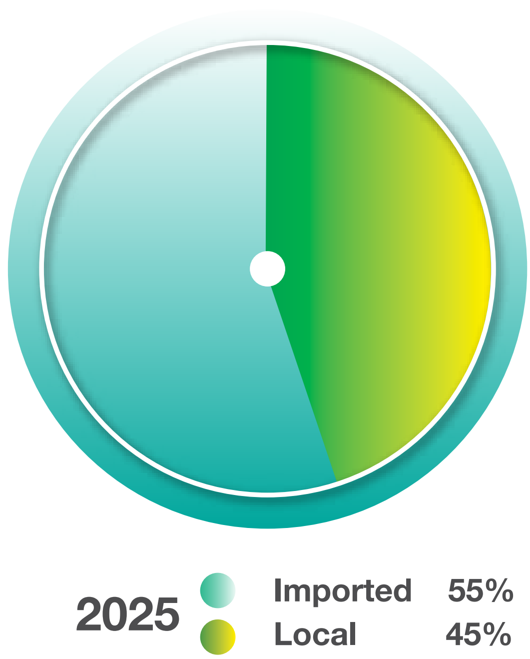
Cherat Packaging Limited is the leading company in Pakistan producing SOS / Carrier Bags, Polypropylene bags and Flexible Packaging material. The Company mainly imports its raw materials for Polypropylene bags and PE films however, some materials like films, inks and solvents etc. are procured from the local market.

The Company is exposed to foreign currency fluctuation not only for its direct imported raw materials but also for those materials which are although procured locally but materials are commercially imported by our suppliers.

Keeping all other factors constant, 10% increase or decrease in exchange rate during the year would have an impact of Rs. 439.61 million on profit before tax of the Company.

RAW MATERIAL COMPOSITION





SIGNIFICANT CHANGE FROM PRIOR YEAR

During the year, the Company experienced volume growth in both the Bag Manufacturing Division (BMD) and the Flexible Packaging Division (FPD). Further, average selling prices in both segments also improved compared to the previous year, primarily due to increase in raw material prices resulting from supply chain disruptions caused by US-Iran conflict. Despite these challenges, the Company strategically focused on expanding its presence in the non-cement including sugar, flour, chemical bags market, successfully increasing its market share as compared to last year.

During the year, the Company installed 2nd Extrusion Plant- a Barrier Film Extrusion Line, capable of producing Barrier films, in Flexible Packaging Division having the capacity of 3,800 MT per annum. Further, the Company also installed 2.7 MW solar panels at the Bag Manufacturing Division.


070 m/min

Competitive Landscape and Market Positioning

Cherat Packaging Limited is a diversified packaging company - with SOS/Carrier Bags, Polypropylene and Flexible Packaging segments. Cement, sugar, fertilizer, Food, Fashion and chemical companies require both Paper and Polypropylene bags based on market acceptability and type of material to be packed and sold (industrial products) while FMCG companies demand Flexible Packaging.

Cherat Packaging is one of the largest producer in cement packaging while it is setting foot in Flexible Packaging industry. CPL gained a rich experience of thousands of man-hours during its journey of more than 37 years. The Company is focusing on expanding its market share and for Flexible Packaging, the Company is focusing to intrude deeper into FMCG packaging industry in the years to come.

Bargaining Power of Suppliers

Cherat Packaging values its suppliers as business partners. CPL has developed strategic partnership with top international raw material suppliers like SABIC. Various raw materials are being procured locally like inks, solvents and various films for Flexible Packaging Division. The Company identifies finest suppliers and nurture strategic partnership with them. By virtue of these partnerships, the Company has preferred supply of raw material without unnecessary delays. Further due to strong and long term relationship with our international raw material supplier the Company has uninterrupted supplies during unprecedented shortages of raw material.

Bargaining Power of Customers

Cherat Packaging has a legacy of putting customers first. The Company is reputed for catering customer demands including development of cost effective solutions. The Company has a customer base with its reputation being a hallmark of quality.

Threat of New Entrants

The packaging industry has seen a rise in competition. New plants have been installed not only in SOS/ Carrier and Polypropylene bags but also for Flexible Packaging material in the past few years. However, Cherat Packaging has a strategic edge over the others. The Company not only enjoys benefits of economies of scales, it also made its name in the field of cement packaging. The Company is positioned well to cater large orders because of its state-of-the-art production facility, large production capacity, superior quality and top quality input materials.

Competitive Rivalry

Large number of producers in Flexible Packaging industry makes it one of the most competitive industry however, most of the suppliers are either small or disorganized that leaves a great potential for organized sector like Cherat Packaging. The Company already has Rotogravure and Flexographic printers, and Extrusion line all procured from top European suppliers. In support, the Company installed bag making, spout insertion machine, cylinder making machine, lamination machines and other auxiliary equipment that give boost to its unmatched production ability. In response to the increase demand for flexible packaging material, the company installed 2nd Extrusion-a Barrier Film Extrusion Line during the year.

Threat of Substitute Products

The Company has well positioned itself to cater future demands and growth. Revival of economy and increase in construction activity will benefit Company in the days to come.

Competitive Edge

The journey of Cherat Packaging is marked with HI TORQUE that defined its competitive edge it has developed over the years.

Human capital

CPL's success is on the back of great human potential. Cherat Packaging believes in efficient HR management, training and development, performance measurement and talent recognition. Cherat Packaging has diversified employee base with hundreds of man-hour experience.

Innovation

Cherat Packaging has always been front runner in product innovation and product development. CPL's lowest gram PP bag is unmatched with respect to price and quality.

Top suppliers

Cherat Packaging believes in procuring best quality raw material from top suppliers. The Company sources its core raw material from QAPCO, Exxon Mobil and SABIC while local material are sourced from various local suppliers after robust quality checks at our state-of-the-art lab.

Outstanding customer support

Cherat Packaging values its customers as business partners. The Company envisages its success in the success of its customers. Cherat Packaging regularly holds meetings with its customers for their specific requirements and helps them in development of new product packaging.

Regular expansions

CPL has been expanding exponentially over the last decade. With a humble start of 1 tuber and 1 bottomer in 1992, the Company is now a leading packaging company with a combined capacity of 510 million bags/ units at its Bags Manufacturing Division and 23.60 million KGs of Flexible Packaging material.

Quality

Cherat Packaging pledges not to compromise on quality. Today, quality and CPL are synonymous in packaging industry.

Unmatched production facility

CPL's production facility includes state-of-the-art latest machinery procured from top European companies. This facility enables the Company to produce finest quality packaging material for its customers.

Economies of Scale

Being the one of the top Company to contain facility of SOS/Carrier bags, Polypropylene bags and Flexible Packaging Material, the Company enjoys economies of scale. Many functions of the Company fall under common umbrella significantly reducing its redundant costs.

Key Resources And Capabilities

Cherat Packaging Limited is ardent in delivering best services and add value to customer needs. The Company has state-of-the-art machinery together with vast experience in packaging business of hundreds of man-hours and top suppliers which enable us to add value to the customer packaging needs and provide cost effective solutions.

SAP Enterprise System

Cherat Packaging is one of the few companies to install SAP solution in packaging industry. The Company has well-established in-house IT department which caters all the customization needs of the Company. The Company successfully customized SAP system to cater Polypropylene, SOS / Carrier bag and Flexible Packaging business. Additionally, the Company's IT department, generates customized reports as required by departmental personnel from time-to-time to enhance decision making. Viewing the capabilities of SAP S/4HANA, the Company successfully migrated to SAP S/4HANA, further, it has also implemented SAP Success Factor

Diversified Business

Cherat Packaging is the only Company in packaging industry which has production capabilities to produce PP bags, SOS / Carrier bags and Flexible Packaging products. CPL is the only Company in Pakistan which can produce various bags of different combinations using paper, PP and flexible packaging materials together and provide unique solutions to its customers.

Energy Efficient And Cost Minimisation

The Company utilises modern state-of-the-art technology and machineries including Windmoller and Holscher plant which assists in achieving the Company's objectives to utilise its scarce resources in cost-efficient manner. Furthermore, the Company have installed Solar panels at its Site to enable further cost savings.

Ideal Location

Location of CPL is ideal from various aspects. Having all facilities in near vicinity of each other enhances economies of scales.

Value Created by the Business Using These Resources and Capabilities

By using these resources and capabilities, Cherat Packaging creates value for its stakeholders in the following manner:

Strategy and Resource Allocation


ETHNC
ETHNC
ETHNC

Strategic Objectives

The foundation of our strategy lies in our aim to maximize shareholders' wealth while upholding best business practices and being a responsible corporate citizen.

Linkage with Companies Overall Vision, Mission and Objectives

The company's strategic objectives are closely aligned with its vision, mission, and overall goals. The vision, "Packaging your future," articulates the company's aspirations for the future. Strategic objectives act as milestones, outlining the necessary steps to achieve this vision. By linking to the vision, these objectives create a roadmap that turns long-term aspirations into actionable plans.

The mission defines the fundamental purpose of the company. By aligning with this mission, the strategic objectives ensure that the company's actions and decisions consistently reflect its core purpose.

Overall objectives are broad goals that the company seeks to achieve. Strategic objectives break these down into specific, time-bound targets that can be pursued and measured. This alignment ensures that all organizational efforts are focused on the same overarching goals, fostering synergy and coordinated efforts across departments.

Together, these strategic objectives guide the company in fulfilling its mission and realizing its vision, promoting sustainable growth, operational excellence, and a positive impact on society and the environment for long-term success.

To accomplish this, the company has established specific strategic objectives. The same are specified below:

Short, Medium and Long-term Objectives

In the short term, we aim to strengthen operational efficiency by driving continuous improvement, optimizing costs, and enhancing workforce capabilities through targeted training and development. Over the medium term, we aim to drive growth by expanding our core business through investments in advanced machinery, enhancing customer management and developing innovative and upgraded products. Building upon these short and medium-term initiatives, our long-term vision is to attain business excellence and diversify operations through a related diversification strategy.

Strategies in Place

Our Core Objective

The core objective of our management is to achieve excellence in business where our venture may be regarded as amongst the best blue-chip stocks in the country. To achieve our objectives, the management strategically strives to enhance stakeholders. value and customer satisfaction. The shareholders' value is maximized through return on investment, which management believes can be achieved through revenue maximization and cost control measures.

The Strategic Edge

The Company has exponentially grown over the years. With diversification into Flexible Packaging Division and SOS/Carrier Bags, CPL is now amongst the few companies to offer varied types of packing solutions, making it the supplier of choice. It facilitates its customers in purchasing quality packaging material for their valuable products.

Sales and Marketing

Marketing targets and budgets are aggressively designed by the management to achieve highest possible returns. Our strategy focuses on setting clear, data-driven objectives and allocating resources effectively to meet those goals. Through regular and rigorous analysis of market trends and performance metrics, we continuously refine our strategies. By staying vigilant and adaptable to emerging market dynamics, we aim to drive sustained growth and secure a strong competitive advantage.

Cost Management

Aiming at cost reduction coupled with environment concerns, CPL secured a supply of hydro power, which lowered the production costs for BMD, resulting in substantial savings. Additionally, the installation of solar power reduced production expenses of the Company. The use of state-of- the-art machinery has also been crucial in managing costs effectively and conserving energy. The company maintains strict cost controls and efficient management practices to ensure expenses remain within acceptable limits. These controls are overseen by a robust reporting structure and an active internal audit department, which independently submits recommendations for improvements to the Board's Audit Committee. The management team implements suggested improvements and corrective actions as needed.

The Company prioritizes creating shareholder value by maximizing returns on investment and ensuring customer satisfaction through the delivery of worldclass products. We aim to ensure the company's long-term sustainability by grooming and training our employees, while creating a supportive work environment that motivates them to perform at the highest standards.

We remain committed to upholding the highest ethical and moral standards in business operations and adheres to the best management principles.

Product, Service and Market development

The Company consistently invests in new product development to keep pace with evolving market trends and consumer preferences. Through collaboration with strategic partners, it gains valuable insights into technological innovations and emerging packaging solutions, enabling the delivery of high-quality and innovative products. In addition, the Company is committed to enhancing customer service and provide customer maximum support beyond customer supplier relationship. During Financial Year 2026, the Company successfully installed and commissioned its second Extrusion Plant — a Barrier Film Extrusion Line — along with allied equipment. The addition of this extrusion line will not only enhance the production capacity of the FPD but also enable it to cater to new market segments, allowing the Company to better meet customer demand and optimize resource utilization.

As one of the leading producers in the cement and flexible packaging industry, the Company brings over 37 years of experience. It is focused on expanding its market share, with particular emphasis on the FMCG packaging segment. By targeting both domestic and international markets, the Company seeks to optimize capacity utilization, strengthen shareholder returns and achieve economies of scale.

Moreover, the SOS/Carrier Bag plant was commissioned at the end of April 2025. The addition of this new product line is allowing the Company to tap new markets for packaging materials, optimize the utilization of its available resources and enhance its sales volumes.

Resource Allocation Plan

Our Strategy
Cherat Packaging Limited is committed to increasing revenue streams to optimize shareholders' wealth and offer our best efforts to provide best value to all our stakeholders for their engagement with the Company.

Human Capital
Cherat Packaging Limited is dedicated to nurturing and optimizing human potential. For this purpose, the Company organized a range of in-house and external workshops and seminars aimed at enhancing employee skills and capabilities. In addition, various employee engagement activities were carried out during the year, as reflected in the calendar of notable events.

Financial Capital
The Company has a long-term loan of Rs. 3.93 billion and short-term loan of Rs. 1.75 billion. The annual target has been communicated to operational departments in line with the approved budget. The Company is confident of maintaining its short-term borrowings at a reasonable level, aligned with its working capital requirements.

Manufactured Capital
CPL takes pride to be the leader in possessing state-of-the-art machinery. The Company is actively exploring new areas of potential and working to increase production and expand market share. In Flexible Packaging Division, the Company is in partnership with its clients to work out various alternate cost-effective solutions which would not only benefit the Company in shape of increased revenue but also the clients in shape of cheaper yet high quality product.

Intellectual Capital
The Company takes pride for being front runner in innovation and providing better solutions to its customers at lowest cost possible. The Company consistently invests on development of new products in response to evolving market trends and consumption patterns. To achieve this objective, our factory is equipped with a state-of-the-art laboratory that continuously monitors product quality and rigorously tests new innovations to ensure its quality surpasses the Company's standards.

Social and Relationship Capital
We recognize that the viability of our enterprise depends on our ability to sustain strong relationships with customers, vendors and with the wider community for whom we also create value. To foster these connections, we invest in initiatives that promote collaboration and ongoing dialogue with our customers and vendors. Additionally, we contribute to the sustainable growth of our communities by providing employment opportunities for both skilled and unskilled local workers.

Natural Capital
The Company allocates resources towards the efficient and responsible use of natural resources, with a focus on energy and water efficiency, responsible use of raw materials, waste reduction, emissions management and environmental protection. The Company continues to invest in energy-efficient equipment, process improvements and renewable energy solutions, while optimizing the use of raw materials to minimize wastage. Water consumption is monitored to promote efficient utilization, while production waste is segregated, recycled or disposed of responsibly in accordance with applicable requirements. These initiatives support the Company's efforts to reduce its environmental footprint, improve resource efficiency and ensure responsible stewardship of natural capital.

Liquidity Strategy

Current Liquidity Position

Cherat Packaging Limited has consistently demonstrated a strong commitment to meeting its financial obligations in a timely manner, with a proven track record of fulfilling its payment commitments within stipulated timelines. The Company has financing arrangements with all leading banks of Pakistan at competitive rates amounting to Rs. 9.35 billion. The Company closely monitors its accounts receivable to ensure that outstanding days remain within industry norms. In addition, the Company reviews its bank position on a daily basis to effectively manage liquidity.

As at the year-end, the Company has short-term borrowings of Rs. 1,746 million and a long-term loan of Rs. 3,929 million. Short-term borrowings increased by Rs. 1,112 million compared to last year, primarily due to higher working capital requirements towards the year-end, including the import of raw materials. The Company continues to explore opportunities to enhance its production capabilities and expand its market share.

The Company's gearing levels are closely monitored and controlled in line with the business objectives. The Company maintains strong liquidity, evidenced by a current ratio of 1.88. We have held decent credit ratings of 'A' in long-term and 'A1' in short-term since 2019, reflecting our robust liquidity position. The Company managed to achieve positive cash flows during the year through its operations. Cash flows are monitored on a daily basis. The Company regularly monitors the debt-to-equity ratio to avoid excessive debt pressure.

Financing Arrangements

The Company maintains strong business relationships with leading banks and financial institutions across the country. Adequate unutilized short-term financing facilities are available with the Company. To support its expansion projects, the Company has secured long-term loans at competitive markup rates, including the Temporary Economic Refinance Facility (TERF) introduced by the Government of Pakistan and the Islamic Finance Facility for Renewable Energy, both of which carry mark-up / profit rate at reduced rates.

Significant Plans and Decisions

During the year, the Company successfully installed and commissioned its second Extrusion line. The extrusion line was sourced from Windmöller & Hölscher. The addition of this state-of-the-art extrusion line will enhance the production capacity of the Flexible Packaging Division and enable the Company to cater to new market segments. This investment will further strengthen the Company's ability to meet evolving customer requirements.

Furthermore, the Company installed 2.7 MW of solar panels at its factory. This investment will contribute to cost efficiency by reducing reliance on conventional sources of energy. It also reinforces the Company's commitment to environmental sustainability by increasing the use of clean and renewable energy.

Significant Change in Objectives and Strategies

There is no material change in Company's objectives and strategies from the prior years.

Political Environment where the Organization Operates and other Companies that may affect the ability of the Organization to meet its Strategy

The financial year 2026 witnessed a gradual recovery in Pakistan's economy amid a challenging global environment. Macroeconomic stabilization measures, easing inflation, improved foreign exchange reserves and stable exchange rate contributed to enhanced economic resilience. Nevertheless, the operating environment remained challenging, with high utility costs, taxation and structural inefficiencies continuing to affect the competitiveness of the manufacturing sector. Despite these challenges, the economy recorded growth of approximately 3.7%, reflecting the resilience of key productive sectors and continued business confidence in long-term growth prospects.

The latter part of the year was marked by heightened geopolitical tensions arising from the conflict between the United States and Iran, which disrupted global energy markets and created uncertainty across international supply chains. The packaging industry was particularly impacted by disruptions in the supply of polymers and specialty raw materials, requiring greater operational flexibility, prudent inventory management and stronger supplier relationships to ensure continuity of operations and customer service.

In addition to the above, the Company primarily sources its imported raw materials from the Middle East. Granules are linked with petroleum prices hence volatile prices of crude oil will keep granule prices unstable. To mitigate this, the management diligently monitors price movements through relevant published indexes and predictive analysis, ensuring the Company remains proactive and well-positioned in the market.

Legitimate Needs, Interest of Key Stakeholders and Industry Trends

The Company considers the legitimate needs and interests of its key stakeholders, including customers, employees, suppliers, shareholders, regulators and the communities in which it operates, while formulating its strategies and business plans (refer to "Stakeholder Relationship and Engagement" section). The Company also monitors industry trends, changing customer preferences, technological developments, regulatory requirements and market conditions to ensure that its products, operations and investments remain aligned with evolving expectations and industry dynamics.

Legislative and regulatory environment in which the Company operates

The Company is committed to complying with all applicable statutory and regulatory requirements. Compliance with the evolving legislative and regulatory framework supports the continuous improvement of the Company's strategies, objectives and business practices. Key areas relevant to the Company include:

1. Corporate Governance and Compliance: The Company complies with the Companies Act, 2017 and applicable regulations and requirements of the Securities and Exchange Commission of Pakistan (SECP), relating to corporate governance, financial reporting, disclosures and investor protection.

2. Taxation and Fiscal Policies: The Company is subject to applicable tax laws administered by the Federal Board of Revenue (FBR), including corporate income tax, sales tax, withholding taxes, customs duties and other fiscal measures. Changes in tax rates, duties and fiscal policies may affect the Company's operating costs and financial performance.

3. Labour Laws and Workplace Safety: The Company complies with applicable labour laws and regulations relating to employee rights, wages, working hours, health and safety and working conditions, with a focus on maintaining a safe and responsible workplace.

4. Environmental Regulations: The Company complies with applicable environmental laws and regulations including Pakistan Environmental Protection Act 1997 and National Environmental Quality Standards relating to emissions, waste management, water usage and environmental protection. The Company continues to strengthen its environmental practices through efficient resource utilization, waste reduction, emissions management, water conservation and other sustainability initiatives.

Effects of Technological Changes, Sustainability and Reporting Challenges, Innovation and Resource Shortages on the Company's Strategy

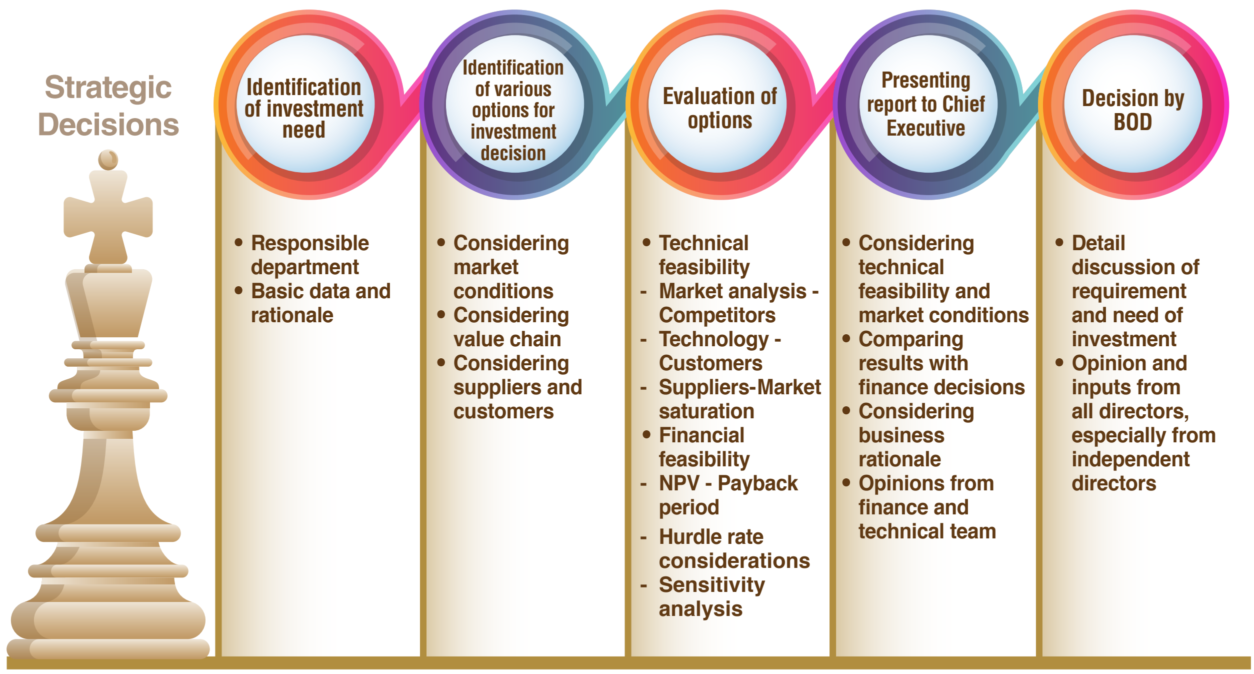
The world is facing material challenges in business arena. These challenges are putting ever mounting pressure on companies to stay responsible, sustainable and profitable. Cherat Packaging has been vigilant in analyzing these challenges and taking all possible measures to align itself with best practices regarding these challenges.

Factors	Effects on Strategy and Resource Allocation
Technological Changes	The Company maintains strategic relationships with suppliers of major machinery, including Windmöller & Hölscher, which enable it to remain abreast of technological advancements and evaluate opportunities to enhance productivity, improve efficiency and optimize costs. The Company assesses and adopts relevant technological developments to strengthen its business processes and decision-making. Investments in SAP S/4HANA, SAP SuccessFactors and modern production equipment provide a strong technological foundation, while the Company continues to explore digital and AI opportunities. Accordingly, resources are allocated towards technology upgrades, process improvements, employee capability development and projects that support long-term competitiveness. As part of its strategic alignment, the Company evaluates investments in new technologies and business opportunities while also considering the disinvestment of activities and production lines that may no longer be aligned with changing technological requirements and demand patterns.
Sustainability reporting and challenges	Sustainability considerations are increasingly integrated into the Company's strategy and resource allocation decisions, with greater focus on energy and water efficiency, responsible use of raw materials, waste reduction and environmental protection. The Company continues to invest in energy-efficient technologies, process improvements and renewable energy solutions, while optimizing the use of raw materials to minimize wastage and reduce its carbon footprint. During the year, the Company expanded its renewable energy footprint by installing an additional 2.7 MW of solar power capacity, in addition to approximately 1 MW already installed at its factory. This investment is expected to generate long-term energy cost savings while supporting the Company's broader sustainability objectives. In addition, approximately 1 MW of hydel electricity is being sourced under a Wheeling Regime Energy Purchase Agreement with the Pakhtunkhwa Energy Development Organization (PEDO), providing access to electricity at a comparatively lower cost. Water consumption is monitored to promote efficient utilization, while production waste is segregated, recycled or disposed of responsibly in accordance with applicable requirements. The evolving sustainability reporting landscape also presents challenges relating to the availability, measurement, monitoring and reporting of ESG-related data, requiring the continued strengthening of internal processes and capabilities.
Initiatives taken by the company in promoting and enabling innovation	The Company fosters innovation by encouraging the continuous evaluation of its products, processes and manufacturing capabilities in response to changing market dynamics. Its approach combines in-house research and development with investment in advanced machinery and technologies, enabling the Company to improve product quality, optimize resource utilization and minimize costs. Resources are allocated towards research and development, process optimization, employee training and capital projects that strengthen the Company's technical and manufacturing capabilities. The commissioning of the SOS/Carrier Bags Plant in April 2025 and the Barrier Film Extrusion Line further demonstrates the Company's focus on building capabilities that support innovation and product development. These investments have expanded the range of solutions offered by the Company and enabled it to respond more effectively to evolving customer requirements and opportunities in new market segments.
Resource shortages	The availability and cost of key resources, particularly raw materials, energy and other production inputs, remain important considerations in the Company's strategic planning. Supply chain disruptions, commodity price fluctuations and rising energy costs may affect production and profitability. To mitigate these risks and support business continuity, the Company focuses on efficient resource utilization, inventory planning, process optimization and investment in energy-efficient and renewable energy initiatives. During the year, the Company expanded its renewable energy footprint by installing an additional 2.7 MW of solar power capacity, in addition to approximately 1 MW already installed at its factory. This investment will contribute to cost efficiency by reducing reliance on conventional energy sources. Established, long-term relationships with key local and international suppliers provide flexibility in managing procurement requirements, negotiating commercial terms and maintaining continuity of critical supplies. The Company has also developed alternate sources of supply from both local and international markets to mitigate the impact of potential supply chain disruptions. In addition, global market developments are closely monitored and procurement strategies are proactively reviewed to manage potential disruptions and cost pressures.

Specific Processes used to Make Strategic Decisions

Tactical decisions have been a forté of Cherat Packaging Limited. It has come a long way through robust decision making process that the Company has developed over the years. New investments, expansions, diversifications etc. all the decisions carry inherent risk. CPL takes into consideration various aspects like market dynamics, technological changes, competitors approach and response, and economic conditions to name a few. Cherat Packaging's success and leadership position in packaging business is the evidence of strategic thinking and strong evaluation process.

As mentioned, CPL has developed multi-layer decision making process to consider and make investment.



Specific Processes used to Establish and Monitor Culture of the Organization

Cherat Packaging's culture is a manifestation of its shared values and beliefs. At Cherat Packaging, we promote high values of Respect, Fairness, Quality and Ownership.

Cherat Packaging regularly promotes its values among employees, especially the new inductees.

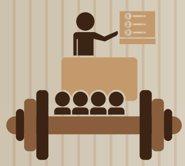
We embrace and encourage our employees' differences in age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our employees unique.

At Cherat Packaging Limited, we have a responsibility to treat others with dignity and respect at all times. Core values are integral part of our annual performance evaluations of our employees. Through performance evaluations, we evaluate our employees' performance against annual SMART goals, behavioral traits and trainings & professional developments.

Company's Attitude to Risk and Mechanisms for Addressing Integrity and Ethical Issues

Cherat Packaging Limited has developed robust policy of addressing integrity and ethical issues in shape of its Whistle Blowing Policy.

SWOT Analysis



STRENGTHS

- **Advanced Technology**
  Cherat Packaging has installed state of the art machinery in all its divisions.

- **Hundreds of Man Hour Experience**
  Cherat Packaging has diversified employee base with hundreds of man hour experience. The Company possesses competent and committed human resource.

- **Preferred Supplier Strategic Partnerships**
  Cherat Packaging has strategic partnerships with leading suppliers of raw material and production (machines SABIC and Windmöller & Hölscher). This provides a strategic edge to the Company over its competitors in shape of preferred supply and first-hand knowledge of technological advancements.

- **One of the largest producer in Cement Packaging industry**
  Cherat Packaging is known as one of the largest producer in the cement packaging industry.

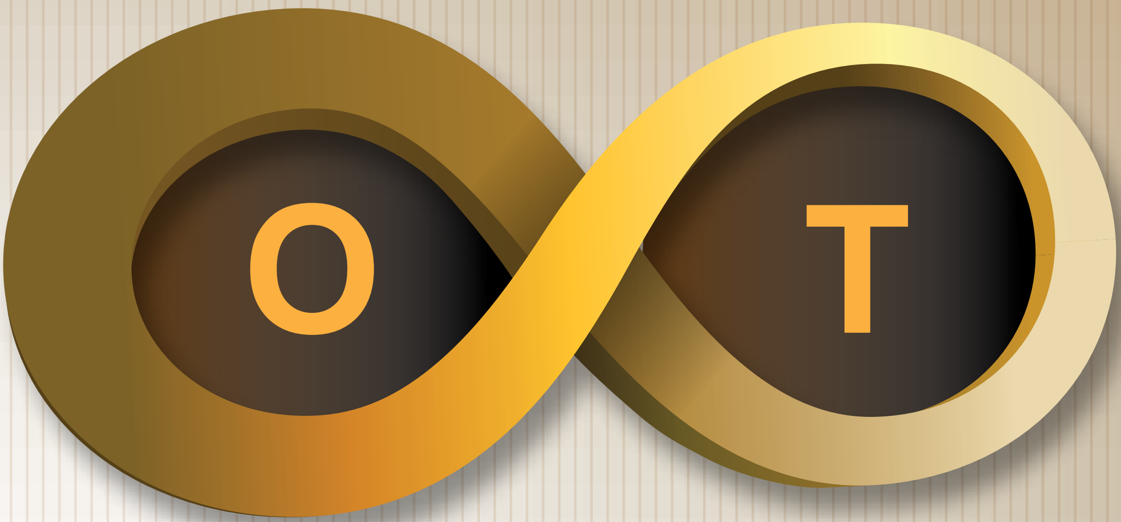
- **Presence in Local and International Markets**
  Cherat Packaging has the presence not only in the local markets but also it is serving international markets. The Company has been exporting its products since 2011.

WEAKNESSES

- **Imported Raw materials**
  Cherat Packaging is dependent on consistent supply of imported raw materials.

  Around 45% of the raw materials represent imported raw materials. Moreover, it has strategic relationships with key international raw material suppliers which benefit the Company in price negotiation and prompt material delivery.

- **Dependence on Expensive Energy**
  Cherat Packaging is currently utilizing 47% green energy. In June 2026, the Company installed 2.7 MW solar power project, which is expected to increase the utilization of green energy in the upcoming years. This will not only reduce dependence on external sources of energy but would also result in financial savings to the Company.



OPPORTUNITIES

- **Export Expansion**
  The Company continually explores international markets and innovates its products to expand its exports.

- **Cost Saving Initiatives**
  Cherat Packaging is always working on different initiatives to increase efficiency and effectiveness and ultimately reduction in cost. For this, it is always in contact with its strategic partners / machine manufacturing companies so that any technological advancement which can improve effectiveness and efficiency can be implemented timely. Moreover, the Company installed solar power panels which is assisting the Company in reduction of energy cost.

- **Product Shift**
  The Company has an edge over its many competitors since it is able to offer both forms of printing at its FPD. The Company has in house cylinder making and plate processing facilities, which further assists the Company to innovate the products and meet demands of its customers timely. FPD has also been able to transform its many Roto printing products to Flexo printing. Moreover, the Company has commissioned a Barrier film line. This provides ample room to CPL to tap new customers / products.

- **SOS / Carrier Bags Market Opportunity**
  CPL has successfully established SOS/Carrier Bag Unit within its Bag Manufacturing Division to enter new markets and attract a broader customer base. This strategic expansion is aimed at diversifying the product portfolio, particularly in the retail and FMCG sectors. This will also contribute to revenue growth and long term sustainability.

THREATS

- **Reduced PSDP Spending**
  In order to cater declining economic situation, the Government may reduce PSDP spending. Reduction in PSDP may have an adverse impact on Cherat Packaging, indirectly through decline in cement demand.

- **Rising Cost of Imported Raw Materials and Volatile Exchange Rates**
  Raw material cost is a substantial part of the overall cost of production of the Company. As a result of international economic conditions including rising costs of international fuel prices, suppliers increase the cost of products. In order to mitigate the risk, the company analyzes raw material prices offered by various suppliers on a regular basis to compare and control its purchasing cost.

- **New Entrants**
  New competitors especially captive plants are entering into cement packaging business. This poses significant threat to the company's sale volumes. However, the company has explored the potential of non-cement bags market and excelled in different other sectors to increase its business. Moreover, with hundreds of man-hour experience and state of the art technology, CPL's packaging is of high quality with minimal rejections / returns. These factors are helping the company to mitigate the impact of increase in competition.

Risks and Opportunities

Risks and Opportunities

The Board of Cherat Packaging Limited (CPL) principally assumes the responsibility to mitigate all possible risks and to identify and utilize potential events that may affect the Company. This principle keeps the Company within its risk appetite and helps to achieve its corporate objectives.

CPL is susceptible to various risks. However, through comprehensive planning and an acute business understanding of the management, the Company continues to identify and mitigate actual, potential and perceived risks. The Company maintains an established control framework comprising clear structures, authority limits and accountabilities, well implemented policies and procedures and budgeting for review processes.

The Board of Directors of the Company establishes corporate strategies and business objectives. Moreover, the Board's Audit Committee is responsible for Internal Controls in the Company. The Internal and External Auditors' reports are submitted to the Audit Committee for its review, which after detailed deliberations and suggestions for improvement are submitted to the Board of Directors.

Following are the major risks which may affect our business operations and mitigating strategies for controlling these risks.

Risks

Risk Level / Impact	Risk	Area of Impact	Source	Key Source of Uncertainty	Mitigating Strategy
High / High	Rising cost of imported raw material	Financial capital	External	Raw material cost is a substantial part of the overall cost of production of the Company. As a result of international economic conditions including rising costs of international fuel prices, suppliers increase the cost of products.	The Company analyzes raw material prices offered by various suppliers on a regular basis to compare and control its purchasing cost. Moreover, it has strategic relationships with key international raw material suppliers which benefit the Company in price negotiation and prompt material delivery.
High / High	Exchange Rate Fluctuation	Financial capital	External	Any fluctuation in exchange rate has direct impact on the Company and its profitability. Further, it becomes challenging for the Company to compete in the market due to frequent fluctuation of PKR parity against USD and Euro.	The Company regularly scrutinizes the parity fluctuations and whenever needed, enters into hedging arrangements.
Moderate / High	Availability of Imported Raw Material	Manufactured capital, relationship capital	External	Any shortage of the material may have an impact on the production and sales activity of the Company.	The Company manages strategic relationship with best and high quality international suppliers of raw material, as already mentioned. Moreover, the Company has identified alternate suppliers to cater any bottlenecks relating to raw material availability. Further, the Company effectively monitors its inventory and checks it with production plan to maintain safety stock level and determine reordering of raw materials.

Risk Level / Impact	Risk	Area of Impact	Source	Key Source of Uncertainty	Mitigating Strategy
Moderate / High	Credit Risk	Financial capital	Internal	The Company extends credit to its customers. There lies a risk factor that the customers may fail to discharge their obligations and cause a financial loss to the Company.	The Company regularly analyses the credit position and credit worthiness of its customers and extends credits based on minimum risk of financial loss. The Company also receives advance against sales, local LC or post-dated cheques where the risk factors are higher than the Company's pre-defined standards. Moreover, the Company regularly monitors its outstanding debtors and endeavour to keep days outstanding to allowed number of days.
Low / High	Working Capital Management	Financial capital	External	Any increase in raw material cost or increase in volume of raw material stock or debts may limit the avenues for availability of sufficient working capital.	Management has addressed the risk of shortage of working capital by availing the sufficient credit lines from the diversified financial institutions in order to meet the short-term requirements of the Company. Further, the Company strives to keep a check on its debtor, creditor and inventory turnover in order to avoid any unnecessary working capital blockage.
Low / High	Rise in Energy Costs	Manufactured capital, relationship capital	External	The energy cost component is one of the important factor of the overall cost of product. Any rise in energy cost would mean reduction in the profitability of the Company.	The management of the Company strives to keep production wastage to a minimum level and productivity at the highest. Higher productivity helps reduce energy cost and increase profitability. The Company has state of the art machinery which helps in production in less time and with low wastage. The Company has installed 0.96 MW of solar power project in FPD and during the year 2.7 MW in BMD that would reduce energy cost. Arrangement with PEDO Khyber Pakhtunkhwa for hydel power which also assist the Company in reduction in energy cost.

Risk Level / Impact	Risk	Area of Impact	Source	Key Source of Uncertainty	Mitigating Strategy
Low / Moderate	Employee turnover	Human Capital	Internal	Key employees and workers leave the Company causing lack of competent workforce.	The Company values its workers and employees as essential capital. Therefore, it provides a congenial environment and growth opportunities. Furthermore, the Company has a robust succession plan in place.
Low / High	Natural Catastrophe	Manufactured capital relationship capital	External	Destruction of production facility due to natural disaster.	The risk is addressed as follows: Every possible aspect of safety measures has been taken into consideration by the Company during construction and erection of building and plant. The Company has comprehensive insurance cover for any catastrophic event. The Company has well-established disaster recovery plan and data backup to address any unwarranted event.
Low / High	Information systems risk	Manufactured capital	External	Loss of Company data and theft of sensitive information.	The software including the firewall / antivirus are regularly updated in order to minimize the risk of loss or theft of data. Moreover, the Company has a comprehensive disaster recovery policy to address the risk. The Company maintains back-up servers to recover data in case of any disaster.

OPPORTUNITIES

Opportunity	Impact Area	Source	Key Source Opportunity	Mitigating Strategy
One Window Operations	Manufactured capital	Internal	Production capability to produce SOS/Carrier bags, Polypropylene bags and Flexible Packaging material.	With this great strategic edge, the Company is in tactical position to secure more local market share and enjoy benefits of economies of scale.
Production Capacity	Manufactured capital	Internal	One of the highest combined production capacity.	The Company actively pursues local and international markets to fully utilize its potential capacity and earn higher return for its shareholders. Further, this also enables the Company in achieving economies of scale.
Modern Equipment	Manufactured capital	External	Most modern and state-of-the-art machinery for SOS/Carrier bags, Polypropylene bags and Flexible Packaging material.	Efficient machinery enables the Company to operate with the minimum cost of production, thereby offering its customers high quality bags in cheap price. This in turn results not only in customer retention but also attracts new customers.
Diversification	Relationship capital, Manufactured capital	Internal	Developed the capability to produce not only Cement bags but also bags for sugar, flour and chemical. Further, the Company has capability to produce Flexible Packaging material in accordance with customer demand.	The Company is committed to explore all possible avenues to maximize the pace of growth of the Company and Shareholders wealth.
Efficient and congenial work environment	Human Capital	Internal	Provide congenial work environment where employee feels motivated for work.	Provide effective environment without excessive work pressure. Continuous training and development of employees. Benefit aligned with efficient and effective work and team management.
Growth of FMCG market	Relationship capital, Manufactured capital	External	Expected growth in FMCG market due to continuous increase in demand of those items.	The Company invested in Flexible Packaging plant with Flexo, Roto and Extrusion machines to materialize potential growth. Further, the Company had installed SOS/Carrier bags project last year. During the year the Company has installed 2nd Extrusion line-a Barrier Film Extrusion Line.

Comprehensive Framework:
Addressing Key Risks, Methodology, Risk Appetite and Reporting

Cherat Packaging Limited has in place a, fully functional comprehensive framework for addressing key risks, methodology, risk appetite, and reporting. This framework is designed to strengthen our risk management practices, enhance our strategic decision-making, and ensure the sustainable growth of our organization while preserving shareholder value.

1. Identification of Key Risks:
Our framework begins with the identification of key risks. We have conducted a thorough assessment of various risks that could impact our organization, including financial, operational, strategic, compliance, reputational, and technological risks. These risks have been categorized and prioritized based on their potential impact and likelihood.

2. Methodology for Risk Assessment:
We have established a rigorous methodology for risk assessment that combines qualitative and quantitative analysis. This methodology utilizes tools such as risk matrices, risk heat maps, and scenario analysis to evaluate and prioritize risks. We are committed to regularly reviewing and updating this methodology to ensure its relevance.

3. Risk Appetite and Tolerance:
CPL has defined its risk appetite and risk tolerance levels. Our risk appetite represents the level of risk we are willing to accept in pursuit of our strategic objectives, while risk tolerance sets specific thresholds for acceptable risk levels. These levels are aligned with our strategic goals and the expectations of our stakeholders.

4. Risk Mitigation and Control Measures:
We have developed and implemented risk mitigation and control measures for each identified risk. These measures are designed to reduce the likelihood and impact of adverse events. Clear ownership and accountability have been assigned for each risk mitigation measure, ensuring effective execution.

5. Risk Monitoring and Reporting:
Our framework includes a robust risk monitoring and reporting system. Key risk indicators (KRIs) have been established to provide early warning signals of impending risks. We will regularly monitor changes in risk profiles and assess the effectiveness of risk mitigation measures. Reporting structures have been established to communicate risk information to relevant stakeholders, ensuring transparency and informed decision-making.

6. Risk Governance and Framework Oversight:
Our risk management policies and procedures are well-documented and consistently followed throughout the organization. Regular reviews and updates of the framework are conducted to adapt to changing business conditions and emerging risks.

7. Integration with Strategic Planning:
Risk management is integrated into our strategic planning process. This ensures that risk considerations are an integral part of our decision-making. Our risk management objectives are aligned with our strategic goals to enhance our overall resilience.

8. Training and Communication:
We provide training and awareness programs to ensure that all employees understand their roles and responsibilities in managing risks. Open channels of communication are established to encourage the reporting of risks and near misses, fostering a culture of risk-awareness and accountability.

9. Testing and Simulation:
We regularly conduct stress tests, scenario analyses, and simulations to assess our ability to withstand various risk scenarios. The results of these tests are used to refine our risk mitigation strategies and enhance our preparedness.

10. Continuous Improvement:
Our commitment to continuous improvement is unwavering. We will regularly review and assess the effectiveness of our risk management framework. Feedback from stakeholders will be sought to make necessary improvements, ensuring the adaptability of our framework to changing circumstances.

In conclusion, CPL is dedicated to a proactive and comprehensive approach to risk management. This framework will guide us in navigating the complex landscape of risks while allowing us to seize strategic opportunities. We believe that by implementing and continuously refining this framework, we will enhance our resilience, protect shareholder value, and achieve sustainable growth.


ADVANTEX
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ADVANTEX

Risk of Supply Chain Disruption Due to Environmental, Social or Governance Incident and Company's Strategy for Monitoring and Mitigating These Risks

The Company recognizes that environmental, social, and governance (ESG) factors are critical to our long-term business sustainability and success. As a responsible organization, we acknowledge the potential risk of supply chain disruption associated with ESG incidents. We recognize that such incidents can adversely impact our operations and disrupt the flow of goods and services critical to our business. To address these risks, we have adopted a comprehensive strategy for monitoring and mitigating these potential disruptions.

Particulars	Environmental	Social	Governance
Risk	In a period marked by the evident effects of climate change, we understand the threats it can pose. Climate change can lead to extreme weather, resource scarcity, and disrupted logistics. These may impact the availability of raw materials and transportation infrastructure, accordingly, disrupting our supply chain. Further, shortages of critical resources including energy can disrupt the supply chain by increasing costs and reducing availability.	Labor strikes, worker exploitation or human rights abuses in the supply chain can result in production delays. Further, if our operations or suppliers are involved in conflicts with local communities it may lead to protests or legal actions.	Governance incidents, such as regulatory non-compliance by our suppliers can result in legal actions, fines, or sanctions. These legal repercussions can cause disruption as resources and attention are diverted to address legal issues. Further, governance incidents involving unethical behavior by suppliers can strain our relationships with them, potentially resulting in the termination of contracts and disrupting the supply chain.
Monitoring the risk and mitigating Strategy	We aim to diversify our supplier base to reduce the concentration risk in areas prone to environmental hazards. Further, we actively promote usage of green energy through the utilization of solar and hydroelectric power. This not only reduces the carbon footprint of the Company but also saves the cost.	We prioritize suppliers who demonstrate fair labour practices and uphold human rights standards. Additionally, we engage with local communities and stakeholders to build positive relationships and minimize conflicts.	We assess suppliers' governance frameworks to ensure transparent and ethical business practices. Suppliers with strong corporate governance structures are preferred to mitigate the risk of disruptions arising from issues related to fraud, corruption, and compliance breaches.

Particulars	Environmental	Social	Governance
	Moreover, we maintain contingency plans that outline steps to be taken in the event of a supply chain disruption. These plans are periodically reviewed and updated to align with emerging risks.	Moreover, we maintain contingency plans that outline steps to be taken in the event of a supply chain disruption. These plans are periodically reviewed and updated to align with emerging risks.	Moreover, we maintain contingency plans that outline steps to be taken in the event of a supply chain disruption. These plans are periodically reviewed and updated to align with emerging risks.

The manufacturing sector faced a challenging operating environment during the year due to geopolitical tensions, disruptions in regional shipping routes, higher freight and insurance costs, and volatility in international commodity and petrochemical prices. These factors increased the cost and constrained the availability of key raw materials for the packaging industry.

Despite these challenges, the Company's ability to maintain uninterrupted and profitable operations during the recent U.S.–Iran conflict is a testament to the robustness of its business continuity framework and supply-chain resilience. This performance demonstrates the Company's preparedness to effectively navigate unforeseen disruptions, mitigate operational risks, and sustain business performance amid a volatile external environment.

Continuous improvement is integral to our approach. We actively assess and enhance our supply chain monitoring and mitigation strategies by incorporating insights from emerging risks, industry best practices and feedback from stakeholders. Our dedication to address environmental, social, and governance risks highlights our commitment to sustaining a robust supply chain capable to withstand potential disruptions and contribute to our long-term success.

Materiality Approach

The Board of Directors of Cherat Packaging reposes authority and power to the Company's management for taking day to day decisions. The management however, observes the approach of materiality in applying power and authority. Materiality is a matter of judgment and the Company thinks that a matter is material if, individually or in aggregate, they are expected to significantly affect the performance and profitability of the Company. In order to execute day to day operations/ transactions delegation of powers has also been defined clearly and formalized procedures are followed for their execution.

Initiatives taken to Promote and Enable Innovation

Cherat Packaging has consistently been at the forefront of innovation within the packaging industry. In the past, CPL introduced 2 ply bags for cement companies which were well received by the cement industry. In respect of Polypropylene, CPL was able to produce lowest grammage bag in the world with same high quality and strength. This innovative product is unmatched and remains a symbol of CPL exclusively. In FPD, CPL was able to convert Roto printing jobs into Flexographic printing jobs without compromising on quality.

Furthermore, the Company is always in contact with its strategic partner (Windmoller & Holscher) to gain firsthand insights into technological advancement and emerging packaging trends. This ongoing collaboration empowers CPL to offer its customers the highest quality innovative products with a wide array of options. Further, to keep its production quality at its optimal, CPL conducts regular in-house training programs to enhance the skills of its workers.

For cement industry CPL Produced lowest grammage Polypropylene bag in the world with same high quality and strength.

Sustainability and Corporate Social Responsibility

Environmental, Social and Governance (ESG)

Environment, Social and Governance (ESG)

ESG principles form a core pillar of CPL long-term strategy. The Board is committed to embedding these considerations into the Company's operations to enhance stakeholder value and ensure sustainable growth.

Board Statement on CSR, ESG & DE&I Commitment.

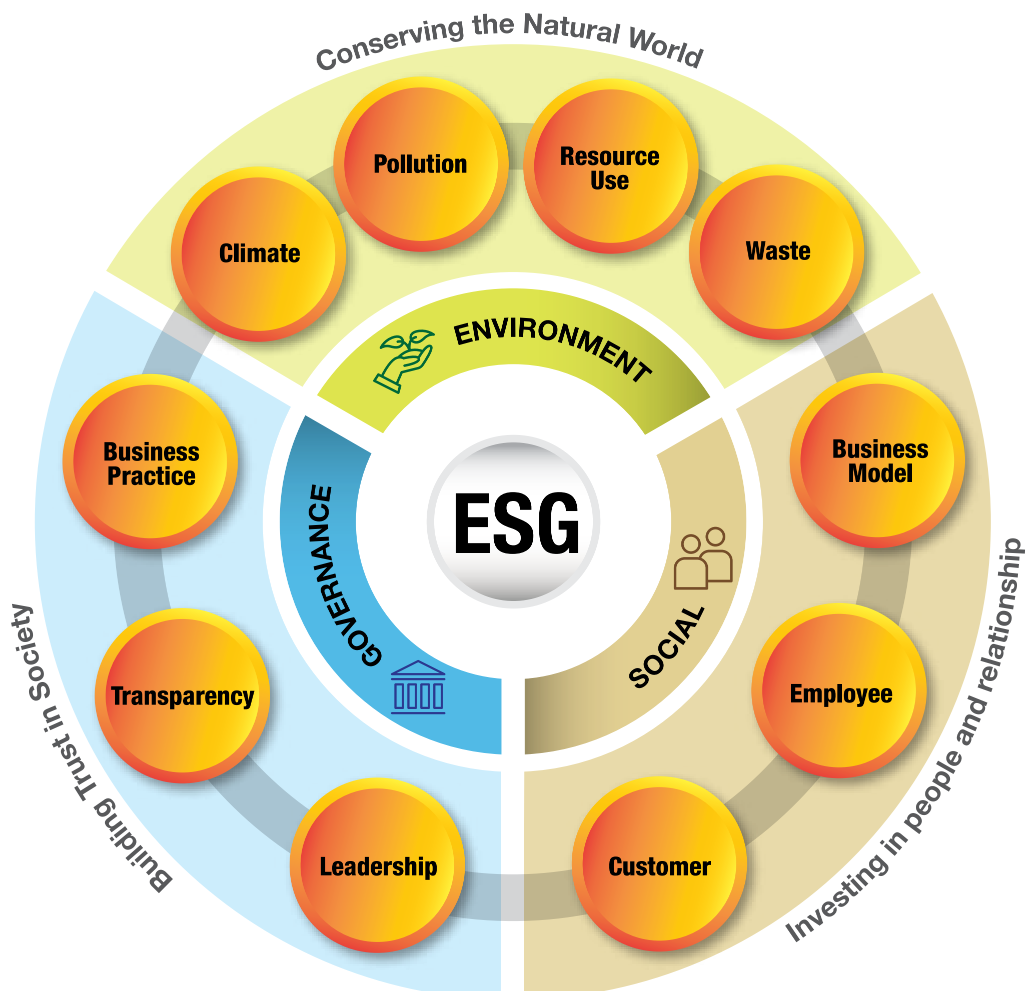
The Board of Directors of Cherat Packaging Limited (CPL) reaffirms its commitment to the adoption and promotion of CSR best practices across all areas of the Company's operations. The Board recognizes that sustainability is not only a moral and social responsibility but also a strategic driver of financial performance and long-term stakeholder value creation.

Our sustainable practices have a measurable impact on business performance having material financial impacts such as reduced operating costs by using Renewable energy sources, enhanced productivity from strong employee health and safety standards and strengthened market competitiveness through community engagement. These outcomes demonstrate that CSR is embedded into CPL strategy not only as a social obligation but as a source of resilience, profitability and corporate growth.

Energy Efficiency and Renewable Investments:

The Company's transition towards renewable energy sources, including solar and hydel power, enabled it to fulfill approximately 47% of total electrical energy requirements through green channels in 2026. This shift has significantly reduced reliance on conventional energy, lowered production costs, and ensured energy security during grid outages. The resulting cost savings have directly enhanced profitability of the company and thereby passing on it's benefits to it's shareholders in form of higher dividends.

In 2026, we consumed 2,873 MWh from solar energy (with 13.68 MWh exported to the national grid) and 7,558 MWh from hydel power, in addition to 11,814 MWh from the national grid. Collectively,



these efforts ensured that 47% of our total electrical energy needs were met from renewable sources.

Waste Reduction, Recycling & Disposal:

Investments in state-of-the-art recycling facilities, including granule and solvent recycling machines, have significantly reduced raw material wastage and disposal costs. By reusing materials that would otherwise be discarded, the Company has improved cost efficiency while simultaneously minimizing its environmental footprint. This dual benefit strengthens both financial performance and sustainability objectives, contributing to long-term operational resilience. Moreover, solid chemical waste is disposed off to EPA (Environmental Protection Agency) approved vendor which in turn will ensure safe disposal of waste and would ultimately minimize harmful impacts on the environment.

Employee Safety and Welfare:

A safe, healthy and engaging work environment is critical to productivity. Our continuous investment in occupational health and safety systems, training and employee welfare programs has resulted in lower absenteeism, minimal workplace incidents and a high retention rate, even in a competitive labor market. Reduced employee turnover lowers recruitment and training costs, while a motivated workforce contributes to improved efficiency and quality, ultimately strengthening financial performance.

The total training hours undertaken by the company summed up as follows ;

482	Training hours arranged for management staff;
2382	Training hours arranged for middle level staff
567	Training hours and simulations performed by HSE department for factory staff.

Diversity, Equity & Inclusion (DE&I):

CPL has adopted a Diversity, Equity, and Inclusion (DE&I) framework to promote gender equality, fair treatment, and inclusive growth opportunities. Our DE&I targets include increasing female representation across management levels, ensuring equal pay for equal work, and implementing policies against discrimination and ethnicity belongings.

Community Development and CSR Awards:

The Company actively contributes to education, healthcare, and community welfare programs, which enhance its reputation as a socially responsible organization. Recognition such as the CSR Award for Best Practices and Green Energy Initiatives demonstrates external validation of our efforts. These honors not only brand image but also strengthens customers trust.

Regulatory and Investor Confidence:

By proactively adopting CSR practices, CPL ensures compliance with emerging regulatory frameworks and international sustainability standards. This proactive approach reduces the risk of penalties, operational disruptions or reputational damage. Moreover, strong CSR credentials position the CPL favorably with investors and financial institutions, improving access to financing opportunities and lowering the cost of capital, thereby creating additional financial value.

Embedding Sustainability and ESG into Corporate Strategy:

The Company reaffirms its commitment to sustainable growth by aligning the Company's strategy with the SECP's ESG disclosure guidelines. These initiatives promote transparency and accountability, strengthen investor confidence, fulfill our social and environmental responsibilities, and support long-term value creation for all stakeholders.

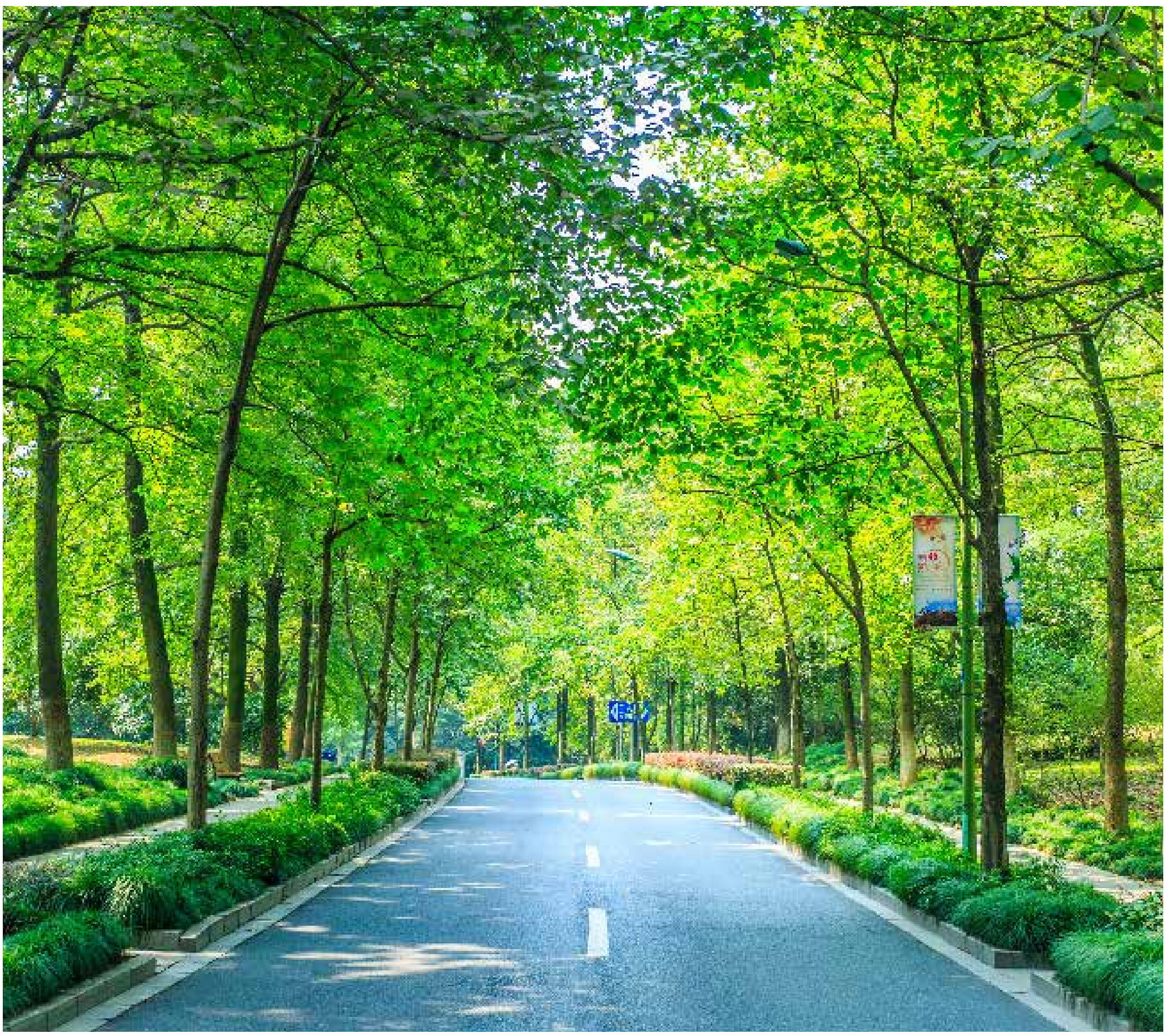
The Company's transition towards renewable energy sources, including solar and hydel power, enabled it to fulfill approximately 47% of total electrical energy requirements through green channels in 2026.

Sustainability Related Risks, Opportunities and Redressal Strategies

The Board of CPL principally assumes full responsibility for operation of the company within the laws and the urging need for the company to be environmental friendly, meeting expectations of various groups of stakeholders through application of best governance practices around the world. The Board have put in place rigorous mechanism for identification of risks, evaluation of its possible impact on scenario based analysis on the Company and developed strategies to mitigate all possible risks. This principle keeps the Company within its risk appetite and helps to achieve its corporate objectives. The Board through its Audit Committee evaluates the control system for possible improvisation and enforce changes due to emerging risks & opportunities presented by the ESG.

The Board empowered management to perform comprehensive planning to address key risk and develop established control framework comprising clear structures, authority limits and accountabilities, well implemented policies and procedures. The management of the Company have maintained close eyes in the overall environment the Company operates and align/redesign its policies and procedures to the ever changing business dynamics and the risks involved to protect the interest of the company and its stakeholders.

Following are the major risks which may affect our business operations and mitigating strategies for controlling these risks.



Risks	Company Responses / Opportunities / Initiative	Financial Implications
Energy Shortage	- Installed solar system to ensure uninterrupted production during power failures. - Based on same analogy, CPL has installed 2.7 MW additional solar system in 2026.	- By addressing risks and responding as opportunity has brought following financial implications for CPL. - Short-term: Operations became stable with lower operating cost. - Medium-term: Fuel cost volatility factor is addressed. - Long-term: Increased customers confidence due to timely production and supplies.
Water Availability	- Production processes are not water intensive. - Employed water-efficient machinery. - Reuse water for landscaping/Gardening to minimize water consumption. - Regular lab testing to monitor discharge; maintain values within regulatory limits.	- Short-term: Minimal disruption due to low water requirements. - Medium-term: Stable production and cost efficiency. - Long-term: Sustainable water management and stakeholder confidence.
Supply Chain Disruption	- Prime factor of ESG is considered in supplier selection. - Diversify supplier base locally and internationally. - Ensure reliable transportation for timely deliveries and safe deliveries to customers. - Review and update mitigation plans regularly.	- Short-term: Possible cost increase from delays. - Medium-term: Stable margins ensured through mitigation. - Long-term: Company's goodwill is ensured.
Cybersecurity	- Maintain up-to-date disaster recovery plan. - Implement robust data backup, access control, and regular log reviews - Effective firewall system is ensured.	- Short-term: Reduced risk of data/financial loss to CPL. - Medium-term: Reduced risk of recurring incidents. - Long-term: Maintains reputation, stake-holder trust, and regulatory compliance.
Product Safety and Integrity	- Comprehensive and updated QC department and labs are ensured to meet customer requirements and standards. - Shredder has been installed to ensure the proper shredding and disposal of customer-design waste through EPA-approved vendors.	- Short-term: Customer complaints and dissatisfaction is addressed, refining business relations. - Medium-term: Quality monitoring prevents recurring issues. - Long-term: Maintains brand reputation, reduces liability risks.
Climate Change/ Natural Disasters	- Implement safety measures in plant construction. - Install lightning arresters and other relevant protective installations. - Maintain comprehensive insurance coverage. - Establish disaster recovery plan and data backups.	- Short-term: Operational disruption from unforeseen events. - Medium-term: Reduced financial exposure through insurance & plans. - Long-term: Ensures business continuity and investor confidence.
Air Quality	- Deploy low-emission, advanced machinery. - Conduct regular maintenance and monitoring of emissions. - Review energy mix to reduce CO2 emissions. - Use low-emission transport vehicles for product delivery.	- Short-term: Addressed the risk of regulatory non-compliance and penalties. - Medium-term: Adherence to environmental regulations. - Long-term: Supports ESG compliance, brand reputation, and sustainable financing.
Regulatory Changes.	- CPL not only believes in compliance with the law but also in ensuring its requirements are met in true letter and spirit. - Monitor legal landscape through dedicated legal department. - Maintain updated contingency plans and adapt to evolving regulations. - Timely disclosure of material information to stakeholders. - Conduct staff training on regulatory changes.	- Short-term: Addressed the risk of fines, penalties and operational delays. - Medium-term: Although compliance costs have increased, they have helped in addressing both operational and reputational risks. - Long-term: Improved brand trust and customer confidence.

Four Pillars Approach to ESG (Governance, Strategy, Risk Management, Metrics and Targets)

Governance

The Board of CPL principally assumes full responsibility for operation of the company within the laws and the urging need for the company to be environmental friendly, meeting expectations of various group of stakeholders through application of best governance practices around the world. The Board have put in place suitable mechanism for identification of risk, evaluation of its possible impact on scenario based analysis on the Company and developed strategies to mitigate all possible risks. This principle keeps the Company within its risk appetite and helps to achieve its corporate objectives. The Board through its Audit Committee evaluates the control system for possible improvisation and enforce changes due to emerging risks & opportunities presented by the ESG.

The Board of Directors of the Company comprises individuals with diverse expertise, including independent, non-executive, and executive members responsible for overseeing the Company's operations. The Board actively engages in strategic decision-making, thoroughly considering all relevant facts, activities, operations, risks, opportunities, and management's proposed mitigation strategies. Our strategic goals encompass eco-friendliness, fulfillment of societal obligations, and proficient governance.

Fully aware of its ESG responsibilities, the Board strongly supports the Company's ESG initiatives to achieve sustainable growth for all stakeholders. We are resolute in diminishing our carbon footprints, safeguarding resources, promoting usage of green energy and handling waste materials in an environment friendly manner. Our focal points include promoting diversity, ensuring employee welfare, and actively participating in the community. Our decision-making is steered by ethical behavior, openness, transparency and prudent risk management.

Through its Audit Committee, the Board monitors and evaluates the Company's risk profile, internal controls, and risk mitigation strategies, and conducts effective audits via the internal audit department. The Board has empowered management to undertake necessary actions, and in response, management has established a robust system for identifying operational risks, reviewing activities for potential improvements, and developing strategies to mitigate adverse impacts and capitalize on opportunities.

To follow the Board's directives, the management has set up a fully functional HSE (Health, Safety, and Environment) Department. This department oversees the Company's compliance with health, safety, and environmental laws, regulations, best practices, certification requirements, and customer audit requirements. The HSE Department reports directly to the Chief Executive Officer and Chief Operating Officer on material activities and risks, along with proposed mitigation strategies.

Management conducts regular review meetings with all departments to update the Company's risk status, evaluate potential impacts, and adopt necessary corrective measures. The HSE Department is tasked with briefing the Board annually on the Company's progress regarding ESG and related matters apart from briefing and findings to be reported by the Internal Audit Dept. through Audit Committee. The Board of the Company believe in faithful, accurate and transparent reporting on all material risks and opportunities which are faced by the Company in relation to its ESG performance and sustainability.

The Board reviews the company's ESG performance and sustainability-related risks and opportunities at least annually. The report highlights progress against ESG and DE&I targets, identifies any deviations, and outlines corrective actions, ensuring full Board oversight and accountability.

Strategy

The Company has undoubted vision & commitment for its operations to be managed within the lines of ESG as we believe long term sustainability of the company can only be achieved if the operations of the company are managed with the framework of ESG and this ESG framework greatly depends on rightful integration of the four pillars. We aim to significantly reduce our carbon footprint through the adoption of energy-efficient technologies, use of renewable energy sources, and the implementation of rigorous waste management and water conservation practices.

In line with this commitment and our dedication to promoting environmental and social sustainability, we have implemented the following approach as;

- Identify and assess environmental and social impacts associated with the operations of the Company.
- Adopt measures to avoid / mitigate those impacts;

- Establish and maintain a sound worker-management relationship;
- Promote fair treatment, non-discrimination and equal opportunities for workers;
- Protect and promote the health of workers, especially by promoting safe and healthy working conditions;
- Maintain detailed safety standards;
- Avoiding / minimizing pollution from operations;
- Identify opportunities for energy and resource efficiency improvements including waste reduction;
- Ensure that safeguarding of employees, labor and property is carried out in a legitimate manner that avoids or minimizes risks to the community's safety and security;
- Ensure that stakeholders are appropriately engaged on environmental and social issues that could potentially affect them through a process of meaningful consultation;
- Maintain a constructive relationship with stakeholders on an ongoing basis through meaningful Engagement
- Arranging training and development activities for the staff so they are capable to perform and execute tasks expected from them;
- Engage with those suppliers who have systems in place to adhere to ESG best practices at their end in the value chain;

The preceding paragraphs outline the concrete steps and actions that the company has undertaken to achieve these objectives

Risk management

As discussed earlier in this report; we, Cherat Packaging Limited, have in place a fully functional and comprehensive risk management framework for addressing key risks, including those posed by environment and society. Over the years; we have developed methodologies with defined risk appetite and a system for transparent reporting. This framework is designed to strengthen our risk management practices, enhance our strategic decision-making, and ensured the sustainable growth of our organization while preserving shareholder value.

Just as a reproduction of what we mentioned elsewhere in this report; our risk management system is aligned and based on the following principles as;

1) Identification of Key Risks in the operation or new investment including its likely impact on environment and society
2) Risk Assessment & evaluation through our established methodologies which take into account qualitative and quantitative factors in the given situation;
3) Risk appetite and tolerance as all risks are not material to adopt similar precautionary & control measures;
4) Risk Mitigation and Control Measures where we brainstorm for possible mitigation options and adopt the one which is more likely to address the possible risks;
5) Risk Monitoring and Reporting on key risk indicators [KRI] which allow management ample time to adjust the strategy adopted for its mitigation;
6) Risk governance and framework oversight which includes well documented policies & procedures updated with changing pattern of the risks faced by the company;
7) Integration with Strategic Planning where the risk management approach is made integral part of our strategic planning and accordingly strategic decisions have to follow the risk management approach to ensure sustainability of the company;
8) Training and communication are provided to the relevant employees so they may understand their role and responsibilities in management of company risks;
9) Testing and simulation to ensure the assumptions and variables taken in the risk management approach are valid and sufficient to mitigate the risks;
10) Continuous improvement in the risk management framework & approaches as the dynamics, variables, assumptions and nature of risks change over time which we can manage through continuous improvement programs;

The table of key risks and company responses (see Risks, opportunities & Initiatives) integrates sustainability-related risks with their financial implications and mitigation measures.

Metrics and target

Our company is dedicated to executing its operations in an environmentally friendly and socially just manner while achieving maximum returns for our stakeholders through robust governance practices. Although we have not yet adopted formal ESG reporting standards, we are committed to being responsible corporate citizens by taking all necessary steps to ensure our decisions, operations, and activities have positive impacts on the environment, society, and people.

Key ESG metrics and targets include.

Environment

Energy Usage and Mix	The company meets its energy requirements through an optimal mix of National Grid, hydel, and solar power. During the year, the Company added 2.7 MW of solar capacity, alongside an increased share of hydel energy, resulting in an approximately 34% reduction in total electricity costs compared with reliance solely on grid electricity. This contributed to improved cost efficiency and enhanced competitiveness in both local and export markets. The Company remains committed to further increasing the share of renewable energy in its overall energy mix.
Production Waste	Although industrial effluents in this industry are relatively low, management remains fully committed to its environmental responsibilities and has implemented comprehensive policies to address them. Employees are extensively trained to minimize waste generation, while the Company has invested in state-of-the-art granule and solvent recycling machines. These facilities enable the recycling and reuse of granules and chemicals that would otherwise be discarded. In 2026, approximately 91% of the Extrusion P.E production waste was re-used in house thereby reducing regulatory and compliance risks and minimizing the raw material cost.
Greenhouse Emission	The company utilizes energy-efficient, state-of-the-art machinery and operates with low energy intensity and well-controlled processes. The company estimates that out of total 7,310 tCO2e of emission by CPL, electricity purchased from the national grid contributed approximately 5,553 tons of CO_2e to the environment. However, without utilizing sustainable energy sources, this figure would have been significant (12,213 tCo2e).
Water Management	The use of water in our production processes is very minimal and we reuse the water for gardening to keep the consumption of water to the minimum level. Minimized water consumption and reuse reduces operational dependency on municipal or industrial water supply, lowering potential cost risks from scarcity or water tariffs.

Social

Non-Discrimination and Gender Diversity	- In lines with the DE&I framework, the company has well established policies over non-discrimination and we are committed to promoting equal opportunity for all prospective & existing staff irrespective of their cost, religion, location and language. - We have employees having different background with respect to ethnicity, languages and religion and all work as a team of Cherat Packaging. - Female staff are also associated with Cherat Packaging who are playing their role at different levels and in different departments.

Employee Retention and Turnover	- The Company believe on provision of safe & secure working environment and also awarding the staff with market based remuneration. - Retention ratio is high even though the country is undergoing through serious inflationary situation where professional staff is relocating to foreign countries.
Injury Rate	- The Company has fully functional HSE Department which is engaged 24/7 in monitoring the operations of the company in line with best practices. - Zero loss of life observed during the course of company operations in the FY 2026. - Minor injuries witnessed and reported to whom the company provided first aid through our established in-house Health team.
Employee training and Succession planning	We believe on professional & trained human resource which we align to the company circumstances and to the changes happening around the globe through internal and external training.

Governance

The company believes on a dynamic, experienced and equipped human resources at all levels of the structure of the company as the success and sustainability of the organization is in the hands of the human resource employed. Just to give brief of the facts already enunciated elsewhere in this report; the following is reported as

Board Composition with respect to Gender	- 89% of the board position occupied by men directors while 11% is occupied by a woman director.
Board Independence	- 33% of the board members are Independent Directors.
Management Composition	- The affairs are managed by CEO supported by COO, CFO and GMs. - Company is structured on the basis of divisions where each division is looked after by separate HODs.
Continuous review of activities and risks	The company has well established policies and procedures where the activities and operations of the company are under regular review with respect to all possible risks including risks from ESG. After evaluation of the risks and opportunities; the management decides on a course of action which is monitored against the expected results through the involvement of concerned department including monitoring through internal audit team.
Diversity, Equity & Inclusion (DE&I) Strategy	CPL is committed to a diverse, equitable, and inclusive workplace, guided by a Board-approved DE&I roadmap. The Board reviews progress annually and adjusts policies as needed to ensure targets are met.

Progress against these ESG metrics and targets is reviewed annually by the Board and disclosed in the Company's Sustainability Report, in accordance with SECP's ESG Disclosure Guidelines to ensure transparency, accountability, and best practices in ESG reporting.

Highlights of Various Aspects of Sustainability

We remain committed to continuous improvement in Health, Safety, Environment aspects as we expanded our business and production capacities. The Company has always been aware of its responsibility towards the people, environment and climate of Pakistan and has strived to ensure the wellbeing of all. To fulfill the aforesaid responsibility and to ensure effective systems of monitoring and reporting of necessary compliance with health, safety and environment aspects, the company has established a dedicated and adequately staffed HSE & Compliance department.

This department of the Company is involved in environmental protection, occupational health and safety, compliance and certain other aspects. HSE & Compliance department's objective includes, but is not limited to, Protection of employees through; providing safe working conditions, reducing occupational risks related to the job / activities, increase awareness level of staff, prevention of incidents & accidents, handling of emergency cases and health issues at work along with environmental protection, certifications acquired / to be acquired and maintenance of certification against international standards adopted.

The production facility remained fully compliant with industry standards and safety requirements. For this very purpose, the Company has fully adopted and has obtained certification of ISO 9001:2015 (Quality Management System). Further, in order to strive towards the continuous improvement in occupational Health, Safety and Environment aspects, the company has obtained ISO 45001:2018 (Occupational Health & Safety Management System), ISO 14001:2015 (Environmental Management System). Moreover, company is committed to fully comply with applicable industry and customer's specific standards. To meet / exceed the customers' requirements especially focusing on Food Safety perspectives, the company is maintaining certifications for GFSI approved standards i.e. FSSC 22000 (Version 6) and BRCGS Packaging (Issue 6). Company obtained and maintains SEDEX and URSA as well to strive towards continuous improvement in Social & Ethical compliances. Further, the Company is also registered with KP Environmental Protection Agency. Company fully complies with regulatory requirements of National Environmental Quality Standards (NEQS). In addition to the aforesaid, the company also complies with the requirements of Pakistan Standards & Quality Control Authority's standards. The highlights of the Company's performance, policies, initiatives and plans in place relating to various aspects of sustainability are as follows;

1. ECONOMIC

The economic dimension of sustainability concerns the Company's impact on the economic conditions of its stakeholders.

a. Economic Performance

Cherat Packaging is committed to provide continuous growth and value for all stakeholders. This growth and value can be quantified and assessed accurately through the audited financial statements of the Company and the statement of value addition and its distribution, which are part of this report.

b. Market Presence

Our Company's presence in the market has significant impacts in terms of employment and business opportunities provided. The Company encourages hiring of workforce from local community at each area of business operations from entry level to the senior management. The Company also gives business opportunities to local transporters and contractors. Moreover, due to expansion / new projects the Company has awarded contracts to local vendors for civil works and other key areas.

c. Indirect Economic Impacts

Our growth and development means the growth and development of our homeland Pakistan. Additionally, we consider ourselves responsible corporate citizens, therefore, it is important we monitor and measure our ongoing indirect economic impacts in the wider context. The Company supports in development of infrastructure and other facilities of the country in general and of our factory vicinity in particular.

2. ENVIRONMENTAL

The Company's aim in respect of environment is to reduce all adverse environmental aspects arising out of our operations. In order to meet this purpose, we have acquired most advanced technology plant which controls industrial waste at lowest levels. Further, to improve the environment, natural tree plantation has been done in the factory premises. During the year, the Company participated in the Government of Khyber Pakhtunkhwa's tree plantation initiatives by contributing approximately 3,000 pine tree saplings for

plantation at Gadoon Industrial Estate. The initiative supports enhanced green cover, biodiversity and the Company's broader environmental stewardship efforts. In recognition of its contribution, the Company received an appreciation letter from the local government.

Moreover, the company maintains and continually improves its environmental management systems and complies with requirements as outlaid by specific markets or local regulations. Further, the Company operates in a manner that is committed to continuous improvement in environmental sustainability through recycling, conservation of resources, prevention of pollution, product development and promotion of environmental responsibility amongst its employees. Furthermore, as discussed above, the Company fully complies with the regulatory requirements of NEQS. Sampling and testing of multiple items is carried out as per the criteria and limits defined by NEQS. This includes sampling and testing of Ambient Air, Stack Emission, Light Intensity, Noise Level, Indoor Air, Drinking Water, Wastewater etc. All the testing is carried out through EPA approved lab. The highlights of the Company's performance, policies, initiatives and plans in place relating to certain aspects of this dimension of sustainability are as follows:

a. Energy

Energy is an important component of our production process and the energy crisis may directly impact the operations of the Company. Therefore, efficient energy usage is not only vital in terms of the environment, but also because it can provide the Company a competitive edge in terms of cost factors. For this purpose and being a responsible corporate citizen, the Company initiated a program to conserve energy. In this regard, the Company has installed low powered highly efficient Light Emitting Diode (LED) lights at all its locations. Further, the Company devised a production plan in order to use its production facility efficiently with lesser energy usage. In addition to this, during the year the Company has also acquired 7,558

MWh energy from Pakhtunkhwa Energy Development Organization (PEDO) in order to obtain hydro power which will also help us in usage of green energy. Furthermore, the energy is conserved by the addition of the most modern, state-of-the-art machinery, which also results production of quality products in the most efficient and effective manner. In addition to the above, in order to conserve energy, the management of the Company strives to keep production wastage to a minimum level and productivity at the highest level.

b. Products

The Company is mainly engaged in manufacturing, marketing and sale of products that are reusable and recyclable and, accordingly, have little or no impact over environment. For Flexi Products Company is always in touch with raw material and machine suppliers to introduce environmental friendly products.

c. Emissions

Emissions control relates directly to climate change and the impact of gaseous emissions on the ozone layer. As a manufacturing concern, this is of vital importance. The Company is in full compliance with Regulations and all of our emissions from manufacturing process are well monitored and tested on regular basis in well-established EPA approved laboratories and the outcomes of the lab tests are well below their respective limits as specified in NEQS.

d. Effluents and Waste

As a manufacturing concern, this is an important topic as it has an impact not only on our own operations, but also on local communities where waste is generated and disposed off. Accordingly, the Company has invested in a high quality plant technology to avoid industrial waste and to control industrial effluents. Although the industrial effluents are on a very low side in this industry, management is fully aware of its responsibilities in this regard and related policies are already in place. Employees are given proper training to minimize the wastage. Further, the Company has invested in the state-of-the-art Solvents Re-cycling machine which enables it to recycle the chemicals/ solvents and reuse the material instead of disposing it as a waste. Moreover, solid chemical waste is disposed off to EPA (Environmental Protection Agency) approved vendors which in turn will ensure safe disposal of waste and would ultimately minimize harmful impacts on the environment. The Company also continuously monitors discharge level of waste water and performs lab tests (from EPA approved labs) on it to ascertain the environmental impact.

CPL integrates the principles of Reduce, Reuse, and Recycle (3Rs) across its operations. By adopting energy-efficient technologies, reducing process wastage, and reusing raw materials through advanced recycling plants, we minimize our environmental footprint. Recycling of granules and solvents has lowered waste generation and continuous monitoring ensures compliance with national and international standards.

CPL recognizes that sustainability extends beyond operations into strategic investments. Our capital allocation prioritizes green projects, including solar and hydel power facilities, which provide long-term cost stability while reducing environmental impact.

e.Transport

Our products are transported to the customers through heavy trucks and containers. The Company is cognizant of the fact that these trucks could have impact on surroundings as small mishaps can lead to heavy accidents. In order to mitigate this risk, the Company has adopted measures for safe transportation i.e. quantity-wise trucks are being used in order to avoid over or under loading. Truck`s capacity is effectively utilized due to which risk of accidents resulting from overloading is avoided and it also helps company economically.

f. Quality Management

The Company is committed to the manufacturing of high quality packaging materials. Our manufacturing facilities are certified for Quality Management System ISO 9001:2015. The consistency of performance of our products is vital for our customers so the raw materials, intermediate and final products are regularly tested as part of the whole production process.

Quality Management Procedures

Our Quality Management procedures include:

a. Bags Manufacturing Division (BMD)

i. SOS / Carrier Bags Operations

Our Quality Management process ensures strict testing and inspection right starting from raw materials to the final pre-delivery stage of carrier bags, SOS bags, and wrapper sheets. This generally includes;

- Analysis of paper properties from various parameters.
- Inspection of printing inks (water & solvents base) to ensure achievement of customers approved color shades/designs.
- Arrangement and inspection of polymer stereos as per customers approved artworks/design.
- Arrangement and inspection of glue sources from different supplier used in lamination.
- Final inspection of bags and sheets, including but not limited to packing quality checks and moisture content verification before dispatch.
- Counting and cross-verification of finished goods on machines, pallets, carton and during the packing process.

ii. Polypropylene Bags Operations

Our Quality Management includes Monitoring and Testing of whole manufacturing process of Polypropylene (PP) sacks at 06 different stages, from printing to pre-delivery stage. This generally includes:

- Different Quality Tests of Tape at Extrusion line including Denier, Tenacity, and Elongation etc.
- Inspection of Fabric Rolls for size, density and strength while running on Looms in weaving Section.
- Inspection of Lamination Process on Coating Line for GSM.
- Arrangements and Inspection of Polymer Stereos as per customers' approved Artworks.
- Inspection of Printing Inks for Color and Viscosity on receipt and inspection of Printed Fabric.
- In-Process inspection on Convertex and Auto cutting machines during Bags manufacturing.
- Final Inspection of Bags Including Air Permeability, Dimensions, welding and Bales packing Quality.
- Counting of Bags on Machines / Pallets /Bailing Process and cross checking after packing.

b. Flexible Packaging Division (FPD)

Our Quality Management includes Monitoring and Testing of Flexible Packaging materials at all stages, from printing to pre-delivery stage. This generally includes:

- Performance of various Quality Tests on all types of incoming local and imported Films including GSM, Thickness, Seal temperature, Seal strength, Co-efficient of fraction (COF) and Dyne Level etc.
- Performance of viscosity test on all types of incoming inks and adhesives.
- Moisture and purity level tests on all types of incoming solvents.
- In-process inspection at printing, lamination and slitting stages of flexible packaging material manufacturing.

In-house Quality Control Laboratory The key to comprehensive quality control is the use of an in-house laboratory. Having an in-house, state-of-the-art laboratory is absolutely necessary to

manufacture superior quality products. Our Quality Control laboratory is a primary component to achieve our mission of maintaining strict control over every aspect of manufacturing products. Quality is an integral part of our ISO 9001:2015 certification. Our in-house laboratory allows for timely, accurate, cost-effective testing that ensures every product, from raw material to finished goods, meets all quality requirements. Our products are tested before being released for sale. Such stringent attention to quality control is extremely difficult to accomplish without a state-of-the-art, in-house laboratory.

All environmental initiatives are monitored through KPIs listed in the ESG Metrics & Targets Table, reviewed annually by the Board.

3. SOCIAL

The social dimension of sustainability concerns the impacts the Company has on the social systems within which it operates. The highlights of the Company's performance, policies, initiatives and plans in place relating to certain aspects of this dimension are as follows.

a. Employment

The Company has given tremendous employment opportunities through continuous expansion of business /production lines and new projects. New employment opportunities are provided to local people from Gadoon Amazai, Peshawar, Lahore, Islamabad and Karachi. Additionally, a number of factory workers have been hired from nearby villages and hamlets, thereby creating good employment opportunities for the locals.

The Company is recognized among top employers due to its excellent employee benefits. Following benefits are provided to full-time permanent employees:

- Health care
- Life insurance
- Education assistance
- Furniture facility
- Leave fare assistance
- Provident fund
- Gratuity
- Earned leaves
- Company maintained vehicles; and
- Others.

b. Industrial Relations

We maintain excellent relations with our employees & labor and the Company takes every reasonable step for swift and amicable resolution of all their issues. The Company also inducts apprentices in its Apprenticeship Program through which graduates from reputable institutions are regularly inducted. A management trainee program is also in place to meet the future requirements.

c. Occupational Health and Safety

We manage and utilize resources and operations in such a way that the safety and health of our people is ensured. We believe our safety and health responsibilities extend beyond protection and enhancement of our own facilities. We have

dedicated safety staff at our plant. At Cherat Packaging, Health and Safety is the first and foremost agenda topic for our each in-house and higher management meetings. The Company has made safety manual containing policies and procedures. Moreover, a mechanism is in place for visitors and third parties through which full compliance with safety measures is ensured. In addition, Health and Safety concerns are explicitly included in SMART goals of head of departments and senior management of plant. Hundred percent compliance with policy programmes resulted in the conclusion of the year with no fatal incident, major injury or occupational illness. These programmes include the regular testing of plant equipment and sites from a health perspective, as well as monitoring of employee health. Additionally, health awareness sessions on basic lifesaving techniques, medical emergency handling, first aid and emergency evacuation were conducted during the year.

Our production lines achieved the whole year without any major injury. Reported injury case if happen, is thoroughly investigated by trained personnel and findings are subsequently circulated Company wide. Once investigations are completed, actions and recommendations are assigned to individuals with a strict follow-up system put in place to avoid any recurrence.

o Health & Safety training

Our workers are sufficiently trained through fire & safety trainings and are also adequately equipped with Personal Protection Equipment's which is monitored at regular intervals. Workers are also trained by theoretical explanations and practical drills to handle unforeseen emergencies. Regular mock drills are also carried out to familiarize everyone with the steps and procedure to follow in emergency situations. Mock drills of chemical spillage, firefighting, emergency evacuation, casualty handling and security are also conducted. Moreover, safety audits are also conducted on regular basis. Further, daily toolbox discussions are also conducted in the factory on various topics including workplace hazards, machines safety, food safety, personal hygiene, chemical

handling, use of tools, emergency equipment i.e. fire extinguishers, hydrant, suppression system and safe work practices on very frequent basis.

- **Firefighting Equipment**

  In order to strive towards creating a safe working environment, the Company, inter alia, has made multimillion rupees' investment to install advanced firefighting equipment's compliant to international standards. The equipment's include state of the art fire detection and alarm systems, General firefighting systems

(including approved fire pump, fire hydrants, portable fire extinguishers, tanks & trolleys) and auto suppression systems with sprinklers & CO2 Suppression System. To deal with the fire resulted due to hazardous chemicals, the company has also made investment in Aqueous film-forming foam (AFFF) system conforming to International Standards (including inductors and allied equipment) keeping in view the business requirements. The aforementioned investment will not only help the Company on continuity of its operations and safety of its materials / equipment's but more importantly it will also ensure the safety of its workforce. Firefighting equipment are checked on regular basis to ensure its proper functioning and used by personnel for hand on practices.

- **Safe working environment**

  The Company believes that it is imperative to provide its workforce with the congenial, healthy and safe working environment which includes, but is not limited to, provision of clean drinking water and healthy subsidized food.

  The Company, in order to create a safe working environment, is also fulfilling all regulatory requirements in respect of handling and storage of hazardous chemicals which includes preparation of proper / safe storage area and obtainment of necessary licenses. Further, in order to achieve aforesaid purpose, the Company has adequately placed safety signboards at all important visible places and provided all appropriate measures in the form of adequate PPEs, fire detection, alarm and fighting arrangements, well equipped ambulance. Safety signboards include road traffic signs in order to regulate traffic in the factory premises, signs to remind workforce of using and wearing safety equipment (PPEs), fire safety signs, contacts for emergency response teams etc.

- **Safe Men Hours**

  Production facilities ensure safety of employees through adherence of strict policies and procedures on health and safety. A proper record of safe man-hours is maintained. Any minor issues are handled by in-house dispensary.

d. Training and Education

The training, education and development of our people are topics of critical importance to us. The Company hires energetic, talented, and motivated human resources and provides them a congenial and healthy working environment to utilize their capabilities efficiently. The Company believes that its core strength is its people, who strive every day to meet individual challenges and help the Company achieve its collective targets. The Company has in place a Performance Review Process in order to recognize employees' contribution and reward them according to their performances.

Moreover, Training Need Analysis (TNA) is effectively in place where in-house and external trainings are arranged at all management levels. The Company offers education assistance plan to nurture growth and encourage professional education of employees. The education assistance program not only equips employees with improved academics and technical knowledge but also provides the Company with rightly equipped human resource to face the new challenges offered by expansions, diversifications and business growth. Further, eligible employees receive Service Awards based on their performance and length of service. The management's objective is to recognize and reward employees' contribution to the business. This process helps the availability of high quality workforce which plays a vital role in achieving day-to-day targets and tactical and strategic objectives of the Company.

e. Equal Opportunity and Non-discrimination

The Company is committed in promoting equality of opportunity for all staff and job applicants. We aim to create a working environment in which all individuals are able to make best use of their skills and abilities, free from discrimination or harassment, and in which all decisions or promotions are objectively based on merit. We do not tolerate any form of discrimination, harassment or bullying in the workplace.

f. Child Labour

The Company has strict policy over prohibition of child labor. No child has ever been employed by the Company and the same policy will go in future.

g. Forced or Compulsory Labour

The Company believes in free working environment; no employed worker is forced or compulsory labor.

h. Grievance Mechanism

The Company is committed to provide every opportunity to employees for re-dress of valid grievances (arising from work related issues). The management does not discriminate against any employee who elects to use the grievance procedure. The purpose of this policy is to encourage healthy relationship between employees in order to ensure smooth running of the business.

i. Consumer Protection Measures

The Company ensures that the packaging material is packed and dispatched to its consumers in a safe manner. It also complies with all safety standards and industrial requirements. The Company ensures that the customers get best value for money.

j. Business Ethics and Anti-Corruption Measures

The Company is fully committed to promoting the highest standards of ethical behavior throughout its business. The management condemns corrupt and fraudulent practices and ensures transparency, integrity and honesty in all aspects of work. The Company expects all its employees to perform services with integrity and professionalism. Fundamental to this is the adoption of a 'zero tolerance' approach to all forms of corruption and misrepresentation.

k. Local Communities

We strive for the development of communities surrounding us. Investment in the communities we operate in, and near vicinities, are strong focus for the Company. Further details on this topic are presented under the next section "Highlights of Corporate Social Responsibility". Following other aspects of sustainability have been discussed under the topic "Code of Conduct":

- Compliance with the law;
- Competition and Anti-trust law; and
- Protection and Information Security.

l. Technological Innovation for Sustainability:

CPL continues to deploy advanced technology to improve efficiency, reduce environmental impact, and create sustainable products. Our state-of-the-art energy-efficient machinery has significantly lowered energy intensity per unit of output, while in-house recycling technologies enable reuse of production materials that would otherwise be discarded.

CPL also invests in innovation for eco-friendly product designs. Our packaging solutions are reusable and recyclable, supporting customers in reducing their environmental footprint. Additionally, digital monitoring systems are being integrated across operations to track emissions, optimize energy use, and enhance workplace safety, ensuring that sustainability is embedded into both products and processes.

HSE Management Systems:

Tools that help an organization continually improve its health, safety and environmental performance contain organizational elements that follow a continuous cycle of planning, implementing, checking, and improving. Our workforce is routinely updated about occupational health, safety and environment concerns through a continuous process of training and coaching at different levels. To enhance safety awareness and to build a culture of continuous improvement in personal and process safety, a comprehensive communication structure has been established such as daily, weekly and monthly safety reviews. Safety measures at the Company have been taken according to the work environment (by conducting risk assessment) at our plants and the corporate offices. At all offices of the Company, safety is everybody's responsibility therefore every area/ functional head is the owner of safety practices under the umbrella of HSE principles. The operation teams at all locations collaborate in implementation of HSE policies and procedures.

To sustain HSE awareness and to build a culture of continuous improvement in personal and process safety, different committees at appropriate levels are formed and periodic reviews are regularly carried out. HSE department works day in and out in different areas/ functions of the Company.

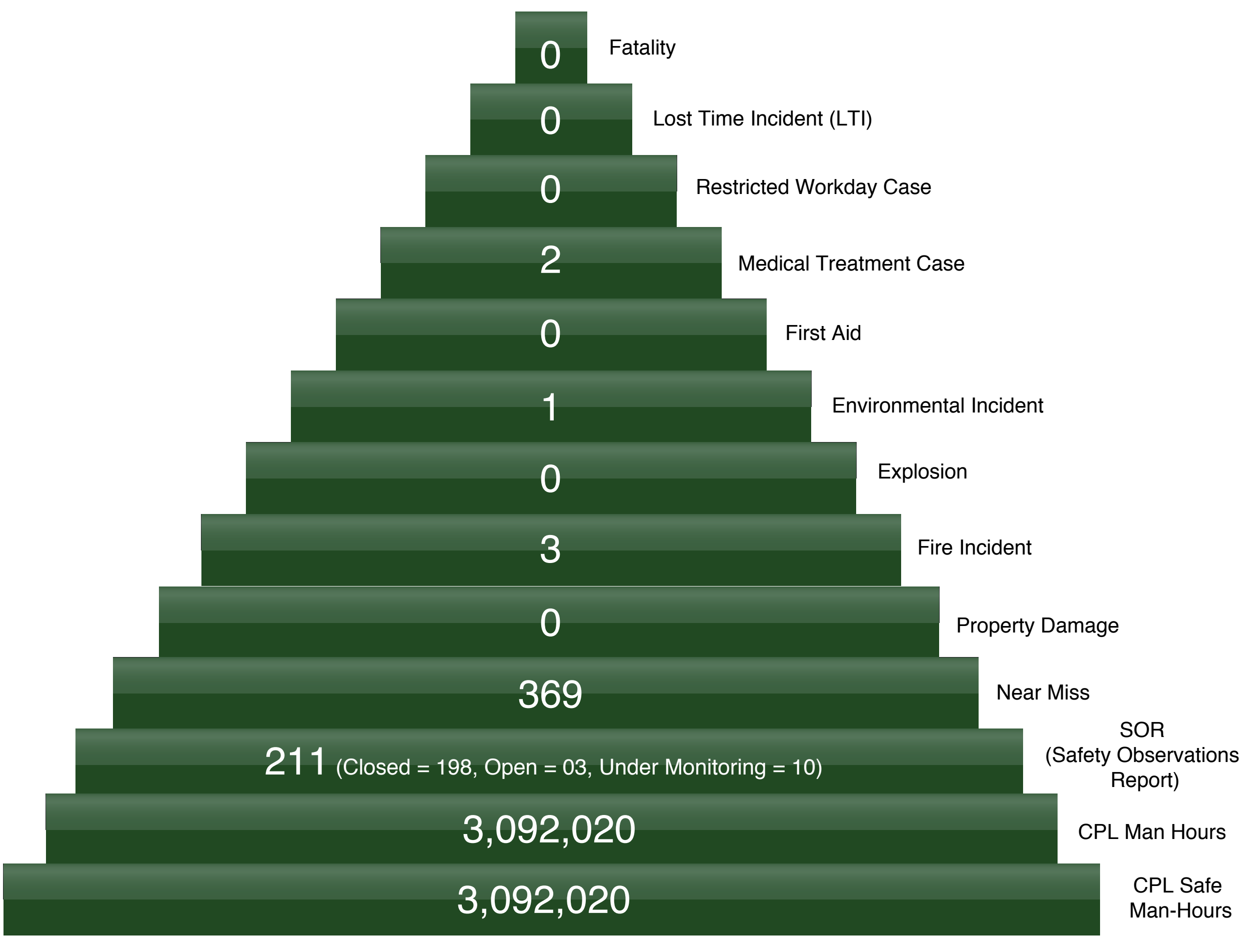
Following are the key highlights:

- Fortnightly and Monthly Inspections
- Trainings & Awareness Sessions
- Emergency drills on different Scenarios
- Compliance of Permit to Work
- Risk assessments and job safety analysis
- Ambulance Operations handling community emergencies (CSR)
- Monitoring & Compliance of Site
- Procedures during Ongoing Projects
- Awareness & Compliance monitoring
- Internal & external audits

A summary of awareness sessions conducted during the year are presented below:

QUARTER	SESSIONS CONDUCTED	TOPICS / SCENARIOS
First	**22**	Machine Safety, FSSC (V-6.0) – External Training, Work at Height, COSHH, Behavioral Safety & GMP, General Safety/ HAZCOM, CO2 Auto Fire Suppression System Flexo-II, Safe Forklift Operations, ERT Refresher, Fire Emergency & Evacuation Drills
Second	**19**	Electric Fire & Hazard Safety, Ergonomic Safety, Basic First Aid & CPR, Permit To Work (Refresher), Emergency Response Plan, Personal Protective Equipment, Awareness on New FF System and Pumps, Use of Fire Hydrant, Food Safety & Hygiene, Fire Emergency & Evacuation Drill, MEDEVAC Drill.
Third	**19**	Managing Safety of Contractors and Sub-Contractors, Firefighting, Forklift Safety, General Safety, Hand and Power Tools Safety, Manual Handling, Firefighting and Emergency Response (External Training), Use of Fire Extinguisher, Fire Detection and Alarm System, Chemical Safety (decantation and Food safety perspective)
Fourth	**23**	Natural Disaster Emergency Evacuation Drill, CO2 Fire Suppression system Drill, Fire Emergency & Evacuation Drill, Chemical Spill Drill, Crane Lifting/Lifting Operations Safety, Burn Precautions, HACCP, Machine Safety, Heat Stress and Heat Stroke, Environment Safety, Use of Fire Extinguishers, PPEs, Food Safety and Hygiene.

HSE Performance Pyramid is given below which shows the positive impact of trainings imparted to the employees.



CSR Award

National Forum for Environment & Health
www.nfeh.org.pk
NFEH

CHERAT PACKAGING LTD (CPL) WON THE 18TH NATIONAL CSR AWARD 2026 FOR BEST PRACTICES & STANDARD COMPLIANCES AND GREEN ENERGY INITIATIVES

A legacy of responsible leadership continues!

At the 18th Annual CSR Summit Award, organized by NFEH (National Forum for Environment and Health) Pakistan in collaboration with UNEP, Cherat Packaging Ltd. emerged victorious in ESG & Sustainability Leadership and Green Energy Initiatives.

With four consecutive wins from 2023 to 2026, CPL reinforces its position at the forefront of sustainable industrial excellence.


WE BELIEVE
IN MAKING A
DIFFERENCE
CHERAT PACKAGING LIMITED


TCF SCHOOL
GHULAM FARUQUE CAMPUS

Highlights of Corporate Social Responsibility

Cherat Packaging Limited (CPL) believes that long-term business success is intrinsically linked to the well-being of the communities in which it operates. The Company's CSR policy is guided by the principles of social responsibility, sustainability, and stakeholder value creation. Our CSR framework focuses on four key pillars: healthcare, education, community welfare, and environmental stewardship. These initiatives are not only a reflection of our commitment to society but also an investment in building trust, reputation, and long-term market competitiveness. During the year under review, CPL strengthened its CSR footprint through strategic interventions

The Company actively participates in various social work initiatives as part of its corporate social responsibility. Being a conscientious member of the corporate community, the Company contributes generously to various social and charitable causes including towards health, education and social sectors. In the past the Company has worked for the rehabilitation of flood affectees and IDPs. Cherat Packaging has worked with many reputable organizations and NGOs. The Company has always stood by the people of Pakistan in their hour of need and shall always continue to do so.

The Company has formulated an efficient policy for sustainability and corporate social responsibilities in accordance with the SECP's CSR guidelines and the Companies' Act 2017. The Board approves the CSR activities with respect to monetary and avenue terms.

a. **Community Investment & Welfare Schemes**
The Company invests in community and welfare schemes through donations to education and health sectors.

b. **Ambulance Service**
Keeping in view the needs of local community and staff members, the Company is maintaining an Ambulance service for ease of transportation of patients to Hospitals. The Ambulance is fully equipped with necessary medical equipment and is accompanied with qualified paramedic staff. Moreover, a help line service is operational in order to make it more reachable.

c. **National Cause Donations**
The Company has always stood by the people of Pakistan in their hour of need and shall always continue to do so. The Company has donated generously in the past for the flood victims and IDPs.

During COVID-19, the Company distributed ration supply to local community in collaboration with KPK authorities.

d. **Details of Charity Account**
The Company makes donations to support less privileged people of the society. Over the years, the main focus of the Company is to donate for education and health. The company has been donating and working with many reputable organizations and NGOs in Pakistan like The Aga Khan University and The Citizens Foundation.

e. **Rural Development Programs & Employment of Special Persons**
The Company takes care of people living in its vicinity through regular donations for development of household, education and medical facilities. As discussed above, the management encourages hiring workforce from local vicinity and employment of less privileged and special persons are also considered.

f. **Ration Drive**
The Company has a legacy of donating ration for flood, earthquake victims & IDPs. Similarly during COVID-19, the Company distributed ration to the needy people of its locality and its staff.

g. **Flood Emergency Rehabilitation**
During the recent floods in KPK, to support the local community, the management of the Company approved funds for the rehabilitation of the pathways that were severely damaged. The Company's representatives deployed an excavator to the areas and assisted the local government by removing debris and clearing the pathways.

Governance

Notice of Annual General Meeting

Notice is hereby given that the 37th Annual General Meeting of Cherat Packaging Limited will be held on Thursday, October 8, 2026 at 11:30 a.m. at the Registered Office of the Company at Betani Arcade, Jamrud Road, Peshawar, as well as through video link conferencing facility to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2026 with the Directors' and the Auditors' Reports thereon.

2. To consider and approve the payment of final cash dividend @ 30% (Rs. 3.00/- per share). This is in addition to an interim cash dividend @10% (Re.1.00 per share) already paid to the shareholders for the financial year ended June 30, 2026 as recommended by the Board of Directors.

3. To appoint Auditors Grant Thornton Anjum Rahman - Chartered Accountants for the year 2026-27 and to fix their remuneration.

4. To elect nine (9) Directors of the Company as fixed by the Board of Directors u/s 159(1) of the Companies Act, 2017, for a term of three (3) years commencing from October 24, 2026. The names of retiring Directors are (1) Mr. Akbarali Pesnani (2) Mr. Amer Faruque (3) Mr. Aslam Faruque (4) Mr. Shehryar Faruque (5) Mr. Arif Faruque (6) Mr. Ali H. Shirazi (7) Mr. Abid Vazir (8) Mr. Sher Afzal Khan Mazari and (9) Ms. Maleeha Humayun Bangash.

5. To transact any other business with the permission of the chair.

SPECIAL BUSINESS

6. To consider and approve the following resolution as Special Resolution:

a) "RESOLVED that the transactions carried out in the normal course of business with related parties and associated companies as disclosed in Note 35 of the Financial Statements during the year ended June 30, 2026, be and are hereby ratified and approved."

b) "FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to enter and approve all transactions to be carried out in the normal course of business with related parties and associated companies during the ensuing year ending June 30, 2027."

The statement(s) under section 134 and 166 of the Companies Act, 2017, pertaining to the above-mentioned Special Business and election of Directors are attached with the notice.

By Order of
the Board of Directors

Asim H. Akhund
Company Secretary

Karachi: August 18, 2026

The Annual Audited Financial Statements of the Company together with the reports and documents required under Companies Act, 2017, have been uploaded on the website of the Company which can be downloaded from the following link and/or QR enabled code:

Weblink	QR Code
https://gfg.com.pk/cpl/financial-information/	

NOTES:

1. The register of members of the Company will be closed from Thursday, October 1, 2026 to Thursday, October 8, 2026 (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, CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block ‘B’, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 at the close of business on Wednesday, September 30, 2026 will be treated in time for the above entitlement.

2. A member of the Company eligible to attend, speak and vote at the Annual General Meeting may appoint another member as his/her proxy to attend, speak and vote in his/her stead. Proxies to be effective must be in writing and must be received by at the Company’s Head Office, Modern Motors House, Beaumont Road, Karachi, 48 hours before the meeting. Proxy Form may be also downloaded from the Company’s website i.e. www.gfg.com.pk.

3. The AGM proceedings will also be held via video through ZOOM application (a video link conferencing facility). Shareholders interested to participate in the meeting are requested to email required information with subject “Registration for Cherat Packaging Limited AGM” along with a valid copy of both sides of Computerized National Identity Card (CNIC) at **cdcsr@cdcsrsl.com**. Shareholders are advised to mention their full details in the following manner:

Full Name of Shareholder / Proxy Holder	Company	CNIC Number	Folio / CDC A/c No.	Email Address	Mobile Phone No.
	Cherat Packaging Ltd.				

4. Video link details and login credentials will be sent to members at their provided email addresses enabling them to attend the meeting on the given date and time.

5. Members will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders. Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM.

6. Members of the Company whose shares are registered in their account/sub-account with Central Depository System (CDS) are requested to bring original Computerized National Identity Card along with their account number in CDS and participant’s ID number for verification.

7. Members of physical shares are requested to notify any change in their addresses to the Company’s Share Registrar. Whereas, shareholders of CDC Accounts are requested to immediately notify any change in their addresses to their respective CDC Participant / Broker / CDC Investor Account Services.

8. According to Section 119 of the Companies Act, 2017, and Regulation 47 of the Companies Regulations, 2024, all physical shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile / telephone numbers, occupation, etc. to CDC Share Registrar Services Limited immediately to avoid any non-compliance of law or any inconvenience in future.

9. Members of physical shares who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) are requested to send the same to the Share Registrar of the Company.

10. 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.

11. Shareholders are hereby reminded that Section 242 of the Companies Act, 2017, provides that in case of a listed company, any cash dividend declared by the company must be paid electronically directly into the bank accounts of the shareholders. In order to receive dividends directly into their bank account, shareholders are requested to fill in E-Dividend Mandate Form available on the Company's website i.e. www.gfg.com.pk and send it duly signed along with a copy of CNIC to the Registrar of the Company CDC Share Registrar Services Limited in case of physical shares. In case shares are held in CDC, then E-Dividend Mandate Form must be submitted directly to shareholder's broker/participant/CDC investor account services. In case of non-submission of IBAN, the Company will withhold the payment of dividends under the Companies (Distribution of Dividends) Regulations, 2017. Further, the information regarding gross dividend, tax/zakat deduction and net amount of dividend will be provided through the Centralized Cash Dividend Register (CCDR), therefore, shareholders should register themselves to CDC's eServices Portal at **https://eservices.cdcaccess.com.pk**.

12. In compliance of Section 244 of the Companies Act, 2017, once the Company has completed stipulated formalities, any unclaimed dividend and /or shares that have remained outstanding for a period of three years from the date of becoming due and payable or more shall be credited to the Federal Government (in case of dividend) or delivered to the SECP (in case of physical shares). Shareholders who by any reason could not collect their remaining unclaimed dividend/shares are advised to contact the Share Registrar of the Company to collect/inquire about their unclaimed dividend or shares, if any.

13. The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018, the SECP has directed all listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business and in case of election of directors, if the number of persons who offer themselves to be elected is more than the number of directors fixed under section 159 of the Companies Act, 2017.

    Accordingly, the members of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post, subject the requirements of section 143 and 144 of the Companies Act, 2017, for the special business and election of directors, (if required) in the AGM to be held on Thursday, October 8, 2026 at 11:30 a.m., in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

Procedure for E – Voting:

14. Details of the e-voting facility will be shared through an e-mail with those shareholders of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on September 30, 2026.

    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 CDC Share Registrar Services Limited (being the e-voting service provider).

    Identity of the shareholders intending to cast vote through e-Voting shall be authenticated through electronic signature or authentication for login.

    E-Voting lines will start from October 4, 2026 and shall close on October 7, 2026 at 5:00 p.m. Shareholders can cast their votes any time during this period. Once the vote on a resolution is casted, he / she shall not be allowed to change it, subsequently.

Procedure for Voting Through Postal Ballot:

The shareholders shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman through post on the Company's address, 3rd Floor Modern Motors House, Beaumont Road, Karachi or email at agmcpl@gfg.com.pk one day before the AGM i.e. on October 7, 2026, during working hours. The signature on the ballot paper shall match the signature on the CNIC.

For the convenience of the shareholders, ballot paper is annexed to this notice and the same is also available on the Company's website at www.gfg.com.pk for the purpose of being downloaded.

15. In pursuance of directive issued by the Securities & Exchange Commission of Pakistan, no gifts will be distributed at the meeting.

16. Shareholders have option to receive Annual Audited Financial Statements and Notice of General Meeting through email. Notice of the AGM shall be circulated to members at their registered email addresses provided to the Company, in accordance with applicable laws. Shareholders of the Company are requested to give their consent to our Share Registrar to update the record if they wish to receive Annual Audited Financial Statements and Notice of General Meeting through email. 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.

17. All shareholders are advised to check their status on Active Taxpayers List (ATL) available on FBR website and, if required, take necessary actions for inclusion of their name in the ATL. In case a person's name does not appear in the ATL the applicable tax rate will be increased by the hundred percent.

18. In case of joint account, please intimate proportion of shareholding of each account holder along with their individual status on the ATL.

19. Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participant, whereas corporate physical shareholders should send a copy of their NTN certificate to the CDC Share Registrar Services Limited. The Shareholders while sending NTN or NTN Certificate, as the case may be, must quote the Company name and their respective folio number.

20. Withholding tax exemption from the dividend income shall only be allowed if copy of valid tax exemption certificate is made available to CDC Share Registrar Services Limited by the first day of Book Closure.

21. To claim exemption from compulsory deduction of Zakat, shareholders are requested to submit Zakat Declaration (Form CZ-50) or its attested photocopy to CDC Share Registrar Services Limited, in order to avoid deduction of Zakat on all future dividends, at the earliest.

22. Any member who intends to contest the election for the office of the Directors 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:

    a) 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;

    b) Consent to act as director on signed appendix to Form 9, duly completed and signed by the candidate along with copy of valid CNIC;

    c) Detailed profile (including other directorship, if any) along with official address for placement on the Company's website seven (7) days prior to the date of the AGM;

    d) 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.

    e) Declaration/undertaking by an Independent Director under the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Companies (Manner and Selection of Independent Directors) Regulations, 2018, on non-judicial stamp paper, confirming that he/she meets the requirements under Section 166 of the Companies Act, 2017; and

    f) The candidates are required to read the relevant provisions/requirements relating to the appointment/election of directors, as mentioned in the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance Regulations), 2019, and ensure compliance with the same in letter and spirit.

23. The current term of the Company's Board of Directors will expire on October 24, 2026. In accordance with SECP Circular No. 01 of 2026 dated January 08, 2026, companies are permitted to hold the election of

directors at the AGM where the election becomes due within thirty (30) days after the AGM. Furthermore, as provided in Paragraph 4 of SECP Circular No. 7 of 2025 dated March 13, 2025, the effective date of appointment of the newly elected directors shall remain the actual due date, i.e., October 24, 2026.

24. If the number of members who offer themselves is not more than the number of Directors to be elected, such members will be elected unopposed without the voting process.

25. 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.

26. In case of election of directors, if required, then schedule and procedure of postal ballot/electronic voting along with Postal Ballot for election of directors shall be published in newspaper and also placed on the Company's website i.e. www.gfg.com.pk seven (7) days before the meeting.

Scrutinizer

27. In accordance with the Regulation 11 of the Companies (Postal Ballot) Regulations, 2018, the Company has appointed UHY Hassan Naeem & Co, Chartered Accountants, having rating Quality Control Review Program (QCR) of Institute of Chartered Accountants of Pakistan as audit firm, to act as the Scrutinizer of the Company for the election of Directors to be held in the general meeting and to undertake other responsibilities as defined in Regulation 11AM of the Regulations.

Statement Under Section 166 of the Companies Act, 2017- Regarding Independent Directors

Independent Directors shall be selected in accordance with the applicable criteria set out for independence under section 166 of the Companies Act, 2017, and the Companies (Manners and Selection of Independent Directors) Regulations, 2018. Further, the Regulations issued there under and their names should be listed on the databank of independent directors maintained by Pakistan Institute of Corporate Governance. However, the candidate shall be elected in the same manner as other directors are elected in terms of Section 159 of the Companies Act, 2017. No directors have direct or indirect interest in the above said business other than as shareholders of the company, and they can contest the election of directors subject to the eligibility criteria.

Statements Under Section 134 of the Companies Act, 2017

Related Party Transactions

The statement sets out material facts concerning "Special Business" to be transacted at the Annual General Meeting of the Company to be held on Thursday, October 8, 2026. The approval of the Members of the Company will be sought for:

During the financial year ended June 30, 2026, the Company carried out transactions with its associated companies and related parties in accordance with its policies and applicable laws and regulation. Related party transactions require shareholders' approval under sections 207 and 208 of the Companies Act, 2017. Such transactions are being placed before the shareholders for their approval through special resolution proposed to be passed in the Annual General Meeting.

The shareholders are requested to ratify the transactions which have been disclosed in Note no. 35 of the Financial Statements for the year ended June 30, 2026 and further to authorize the Board of Directors to conduct transactions with related parties or associated companies for the year ending June 30, 2027.

Party wise breakup of transactions as disclosed in Note no. 35 of the Financial Statements for the year ended June 30, 2026 is given below:

Name of Related Party	Nature of Transaction	Amount (Rs. in '000)
Atlas Asset Management Limited	Services Received	345
Atlas Insurance Limited	Insurance Premium	8,552
Atlas Insurance Limited	Dividend Paid	13,556
Cherat Cement Company Limited	Sales of Packing Material	2,461,211
Cherat Cement Company Limited	Dividend Paid	10,820
Cherat Cement Company Limited	Dividend Received	29,302
Cherat Cement Company Limited	Purchase of Goods	2,381
Directors	Meeting Fees	5,400
Directors, CEO & their spouse(s)	Dividend Paid	6,896
Employees Provident & Gratuity Fund	Contribution to Fund	71,131
Employees Provident & Gratuity Fund	Dividend Paid	249
Faruque (Pvt.) Limited	Services Received	20,167
Faruque (Pvt.) Limited	Dividend Paid	15,097
Fauji Cement Company Limited	Sale of Packing Material	113,124
Greaves Airconditioning (Pvt.) Limited	Services Received	469
Greaves Airconditioning (Pvt.) Limited	Purchase of Goods	260
Greaves Airconditioning (Pvt.) Limited	Purchase of Fixed Assets	5,697
Greaves FZE	Purchase of Fixed Assets	79,488
Greaves Pakistan (Pvt.) Limited	Services Received	259
Greaves Pakistan (Pvt.) Limited	Dividend Paid	7,398
Greaves Pakistan (Pvt.) Limited	Purchase of Goods	135
Greaves Pakistan (Pvt.) Limited	Purchase of Fixed Assets	140,499
Jubilee General Insurance Company Limited	Insurance Premium	50,421
Key Management Personnel	Remuneration	604,947
Management Association of Pakistan	Services Received	80
Mirpurkhas Sugar Mills Limited	Sale of Packing Material	59,849
Mirpurkhas Sugar Mills Limited	Dividend Paid	7,313
Mirpurkhas Sugar Mills Limited	Purchase of Goods	7,012
National Foods Limited	Sale of Packing Materials	703,900
Pakistan Cables Limited	Purchase of Goods	13,781
Unicol Limited	Sale of Packing Material	42,093
Zensoft (Pvt.) Limited	Software Consultancy Charges	31,581

The Directors are not interested, directly or indirectly, in the above business except to the extent of their Shareholding as mentioned in the pattern of shareholding.

STATUS OF INVESTMENT IN CHERAT CEMENT COMPANY LIMITED

The Company in its Extraordinary General Meeting held on April 21, 2026, had obtained the approval of its shareholders for an investment in its associated Company namely Cherat Cement Company Limited by way of equity investment to be made over a period of five (5) years up to Rs. 250 million by acquiring shares from the market. The Company has to date, made an investment of Rs.13 million approximately, against the approved amount.

CHERAT PACKAGING

Cherat Packaging Limited

A Ghulam Faruque Group Company

POSTAL BALLOT PAPER

for voting through post for the Special Business at the Annual General Meeting to be held on Thursday, October 8, 2026, at 11:30 a.m. at the Registered Office of the Company at Betani Arcade, Jamrud Road, Peshawar
UAN: +92 21 111-000-009 Website: www.gfg.com.pk

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address	
Number of shares Held	
CNIC/Passport No. (in case of foreigner) (copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, corporation, and Federal Government)	
Name of Authorized Signatory	
CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached)	

Resolution for Agenda Item No. 6

a) ***"RESOLVED that the transactions carried out in the normal course of business with related parties and associated companies as disclosed in Note 35 of the Financial Statements during the year ended June 30, 2026, be and are hereby ratified and approved."***

b) ***"FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to enter and approve all transactions to be carried out in the normal course of business with related parties and associated companies during the ensuing year ending June 30, 2027."***

INSTRUCTION FOR POLL

1. Please indicate your vote by ticking (√) the relevant box.

2. In case if both the boxes are marked as (√), your poll shall be treated as **"Rejected"**.

I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick (√) mark in the appropriate box below;

Resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Resolution For Agenda Item No. 6		

1. Dully filled ballot paper should be sent to the Chairman at 3rd Floor, Modern Motors House, Beaumont Road, Karachi or email at **agmcpl@gfg.com.pk**
2. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Ballot paper should reach the Chairman within business hours by or before Wednesday, October 7, 2026. Any postal ballot received after this date, will not be considered for voting.
4. Signature on ballot paper should match with signature on CNIC/ Passport (In case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.
6. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, / Power of Attorney, / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable.
7. Ballot Paper form has also been placed on the website of the Company at: **www.gfg.com.pk** Members may download the ballot paper from the website.

____

Shareholder / Proxy holder Signature/Authorized Signatory
(In case of corporate entity, please affix company stamp)

Date:____________________

Directors' Profile

Mr. Akbarali Pesnani
Chairman

Mr. Akbar Ali Pesnani is an MBA and a fellow member of both the Institute of Chartered Accountants and Institute of Cost and Management Accountants of Pakistan. He was the Chairman of Gwadar Port and Gwadar Port Implementation Authority from 2004 to 2006, and has served on the Boards of, Mirpurkhas Sugar Mills Ltd. Clariant Pakistan Ltd and Agha Steel Limited. Mr. Pesnani has been associated with the Aga Khan Development Network (AKDN) at senior levels for over 49 years. Mr. Pesnani has also served as a Diplomatic Representative for AKDN in Tajikistan for 7 years and as an Envoy of His Highness the Aga Khan, in Afghanistan for about 2 years.

Presently, he is the Chairman of Jubilee General Insurance Company Limited and the Aga Khan Cultural Service Pakistan. He is also a Director on the Boards of Cherat Cement Company Limited and Pakistan Cables Limited. His association with the Ghulam Faruque Group dates back almost 45 years.

Mr. Amer Faruque
Chief Executive

Mr. Amer Faruque is the Chief Executive of the Company. He is a Bachelor of Science (BS) graduate in Business Administration majoring in Management / Marketing from Drake University, Des Moines, Iowa, USA. He serves as a member of the Board of Directors of Mirpurkhas Sugar Mills Ltd., Faruque (Pvt.) Ltd., Greaves Pakistan (Pvt.) Ltd., Greaves CNG (Pvt.) Ltd., CFS Minerals (Pvt.) Ltd. and Executive Director Marketing of Cherat Cement Co. Ltd. He is presently serving as a member of the Board of Governance of Ghulam Ishaq Khan (GIK) Institute of Engineering Sciences and Technology and is also Honorary Consul of Brazil in Peshawar. In the past he has served as a member of Lahore University of Management Sciences (LUMS) and the Centre of International Private Enterprise (CIPE).

Mr. Aslam Faruque
Director

Mr. Aslam Faruque is a graduate with a major in Marketing. He is the Chief Executive of Mirpurkhas Sugar Mills Ltd., Unicol Ltd. and UniEnergy Ltd. He is on the Board of Directors of Greaves Engineering Services (Pvt.) Ltd

In the past, he has served as the Chairman and Senior Vice Chairman of Pakistan Sugar Mills Association Center. He also served as Chairman of Pakistan Sugar Mills Association Sindh Zone, and Director of Sui Southern Gas Company Ltd., State Life Insurance Corporation of Pakistan and Pakistan Industrial Development Corporation.

Mr. Shehryar Faruque
Director

Mr. Shehryar Faruque is a graduate from Davis & Elkins College, Elkins, WV, USA. He serves on the Board of Directors of Faruque (Private) Limited, Zensoft (Private) Limited, Greaves Airconditioning (Private) Limited and CFS Minerals (Private) Limited.

In the past, he has served as Director of Cherat Cement Company Limited, Mirpurkhas Sugar Mills Limited, Greaves CNG (Private) Limited, Greaves Pakistan (Private) Limited, NBP Fullerton Asset Management Company (NAFA) and Summit Bank Limited.

Mr. Arif Faruque
Director

Mr. Arif Faruque is a Swiss - qualified Attorney-at-Law and also holds Masters degrees in both Law and Business Administration from the United States of America. He also completed the Owner President Management Program at Harvard Business School. He is the Chief Executive of Faruque (Pvt.) Ltd. He is on the Board of Directors of Mirpurkhas Sugar Mills Ltd. and Cherat Cement Company Ltd. Besides the above, he is also a member of the Board of Governors of Lahore University of Management Sciences (LUMS).

Mr. Ali H. Shirazi
Director

Mr. Ali H. Shirazi is Atlas Group Director Finance Services and Chief Executive of the Group holding company – Shirazi Investment (Private) Limited. He serves on the Board of Atlas Battery Limited, Assets Management Limited, Atlas Insurance, Cherat Packaging Limited, Pakistan Cables Limited, National Foods Limited and Pakistan Society for Training and Development. He has previously served as President of Pakistan Society for Training and Development (PSTD) and Board Member of National Clearing Company of Pakistan Limited (NCCPL).

He graduated with a BA from Yale University, USA in 2000 and thereafter completed his Masters in Law from Bristol University, UK in 2005.

Mr. Ali H. Shirazi is a 'Certified Director' from the Pakistan Institute of Corporate Governance and in 2018 completed the Owner / President Management Program (OPM) from Harvard Business School.

Mr. Abid Vazir
Director

Mr. Abid Vazir has been associated with Ghulam Faruque Group since 2000. He is serving as the Director and Chief Operating Officer of Cherat Packaging Limited. Furthermore, he is also serving as the Director of Jubilee General Insurance Company Ltd., Greaves Airconditioning (Pvt.) Ltd., Greaves Engineering Services (Pvt.) Ltd. and Greaves CNG (Pvt.) Ltd. Mr. Vazir is also a member of the Executive Committee of the Management Association of Pakistan and is currently serving as its Vice President.

Mr. Abid Vazir holds an MBA degree from Lahore University of Management Sciences (LUMS), enrolled in the Dean's Honors List. He belongs to the first batch of graduates of College of Business Management (IoBM) and holds an MBA degree from the Institute. Mr. Vazir is an Associate member of the Institute of Chartered Secretaries of Pakistan and a Certified Director from Pakistan Institute of Corporate Governance (PICG)

Mr. Sher Afzal Khan Mazari
Director

Mr. Sher Afzal Mazari is a progressive agriculturist who is committed to developing long term sustainable solutions to the current challenges of farming and land management. Prior to this, he had a 34-year corporate career across a range of industries from Chemicals to Foods and Fast-Moving Consumer Goods.

After graduating from Boston University, Sher Afzal began his professional career with ICI and then moved to Unilever, where he worked for 25 years, both in Pakistan and then overseas. During this time, he has worked in senior Management roles, across regions as diverse as Asia, Middle East and Africa.

He is deeply committed to driving a sustainable business agenda, and believes that ECG integration, corporate sustainability and stakeholder stewardship are at the heart of Corporate Governance and integral to the long-term benefit of all stakeholders and the environment.

Sher Afzal's deep understanding and knowledge of operating across developed, developing and frontier markets has convinced him on the vital need for tailoring global business best practice to suit local environments. He is also a firm believer in ethical and transparent business operations that not only meet local regulatory requirements but are also in strict compliance with global standards of corporate governance.

Ms. Maleeha Humayun Bangash

Director

Ms. Maleeha Bangash is a highly accomplished Corporate & Investment Banking, Digital Banking & Financial Industry expert with a vast experience obtained in Singapore, Türkiye and Pakistan. She has a diverse background, having worked in the textile and telecommunications industries, as well as banking, financial services, and investments.

Ms. Bangash obtained her MBA from University of Chicago, Booth School of Business, in Investment & Finance, where she graduated with Honors. Earlier, she had obtained an MBA from LUMS, in Finance & Marketing.

As a strategist and result oriented leader, she has demonstrated the ability of setting up and building highly successful companies as well as turning around troubled firms into profitable market players, by driving revenues and growth. She brings with her 20 years' C-Suite experience in Banking & Investment, Private Equity/V.C, Mergers & Acquisitions & Capital Markets. She is passionate about financial inclusion and has been involved in Fintech/ Digital Banking space for the past 9 years in various capacities.

As the CEO of BAJO Digital Venture, USA she is working on Digital Banking, Financial Inclusion, Credit Scoring/Fintech, and Digital Transformation projects. Additionally, she is working on various, digital banking, AI, Innovation and Technology projects in Singapore, China, Japan, Türkiye and the USA.

Most recently engaged as CEO/MD ICRU World Bank Group and in IFC-International Finance Corporation, Singapore as expert (consultant) Digital Banking transformation, Climate/Green Banking & SME (East Asia Pacific region). She has served as Founding Member (Commissioner) CCP, where she led areas of Advocacy, Mergers & Acquisitions Review, and Competition Research, she recently served as Ambassador for the SME Finance Forum, Washington (A G20 Initiative managed by the IFC), and is an active member of the Singapore FinTech Association- SFA.

Ms. Maleeha Bangash commenced her career in Corporate & Investment Banking and has worked in Corporate Banking group of HBL Bank, Singapore. In Makara Capital (Global Capital Partners), Singapore she originated and structured Private Equity (early stage) & Venture Capital deals. She covered UAE, South Asia and Southeast Asia Investors and Projects. In Global Strategies Pte. Ltd., Singapore, Maleeha Bangash, developed investment options by initiating alliances, negotiating agreements with Citibank, Credit Suisse, Merrill Lynch, Morgan Stanley and UBS as product/platform providers. Her responsibilities included portfolio management (Capital Markets/Equity Markets); managing client portfolios, for Investors/ Clients from Singapore, South Africa, Mainland China, Hong Kong, Malaysia, United Kingdom, India, Australia, New Zealand. As Dy. Chief Executive Officer, she successfully turned around AL Habib Asset Mgt.

Ms. Bangash received the 100 Most Prominent Women in Anti-Trust (Global) award in 2009 & 2018 selected on merit (profile and achievement). She received Miracle Woman Award for outstanding professional achievements in Banking & Finance. She has attended international workshops and obtained certifications from international institutions including OECD, ICN, The Hague Academy, IFC/ World Bank Group, Finastra UK, Rekabet Kurumu, KOSGEB. She also speaks the Turkish language which she learnt at TOMER Ankara.

Chairman's Review

The financial year ended June 30, 2026 marked a period of gradual economic recovery for Pakistan amid an exceptionally challenging global environment. Supported by macroeconomic stabilization measures, easing inflation, improved foreign exchange reserves and a more stable exchange rate, the economy demonstrated greater resilience. Nevertheless, the operating environment remained demanding, with high utility costs, taxation, and structural inefficiencies continuing to weigh on the competitiveness of the manufacturing sector. Despite these headwinds, Pakistan's economy recorded growth of approximately 3.7%, reflecting the resilience of the country's productive sectors.

The most significant external challenge during the year was the conflict between the United States and Iran, which disrupted global energy markets and created uncertainty across international supply chains. The packaging industry including Cherat Packaging, experienced severe disruptions in supply of polymers and specialty raw materials, requiring companies to maintain greater operational flexibility, strengthen supplier relationships, and carefully manage inventories to ensure uninterrupted service to customers. Despite these challenges, the Company demonstrated commendable resilience by adapting quickly to the evolving geopolitical landscape and recorded a higher profitability compared to last year.

You will be pleased to know that during the year, the Company successfully commissioned its second extrusion plant featuring a state-of-the-art barrier film line, significantly enhancing its capability to manufacture high-performance, value-added packaging solutions for food, pharmaceutical and other applications. This strategic investment strengthens its competitive position, expands its product portfolio and reduces dependence on external sources for specialty films. The Company also commissioned a 2.7 MW solar power system as part of its sustainability agenda and commitment to environmental stewardship. The project will substantially reduce our dependence on grid electricity, lower operating costs, mitigate exposure to energy price volatility and reduce carbon footprint. These investments reflect the Board's commitment to delivering sustainable growth and enhanced value for all stakeholders.

The Company remains committed to environmental sustainability and community development through its Corporate Social Responsibility (CSR) initiatives in the fields of education, healthcare, and environmental stewardship In line with global practices. The Company continues to advance its Environmental, Social and Governance (ESG) journey by reducing carbon emissions, enhancing sustainability reporting, and creating long-term stakeholder value.

The Board of Directors remained actively engaged in strategic oversight, addressing major risk areas, and ensuring robust corporate governance. All Directors, including Independent Directors, contributed to decision-making and the annual self-evaluation process in line with the Code of Corporate Governance.

Looking ahead, the Company is well positioned to capitalize on market opportunities through operational excellence, financial discipline, and strategic investments. The management remains committed to delivering sustainable growth, enhancing shareholders' value, and navigating future challenges with resilience.

I would like to extend my gratitude and appreciation to all the staff members, customers, suppliers, bankers, shareholders and the Board of Directors for their commitment and hard work.

Akbarali Pesnani
Chairman

Karachi:
August 18, 2026

Directors' Report to the Members

For the year ended 30 June 2026

The Board of Directors is pleased to present to you the Annual Report of the Company along with the audited financial statements for the year ended June 30, 2026.

Overview:

Year 2025-26 marked an important transition for Pakistan from economic stabilization towards gradual recovery, providing a stronger foundation for sustainable long-term growth as country's economy demonstrated continued macroeconomic stabilization under the IMF-supported reforms programme. Economic activity strengthened, with real GDP growth estimated at around 3.7%, driven by improvements across the agriculture, industrial and services sectors. Inflation declined from the elevated levels experienced in previous years, while fiscal discipline, a stronger current account position and improving foreign exchange reserves enhanced overall economic stability and investor confidence. However, despite these positive developments, private sector investment remained cautious due to high financing costs, subdued domestic demand and persistent structural challenges, resulting in growth remaining below the Government's target.

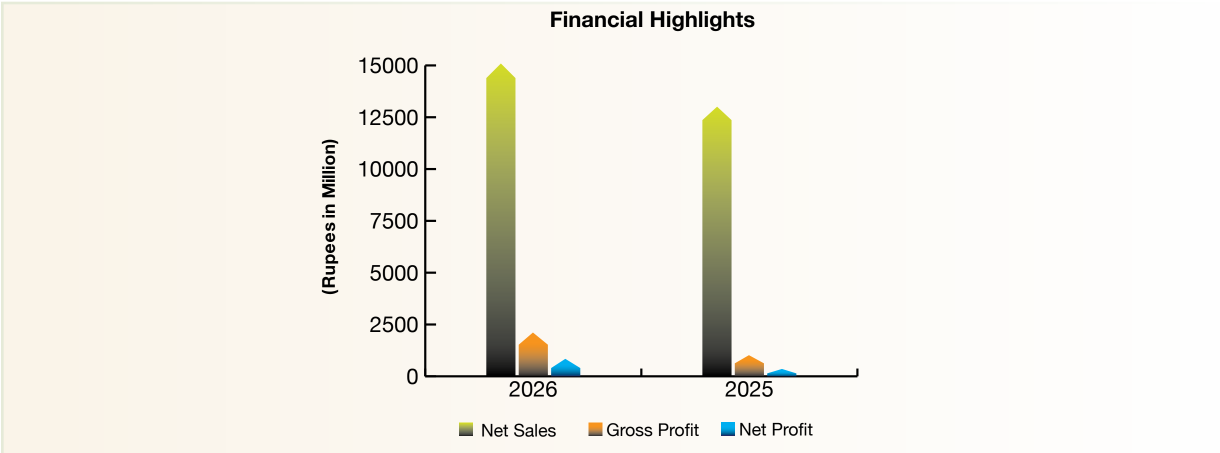
The latter part of the fiscal year was overshadowed by the US-Iran conflict, which created considerable uncertainty across global supply chains and commodity markets. The disruption to shipping routes through the Middle East, resulted in higher freight costs, increased insurance premiums, longer transit times and volatility in crude oil and petrochemical prices. These developments directly impacted Pakistan's packaging industry, which relies heavily on imported polymer resins, and other petrochemical-based raw materials. Manufacturers faced supply disruptions, cost escalation and pressure on operating margins. The conflict reinforced the need for greater supply chain resilience, diversified sourcing strategies, improved inventory planning and stronger operational efficiencies to mitigate geopolitical risks.

Business Review:

Catering to diversified sectors including cement, food, FMCG, and industrial goods, Cherat Packaging has grown into one of the country's leading packaging solutions providers. The Company's strategic investments in most advanced equipment, technology, human capital, and sustainability have positioned it as a reliable partner for quality packaging solutions. Despite an operating environment characterized by persistent economic challenges, and widespread disruption to global supply chains arising from the US–Iran conflict in the second half of the year, the Company demonstrated remarkable resilience during the year. Through prudent financial management, disciplined cost control, operational excellence, and a continued focus on serving its customers, the Company successfully mitigated these external challenges and delivered another year of strong financial performance. The Company not only further strengthened its financial position but also exceeded the profitability achieved in the previous year, reflecting the robustness of its business fundamentals, the effectiveness of its strategic initiatives, and the unwavering commitment of its customers.

The financial highlights for the current year and that of last year are given below:

	2026 (PKR in million)	2025 (PKR in million)
Net sales	15,093	13,014
Gross Profit	1,879	1,021
Net Profit	651	356



Financial Performance:

There was a 16% increase in the sales revenues of the Company from last year mainly on the back of rise in volumes of flexible packaging materials. During the year, the Company focused on improving its operational efficiency, broadening its product portfolio, and strengthening customer relationships. As earlier mentioned, in a period of acute shortage of raw materials because of the ongoing USA – Iran conflict, the Company has ensured that it continues to meet the packaging needs of its valuable customers. During the year, there has been a decrease in finance cost due to decline in discount rates. There has been re-measurement of the Sindh Infrastructure Development Cess (SIDC) liability to its present value, which has resulted in a one off gain of Rs. 189 million. The same has been recognized as other income. During the year ended June 30, 2026 the Company has recorded an after-tax profit of Rs. 651 million translating to EPS of Rs. 13.26 per share.

Dividend Payout:

The Company has always strived to be consistent in its approach for distribution of profits. The decision on dividend payout is made after taking into consideration various parameters like Company's financial performance, its business needs, growth prospects and expansion plans. For the year under review, the Board of Directors is pleased to recommend a final cash dividend of Rs. 3 per share. This is in addition to an interim cash dividend of Re. 1 per share already paid by the Company.

Update on Projects:

During the year, the Company successfully installed and commissioned its second Extrusion Plant – a Barrier Film Extrusion Line, along with allied equipment. The extrusion line was sourced from Windmöller & Hölscher, world's leading equipment supplier to the packaging industry. The addition of this extrusion line will not only enhance Flexible Packaging Division's production capacity but will allow it to cater to new segments of the market, enabling the Company to better meet customer demand and optimize resource utilization.

Furthermore, the Company also installed 2.7 MW solar panels at the factory. This is in addition to 1MW already installed. The installation of solar panels will not only help in bringing about cost efficiency but would also enable the Company to meet its responsibility towards preserving the environment by providing clean source of energy.

Corporate Social Responsibility:

In line with its corporate social responsibility policies, the Company is engaged in multiple social initiatives to help improve the living conditions of the people residing in the vicinity of the manufacturing facilities and the surrounding areas. The Company has always reached out to those who required help and extended necessary support at a time of crisis or natural calamity. The Company envisions a better environment, a better economy, and a better Pakistan as it continues to contribute to various reputable charitable institutions and for social causes.

Safety, Health and Environment:

Maintaining high standards of health and safety for its people has also remained pivotal to Company's strategy. In this regard, it has put in place several measures including implementation of protocols on employees' health and safety. The production facilities of the Company have been compliant with high standards of safety and has a dedicated HSE department to oversee the implementation of HSE objectives. The department not only ensures compliance with the best HSE practices but also carries out regular fire and safety training for the staff. Due to strong commitment of the Company on strict compliance with HSE standards, no major accident was reported during the year.

Contribution to National Exchequer:

The Company contributed around Rs. 4.6 billion to the government treasury in form of taxes, excise duty, income tax and sales tax during the year.

Statement on Corporate and Financial Reporting Framework:

- The financial statements prepared by the management of the Company present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed and explained.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance.
- Key operating and financial data for the last six (6) years in summarized form is annexed.
- There is nothing outstanding against your Company on account of taxes, duties, levies and charges except for those which occur in normal course of business.
- The Company maintains Provident and Gratuity Fund accounts for its employees. Stated below are the values of the investments of the funds as on June 30, 2026.

Provident Fund	**Rs. 559 million**
Gratuity Fund	**Rs. 294 million**

Board of Directors:

Total number of Directors on the board is 9. Its composition is as follows:

•	Male Directors	8
•	Female Director	1
a	Independent Directors	3
	i Mr. Ali H. Shirazi	
	ii Mr. Sher Afzal Khan Mazari	
	iii Ms. Maleeha Humayun Bangash	
b	Non-Executive Directors	4
	i Mr. Akbarali Pesnani	
	ii Mr. Aslam Faruque	
	iii Mr. Shehryar Faruque	
	iv Mr. Arif Faruque	
c	Executive Directors	2
	i Mr. Amer Faruque	
	ii Mr. Abid Vazir	
d	Female Director	1
	i Ms. Maleeha Humayun Bangash	

During the year, five (5) meetings of the Board of Directors were convened. The attendance record of each director is as follows:

Name of Director	Meetings Attended
• Mr. Akbarali Pesnani	5
• Mr. Amer Faruque	5
• Mr. Aslam Faruque	4
• Mr. Shehryar Faruque	5
• Mr. Arif Faruque	5
• Mr. Ali H. Shirazi	5
• Mr. Abid Vazir	5
• Mr. Sher Afzal Khan Mazari	5
• Ms. Maleeha Humayun Bangash	2

During the year, four (4) meetings of the Audit Committee were convened. The attendance record of each member is as follows:

Name of Director	Meetings Attended
• Mr. Ali H. Shirazi	4
• Mr. Arif Faruque	4
• Mr. Shehryar Faruque	4

During the year, three (3) meetings of the Human Resource and Remuneration Committee were convened. The attendance record of each member is as follows:

Name of Director	Meetings Attended
• Mr. Sher Afzal Khan Mazari	3
• Mr. Aslam Faruque	3
• Mr. Amer Faruque	3

- The pattern of shareholding is annexed with the report.
- Earnings per share (EPS) during the year was Rs. 13.26 compared to Rs. 7.26 last year.

Directors' Remuneration:

Through the Articles of the Company, the Board of Directors is authorized to fix remuneration of Non-Executive and Independent Directors from time to time. In this regard, the Board of Directors has developed a Remuneration policy for Non-executive and Independent Directors of the company. The detail of Directors' remuneration is disclosed in Note 34 of the Financial Statements for the year ended June 30, 2026.

Performance Evaluation of Board of Directors and Board Committees:

The Company carries out annual evaluation of the Board of Directors, it's Committees and Individual Directors as part of Code of Corporate Governance. Strict level of confidentiality is exercised by the Company Secretary upon receipt of completed questionnaires. To ensure transparency of the process, the Company has engaged an independent audit firm to compile results and prepare a report for the Board of Directors. The contents of the report are evaluated and areas that require improvement are identified.

Related Parties Transactions:

All transactions with related parties have been executed at arm's length and have been properly disclosed in the financial statements of the Company.

Statement of Compliance with Code of Corporate Governance:

The Company has fully complied with requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. Statement of Compliance is provided under the relevant section of the report.

Directors' Responsibility in Respect to Adequacy of Internal Financial Controls:

The efficient framework of internal financial controls has been put in place by the Board of Directors to guarantee the smooth and effective execution of operations, protection of company assets, adherence to relevant laws and rules, and dependable financial reporting. The independent Internal Audit function consistently evaluates and oversees the execution of these financial controls, while the Audit Committee assesses the efficiency of the internal controls structure and financial statements on a quarterly basis.

Board of Directors' Commitment to Ethics and Compliance:

The Board of Directors of the Company is dedicated to maintaining the highest standards of ethics and compliance. It fosters a culture of integrity and accountability, upholds our code of conduct, supports ethical decision-making, ensures robust compliance programs, and responds appropriately and promptly to any violations.

Risk and Opportunities:

- **Risk Management**
  The Board of Directors kept a close watch on the socio-economic environment and consequential internal and external risks that might impact the safe and smooth operations and performance of the Company. As caretakers of the interest of stakeholders, the Directors remained vigilant in identifying and mitigating risks throughout the year. The Board of Directors identified potential risks, assessed their impact on the Company and formulated strategies to mitigate risks to the business.

- **Risk Assessment**
  Businesses face numerous uncertainties that might pose threats to its objectives and if not addressed may cause preventable losses. The Board of Directors of the Company has carried out assessments of both internal and external risks that it might face. Disruption in supply of key raw materials and their rising costs are most imminent risks facing the Company. Devaluation of Pakistani rupee is another potential risk for the Company. To curb the negative impact of this, the Company has established strategic relationships with its key international suppliers and ensured timely negotiations, pre-orders and timely delivery.

  Cherat Packaging is using world renowned ERP system – SAP, which is fully functional through its integrated finance, quality control, supply chain and inventory management modules. In addition, the Company has also implemented SAP Success Factor for HR modules. This allowed the Company to match the pace of technological advancement for matching the international standards. Proper access and other controls are in place to ensure security of the system.

The Board recognizes the importance of cybersecurity, keeping in view the evolving information security threats, which can directly affect our business operations. The Company has an in-house IT department, which has dedicated resource for IT related security. As advised by the Board, cybersecurity audit is conducted by an external consultant every few years and any recommendations thereon are properly implemented. There was no cybersecurity breach during the year.

- **Strategic Objectives on ESG**
  The Board is committed to nurturing a sustainable and ethical business. Our strategic goals include environmental management, social responsibility, and robust governance. We are devoted to minimizing our carbon footprint, conserving resources, and protecting ecological variety. Our priorities include fostering diversity, ensuring employee well-being, and engaging with the community. Our decision-making is directed by principles of ethical behavior, transparency, and prudent risk management. The Board fully supports these objectives, reinforcing our pledge to generate lasting value for all stakeholders.

- **Sustainability Risks and Opportunities**
  Company's commitment to sustainability is unwavering. The board has placed a suitable mechanism to ensure governance and oversight of sustainability risks and opportunities as well as diversity, equality and inclusion policies and best practices in corporate and regulatory matters. Our strategic priorities include environmental stewardship, social responsibility, and effective governance. We are dedicated to reducing our carbon footprint, conserving resources, advancing green energy, and managing waste sustainably. Additionally, we emphasize diversity, employee well-being, and community involvement.

- **Sustainability-Related Risks**
  Sustainability-related risks entail the assessment of environmental, social, and governance (ESG) elements. By adopting innovative operational practices, implementing renewable energy policies, and supporting green initiatives, the Company strives to promote a sustainable future. Management has established clear ESG objectives that are aligned with the Company's strategic goal of enhancing sustainable resilience and generating a positive social impact.
  The Company has invested substantial resources into advanced, eco-friendly technologies that reflect the principles of responsible consumption and production. A detailed evaluation of existing and potential risks is conducted, pinpointing specific areas of concern according to established frameworks.

- **Diversity, Equity, and Inclusion (DE&I)**
  With its multifaceted workforce and communities, the Company advocates the principles of diversity, equity, and inclusion (DE&I). Fostering DE&I is a central focus for the Company and is fundamental to its sustainable and ethical business practices. The Company is actively working to enhance gender and ethnic diversity and inclusion across all tiers, adopting inclusive recruitment strategies, such as utilizing varied job boards and diverse interview panels.

- **Debt Repayment**
  The Company has always met its financial obligations and paid all its dues on time. During the year, the Company repaid loans of Rs. 448 million to the banks.

- **Capital Structure**
  The Company's current debt to equity ratio is about 29:71. The gearing ratio is improving as the Company is making regular profits. It will further improve after full capacity utilization.

Future Prospects:

The Company remains optimistic about macroeconomic outlook for Pakistan going forward supported by a gradual revival in economic activity, easing inflation, lower interest rates, and improving demand from key sectors such as food, beverages, pharmaceuticals, FMCG, and exports. The packaging industry is expected to operate in a challenging business environment due to continuing geopolitical uncertainties arising from the US–Iran conflict, which continues to pose a threat to oil prices, freight costs, shipping schedules, and the availability of imported raw materials such as polypropylene, polyethylene, inks, adhesives, and other packaging inputs. The Company remains steadfast in addressing these challenges by making timely, strategic decisions aimed at enhancing operating performance.

Against this backdrop, the Company will continue to focus on maintaining diversified sourcing strategies, prudent inventory management, strong customer relationships, and a focus on operational efficiency. Continued investment in value-added products, sustainable packaging solutions, and productivity improvements will remain critical to Company maintaining its market leadership position. In an increasingly competitive environment, the Company is confident of safeguarding its market share, achieve greater economies of scale, and capitalize on emerging opportunities for continued growth. Its proven resilience in navigating economic headwinds underscores a strong long-term business vision that maximizes stakeholder value. Leveraging its financial strength and operational efficiencies, the Company will continue to mitigate external risks, while management remains vigilant in monitoring economic conditions and proactively taking measures to protect stakeholder interests.

Appointment of Auditors:

We would like to thank our auditors – M/s. Grant Thornton Anjum Rahman – Chartered Accountants, who have retired and have offered themselves for reappointment. The detail of Auditor's remuneration is disclosed in Note 25.1 of the Financial Statements for the year ended June 30, 2026.

Acknowledgment

The management would like to express its gratitude to all customers, financial institutions, staff members, suppliers and shareholders who have been associated with the Company for their continued support and cooperation.

On behalf of the Board of Directors

Akbarali Pesnani
Chairman

Amer Faruque
Chief Executive

Karachi: August 18, 2026

Chairman's Significant Commitments and any Changes Thereto

Mr. Akberali Pesnani is serving Cherat Packaging Limited as the Chairman of the Board. Apart from his associations as mentioned in Directors' profile, he does not have any significant commitment.

How the Board Operates and the Matters Delegated to the Management

At the time of appointment of director, the Chairman of the Board communicates a complete set of document of roles, responsibilities and powers as director of the Company. These roles, responsibilities and powers (which includes decision making powers) are in accordance with the provisions of applicable and relevant laws.

Management is primarily responsible for implementing the strategies as approved by the Board of Directors. It is the responsibility of management to conduct the routine business operations of the Company in an effective and ethical manner in accordance with the strategies and goals as approved by the Board and to identify and administer the key risks and opportunities which could impact the Company in the ordinary course of execution of its business. Management is also concerned in keeping the Board members updated regarding any changes in the operating environment. It is also the responsibility of 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 accounting standards and legal requirements.

Annual Evaluation of Board, Chief Executive Officer (CEO), Committees and Individual Members

Board evaluation mechanisms facilitate the Board of Directors in evaluating and assessing its performance and ability to provide strategic leadership and oversight to the senior management of the Company. Accordingly, appropriate procedures have been developed based on emerging and leading practices to assist in the assessment of the Board, its committees and the individual directors themselves.

Questionnaires have been developed based on relevant criteria such as effectiveness, accountability, planning, leadership and strategy formulation by the Board and also its committees. Directors are also asked to fill out a self-evaluation questionnaire which focuses on their participation and satisfaction with the different proceedings of the Board and their individual role as a member. In addition, a separate evaluation questionnaire for Chief Executive Officer has also been developed for his performance. The performance evaluation of the CEO is carried out by all the Directors.

These questionnaires are circulated annually and are filled out by the Directors anonymously. The collected answers are then compiled by an independent chartered accountant firm.

The Company has engaged M/s. Grant Thornton Anjum Rahman, Chartered Accountants to ensure transparency of the process.

Directors' Orientation and Training

All the directors of the Company are well experienced and have diverse backgrounds. At the time of induction of any new director, he or she is given proper orientation about the operations of the Company and his or her fiduciary responsibilities. The Company had also arranged an in house Directors' training program to apprise the directors of their authorities and responsibilities. Five directors of the Company namely Mr. Shehryar Faruque, Mr. Akbarali Pesnani, Mr. Ali H. Shirazi, Mr. Abid Vazir and Ms. Maleeha Humayun Bangash are also certified under the Board Development Series Program offered by Pakistan Institute of Corporate Governance (PICG). The Company also conducted an orientation session for Directors.

Governance Practices Exceeding Legal Requirements

Cherat Packaging has always believed in going the extra mile and staying ahead of the game. In line with this strategy, not only have we complied with all mandatory legal compliances under the Code of Corporate Governance, the Companies Act, 2017 and other applicable rules, regulations and standards, we have also carried out the following activities in addition to the legal requirements;

a. Integrated Reporting Framework: The management reports various other essential information in this annual report which is not required by law. We are trying to adapt integrated reporting framework.
b. Implementations of HSE: The Company has developed and implemented aggressive HSE strategies at its Plants to ensure 100% safety of its people and equipment.
c. Dissemination of information: The Company has always ensured that all material information is communicated to the PSX, the SECP and the Company's shareholders as soon as it becomes available. At all times we have ensured that such information is sent out much before the deadlines set out in the laws.

Related Parties

As required under fourth schedule of the Companies Act, 2017, detailed disclosures regarding related party transactions have been presented in note 35 to the Financial Statements. Such disclosure is in line with the requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards.

Statement of Management's Responsibility towards the Preparation and Presentation of Financial Statements

The Company, its Board of Directors and the management have always been keen to follow the standards set down by governing institutions. In lights of the same strict compliance of all standards set out by ICAP, the Companies Act, the International Accounting Reporting Standards have been adhered to and otherwise good and responsible reporting has been our general practice.

Directors are kept informed and updated: To keep update to the Directors with major amendments and changes in applicable relevant laws.

Detail of Board Meetings Outside Pakistan

During the year, 5 meetings of the Board of Directors were held in Pakistan. As recommended by SECP Guidelines and to keep the costs in control, the management has conducted all meetings in Pakistan.

Female Director

Ms. Maleeha Humayun Bangash was re-elected as an Independent female Director on October 24, 2023 on the Board and the requirement for a female director on the board of a listed company has been complied.

Independent Directors

Cherat Packaging Limited has ensured that the composition of its Board of Directors is compliant with all prevailing legal and governance requirements. All independent Directors have submitted along with their consent to act as Director, the declaration as required under the Code or Companies Act, 2017, to the Company that they meet the criteria of Independent Director.

Executive Director(s) serving as Non-Executive and Independent Director in other companies / body corporate

Our Chief Executive Mr. Amer Faruque is serving as a non-executive director in one listed Company and three other private companies. Furthermore, Mr. Abid Vazir Director and Chief Operating Officer is also on the Board of four other private companies and one listed company as non-executive Director, details of which are available in the Directors' Profile section.

There is no restrictions/bar in the law to earn the remuneration as non-executive directors in other companies.

IT Governance Policy

Cherat Packaging has a well-conceived and implemented IT Governance Policy which seeks to ensure that IT is aligned with CPL's organizational goals and strategies and delivers value to the organization. The policy is designed to promote effective, efficient, timely and informed decision-making concerning CPL's IT investments and operations. Specifically, the policy aims to establish the IT governance structure and its associated procedures, roles and responsibilities, as a critical component of the overall IT Management (ITM) Framework, which guides the management in implementation and monitoring of IT investments for CPL.

Cherat Packaging's IT Governance Policy is mainly charged with:

- Establishing a shared vision of how Information Technology can add value to the organization;
- Establishing Information Technology goals and the strategies for achieving those goals;
- Establishing principles and guidelines for making Information Technology decisions and managing initiatives;
- Overseeing the management of institutional Information Technology initiatives;
- Establishing and communicating organizational Information Technology priorities;
- Determining Information Technology priorities in resource allocation;
- Establishing, amending and retiring as necessary, organizational Information Technology and other technology related policies; and
- Determining the distribution of responsibility between the IT Department and end users.

Human Resource Policies

At Cherat Packaging Limited we attribute our continued success to our people. Our employees are our enduring advantage and it is our ability to create high performance teams in a culture of inclusiveness, professionalism and excellence that drives our growth. To maintain our HR competitiveness, we remain focused on areas of talent management, learning & development; succession planning, and the development of a robust Management Trainee Program.

Attracting the Best Talent

To support the Company's objective of acquiring the best talent, we have recalibrated our Trainee Engineer Program as "Future Leaders Program" to make it dynamic in its offerings to students allowing them to challenge their potential. By providing graduating students with an exhilarating route to enter our Graduate Trainee Engineering programs, we undertook several campus recruitment drives at leading Engineering educational institutions with an aim to find the best talent that would build the company-wide pipeline of emerging leaders and also to be part of our enterprising organizational culture.

Industrial Relations

We maintain excellent relations with our employees and labour. There is a formal labour union in place which represents all classes of workers and independently takes care of all labour related issues. The Company takes every reasonable step for swift and amicable resolution of all their issues.

Core Values

Values are what support the vision, shape the culture and reflect what an organization values. They are the essence of the organization's identity – the principles, beliefs or philosophy of values.

Our Core Values (Respect, Fairness, Quality, Ownership) are embedded in our recruitment process, performance appraisals and recognition initiatives.

HR Excellence

Preparation of Succession Plan

At Cherat Packaging Limited (CPL), preparing a robust Succession Plan is integral to ensuring sustained leadership and business continuity. We view succession planning not as a reactive measure but as a forward-thinking strategy that identifies and develops individuals who can fill key positions in the future. This process starts by recognizing critical roles across the company that are pivotal to our business operations and long-term growth.

We conduct a comprehensive Talent Assessment to evaluate potential successors within the organization. This assessment takes into account not only the employee's current performance but also their competencies, leadership potential, and alignment with CPL's core values. A Gap Analysis is then performed to understand the areas where development is needed, enabling us to customize learning and development programs that focus on bridging these gaps.

At CPL, our succession planning is not limited to top leadership roles. We believe in building a talent pipeline for all critical talent of the organization. By investing in continuous learning, leadership development, and on-the-job coaching, we ensure that high-potential employees are ready for future leadership roles. This ongoing process enables us to nurture a workforce that is capable, agile, and ready to take on future challenges.

Merit-Based Recruitment

At CPL, we are committed to a Merit-Based Recruitment process that ensures fairness, transparency, and the hiring of the most qualified candidates. Our approach is driven by a strict adherence to equal opportunity principles, ensuring that every candidate is evaluated solely on their skills, knowledge, experience, and alignment with our organizational values.

To streamline and enhance the recruitment process, CPL leverages advanced technological tools like SAP SuccessFactors Recruitment Management (RCM). Through Recruitment Management, we efficiently manage job requisitions, job postings, candidate applications, and the selection process, ensuring a smooth and transparent hiring journey. The system allows us to track candidates progress, conduct interviews, and make data-driven decisions on selecting the best talent. SF RCM is also integrated with our onboarding processes, making transitions in to the company seamless for both employees and HR.

The Onboarding process at CPL is designed to welcome new hires and integrate them into our organizational culture effectively. Through the structured programs, we provide them with the resources, training, and support they need to succeed.

By adopting merit-based recruitment practices and integrating the latest HR technologies, CPL ensures that we consistently attract and retain top talent, contributing to the company's growth and operational excellence.

Performance-Based Appraisal

At Cherat Packaging Limited, our Performance-Based Appraisal system is a key driver of employee engagement, development, motivation and organizational success. We believe that performance should be the foundation for both individual and organizational growth, which is why we place such a strong emphasis on recognizing and rewarding employees based on their achievements and contributions.

CPL utilizes SAP SuccessFactors Performance Management and Goals Management (PMGM) to standardize and automate our performance management processes. SF PMGM allows us to set clear and measurable goals for employees at the beginning of each performance cycle, aligning their objectives with the broader business goals of the organization. Throughout the year, managers can track progress, provide candid and regular feedback hence fostering a culture of continuous improvement.

At the end of the performance cycle, employees are appraised based on their achievements against their set goals, and their competencies in relation to CPL's core values. SF PMGM provides comprehensive insights, ensuring that our appraisals are fair, transparent, and cover both qualitative and quantitative data. High-performing employees are recognized and rewarded, while development plans are created for those needing additional support, ensuring that every individual has the opportunity to grow and excel.

Our performance-based appraisal system not only helps us recognize and reward top talent but also motivates employees to reach their full potential, driving CPL's continued success.

Promotion, Reward, and Motivation

At CPL, we understand that recognizing and rewarding employee contributions is fundamental to maintaining a motivated, engaged and high-performing workforce. Our Promotion, Reward, and Motivation strategy is built on principles of fairness, transparency, and alignment of individual performance with organizational performance. We firmly believe that career advancement should be based on merit, and as such, promotions at CPL are awarded to employees who consistently demonstrate strong performance, leadership qualities, and alignment with our core values.

In addition to promotions, CPL offers a variety of reward programs to celebrate exceptional achievements. These rewards can take the form of bonuses, public recognition, or special awards for outstanding contributions. Our rewards system is designed to create a culture of appreciation, where employees feel valued for their hard work and dedication.

Motivation is fostered not just through financial rewards but also by creating an environment where employees are given opportunities for growth and development. By providing challenging projects, leadership opportunities, and continuous feedback, we ensure that every employee at CPL feels empowered and motivated to contribute towards the company's success.

Training and Development

At Cherat Packaging Limited, we view Training and Development as key to both organizational success and employee satisfaction. Our philosophy is that continuous learning and development are essential to maintaining a workforce that is skilled, innovative, and prepared for future challenges.

CPL offers a range of training programs tailored to meet the diverse needs of our employees. These include technical training for operational staff, leadership development programs for emerging leaders, and skills enhancement workshops for all employees. We also offer e-learning opportunities that enable employees to learn at their own pace, ensuring that they can continuously improve and stay updated with industry trends.

Additionally, CPL promotes mentorship and coaching, where senior employees mentor junior staff, sharing their expertise and guiding them in their career development. This not only helps with knowledge transfer but also fosters a collaborative and supportive work environment. Our comprehensive approach to training and development ensures that CPL remains a learning organization, where employees are equipped with the skills and knowledge to drive our company forward.

Gender and Race Diversity

Our company is committed to fostering an inclusive and equitable workplace where all employees are treated with equality, fairness and respect. Employee's compensation is determined solely based on the seniority, experience, roles, responsibilities, and performance, regardless of gender.

We continually strive to maintain that there should be no gender pay gap within our organization, ensuring that every team member is valued and rewarded equitably for their contributions.

Employee Engagement and Feedback

At Cherat Packaging Limited, Employee Engagement is a top priority, as we believe that an engaged workforce is a productive workforce. We strive to create an environment where employees feel connected to the Company's mission, empowered in their roles, and motivated to contribute to the company's success.

Our approach to employee engagement involves regular communication, feedback mechanisms, and involvement in decision-making processes. CPL regularly conducts pulse surveys to gather feedback on various aspects of the workplace, from job satisfaction to leadership effectiveness. This feedback is carefully analyzed and used to make improvements in policies, practices, and the work environment.

In addition to surveys, we encourage open channels of communication between employees and management. Whether through one-on-one meetings, town halls, or suggestion boxes, we value employee input and believe in taking action on their feedback. This two-way communication fosters a culture of trust, transparency, and collaboration.

By prioritizing employee engagement and feedback, CPL ensures that we maintain a motivated and committed workforce which is driving the company's overall success and growth.

Appointment of/quota for people with disability:

At CPL, we are committed to building a diverse, inclusive, and equitable workplace where every individual has the opportunity to thrive. In line with national legislation and our organizational values, we recognize the importance of providing employment opportunities to persons with disabilities (PWDs).Beyond compliance, we view this as a meaningful step toward fostering equal opportunity, dignity at work, and representation of all segments of society within our workforce

Safety of Records Policy

Cherat Packaging is effectively implementing the policy to ensure the safety of records. All records must be retained for as long as they are required to meet legal, administrative, operational and other requirements of the Company. The main purposes of the Company Policy are:

- To ensure that the Company's records are created, managed, retained and disposed off in an effective and efficient manner;
- To facilitate the efficient management of the Company's records through the development of a coordinated Records Management Program;
- To ensure preservation of the Company's records of permanent value to support both protection of privacy and freedom of information services throughout the Company to promote collegiality and knowledge sharing;
- Information will be held only as long as required and disposed off in accordance with the record retention policy and retention schedules; and
- Records and information are owned by the Company, not by the individual or team.

Conflict of Interest Policy

A Conflict of Interest Policy has been developed by Cherat Packaging to provide a framework for all directors of the Company ("Directors") to disclose actual, potential or perceived conflicts of interest.

The policy provides guidance on what constitutes a conflict of interest and how it will be managed and monitored by the Company.

The policy is applicable to Directors as the Company strongly believes that a Director owes certain fiduciary duties, including the duties of loyalty, diligence and confidential to the Company which requires that the Directors act in good faith on behalf of the Company and to exercise his or her powers for stakeholders' interests and not for their own or others interest.

Management of Conflict of Interest

The Company stands fully committed to the transparent disclosures, management and monitoring of actual potential or perceived conflicts of interest. All Directors under the policy are obligated and have a duty to avoid actual, potential or perceived conflicts of interest.

Any Director with personal interest, relationship or responsibility which conflicts with the interest of the Company or its shareholders shall excuse himself or herself from any discussions on the matter that would give rise to the conflict of interest and, if necessary, from the Board meeting, or applicable part thereof.

Whistle Blower Policy

OBJECTIVE
The objective of this policy is to provide a platform and mechanism for directors, employees and suppliers to properly address bona fide concerns within the organization without fear of reprisal.

It encourages directors, employees and suppliers about their duty to report any suspected activity that violates any law applicable to the Company, its Core Values or Code of Conduct.

This policy is intended to assist only those individuals who believe they have discovered malpractice or impropriety. It is not designed to question financial or business decisions taken by the organization nor should it be used to reconsider any matters which have been investigated under the harassment, grievance or disciplinary policies and procedures.

POLICY STATEMENT
Cherat Packaging Limited ("CPL") is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, CPL has developed a Whistle Blowing Policy to lodge complaint or to bring in the knowledge of the competent authority any unfair treatment, fraudulent, immoral, unethical or malicious activities or discrimination or some other type of adverse occurrence that violates a law, regulation, policy, morals and/or ethics and especially those matters that jeopardize the credibility and reputation of the company. The whistle can be blown by any director, employee or supplier without fear of punishment/unfair treatment.

SCOPE/APPLICABILITY
This policy is applicable to directors, all permanent and third party employees and suppliers of Cherat Packaging Limited.

The whistleblower may report or raise any concern which he/ she believes is unethical or contradictory to the code of conduct of the organization, which may include the following acts.

- Fraud
- Financial malpractice
- Failure to comply with applicable legal requirements or company policy.
- Improper conduct or unethical behavior, including breach of the company's code of conduct, business integrity or ethics;
- Attempts to conceal any material facts or misrepresentation;
- Negligence causing substantial and specific danger to employees' health, safety or environment;
- Any unlawful act whether criminal/civil;
- Colluding with third parties/associates to exploit or cause harm to the company;
- Manipulation of company data/ records;
- Unauthorized use, employees' system password acquisition, access or disclosure of confidential/proprietary information;
- Abuse of authority;
- Misappropriation or unauthorized use of company funds/assets

All complainants are protected from victimization, harassment or disciplinary action as a result of any disclosure, where the disclosure is made in good faith and not maliciously or for personal gain. All disclosures are required to be made in writing. Disclosures made anonymously will not be entertained.

Disclosures made will be investigated fully including interviews with all the witnesses and other parties involved. All whistle blowing disclosures made are treated as confidential and the identity of the whistleblower is protected at all stages in any internal matter or investigation.

Disciplinary action (up to and including dismissal) may be taken against the wrongdoer depending on the results of the investigation.

During the year no whistle blowing incidence was reported under the mentioned procedure.

Anti-Sexual Harassment Policy

OBJECTIVE

The objective of this policy is to create a safe and dignified working environment for men and women workers that is free of sexual harassment, abuse and intimidation and with a view to enable higher productivity and a better quality of life at work.

The policy provides a guideline for behaviour of all employees, including management to ensure a work environment free of sexual harassment and intimidation.

SCOPE

This is applicable to all employees of the company.

RESPONSIBILITIES OF THE MANAGEMENT

Management is responsible to follow this policy and code in letter and spirit to ensure that each complaint of sexual harassment is addressed responsibly. The management will be impartial in the process and will facilitate a just and fair inquiry without retaliation. The management will not victimize the complainant or the witnesses in the case.

Insider Trading Policy

Cherat Packaging has taken definitive steps in ensuring that all employees, officers, members of the Board and all such relevant persons follow strict guidelines while trading in the shares of the Company. The Insider Trading Policy codifies the Company's standards on trading and enabling the trading of securities of the Company or other publicly-traded companies while in possession of material non-public information.

The general guidelines within the policy state that:

i. No trading in the securities of the Company is permitted for directors and all employees who are "Executives" as defined in the relevant laws, within the Closed Periods announced by the Company.

ii. No insider may purchase or sell any Company security while in possession of material non-public information about the Company, its customers, suppliers, consultants or other companies with which the Company has contractual relationships or may be negotiating transactions.

iii. No insider who knows of any material non-public information about the Company may communicate that information to any other person, including family and friends.

iv. In addition, no insider may purchase or sell any security of any other company, whether or not issued by the Company, while in possession of material non-public information about that company that was obtained in the course of his or her involvement with the Company in the way of conducting official business. No insider who knows of any such material non-public information may communicate that information to any other person, including family and friends.

The Company's Responsibility to Disclose Inside Information

The Company's responsibility, in case of inside information made known to a third party, shall be to ensure that in such case the knowledge is given full public disclosure or if such information still needs to be kept non-public then the Company must ensure that the third party is placed under legal obligation to maintain confidentiality.

Information System Security Policy

Objective

The objective of Information Security is to ensure continuity of business of the Company and to minimize business damage by preventing and limiting the impact of security incidents.

Policy

1. The purpose of the Policy is to protect Company information assets from all threats, whether internal or external, deliberate or accidental. These assets relate to information stored and processed electronically.
2. It is the Policy of the Company to ensure that:

a. Information will be protected against unauthorized access.

b. Confidentiality of information will be assured, by protection from unauthorized disclosure or intelligible interruption.

c. Integrity of information (its accuracy and completeness) will be maintained by protecting against unauthorized modification.

d. Regulatory and legislative requirements will be met, including record keeping, according to Information Security Management System standard.

e. Disaster Recovery plans will be produced, maintained and tested, to ensure that information and vital services are available to the Company when needed.

f. Information on security matters will be made available to all staff.

g. All breaches of information security, actual or suspected, will be reported to and investigated by the Information Security Officer / Internal Audit.

3. To support compliance with this Policy, the Company implements appropriate security practices and controls based on its business and operational requirements. These include measures relating to information protection, data backup and recovery, malware prevention, credential management, and other relevant areas of information security.
4. Business requirements for the available of information and information system will be met.
5. The role and responsibility for managing information security will be assigned to a designated Information Security Officer / Internal Audit.
6. The information Security Officer / Internal Audit will be responsible for maintaining the Policy and providing advice and guidance on its implementation.
7. All managers are responsible for implementing the Policy within their business areas, and for adherence by their staff.
8. It is responsibility of each employee to adhere to the Policy.

Non-Executive and Independent Directors' Remuneration Policy

PREAMBLE

The Board of Directors (the "Board") of Cherat Packaging Limited (the "Company") has adopted this Policy upon the implementation of Section 170 of the Companies Act 2017 read with Regulation No. 17 of the Code of Corporate Governance. Amendments, from time to time, to the Policy, if any, shall be considered by the Board in lights of changes in applicable laws and/or such external circumstances that directly apply to the scope of this Policy.

SCOPE AND APPLICABILITY

The Policy shall apply to all Non-Executive and Independent Directors who attend Board meetings, Audit Committee meetings, Human Resource and Remuneration Committee meetings and any other meetings called by the Board.

TERMS OF THE POLICY

Through the Articles of the Company, the Board is authorized to fix remuneration of Non-Executive and Independent Directors from time to time. The fee of the Non-Executive and Independent Directors for attending the Board and Committee meetings of the Company shall be as determined by the Board of Directors from time to time. It is responsibility of each employee to adhere to the Policy.

Policy on Related Party Transactions

Preamble

The Board of Directors (the "Board") of Cherat Packaging Limited (the "Company") has adopted this Policy pursuant to the provisions of Section 208 of the Companies Act 2017 read with Regulation No. 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 issued by the Securities and Exchange Commission of Pakistan.

Scope of the Policy

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions. It is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties. Amendments, from time to time, to the Policy, if any, shall be considered and approved by the Board. The policy covers all Related Party Transactions of Cherat Packaging Limited as defined under Section 208 of the Companies Act 2017. The policy is applicable on all individuals responsible to initiate, authorize, record and report Related Party Transactions.

The Policy is applicable to all Related Party Transactions irrespective of their value and size.

This Policy is intended to work in conjunction with regulatory provisions and other Company policies.

Definitions

i **Arm's length transaction** means a transaction which is subject to such terms and conditions and is carried out in a way, as if-

a) the parties to the transaction were unrelated in any way;

b) the parties were free from any undue influence, control or pressure;

c) through its relevant decision-makers, each party was sufficiently knowledgeable about the circumstances of the transaction, sufficiently experienced in business and sufficiently well advised to be able to form a sound business judgment as to what was in its interests; and

d) each party was concerned only to achieve the best available commercial result for itself in all the circumstances.

ii **Office of profit** means any office:

a) where such office is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.

b) where such office is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.

(iii) **Related party** includes

a) a director or his relative;

b) a key managerial personnel or his relative;

a key managerial personnel shall mean the following;

- the Chief Executive Officer of the Company;
- the Company Secretary of the Company;
- the whole time Directors on the Board of the Company; and
- the Chief Financial Officer of the Company.

c) a firm, in which a director, manager or his relative is a partner;

d) a private company in which a director or manager is a member or director;

e) a public company in which a director or manager is a director or holds along with his relatives, any shares of its paid up share capital;

f) any body corporate whose chief executive or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;

g) any person on whose advice, directions or instructions a director or manager is accustomed to act:

h) any company which is:

- a holding, subsidiary or an associated company of such company; or
- a subsidiary of a holding company to which it is also a subsidiary

i) such other person as may be specified.

j) relative means spouse, siblings and lineal ascendants and descendants of a person.

Provided that nothing in sub-clauses (f) and (g) shall apply to the advice, directions or instructions given in a professional capacity.

***All other terms will be construed as per the Companies Act 2017 and all other relevant laws.**

Types of related party transactions

Any contract or arrangement with respect to the following, but not limited to these;

i. sale, purchase or supply of any goods or materials;
ii. selling or otherwise disposing of, or buying, property of any kind;
iii. leasing of property of any kind;
iv. availing or rendering of any services;
v. appointment of any agent for purchase or sale of goods, materials, services or property; and
vi. such related party‘s appointment to any office or place of profit in the company, its or associated company, provided:
a. where majority of the directors are interested in any of the above transactions, the matter shall be placed before the general meeting for approval as special resolution;
b. also that nothing in this sub-section shall apply to any transactions entered into by the company in its ordinary course of business on an arm‘s length basis.

Disclosure and Approval of Related Party Transactions

The board shall approve related party transactions that require its approval and the following minimum information shall be circulated and disclosed to the directors along with agenda for board’s meeting called for approval of related party transactions:

(i) name of related party;
(ii) names of the interested or concerned persons or directors;
(iii) nature of relationship, interest or concern along with complete information of financial or other interest or concern of directors, managers or key managerial personnel in the related party;
(iv) detail, description, terms and conditions of transactions;
(v) amount of transactions;
(vi) timeframe or duration of the transactions or contracts or arrangements;
(vii) pricing policy;
(viii) recommendations of the Audit Committee, where applicable; and
(ix) any other relevant and material information that is necessary for the board to make a well informed decision regarding the approval of related party transactions.

Identification of Related Party Transactions

Every Director will be responsible for providing a notice containing the following information to the Board of Directors on an annual basis:

i. a firm, in which the director, manager or his relative is a partner;
ii. a private company in which the director or manager is a member or director;
iii. a public company in which the director or manager is a director or holds alongwith his relatives, any shares of its paid up share capital;
iv. any body corporate whose chief executive or manager is accustomed to act in accordance with the advice, directions or instructions of the director or manager;
v. any person on whose advice, directions or instructions the director or manager is accustomed to act.

Terms of the policy

The terms of reference for the Policy are as follows:

i. The management shall obtain approval of the policy by the Board;
ii. The management may enter into any contract or arrangement with a Related Party only in accordance with the policy approved by the Board, subject to such conditions as may be specified;
iii. The management shall obtain approval of the Board for contracts that are not on arm's length basis or not in the ordinary course of business;
iv. The management shall present all Related Party transactions to the Audit Committee for their recommendation to the Board for approval;
v. Every contract or arrangement entered into with a Related Party shall be referred to in the Board's report to the shareholders along with justifications;
vi. Management shall maintain records of the transactions undertaken with Related Parties;
vii. If a director or any other employee enters into any contract or arrangement with a Related Party without obtaining the consent of the Board or approval by a special resolution in the general meeting, and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within 90 days from the date of the contract, such contract or arrangement shall be voidable at the discretion of the Board.

Maintenance of Records

The Company shall maintain one or more registers with regards to transactions undertaken with Related Parties and contracts or arrangements in which directors are interested, in the manner prescribed, and shall enter therein the particulars of:

i. contracts or arrangements, in which any director is, directly or indirectly, concerned or interested; and
ii. contracts or arrangements with a related party with respect to transactions to which section 208 of the Companies Act 2017 applies.

Pricing Methodology

Any related party transactions carried out on arm's length basis shall use one of the following pricing methodologies:

i. Comparable Uncontrolled Price method;
ii. Resale Price method;
iii. Cost Plus method; and
iv. Profit Split method

Scope of Limitation

In the event of any conflict between the provisions of this Policy and the Companies Act 2017 or any other statutory enactments, rules, the provisions of the Companies Act 2017 or statutory enactments, rules shall prevail over this Policy.

Investor's Grievance Policy

The Company has an Investors' Grievance Policy in place. Any complaint or observation received either directly by the Corporate Department or during General Meetings are addressed by the Company Secretary. The Shareholders are given the information as desired by them as per the law well in time. All the written complaints are replied in writing. Our share registrar is CDC Share Registrar Services Limited (CDCSRSL) which is leading name in the field. The Company has many old and loyal shareholders, which shows the trust of the shareholders in the management of the Company.

Business Continuity and Disaster Recovery Policy

The Board of Directors has approved and continuously reviews the IT Policy and Business Continuity Plan of the Company. The management has arranged offsite data storage facilities. All the key records are being maintained at different locations. Employees are aware of the steps required to be taken in case of any emergency.

Governance of Risk and Internal Control

The Company has various policies in connection with Governance of Risk and Internal Control that have been approved by the Board of Directors and covered through different policies and disclosures. These include but are not limited to Health Safety Environment (HSE) policy, Information Technology (IT) Governance policy, Information System Security policy, Disaster Recovery policy etc. The implementation of such policies is in accordance with law to assure smooth operations of the business at all levels.

Cherat Packaging designed its risk management framework to effectively identify, analyze, evaluate, mitigate and monitor the risk faced by the Company. The Company regularly monitors impact potential of risks and devise strategy to mitigate those risk so that the Company does not drift away from its strategic goals.

Risk assessment is done regularly to achieve a good understanding of the company's key risks, to allocate ownership to drive specific actions around them and take any relevant steps to address them. Due to their critical importance, our material issues and principal risks are integrated into our business planning processes and monitored on a regular basis by our Board of Directors. Strategic, Commercial, Operational, Financial and Compliance risks are ranked based on their impact on Cherat Packaging Limited and probability of occurrence. Upon identification of risks, mitigating strategies and action plans are developed, implemented and monitored.

Dividend Policy

Introduction
This policy outlines Cherat Packaging Limited's approach to declaring and distributing dividends, balancing shareholder returns with company growth needs.

Objectives
- Provide consistent shareholder returns.
- Maintain financial flexibility for growth.
- Balance shareholder rewards with retained earnings for future growth.

Dividend Declaration
Dividends are declared at the Board's discretion, considering:

- Profitability and financial condition.
- Cash flow and capital needs.
- Legal and regulatory requirements.
- Contractual obligations.

Types of Dividends
Dividends may be:

- **Cash Dividends:** Regular cash payments.
- **Stock Dividends:** Additional shares.

Payment Frequency
Dividends are typically paid quarterly, bi-annually or annually as appropriate.

Retained Earnings
Earnings are retained to:
- Fund growth and capital expenditures.
- Maintain financial stability.
- Comply with legal requirements.

Diversity, Equality and Inclusion Policy

Diversity, Equality and Inclusion Policy

Introduction

Cherat Packaging Limited is committed to fostering, cultivating and preserving a culture of diversity, equality and inclusion. Our human capital is the most valuable asset we have. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of not only our culture, but also our reputation and the company's achievements as well.

Purpose

Definitions:

- **Diversity:** Embracing and valuing the diverse backgrounds, experiences, and perspectives of our employees. We believe that diversity enhances our creativity, innovation, and decision-making.
- **Equality:** Ensuring equal opportunities for all employees in recruitment, development, and advancement. We are dedicated to eliminating barriers and biases that may hinder the full participation of any individual.
- **Inclusion:** Creating a supportive and respectful environment where every employee feels included and can thrive. We promote a culture of open dialogue and collaboration, where differences are celebrated and everyone's contributions are recognized.

We aim to foster a diverse, equitable and inclusive workplace where our employees feel valued, respected, and empowered to contribute their unique perspectives and talents irrespective of their age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, socio-economic status, veteran status, and other characteristics that make our employees unique.

All employees of Cherat Packaging Limited have a responsibility to treat others with dignity and respect at all times. Any employee found to have exhibited any inappropriate conduct or behavior against others may be subject to disciplinary action.

Cherat Packaging Limited's diversity, equality and inclusion initiatives are applicable but not limited to our practices and policies on recruitment and selection; compensation and benefits; professional development and training; promotions; transfers; social and recreational programmes; layoffs; terminations; and the ongoing development of a work environment that encourages and enforces:

- Respectful communication and cooperation between all employees.
- Teamwork and employee participation, permitting the representation of all groups and employee perspectives.
- Work/life balance through flexible work schedules to accommodate employees' varying needs.
- Employer and employee contributions to the communities we serve to a greater understanding and respect for diversity.

This policy supersedes the previously approved Diversity Policy of the Company as it distinctively addresses equality and inclusion in addition to diversity aspects.

Scope

This policy applies to all employees, officers, and directors of the Company and it covers recruitment, promotions, training, compensation, and daily operations to ensure a diverse, equal, and inclusive workplace.

Environmental, Social, and Governance Policy

Introduction

Cherat Packaging Limited is committed to integrating Environmental, Social, and Governance (ESG) considerations into its business strategies and operations; it has been taking numerous initiatives at both the plants, regional offices and head office. It recognizes that responsible management of these factors is essential for the long-term success of the company and for creating sustainable value for all its stakeholders.

Purpose

The purpose of this statement is to outline and map our continuing commitments towards sustainability, social responsibility, and good governance. It provides a framework for incorporating ESG considerations into our decision-making processes, risk management, and reporting.

This policy supersedes the previously approved Social and Environmental Responsibility Policy of the Company as it extensively addresses the Environment, Social & Governance guidelines.

Scope

This statement applies to all employees, officers, and directors of Cherat Packaging Limited. We also expect our business partners, suppliers, and contractors to adhere to similar principles.

1. Environmental Responsibility

Our commitment towards minimizing our environmental footprint and promoting environmental stewardship includes:

a. Climate Change: Assessing and mitigating the risks and opportunities associated with climate change.
b. Energy and Emissions: Reducing greenhouse gas emissions through energy efficiency, renewable energy, and other measures.
c. Sustainable Resource Management: Efficiently using natural resources and reducing waste.
d. Pollution Prevention: Preventing pollution and minimizing environmental impacts from our operations.
e. Biodiversity and Land Use: Protecting biodiversity and responsibly managing land use.

2. Social Responsibility

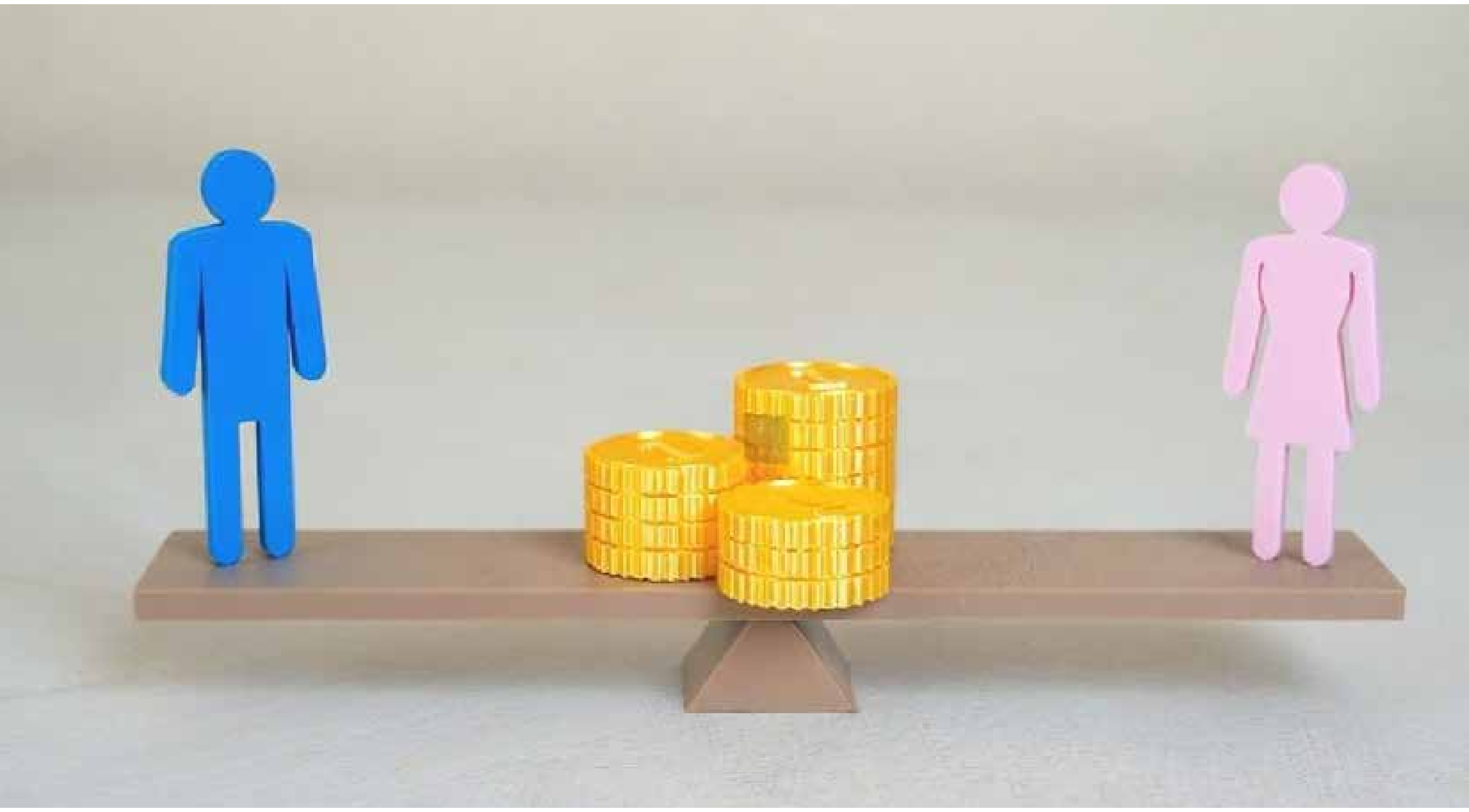
Our commitment towards making a positive impact on society by promoting social equity, diversity, and community well-being includes:

a. Diversity and Inclusion: Fostering a diverse and inclusive workplace where all employees are treated with respect and have equal opportunities.
b. Employee Well-being: Ensuring a safe, healthy, and supportive work environment for our employees.
c. Community Engagement: Actively engaging with and supporting the communities where we operate.

3. Governance

Our commitment towards maintaining strong governance practices that promote transparency, accountability, and ethical behavior includes:

a. Risk Management: Integrating ESG risks into our risk management framework.
b. Board Oversight: Ensuring effective oversight of ESG matters by our Board of Directors.
c. Reporting: Providing transparent and accurate reporting on our ESG performance.
d. Compliance: Adhering to all applicable laws, regulations, and industry standards.
e. Ethical Business Practices: Conducting our business with the highest ethical standards and integrity.



Policy on Gender Pay-Gap

Background

As per SECP's Circular No. 10 of 2024 dated April 17, 2024, the Board is directed to include a statement in the Annual Report on gender pay gap and make it available on company's website.

Policy Statement

Our company is committed to fostering an inclusive and equitable workplace where all employees are treated with equality, fairness and respect. Employee's compensation is determined solely based on the seniority, experience, roles, responsibilities, and performance, regardless of gender.

We continually strive to maintain that there should be no gender pay gap within our organization, ensuring that every team member is valued and rewarded equitably for their contributions.

1. Mean Gender pay gap

Male Rs. per month	Female Rs. per month	Variance
162,395	206,475	-27.14%

2. Median Gender pay gap

Male Rs. per month	Female Rs. per month	Variance
87,059	121,650	-39.73%

* The variance is due to lower number of female employees (2 out of 320) owing to remote site location.

Business Continuity and Disaster Recovery Plan

The concept of Business Continuity Planning has over the past few years, emerged as a major business management requirement.

Business Continuity Planning is a process used to develop a practical plan for how a business could recover or partially restore critical business activities within a predetermined time frame after a crisis or disaster. The resulting plan is called a Business Continuity Plan.

The Plan

Cherat Packaging Limited has in place a fully functional Business Continuity Plan. This plan provides policy and guidance to ensure that the Company can respond effectively to natural, technological, and man-made incidents, or incidents that result in loss of access to an entire, or parts of a facility or loss of service due to equipment or systems failures. The objective is to restore essential services as swiftly as possible. Summarized plan is listed below.

The Company has created two business continuity teams i.e. BCP coordination team and BCP response team and defined roles and responsibilities for both the teams.

Furthermore, the plan has identified certain business functions as critical. In respect of those functions, key processes, key staff, recovery time and recovery steps are specified. The purpose is to ensure that all processes involved in the critical functions are executed in an effective and timely manner.

Manufacturing Facilities

Manufacturing facility of the Company is in Gadoon Amazai, KPK Province of Pakistan. The Company's manufacturing facility is a state-of-the-art construction and the structure is earthquake proof. The building is fire resilient and is fully equipped with modern firefighting equipment. It also meets HSE requirements at all levels. Despite of all these arrangements, Insurance coverage is made at the maximum level. In case of any natural disaster, the Company would be able to recover its financial loss through insurance coverage. Hence, partial loss would not affect the Company operations. Moreover, other locations of the Group are available as alternate locations therefore; interruptions, if any, can be managed.

Identification of Potential Issues and the Plan Update

Potential issues are identified and up dated from time to time to have an up to the mark solution for the anticipated problems. For such identification, independent studies are conducted and drills are carried out. Plans are updated based on the results of the studies and drills.

Disaster Recovery Plan and IT Infrastructure

The Company has established a resilient IT infrastructure supported by a comprehensive Disaster Recovery (DR) framework to ensure continuity of business operations under all circumstances. Core business functions are operated on RISE with SAP, hosted in the cloud with both Primary and Disaster Recovery Virtual Private Cloud (VPC) environments. In case the Primary VPC is unavailable, operations can be switched to the DR VPC, ensuring that SAP services and business processes continue without disruption.

For non-SAP related applications and data, the Company maintains a co-located production site with a Disaster Recovery site at the Karachi Head Office. This arrangement provides system redundancy and enables seamless transition of operations, thereby minimizing downtime and safeguarding critical information assets.

Furthermore, the Company's multi-location presence across Pakistan, supported by a secure remote VPN setup, strengthens operational flexibility and accessibility. This ensures that business processes can continue smoothly from alternate sites or remote locations whenever required. This integrated approach—combining RISE with SAP, co-located infrastructure, secure VPN access, and geographic diversification ensures high levels of resilience, security, and uninterrupted support for the Company's production and business operations.

Future Plans for AI adoption

The Company's future strategy includes the adoption of AI and digital transformation initiatives to enhance operational efficiency, automate business processes, strengthen data-driven decision-making, and improve customer and employee experience. Key areas will include AI-enabled automation, advanced analytics, predictive insights, and intelligent business solutions, supported by appropriate governance, cybersecurity, data privacy, and regulatory controls.

Marketing and Other Staff

Being a part of Ghulam Faruque Group, the Company senior management is present throughout Pakistan and not at any one location. In case of any mishap, operations can be taken over and continued from any other location.

Grant Thornton

Grant Thornton Anjum Rahman
1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

T +92 21 35672951-56

Independent Auditor's Review Report

to the members of Cherat Packaging 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 Cherat Packaging Limited (the Company) for the year ended 30 June 2026 in accordance with the requirements of regulation 36 of the Regulations.

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

As 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 30 June 2026.

Chartered Accountants
Place: Karachi
Date: 14 September 2026
UDIN: CR2026100939VZD2BdIH

Statement of Compliance with Listed Companies
(Code of Corporate Governance) Regulations, 2019
For the year ended 30 June 2026

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

1. The total number of Directors are 9 (nine) as per the following,-

   a. Male: 8

   b. Female: 1

2. The Composition of board is as follows:

Category	Names
Independent Directors	Mr. Ali H. Shirazi
	Mr. Sher Afzal Khan Mazari
	Ms. Maleeha Humayun Bangash
Non - Executive Directors	Mr. Aslam Faruque
	Mr. Shehryar Faruque
	Mr. Arif Faruque
	Mr. Akbarali Pesnani
Executive Directors	Mr. Amer Faruque
	Mr. Abid Vazir
Female Director	Ms. Maleeha Humayun Bangash

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Act and the 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 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 the Regulations;

9. Following Directors and Executives are either exempt or have attended Directors' Training program till June 30, 2026:

Name of Directors & Executives:	
Mr. Akbarali Pesnani	Chairman
Mr. Amer Faruque	Chief Executive
Mr. Aslam Faruque	Director
Mr. Shehryar Faruque	Director
Mr. Arif Faruque	Director
Mr. Ali. H. Shirazi	Director
Mr. Abid Vazir	Director & Chief Operating Officer
Ms. Maleeha Humayun Bangash	Director

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The board has formed committees comprising of members given below.-

    a) Audit Committee

Mr. Ali H. Shirazi	Chairman
Mr. Arif Faruque	Member
Mr. Shehryar Faruque	Member

    b) Human Resource (HR) and Remuneration Committee

Mr. Sher Afzal Khan Mazari	Chairman
Mr. Amer Faruque	Member
Mr. Aslam Faruque	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 (quarterly/half yearly/ yearly) of the committee were as per following,-
    a) Audit Committee. - Quarterly
    b) HR and Remuneration Committee. - Three meetings
15. The Board has set up an effective internal audit function supervised by a head of internal Audit who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.
19. In accordance with Regulations 29 and 30, the Board directly handles the functions of the Nomination Committee, as no separate committee has been constituted. Similarly, in place of a dedicated Risk Management Committee, the Head of Internal Audit manages risk management matters and reports directly to the Audit Committee, which provides periodic updates to the Board.

On behalf of the Board of Directors

Akbarali Pesnani
Chairman

Amer Faruque
Chief Executive

Karachi: August 18, 2026

Role and Responsibilities of the Chairman and the Chief Executive Officer

Being a corporate governance compliant company, Cherat Packaging designates separate persons for the positions of the Chairman of the Board of Directors and the office of the Chief Executive Officer with clear division of roles and responsibilities.

Pursuant to the provisions of Section 192(2) of the Companies Act, 2017, the Board of Directors of Cherat Packaging Limited has outlined the roles and responsibilities of the Chairman as well as the Chief Executive Officer ("CEO") of the Company, which are detailed herein below;

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. The Chairman is accountable to the Board. The Chairman acts as the communicator for Board decisions where appropriate.

More specifically, the duties and responsibilities of the Chairman are as follows:

- acting as a liaison between management and the Board, through the CEO;
- keeping abreast generally of the activities of the Company and its management;
- ensuring that the Directors are properly informed and that sufficient information is provided to enable the Directors to form appropriate judgments and make informed decisions;
- preparing the review report (to be included with the annual financial statements) on the overall performance of the Board of Directors and effectiveness of the role played by the Board of Directors in achieving the Company's objectives;
- developing and setting the agendas for meetings of the Board;
- acting as Chair at meetings of the Board;
- ensuring that the minutes of Board meetings are appropriately recorded and reviewing and signing minutes of Board meetings;
- presiding over the Board meetings and ensuring that all relevant information has been made available to the Board;
- confirming the quorum of the meeting;
- ensuring that the agenda, notice of meeting along with all relevant material were circulated within stipulated time;
- ensuring that the minutes of the Board meetings are kept in accordance with applicable laws;
- ensuring that the appropriate recording and circulation of the minutes of the Board meeting to the Directors and officers entitled to attend the Board meetings;
- safeguarding shareholders' interest in the Company;
- issuing the letter to the directors at the commencement of each three year term of the Directors setting out their role, obligations, powers and responsibilities;
- ensuring that the Board is playing an effective role in fulfilling its responsibilities;
- determining the date, time and location of the annual or extraordinary general meetings of shareholders and to develop the agenda for the meeting;
- presiding as chairman at every General Meeting of the Company;
- recommending to the Board, after consultation with the Directors and management, the appointment of members of the Committees of the Board;
- assessing and making recommendations to the Board annually regarding the effectiveness of the Board.

Chief Executive Officer

The CEO is, subject to control and directions of the Board, entrusted with the powers of management of affairs of the Company. In such capacity the CEO's role and responsibilities include:

- planning, formulating and implementing strategic policies;
- ensuring the achievement of productivity and profitability targets and efficient Company operations;
- ensuring that necessary coordination exists between various departments of the Company to achieve smooth and effective operations;
- maintaining an ongoing dialogue with the Directors in regard to changes in and implementation of Company's policies and the performance and development of the Company's business;
- ensuring that the Company's interests and assets are properly protected and maintained and all the required Government obligations are complied with in a timely manner;
- maintaining a close liaison with the Government, customers, suppliers and sales offices;
- chalking out human resource policies for achieving high professional standards, overall progress / betterment of the Company as a whole;
- ensuring that proper succession planning for all levels of hierarchy exist in the Company and the same is constantly updated;
- ensuring proper functioning of the Management Committees of the Company of which he is the chairman;
- preparing and presenting personally to the Board of Directors following reports/details:
    - o annual business plan, cash flow projections and long term plans.
    - o budgets including capital, manpower and overhead budgets along with variance analysis.
    - o quarterly operating results of the Company in terms of its operating divisions and segments.
- promulgation or amendment of the law, rules or regulations, accounting standards and such other matters as may affect the Company.
- reviewing performance against budgets / targets, revenue and capital expenditure, profits, other administration, commercial, personnel and other matters of importance to the Company.
- ensuring that open and progressive atmosphere is created among employees giving them a sense of participation and providing them with an opportunity to give their best.

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

The Board is assisted by two Committees, namely the Audit Committee and the Human Resource & Remuneration Committee, to support its decision-making in their respective domains:

Audit Committee

Mr. Ali H. Shirazi	Chairman
Mr. Arif Faruque	Member
Mr. Shehryar Faruque	Member

The Audit Committee comprises of three Non-Executive Directors one of whom is independent and he is the Chairman of the committee. The Head of Internal Audit and the external auditor attend Audit Committee meetings.

Meetings of the Audit Committee are held at least once every quarter. The Committee reviews the annual financial statements in presence of external auditors. The recommendations of the Audit Committee are then submitted for approval of financial results of the Company by the Board. During the year 2025-26, the Audit Committee held Four [4] meetings. The minutes of the meetings of the Audit Committee are provided to all the members, Directors and the Chief Financial Officer. The Head of Internal Audit attends the Audit Committee meetings regularly and meets the Audit Committee without the presence of the Management, at least once a year, to point out various risks, their intensity and suggestions for mitigating risks and improvement areas. The business risks identified are then referred to the respective departments and mitigating actions are then implemented.

Terms of reference of Audit Committee

The Code of Corporate Governance mandates that the Board of Directors of the Company shall determine the Terms of Reference of the Audit Committee.

In light of the mandate the Board of Directors of Cherat Packaging Limited has drafted and approved the following terms of Reference for its Audit Committee. This is a non-exhaustive list and only outlines the most important guidelines for the Committee. Amendments to these shall be made from time to time in line with change in laws, and internal and external relevant factors.

The Committee shall;

a) determine appropriate measures to safeguard the company's assets;

b) review annual and interim financial statements of the company, prior to their approval by the Board of Directors, focusing on:

  (i) major judgmental areas;

  (ii) significant adjustments resulting from the audit;

  (iii) going concern assumption;

  (iv) any changes in accounting policies and practices;

  (v) compliance with applicable accounting standards;

  (vi) compliance with these regulations and other statutory and regulatory requirements; and

  (vii) all related party transactions.

c) review preliminary announcements of results prior to external communication and publication;

d) facilitate the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);

e) review management letter issued by external auditors and management's response thereto;

f) ensure coordination between the internal and external auditors of the company;

g) review the scope and extent of internal audit, audit plan, reporting framework and procedures and ensure that the internal audit function has adequate resources and is appropriately placed within the company;

h) consider major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;

i) ascertain that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;

j) review the company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports;

k) institute special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the chief executive officer and consider remittance of any matter to the external auditors or to any other external body;

l) determine of compliance with relevant statutory requirements;

m) monitor compliance with these regulations and identify significant violations thereof;

n) review arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;

o) recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.

p) consider any other issue or matter as may be assigned by the board of directors.

Human Resource & Remuneration Committee

Mr. Sher Afzal Khan Mazari	Chairman
Mr. Amer Faruque	Member
Mr. Aslam Faruque	Member

The Human Resource & Remuneration Committee (HR & RC) comprises of three members. The Chairman is an Independent Director whereas the other two members are the Chief Executive Officer and a Non-Executive Director. Meetings are conducted at least annually or at such other frequency as the Chairman may determine. The minutes of the meetings of the HR & RC meeting are provided to all members and Directors. The Committee held three [3] meeting during the year.

Terms of Reference of the Human Resource and Remuneration Committee

The Code of Corporate Governance mandates that the Board of Directors of the Company shall determine the Terms of Reference of the Human Resource and Remuneration Committee.

In light of the mandate the Board of Directors of Cherat Packaging Limited has drafted and approved the following terms of Reference for its HR & RC. This is a non-exhaustive list and only outlines the most important guidelines for the Committee. Amendments to these shall be made from time to time in line with change in laws, and internal and external relevant factors.

The Committee shall;

i. recommend to the Board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the Board which shall normally include the first layer of management below the chief executive officer level;

ii. undertake annually a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultants and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of appointment;

iii. recommend human resource management policies to the Board;

iv. recommend to the Board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;

v. carry out consideration and approval on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer or Chief Operating Officer;

vi. where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the Company; and

vii. carry out all actions in addition to those stated above, in order to ensure that the Company's risks are mitigated and growth in the right direction is taking place.

Records: All documentation related to the holding, proceedings and recommendations of the HR & R Committee shall be ensured by and stored with the Secretary (HR & RC).

Strategy and Performance

The Board reviews the implementation of organization's strategic & financial plans, Board meeting agendas and supporting documents provide sufficient information and time to explore & resolve key issues. Board members demonstrate preparation for meetings through active participation in decision making.

Report of the Audit Committee

AUDIT COMMITTEE

Mr. Ali H. Shirazi - Chairman
Mr. Arif Faruque - Member
Mr. Shehryar Faruque - Member

The Audit Committee of the Company comprises three (03) members, all of whom are Non-Executive Directors, including one Independent Director. The Chairman of the Committee is an Independent Director. The Audit Committee met at least once in a every quarter. Four meetings of the Audit Committee were held during the year 2025-2026.

Chief Executive Officer, Chief Financial Officer and Head of Internal Audit attend Audit Committee meetings by invitation. The Audit Committee also separately meets the external auditors at least once in a year without the presence of the Management. The Company Secretary acted as Secretary to the Committee. Based on reviews and discussions in these meetings, the Audit Committee reports that:

1. The Company has issued a Statement of Compliance with the Code of Corporate Governance which has also been reviewed and certified by the auditors of the Company.
2. The Audit Committee reviewed and approved the quarterly, half yearly and annual financial statements of the Company and recommended them for approval of the Board of Directors. Further, the financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017, and applicable International Accounting Standards and International Financial Reporting Standards notified by SECP.
3. The Audit Committee has reviewed and approved all related party transactions.
4. The Audit Committee takes into account any feedback from the Board of Directors and incorporates for improvement.

INTERNAL AUDIT AND RISK MANAGEMENT

1. For appraisal of internal controls and monitoring compliance, the Company has in place an appropriately staffed, Internal Audit department. The Audit Committee reviewed the resources and performance of the Internal Audit department to ensure that they were adequate for the planned scope of the Internal Audit function. Head of Internal Audit Department and audit team has direct access to the Audit Committee.
2. An Internal Audit Risk Assessment document is submitted to the Audit Committee and based on that an Audit Plan is prepared to mitigate risks involved in the Company's operations. Audit Committee regularly monitors the execution of Audit Plan. Further, on the basis of this plan, audits are conducted and reports are submitted. The Committee on the basis of said reports reviews adequacy of controls and compliance shortcomings in areas audited and discuss corrective actions in the light of management responses. Regular follow ups of these reports are also taken. This ensures the continual evaluation of controls and improved compliance. Minutes of Audit Committee meetings are timely circulated to the Board of Directors.
3. For continuous improvement of internal controls, the Committee also discussed the internal controls and the management letter with the external auditors.

EXTERNAL AUDIT

1. The external auditors M/s. Grant Thornton Anjum Rahman, Chartered Accountants were allowed direct access to the Audit Committee and necessary coordination with internal auditors was ensured. Major findings arising from audits and any matters that the external auditors highlighted were freely discussed with them and resolved on time.
2. The Audit Committee has reviewed and discussed with the external auditors and management; all the Key Audit Matters and other issues identified during the external audit along with the methods used to address the same.
3. Being eligible for reappointment, the Audit Committee has recommended, M/s. Grant Thornton Anjum Rahman, Chartered Accountants as External Auditor of the Company for the year ending June 30, 2027 as it is one of the reputable audit firms and has thorough knowledge of the Company's business and industry.
4. The Company conducted annual performance evaluation of Board, Chief Executive Officer and Committees through an independent review by M/s. Grant Thornton Anjum Rahman, Chartered Accountants to ensure transparency in the process. Evaluation confirmed that Audit Committee has effectively discharged its responsibilities in accordance with its terms of reference.
5. The Company obtains taxation related services from M/s. EY Ford Rhodes, Chartered Accountants as it is one of the reputed firms in provision of said services.

By Order of the Audit Committee

August 13, 2026

Ali H. Shirazi
Chairman


FILMATIC V

Analysis of the Financial Information


Data Finance
25%
50%
50%
25%
6953264.3265
3692514.2210
1200023.6522
2365554.3211
6654421.1447
9855211.1422

Analysis of the Financial and Non-Financial Performance

The Company sets both financial and non-financial targets. These targets are against financial and non financial indicators. Financial indicators reflect revenue, costs, profitability and liquidity etc., while non financial indicators reflect brand image, human resource development and growth/expansion etc. The Company produces annual budget based on the inputs from all of its departments like marketing, production, procurement, IT, HSE etc. These inputs are assembled into a master budget which is presented to Board of Directors. The BOD, after deliberations and discussions, approves the master budget. The Company continuously monitors cash flows, gearing and liquidity to evaluate the deviation and take corrective measures to keep all indicators with in the larger range.

Financial Indicators

Actual Results

Year 2025-26 was a challenging one for the Company. The Company's operations faced numerous challenges as a consequence of inflationary pressures, and disruption of supply chain due to US - Iran conflict, coupled with an uncertain demand outlook.

For the year ended June 30, 2026 the Company made a net profit of Rs. 651 million. Summarized operating performance of the Company for the current year as compared to last year is as follows:

	2026	2025
	-------(Rupees in million)-------	
Net sales	**15,093.33**	13,013.71
Cost of sales	**13,214.52**	11,992.76
Gross profit	**1,878.81**	1,020.95
Expenses & taxes	**1,227.81**	664.52
Net Profit	**651.01**	356.43

Quantitative further analysis of sales is listed below:

	2026	2025
	-------(Quantity in million)------	
Local sales (Bags/Unit)	**161.10**	140.62
Export sales (Bags)	**0.11**	2.02
Total sales (Bags/Unit)	**161.21**	142.63
Flexible Packaging (Kgs)	**9.88**	8.84

During the year, the Company recorded a strong improvement in revenue, with net sales increasing by Rs. 2,079 million to Rs. 15,093 million from Rs. 13,014 million in the previous year, representing a growth of approximately 16%. The increase was primarily driven by the Flexible Packaging Division, whose sales increased by Rs. 1,961 million, or approximately 27%, while sales of the Bag Manufacturing Division increased by Rs. 198 million. Export sales of Cement Packaging declined by Rs. 80 million. Despite the challenging market environment, the Company was able to achieve overall growth through effective marketing, customer acquisition and expansion into new market segments.

In the month of June-26, the Company has installed its second Extrusion Plant – a Barrier Film Extrusion Line, along with allied equipment. The extrusion line has been sourced from Windmöller & Hölscher, world's leading equipment supplier to the packaging industry. The project has been financed through a long-term loan. The addition of this extrusion line has enhanced Flexible Packaging Division's production capacity, and enabled the Company to better meet customer demand and optimize resource utilization.

In Rupee terms, sales analysis is reproduced below:

	2026	2025
	--------(Rupees in million)-------	
Local sales		
Bag manufacturing division	**5,776.69**	5,578.79
Flexible Packaging division	**9,308.70**	7,347.21
Export Sales - Cement Packaging	**7.94**	87.71
Total sales	**15,093.33**	13,013.71

Budgeted Results

The Company has robust system of budgeting process. The budget is made challenging yet achievable. The Company has achieved following results against budget:

	2026 (Actual)	2026 (Budget)
	--------(Rupees in million)-------	
Net sales	**15,093.33**	15,469.83
Cost of sales	**13,214.52**	14,004.30
Gross Profit	**1,878.81**	1,465.53
Expenses & taxes	**1,227.81**	1,103.82
Net Profit	**651.01**	361.71

The Company projected moderate growth based on the prevailing economic conditions and expectations at the beginning of FY 2025-26. During the year, net sales amounted to Rs. 15,093 million against the budget of Rs. 15,470 million, resulting in a shortfall of Rs. 377 million or approximately 2%. However, the Company achieved a gross profit of Rs. 1,879 million against the budget of Rs. 1,466 million, exceeding the budget by Rs. 413 million or approximately 28%. Net profit stood at Rs. 651 million compared with the budgeted Rs. 362 million, exceeding the budget by Rs. 289 million or approximately 80%. The favourable profitability performance was achieved despite higher operating costs, including increased raw material and fuel costs, through improved margins, effective cost management, operational efficiencies and stronger contribution from the Flexible Packaging Division.

The Company met its non-financial targets in the areas of marketing, human resources and growth to a greater extent.

Dividend

The Company has a legacy of paying dividends. This year, the Company announced / paid 40% cash dividend for the year 2026 which includes 10% interim dividend.

Payment on Account of Duties, Taxes, Levies etc.

The Company fulfills its obligations well in time whether it involves vendors or Government. The Company has no outstanding or overdue duties, taxes or levies during the year.

Key Performance Indicators

Methods and Assumptions in Compiling Indicators

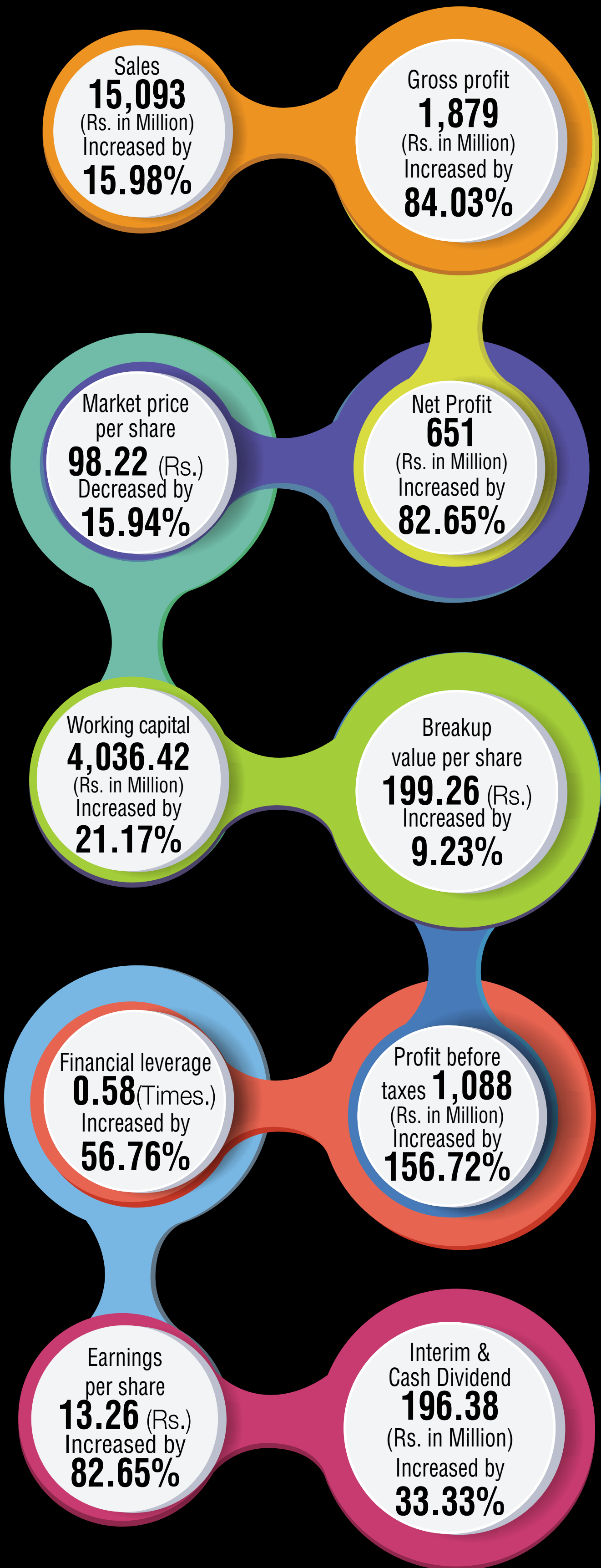
The Company monitors its indicators which effectively reflect the Company's performance.

The Company analyze its market positioning, competitors and general market conditions while compiling its indicators. It also analyses sales, gross profit, profit after tax and EPS on regular basis to gauge its performance. These are basic indicators of Company's financial performance and profitability.

Market price is the measure of perception of the Company in the market. Market price of the Company's shares decreased mainly due economic conditions and policies brought in by the Government.

The Company manages its dividend policy with the purpose of increasing shareholder's wealth. Dividend is the amount allocated out of profit for the payment to shareholders. The Company takes its decisions of cash or stock dividend based on market conditions, share price and governing laws and regulations.

Comparing cash flow from operating activities with profit before tax can give insights into how a company finances short-term capital. The Company regularly analyses its cash flows and tries to keep it on positive side.



Non Financial Indicators

Capital Forms	Objective	KPI Monitored	Future Relevance
Manufactured Capital	Product Development & Innovation	Produce high quality and low cost bags for various industries. Conversion of Roto Printing jobs to Flexo Printing to offer economical solutions to the customers.	The Company believes in innovation and introducing new varieties for cement, FMCG and other industries in Pakistan.
	Business Diversification	Analyze various prospects of investments in packaging industry and invest in the most promising venture.	Business diversification is our long-term objective. Leadership is our continuous endeavour and has to be maintained today and invest in operational efficiency, staff training and economies of scale to maintain it in the years to come.
	Maintain industry leadership and expand sales	Market share, price management and identification of new markets.	
	Enhance operational efficiency and efficient inventory management	Production efficiency ratios and Activity ratios.	
	Economize on cost eliminating redundancies	Optimization of available resources and better allocation of fixed costs.	
	Sustainability	Keep a close eye on Current Ratio, Gearing and Interest Cover.	
Human Capital	Health & Safety of workers	Provision of a congenial and clean environment along with safety for smooth work.	We believe in continuously providing environment which harmonize the workers' efforts in higher productivity.
	Training and Education	Continuous training of employees and workers. Monitor training need analysis with special focus on health and safety at work.	
Relationship Capital	Shareholder Value	EPS, ROE, Turnover and DPS	We value our relationship with all our stakeholders therefore, we will continue to strive to improve shareholders' value. Improve our customer services and ensure timely payments.
	Stock Value	Analyse market price as a measure of relationship capital	
	Suppliers and Customers Relationships	Assess the payment stream and ensure timely payment. Provide customer maximum support beyond customer supplier relationship.	
Intellectual capital	Highest product strength at lowest cost in industry Maintain industry leadership	Regularly monitor avenues to increase product strength. Produce low gram bags for better yield to facilitate our customers.	We shall continue to innovate products and provide best possible packaging solutions.

All the above KPIs will remain relevant in the near future.

Change in Indicators and Performance Measures

Key Performance Indicators (KPIs) provide understanding of a company's performance in key areas. These indicators are a gauge to analyze current standing of the company and likely path the company would follow. Cherat Packaging Limited has identified following KPIs that are critical to its business. While identifying KPIs, the Company analyzed various indicators, their interpretations and accordingly their extent to which they may correctly and clearly communicate the Company's performance.

Change in important indicators is as follows:

Change in Financial Indicators

Financial indicators of the Company remained same as last year however, following financial indicators are of most importance:

Financial Leverage

Long term loan of the Company is currently at Rs. 3.93 billion. These loans mainly consist of Rs. 2.79 billion related to Flexible Packaging (excluding loan obtained for solar power project) while other Rs. 1.14 billion relates to previous expansion in PP, loan obtained for solar power project, and loan obtained for SOS / Carrier Bag Project. The Company analyzes its financial health and ensures that the Company remains at optimum financial position.

Working Capital

Working capital is an essential part of the Company's operations. The Company has been managing its working capital efficiently. As of the end of FY 2026, the Company's working capital Increased compared to last year, mainly due to increase in operations.

Change in Non-Financial Indicators

Non-financial indicators of the Company remained same as last year. However, following indicators are of utmost importance.

Human Capital

The Company continues to invest in developing its human capital to improve efficiency and reduce costs. It believes that enhancing employee skills directly contributes to higher profitability.

Relationship Capital

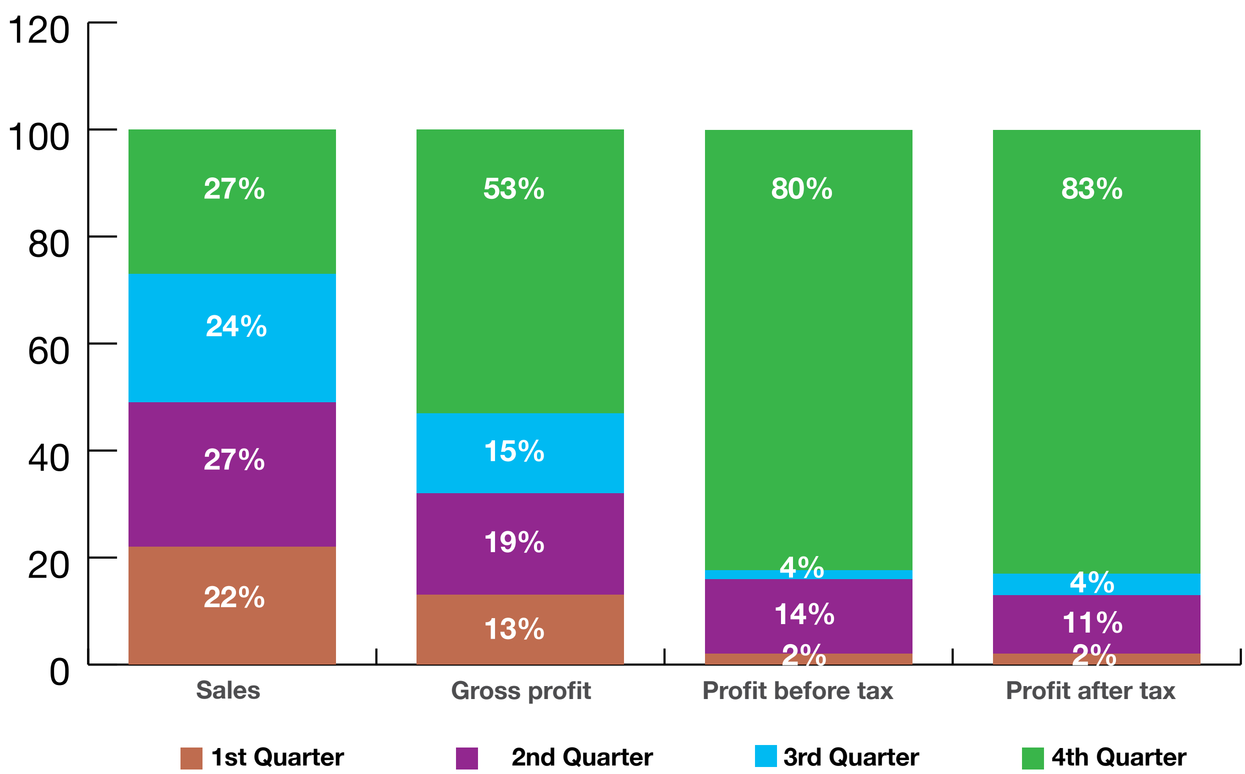
The Company ensures to keep better relations with suppliers and with its customers through timely payments to vendors and provision of support to customers beyond expectations.

Intellectual Capital

The Company has consistently been a front runner in innovation and continues this legacy within its Flexible Packaging Division. Accordingly, this indicator has been included as it represents a key focus area.

Quarterly Performance Analysis

	Sep-25	Dec-25	Mar-26	Jun-26	Total
	(Rupees in '000)				
Sales - Net	3,368,463	4,010,379	3,690,971	4,023,517	15,093,330
Cost of Good Sold	(3,133,517)	(3,644,978)	(3,407,460)	(3,028,565)	(13,214,520)
Gross Profit	234,946	365,401	283,511	994,952	1,878,810
Selling Expenses	(82,145)	(91,595)	(95,092)	(99,064)	(367,896)
Administrative Expenses	(49,844)	(57,507)	(56,632)	(63,793)	(227,776)
Other charges	(6,159)	(18,150)	(1,992)	(53,848)	(80,149)
	(138,148)	(167,252)	(153,716)	(216,705)	(675,821)
Other Income	8,827	39,295	16,608	204,436	269,166
Operating Profit	105,625	237,444	146,403	982,683	1,472,155
Finance Cost	(80,843)	(94,177)	(101,013)	(108,046)	(384,079)
Profit before taxation	24,782	143,267	45,390	874,637	1,088,076
Taxation (including levies)	(8,623)	(72,309)	(17,744)	(338,395)	(437,071)
Profit after taxation	16,159	70,958	27,646	536,242	651,005



Quarterly Results Analysis

Quarter 1

Sales: Revenue for the first quarter of FY 2026 increased compared to the June quarter of FY 2025, mainly due to higher dispatches in FPD. This increase was partially offset by a decline in BMD sales quantity.

Cost of Sales: The increase in cost of sales is in line with the increase in sales discussed above.

Operating Profit: Operating profit increased during the first quarter, in line with the growth in sales discussed above.

Net Profit: In addition to the factors mentioned above, net profit also increased due to a decrease in finance cost.

Quarter 2

Sales: Revenue continued to grow in the second quarter, mainly due to higher dispatches in PPD. FPD dispatches declined slightly; however, this was offset by an increase in FPD prices.

Cost of Sales: Cost of sales increased in line with the growth in dispatches of PPD.

Operating Profit: In addition to the factors mentioned above, operating profit increased due to the recognition of dividend income.

Net Profit: Net profit did not increase to the same extent as operating profit, mainly due to higher finance costs and taxation. Finance cost increased during the period due to higher utilization of running finance; however, the reduction in discount rates towards the end of the quarter helped reduce the impact.

Quarter 3

Sales: Dispatches in both divisions declined during the quarter, resulting in a decrease in sales revenue.

Cost of Sales: The decline in overall dispatches resulted in a decrease in cost of sales.

Operating Profit: In addition to the reasons mentioned above, the decline in operating profit was also attributable to the dividend income recorded in the second quarter.

Net Profit: Due to the reasons mentioned above and an increase in finance cost, the Company's net profit declined. Finance cost also increased due to the rise in KIBOR towards the end of the quarter.

Quarter 4

Sales: Sales revenue increased during the period, mainly due to an increase in overall sales prices. However, the impact of the higher sales prices was not fully translated due to decline in dispatches.

Cost of Sales: Cost of sales per unit increased; however, due to the decline in overall dispatches, total cost of sales decreased.

Operating Profit: Operating profit increased due to higher sales and improved margins. In addition, the Sindh Infrastructure Development Cess liability was remeasured to its present value, resulting in a gain of Rs. 189 million, which was recognized as other income.

Net Profit: Due to the factors mentioned above, the Company's net profit increased in the last quarter.

Ratios

Ratio Description	Unit	2026	2025	2024	2023	2022	2021
Profitability Ratios:							
Gross Profit ratio	%	12.45	7.85	10.57	19.80	17.14	17.22
Net Profit to Sales	%	4.31	2.74	6.41	5.49	6.56	7.60
EBITDA Margin to Sales	%	12.12	17.24	16.18	19.70	16.56	17.04
Operating leverage ratio	Times	4.14	9.06	2.09	2.33	0.94	4.12
Return on Equity	%	6.95	4.17	11.54	13.50	14.40	15.81
Return on Capital employed	%	4.75	3.06	8.18	8.87	9.85	9.69
Effective tax rate	%	40.17	15.90	15.13	45.56	36.54	28.65
Shareholder's Funds	%	51.00	57.32	59.10	43.82	41.92	47.98
Return on Shareholders' Funds	%	6.65	3.98	10.87	12.61	14.16	14.16
Total Shareholder Return	%	-12.52	1.53	25.82	2.64	-41.97	74.06
Liquidity Ratios:							
Current ratio	Times	1.88	1.95	2.68	1.60	1.50	1.69
Quick / Acid test ratio	Times	0.88	1.08	1.42	0.66	0.71	0.89
Cash to Current Liabilities	Times	0.03	0.03	0.04	0.01	-	0.01
Cash flow from Operations to Sales	Times	0.03	0.09	0.30	0.17	0.04	0.13
Cash flow to capital expenditures	Times	(0.03)	0.80	3.96	2.05	0.27	5.79
Cash flow coverage ratio	Times	(0.01)	0.30	1.47	0.84	0.09	0.54
Investment / Market Ratios:							
Earnings per share (EPS)	Rs.	13.26	7.26	18.04	18.50	18.04	20.12
Price to book ratio	Times	0.49	0.64	0.71	0.66	0.77	1.40
Market Value Per Share at the end of the year	Rs.	98.22	116.85	118.04	97.39	112.92	198.91
Low during the year	Rs.	64.86	87.83	87.75	80.00	93.56	119.44
High during the year	Rs.	137.30	149.61	140.74	132.00	204.00	249.28
Price Earnings ratio	Times	7.41	16.10	6.54	5.26	6.26	9.89
Break up value per share*	Rs.	199.26	182.42	166.05	146.66	147.17	142.09
Dividend Yield ratio	Times	0.04	0.03	0.04	0.03	0.02	0.03
Dividend Payout ratio	Times	0.30	0.41	0.25	0.16	0.14	0.25
Dividend Cover ratio	Times	3.32	2.42	4.01	6.27	8.33	4.02
Cash Dividend	Rs.(000')	196,382	147,286	220,929	144,949	106,267	212,535
Cash Dividend per share	Rs.	4.00	3.00	4.50	3.00	2.50	5.00
Stock Dividend	%	-	-	-	5.00	10.00	-
Capital Structure Ratios:							
Financial leverage ratio	Times	0.58	0.37	0.34	0.81	0.96	0.78
Weighted average cost of debt	%	7.83	12.41	20.42	15.44	8.74	7.91
Net borrowing / EBITDA	Times	3.04	2.60	1.21	1.78	2.67	2.46
Average operating working capital as %age of sales	%	35.81	34.18	41.29	42.02	45.61	45.50
Debt to Equity ratio	Times	29 : 71	23 : 77	25 : 75	30 : 70	30 : 70	32 : 68
Interest Cover ratio	Times	3.83	1.92	2.25	2.39	3.88	4.11
Activity / Turnover Ratios:							
Inventory turnover ratio	Times	3.47	4.00	2.94	2.62	2.86	3.23
No. of Days in Inventory	Days	104	90	122	137	126	112
Debtor turnover ratio	Times	6.65	5.72	5.85	6.15	5.30	5.33
No. of Days in Receivables	Days	54	63	62	59	68	68
Total Assets turnover ratio	Times	0.79	0.83	1.00	1.01	0.90	0.89
Fixed Assets turnover ratio	Times	1.73	1.80	2.07	2.76	2.43	2.24
Creditor turnover ratio	Times	7.65	7.98	7.34	10.68	12.75	16.29
No. of Days in Creditors	Days	47	45	49	34	28	22
Operating Cycle	Days	111	108	135	162	165	157
Employee Productivity Ratios:							
Production per employees	Rs.	39,036	37,406	39,981	40,375	37,926	36,705
Revenue per employee	Rs.	44,004	40,415	45,611	50,625	44,416	44,841
Staff turnover ratio	%	9.91	11.15	9.52	5.38	8.66	5.53
Non Financial Ratios:							
% of Plant Availability (BMD)	%	68.10	71.76	67.22	63.85	52.58	45.01
% of Plant Availability (FPD)	%	45.09	39.70	49.79	45.67	39.31	54.38
Others:							
Spare inventory as a % Assets costs	%	3.73	3.92	3.79	2.90	2.60	2.71
Maintenance cost as % of Operating expenses	%	4.64	4.45	3.57	2.71	2.50	2.35

*This includes all investments made at fair value. The Company have all it's long term investments in related parties only.

Comments on Ratios

Profitability

Despite an operating environment characterized by persistent economic challenges, the Company demonstrated remarkable resilience and achieved strong profitability through prudent financial management, disciplined cost control, operational excellence, and a continued focus on serving its customers. During the year, the Company further strengthened its financial position and recorded an increase in both overall sales and profitability compared with the previous year. Furthermore, a gain of Rs. 189 million arising from the re-measurement of Sindh Infrastructure Development Cess (SIDC) to present value had a positive impact on other income, further contributing to the improvement in profitability.

Liquidity

Liquidity ratios represent an important category of financial ratios used to assess the Company's ability to meet its current debt obligations. Liquidity ratios declined during the year due to an increase in short-term borrowings to meet higher working capital requirements towards the year-end, including the import of raw materials.

Investment / Market

Investment/Market ratios reflect the Company's overall performance. During the year, the Company's EPS increased by Rs. 6.00, mainly due to the increase in profitability, as discussed under the "Profitability" heading. However, the market price of the Company's shares decreased by Rs. 18.63 compared with the previous year. The share price was influenced by prevailing economic and market conditions.

Furthermore, subsequent to the year ended June 30, 2026, the Board of Directors proposed a final cash dividend of Rs. 3.00 per share for approval by the members at the Annual General Meeting. This is in addition to the interim cash dividend of Re. 1.00 per share.

Capital Structure

The Company continuously monitors its capital structure and aims to maintain it at an optimal level. During the year, the Company successfully installed and commissioned its second Extrusion Plant – a Barrier Film Extrusion Line, along with allied equipment. Furthermore, the Company installed 2.7 MW of solar panels at its factory. Both projects were financed through long-term loans, resulting in an increase in the Company's capital structure ratios.

Furthermore, an increase in short-term borrowings to meet higher working capital requirements towards the year-end, including the import of raw materials, resulted in an increase in the Net Borrowing / EBITDA ratio.

Activity / Turnover

The Company observed an increase in inventory turnover days compared to the previous year, primarily due to the purchase of raw materials towards the end of the year amid supply chain disruptions arising from the US-Iran conflict. To remain competitive and gain market share, the Company extends credit to its customers after taking into consideration their creditworthiness. Over the last three years, the Company has improved its debtor turnover days through timely recovery of receivables from customers. The Company also maintains strong relationships with its vendors to ensure a smooth and uninterrupted supply of goods and services and, accordingly, strives to maintain creditors at an optimum level.

Despite a 14-day increase in inventory turnover days due to the reasons mentioned above, the Company's operating cycle remained broadly consistent with the previous year, reflecting effective working capital management.

Employee Productivity Ratios:

The company has consistently made significant efforts to improve the working environment for its employees, aiming to maintain their motivation and improve overall productivity and performance. Over the years, the company has witnessed an increase in employee productivity due to improved human resource management and an effective recruitment process.

Non Financial Ratios:

The history of Cherat Packaging reflects continuous expansion, diversification and growth. In June 2026, the Company further diversified its product portfolio in the Flexible Packaging Division by commissioning the Barrier Film Extrusion Line II. The project enables the Company to explore new markets for packaging materials more effectively while optimizing the utilization of its resources.

Since its commissioning in 2018, the sales and production of the Flexible Packaging Division have followed an increasing trajectory, with production growing at a CAGR of approximately 31% over the last seven years. During the current year, available capacity increased following the commissioning of the aforesaid Extrusion Line II.

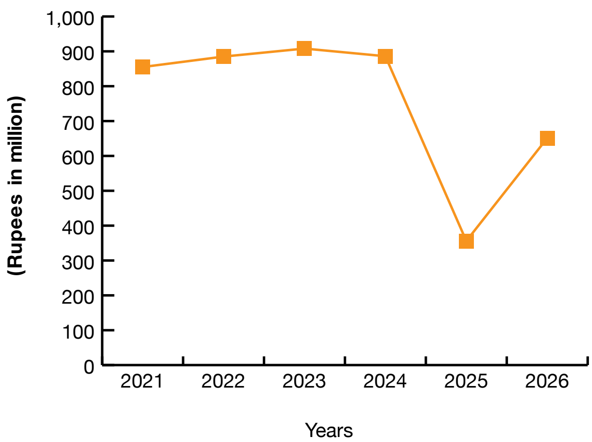
Similarly, production in the Bag Manufacturing Division increased compared with the previous year, resulting in improved capacity utilization.

Other Ratios:

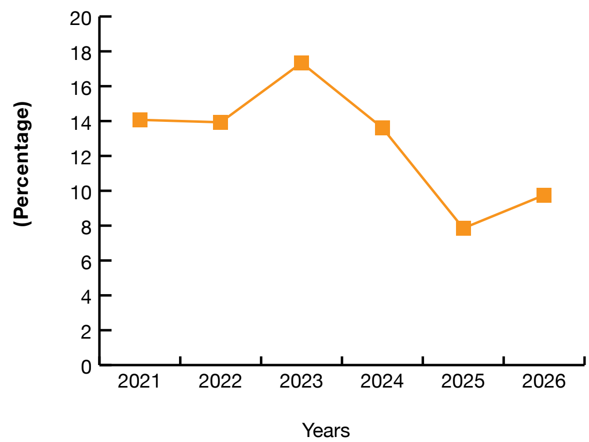
The Company has installed state-of-the-art machinery from reputable vendors. As a result, the Company not only benefits from high-quality performance and production efficiency but also maintains relatively low maintenance costs and spare parts inventories. Moreover, the ratios mentioned above have increased slightly in recent years due to the Company's diversification and expansion initiatives.

Graphical Presentation of Analysis of Financial Statements

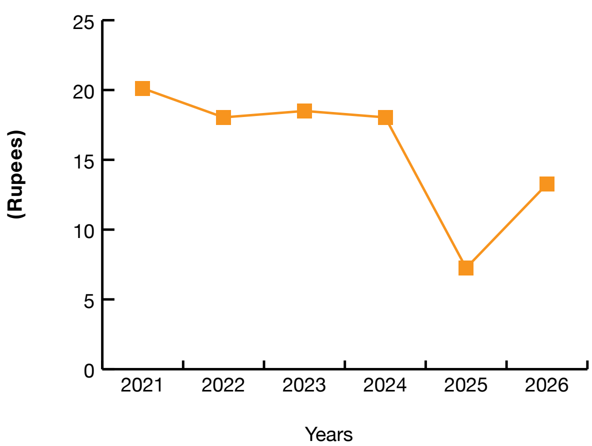
Profit After Tax



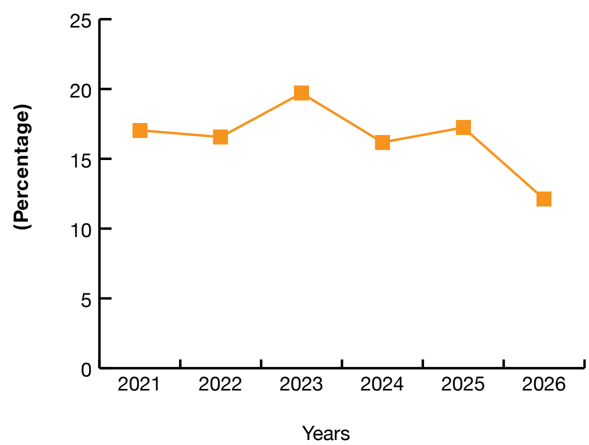
Operating Profit



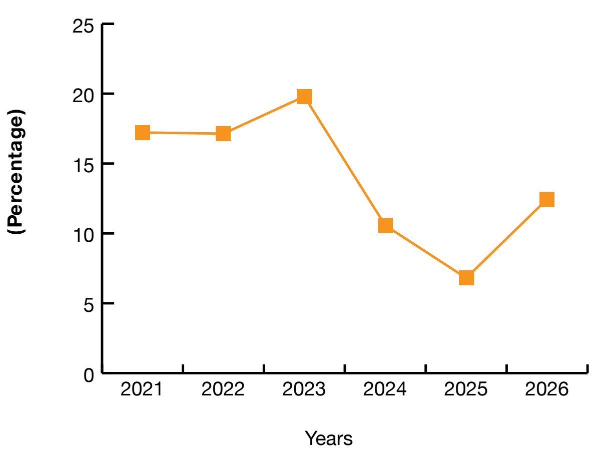
Earning Per Share



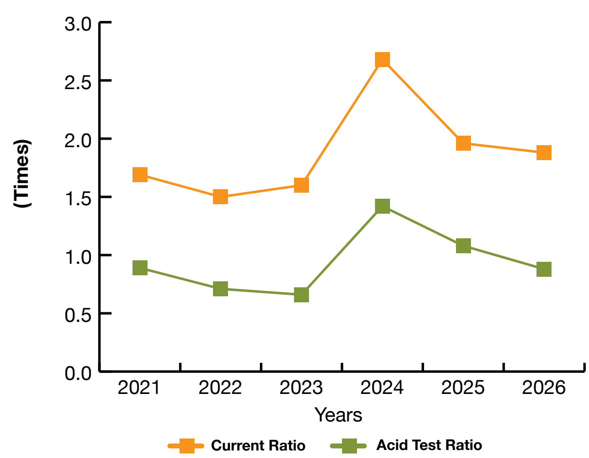
EBITDA margin to sales



Gross Profit

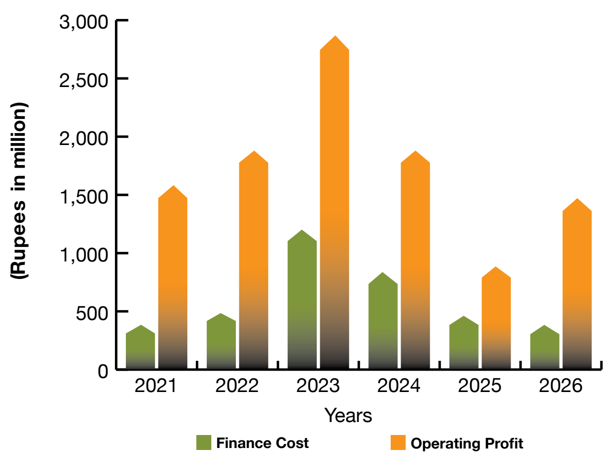


Liquidity Ratios

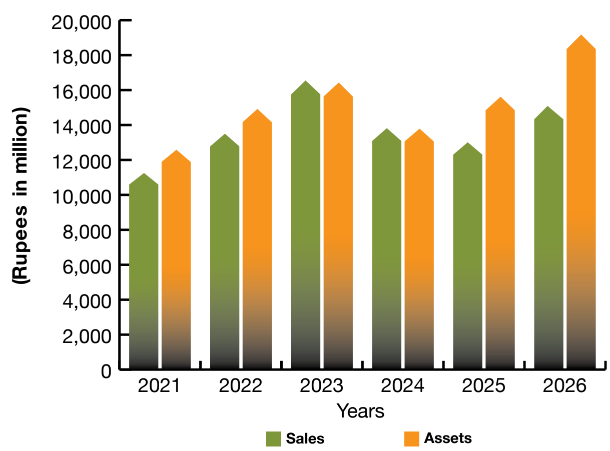


Graphical Presentation of Analysis of Financial Statements

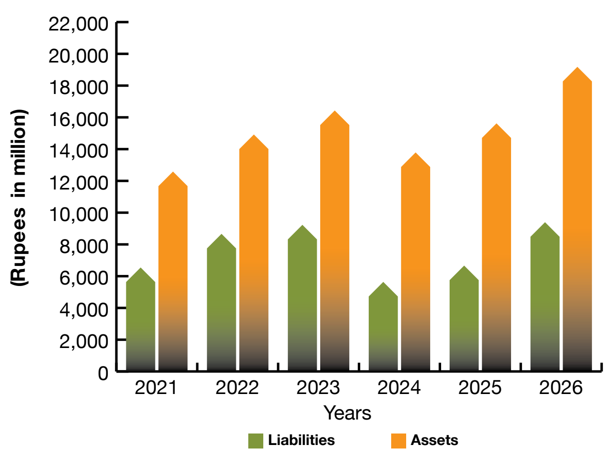
Interest Cover



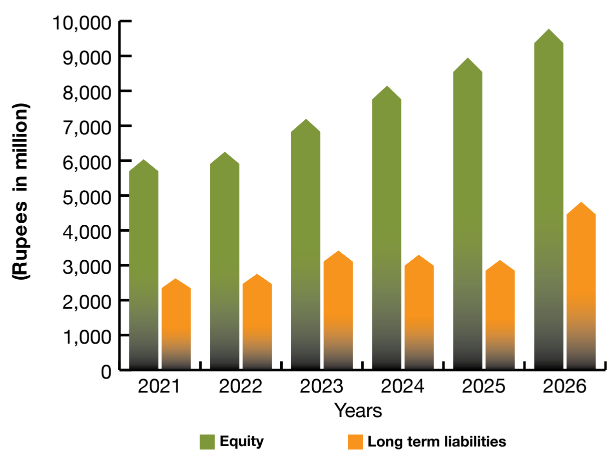
Sales to Total Assets



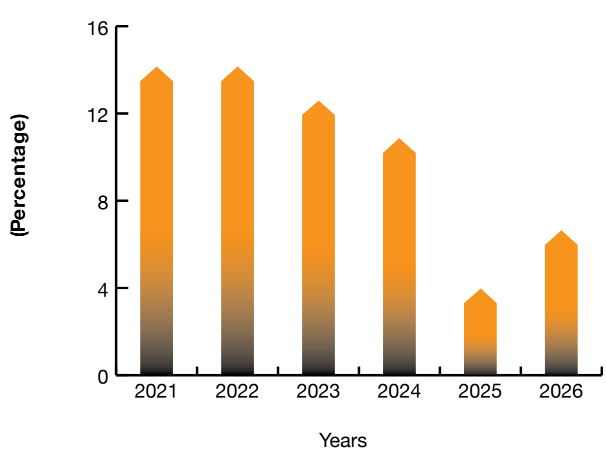
Assets & Liabilities



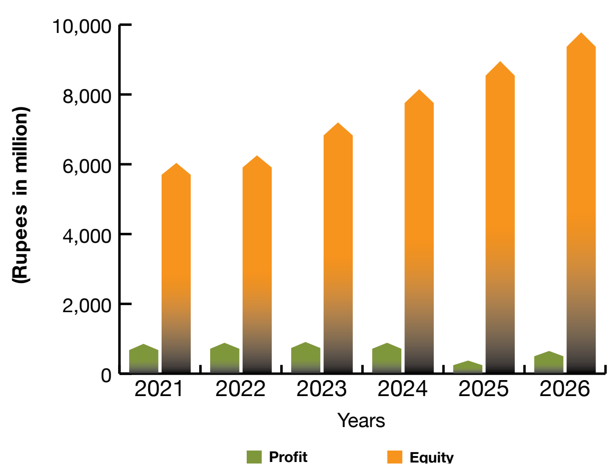
Equity & Long-Term Liabilities



Return on Shareholders Funds

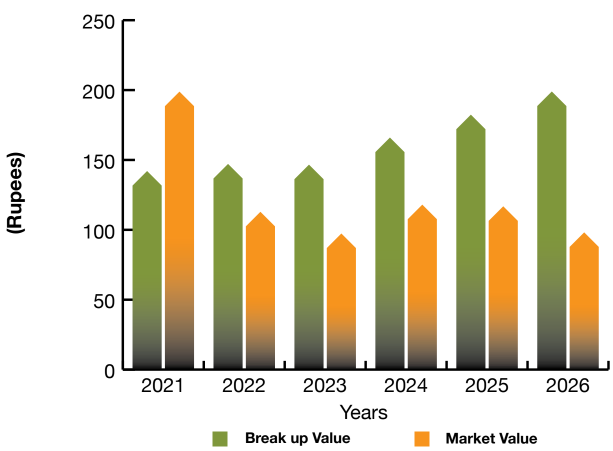


Return on Equity

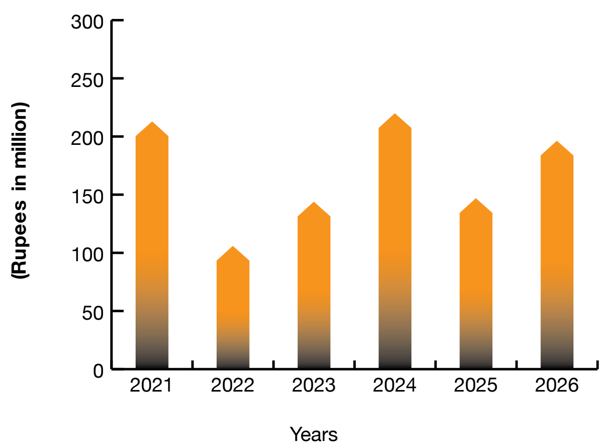


Graphical Presentation of Analysis of Financial Statements

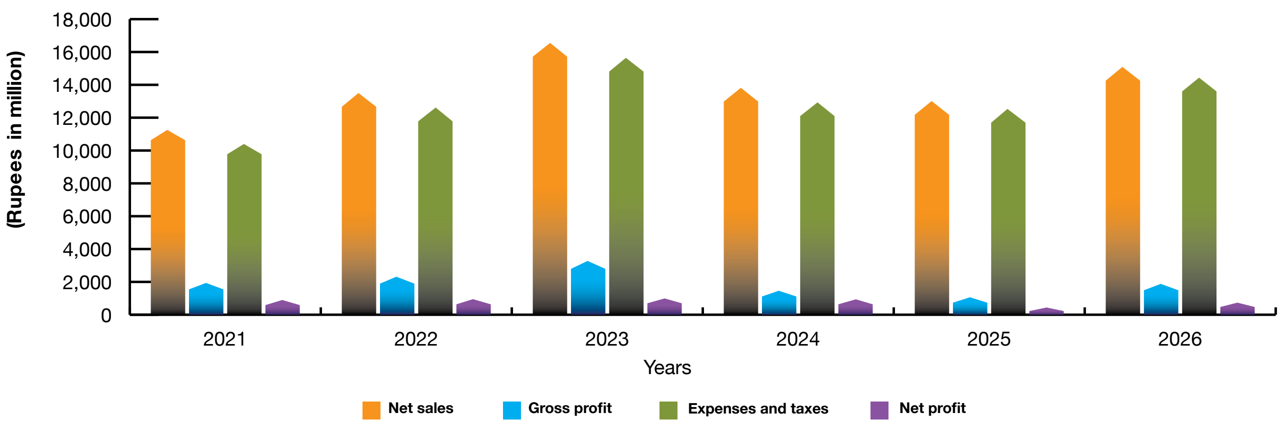
Value Per Share



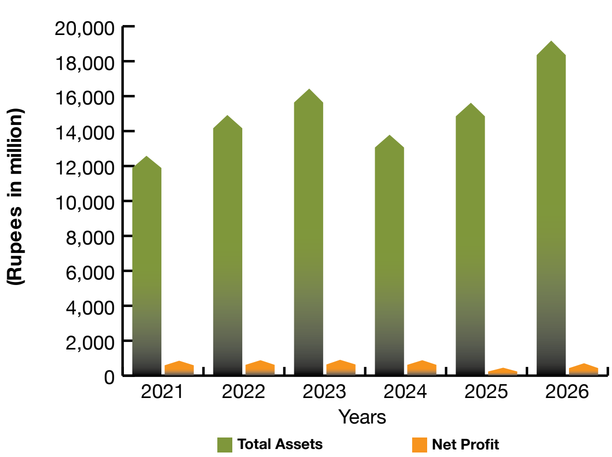
Cash Dividend



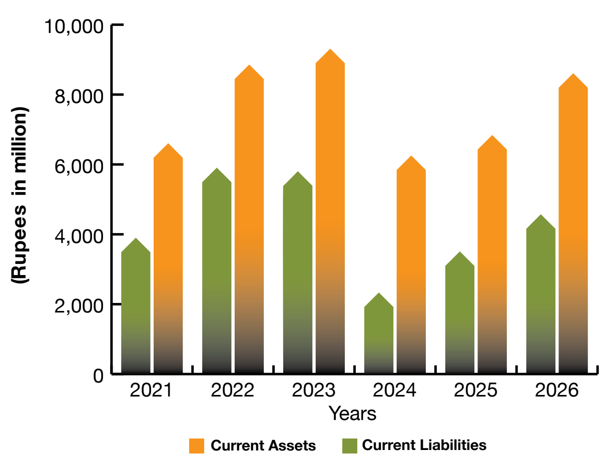
Profitability trend



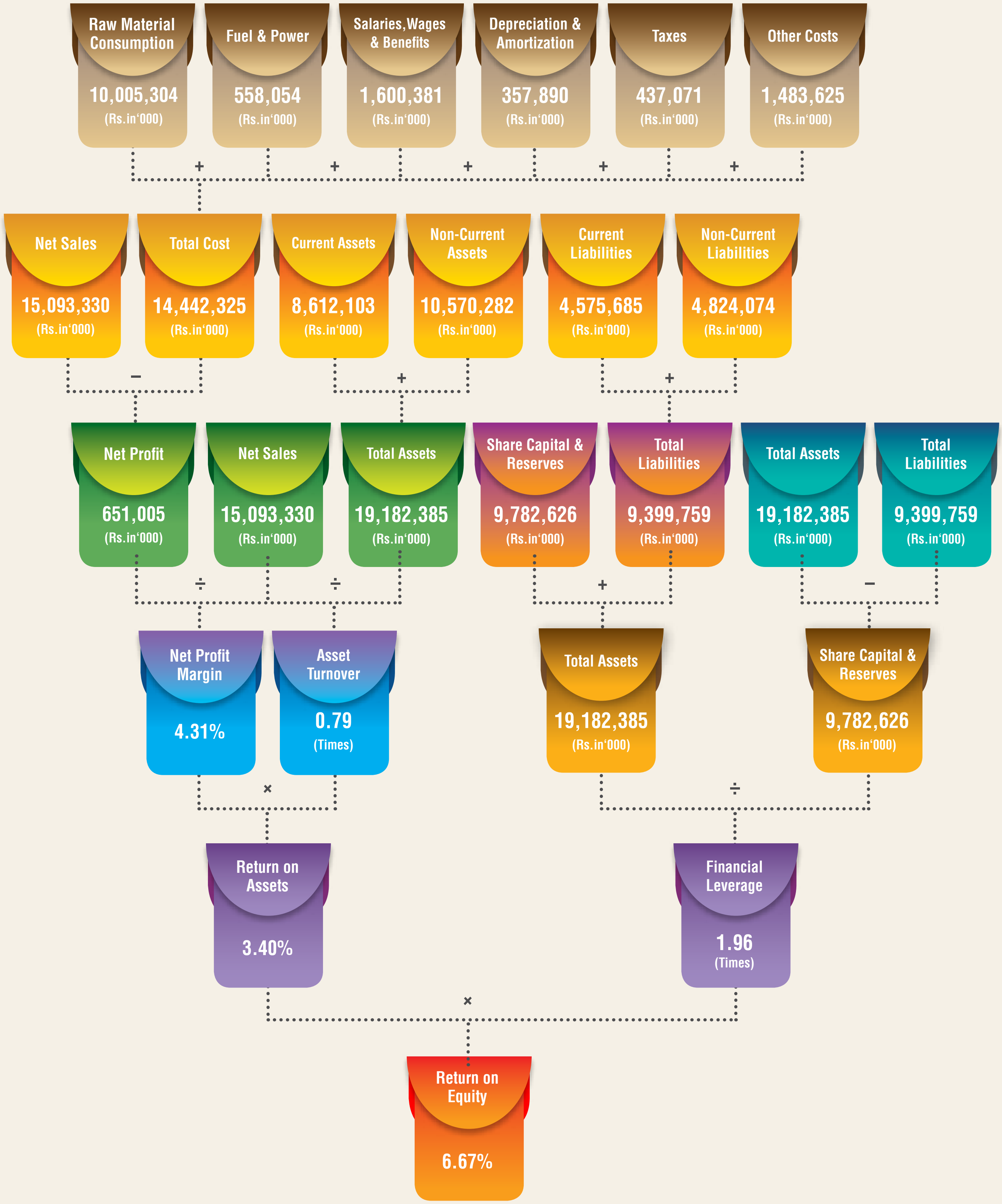
Net Profit to Total Assets



Current Assets to Current Liabilities



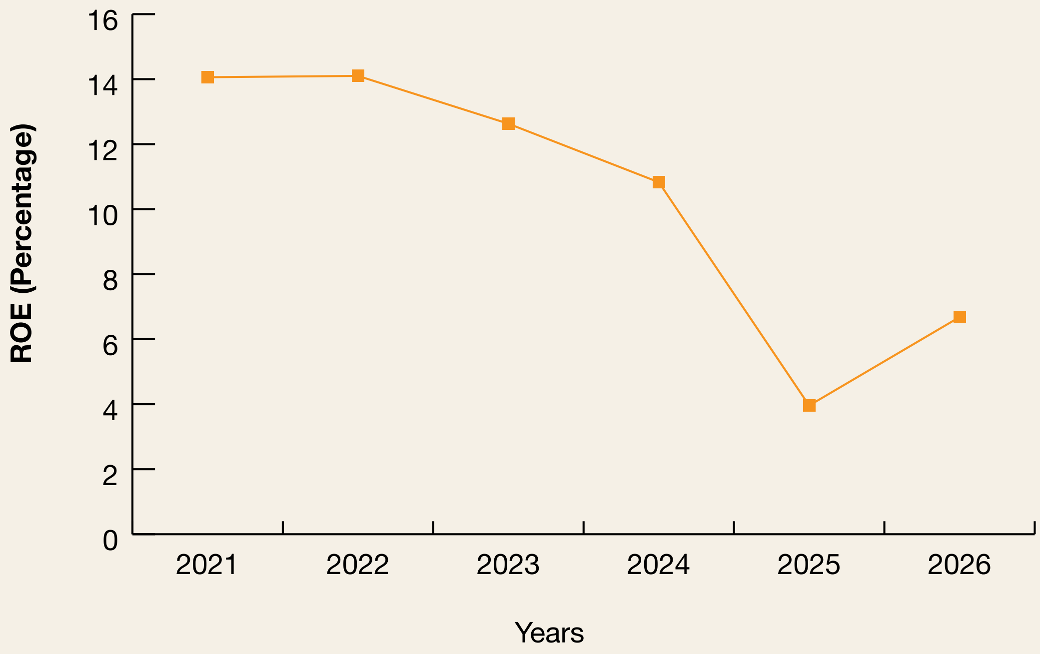
DuPont Chart



DuPont Analysis

Year	Net Profit Margin	Assets Turnover	Financial Leverage	ROE
	Net Profit / Sales	Sales / Total Assets	Total Assets / Total Equity	
	A	B	C	AxBxC
2021	7.60%	0.89	2.08	14.06%
2022	6.56%	0.90	2.39	14.10%
2023	5.49%	1.01	2.28	12.63%
2024	6.41%	1.00	1.69	10.83%
2025	2.74%	0.83	1.74	3.96%
2026	4.31%	0.79	1.96	6.68%

Graphical Presentation of DuPont Analysis



Comments on DuPont Analysis

1 Net profit margins of the Company has increased during the year due to increase in sales prices in the last quarter of the year. Further, re-measurement gain on SIDC also contributed positive impact on profitability.

2 Asset turnover increased during the year because of increase in revenue. The revenue majorly increased due to increase in sales prices. On the other hand, fixed assets increased as compared to the corresponding year due to the capitalization of Extrusion Line II and 2.7MW Solar Power Project.

3 This year financial leverage increased due to increase in short term borrowings. Short term borrowings increased because of working capital requirements.

4 ROE significantly improved during the year, because of favourable factors including increase in sales prices and re-measurement gain on SIDC. Further, return on assets also contributed positive impact.

Free Cash Flows

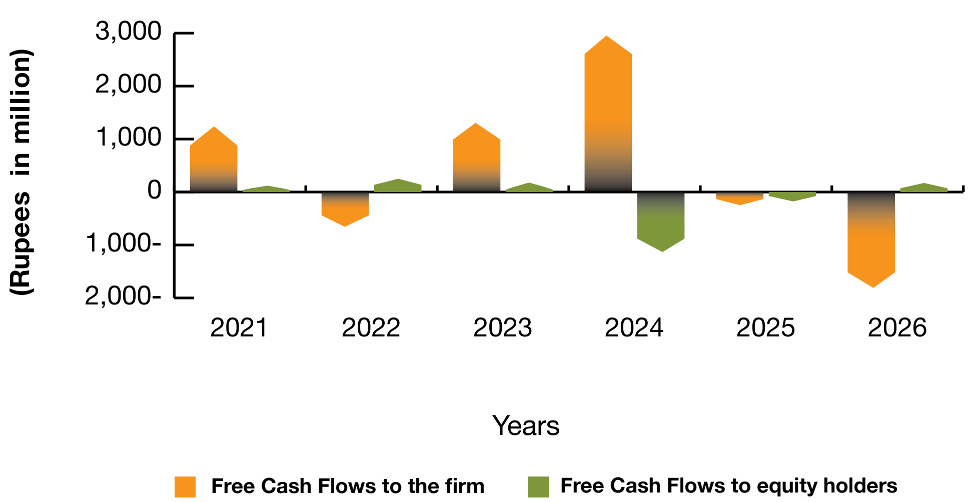
	2026	2025	2024	2023	2022	2021
	-----------------------------(Rupees in '000)-----------------------------					
Earning before interest and taxes	1,472,155	886,405	1,881,605	2,870,242	1,880,688	1,583,294
Adjustment for non-cash items	101,629	75,675	(516,127)	321,121	329,501	308,968
Working capital changes	(1,623,640)	(146,648)	2,588,733	(635,369)	(1,967,572)	(392,560)
Net cash generated from operating activities	(49,856)	815,432	3,954,211	2,555,994	242,617	1,499,702
Capital expenditure	(1,760,950)	(1,013,158)	(999,396)	(1,248,926)	(899,748)	(259,209)
Free cash flows to the firm	(1,810,806)	(197,726)	2,954,815	1,307,068	(657,131)	1,240,493
Free Cash Flows to the Equity Holders						
Free cash flow to the firm	(1,810,806)	(197,726)	2,954,815	1,307,068	(657,131)	1,240,493
Net borrowings	2,365,557	564,020	(2,998,115)	(139,458)	1,295,749	(695,550)
Finance cost paid	(433,325)	(493,633)	(1,090,391)	(1,090,332)	(437,907)	(475,949)
Free cash flow to the equity holders	121,426	(127,339)	(1,133,691)	77,278	200,711	68,994

Comments

Free cash flow to the firm decreased as compared to last year. This was mainly due to an increase in inventory levels amid supply chain disruptions in the region arising from the US-Iran conflict. However, free cash flow to the equity holder increased as compare to last year mainly due to a reduction in finance costs resulting from lower interest rates. During the year, the Company also obtain a loan for the acquisition of the second Extrusion Line, which contributed positively to the free cash flow available to equity holders.

Graphical presentation of free cash flow analysis

Free cash flows to the firm and equity holders.



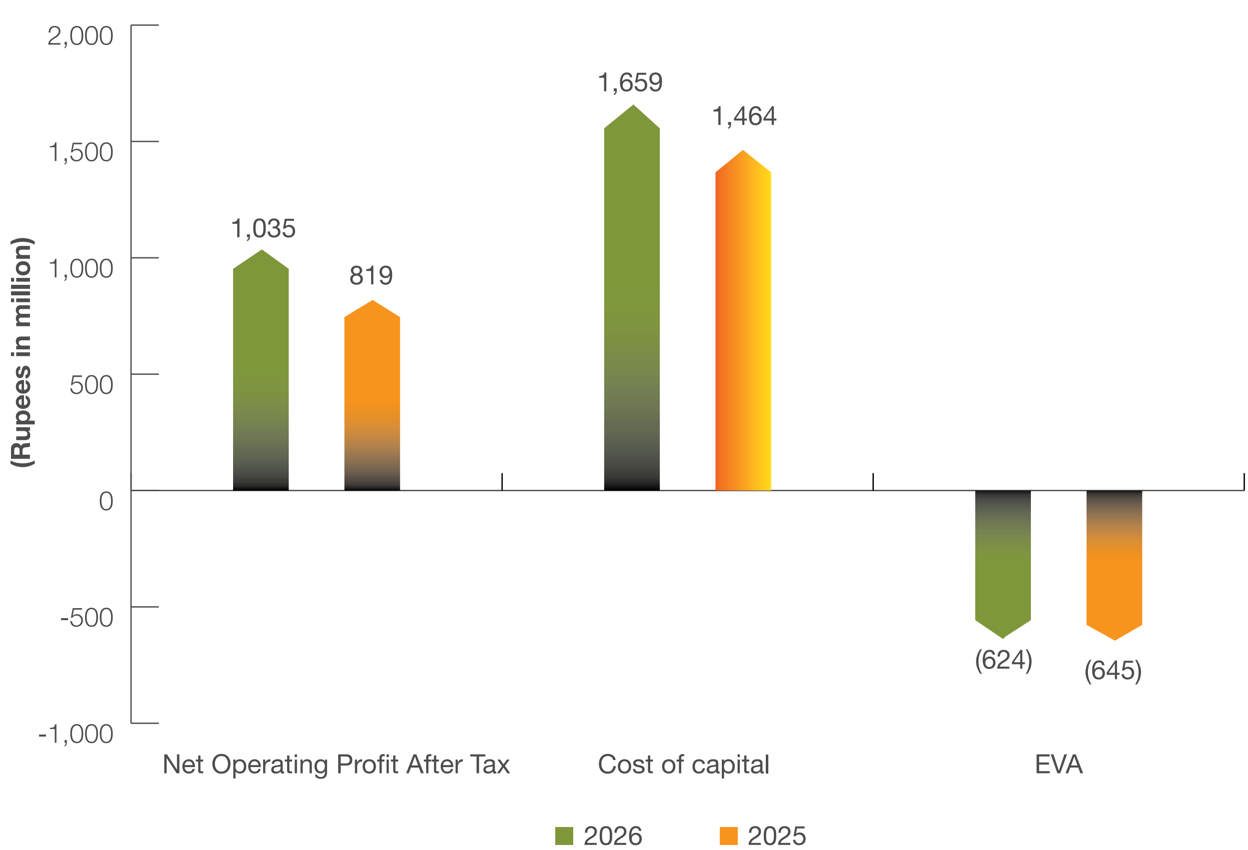
Economic Value Added

	2026	2025
	----------Rs. in '000----------	
Net Operating Profit After Tax	1,035,084	818,999
Cost of capital	(1,658,681)	(1,464,033)
Economic Value Added	(623,597)	(645,034)
Cost of Capital		
Total Assets	19,182,385	15,623,282
Current Liabilities	(4,575,685)	(3,511,970)
Invested Capital	14,606,700	12,111,312
Weighted Average Cost of Capital	11.36%	12.09%
Cost of capital	1,658,681	1,464,033

Comments on Economic Value Added

As compared to last year, the economic value addition of the company improved due to an increase in operating profit after tax of the company and a decrease in WACC. Operating profit after tax of the company increased due to increase in overall sales, better margins and increase in other income due to SIDC re-measurement gain. WACC of the company declined on account of decrease in overall KIBOR rates.

Graphical Presentation of Economic Value Added



Horizontal Analysis - Last Six Years

	2026		2025	
	(Rupees in '000)	%	(Rupees in '000)	%
STATEMENT OF FINANCIAL POSITION				
ASSETS				
Non-Current Assets	10,570,282	20%	8,780,193	17%
Current Assets	8,612,103	26%	6,843,089	9%
Non-Current Assets Classified as Held for Sale	-	0%	-	0%
Total Assets	19,182,385	23%	15,623,282	13%
EQUITY AND LIABILITIES				
Share Capital and Reserves	9,782,626	9%	8,956,027	10%
Non-Current Liabilities	4,824,074	53%	3,155,285	-5%
Current Liabilities	4,575,685	30%	3,511,970	50%
Total Equity and Liabilities	19,182,385	23%	15,623,282	13%
STATEMENT OF PROFIT OR LOSS				
Turnover – net	15,093,330	16%	13,013,710	-6%
Gross profit	1,878,810	84%	1,020,947	-30%
Operating profit	1,472,155	66%	886,405	-53%
Profit before income tax and final taxes	1,088,076	157%	423,837	-59%
Profit after taxation	651,005	83%	356,431	-60%

2024		2023		2022		2021	
(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)	%
7,535,090	13%	6,640,538	10%	6,061,384	1%	5,978,810	7%
6,257,824	-33%	9,314,886	5%	8,860,273	34%	6,608,344	18%
-	-100%	478,371	100%	-	0%	-	0%
13,792,914	-16%	16,433,795	10%	14,921,657	19%	12,587,154	13%
8,152,146	13%	7,200,526	15%	6,255,557	4%	6,039,840	27%
3,304,808	-4%	3,426,283	24%	2,757,510	4%	2,643,027	-8%
2,335,960	-60%	5,806,986	-2%	5,908,590	51%	3,904,287	11%
13,792,914	-16%	16,433,795	10%	14,921,657	19%	12,587,154	13%
13,820,153	-17%	16,554,262	23%	13,502,519	20%	11,255,102	19%
1,461,371	-55%	3,277,073	42%	2,314,729	19%	1,937,625	65%
1,881,605	-34%	2,870,242	53%	1,880,688	19%	1,583,294	79%
1,043,875	-37%	1,668,338	20%	1,395,385	16%	1,198,522	1115%
885,892	-2%	908,250	3%	885,509	4%	855,092	1117%

Vertical Analysis - Last Six Years

	2026		2025	
	(Rupees in '000)	%	(Rupees in '000)	%
STATEMENT OF FINANCIAL POSITION				
ASSETS				
Non-Current Assets	10,570,282	55%	8,780,193	56%
Current Assets	8,612,103	45%	6,843,089	44%
Non-Current Assets Classified as Held for Sale	-	0%	-	0%
Total Assets	19,182,385	100%	15,623,282	100%
EQUITY AND LIABILITIES				
Share Capital and Reserves	9,782,626	51%	8,956,027	57%
Non-Current Liabilities	4,824,074	25%	3,155,285	20%
Current Liabilities	4,575,685	24%	3,511,970	22%
Total Equity and Liabilities	19,182,385	100%	15,623,282	100%
STATEMENT OF PROFIT OR LOSS				
Turnover – net	15,093,330	100%	13,013,710	100%
Gross profit	1,878,810	12%	1,020,947	8%
Operating profit	1,472,155	10%	886,405	7%
Profit before income tax and final taxes	1,088,076	7%	423,837	3%
Profit after taxation	651,005	4%	356,431	3%

2024		2023		2022		2021	
(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)	%
7,535,090	55%	6,640,538	40%	6,061,384	41%	5,978,810	47%
6,257,824	45%	9,314,886	57%	8,860,273	59%	6,608,344	53%
-	0%	478,371	3%	-	0%	-	0%
13,792,914	100%	16,433,795	100%	14,921,657	100%	12,587,154	100%
8,152,146	59%	7,200,526	44%	6,255,557	42%	6,039,840	48%
3,304,808	24%	3,426,283	21%	2,757,510	18%	2,643,027	21%
2,335,960	17%	5,806,986	35%	5,908,590	40%	3,904,287	31%
13,792,914	100%	16,433,795	100%	14,921,657	100%	12,587,154	100%
13,820,153	100%	16,554,262	100%	13,502,519	100%	11,255,102	100%
1,461,371	11%	3,277,073	20%	2,314,729	17%	1,937,625	17%
1,881,605	14%	2,870,242	17%	1,880,688	14%	1,583,294	14%
1,043,875	8%	1,668,338	10%	1,395,385	10%	1,198,522	11%
885,892	6%	908,250	5%	885,509	7%	855,092	8%

Comments on Horizontal Analysis

STATEMENT OF FINANCIAL POSITION

Fixed Asset
Fixed assets increased over 6 years due to expansions carried out by the Company. This year, the fixed assets of the Company increased mainly due to the commissioning of Barrier Extrusion Line II and 2.7MW Solar Power Project.

Investments
Long-term investment of the Company increased by Rs. 308.92 million primarily due to increase in share price of Cherat Cement Company Limited by Rs. 55.63.

Stores, Spare parts & loose tools, Stock in trade and Trade debts
Stores, spare parts & loose tools, stock in trade increased steadily over the past years on the accounts of an increase in operations and expenses especially in PPD and FPD. However, in the current year, trade debts of the Company slightly decreased due to prompt recoveries.

Share capital and reserves
Increased due to steady profits earned by the company and issuance of shares in last six years.

Long-term loans
The Company has always strived to maintain strong debt equity ratio to optimize returns. Accordingly, CPL financed its project as combination of debt and equity. In the current year, the Company has obtained long-term loans for financing Barrier Film Extrusion Line II Project and Solar Power Project amounting to Rs. 1.3 billion and 270 million respectively, during the year. Moreover, recognition of present value of Sindh Infrastructure Development Cess (SIDC) of Rs. 310.63 million (long term Portion of Rs. 225 million) also led to increase in overall long term liabilities.

Current Liabilities
Current liabilities mainly increased due to increase in short term borrowings. Short term borrowings increased due to increase in working capital requirements.

PROFIT AND LOSS ACCOUNT

Turnover
Turnover of the Company has increased in the current year by 16% due to increase in sales prices and quantity sold in both Flexible Packaging and Bag Manufacturing divisions.

Gross profit
Despite facing many economic challenges the Company has achieved a gross profit of Rs. 1,879 million for the year ended June 30, 2026 due to improved margins.

Operating profit
Operating profit has significantly increased during the year due to increased gross profit. Further, re-measurement gain on SIDC also contributed positive impact on profitability.

Finance Cost
Finance cost has decreased during the year as compared to last year mainly due to decrease in discount rates.

Net profit
Net profit of the Company has shown a positive trend in recent years. The Company has achieved a net profit of Rs. 651 million during the year.

Comments on Vertical Analysis

STATEMENT OF FINANCIAL POSITION

Non-Current Assets
During the year, the Barrier Films Extrusion Line II and 2.7 MW Solar Power Project were capitalized which increased the fixed assets as compared to previous year.

Current Assets
Current Assets of the Company increased primarily due to a significant increase in Stock-in-Trade. The increase in Stock-in-Trade was driven by the upward trend due to increase in raw material prices and to mitigate supply chain disruptions arising from the US-Iran conflict.

Long-term loan
Long term loan has increased by Rs. 1.25 billion. During the year, the Company acquired new loans of Rs.1.66 billion which incudes Rs. 1.3 billion against Barrier Film Extrusion Line II and allied equipments and Rs. 270 million against 2.7 MW Solar Power Project and Rs. 87 million against Flat Bottom Bag Manufacturing Machine.

STATEMENT OF PROFIT OR LOSS

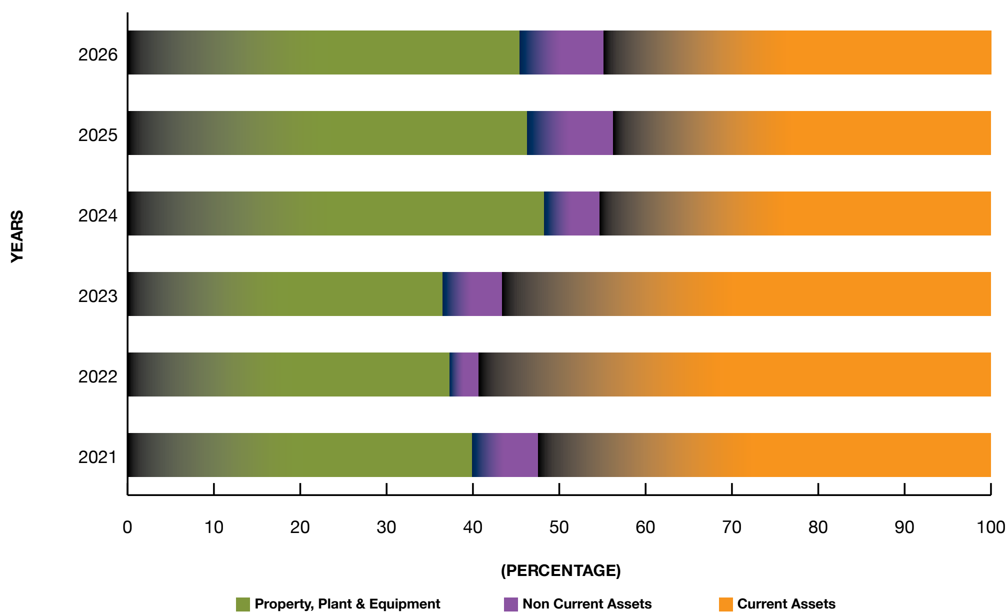
Turnover
For the year under review, BMD sales increased majorly due to increase in sales / operations of SOS division. FPD sales also increased in comparison with corresponding year. Sales prices were adjusted upwards in both divisions in accordance with the market condition.

Gross profit
For the fiscal year ending June 30, 2026, the company reported a gross profit of Rs. 1,879 million. This increase in gross profit as compared to last year was primarily due to increased prices.

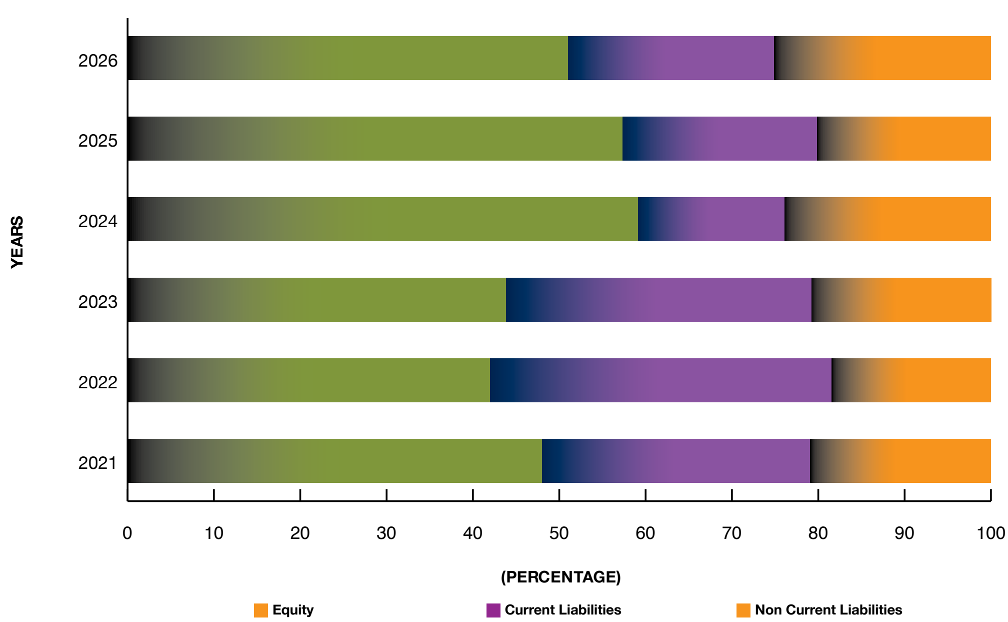
Net profit
During the year net profit was increased due to several factors such as increase in overall sales. Increase in other income due to re-measurement gain on SIDC also had a positive impact on the profitability of the Company.

Graphical Presentation of Statement of Financial Position and Statement of Profit or Loss

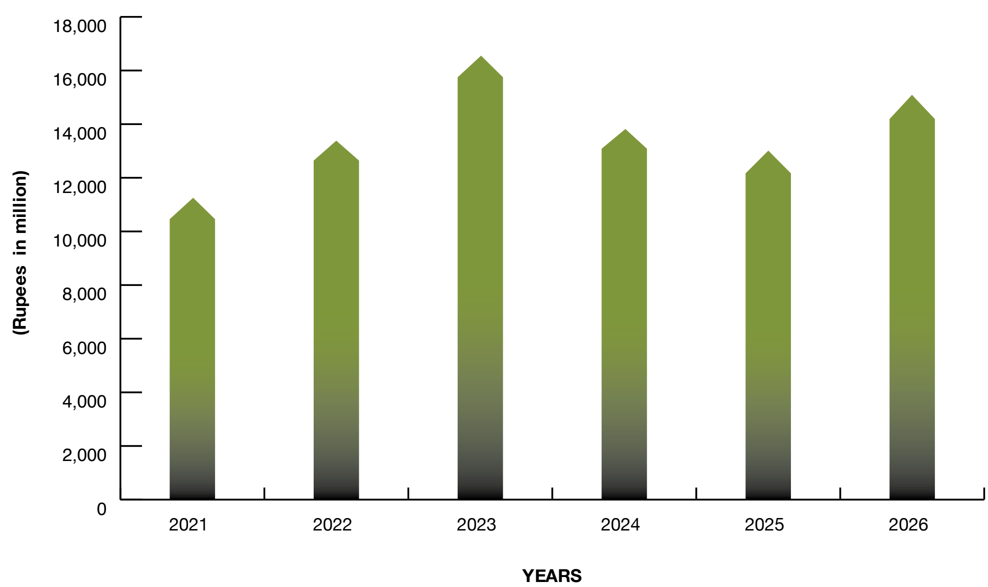
Statement of Financial Position Analysis- Assets



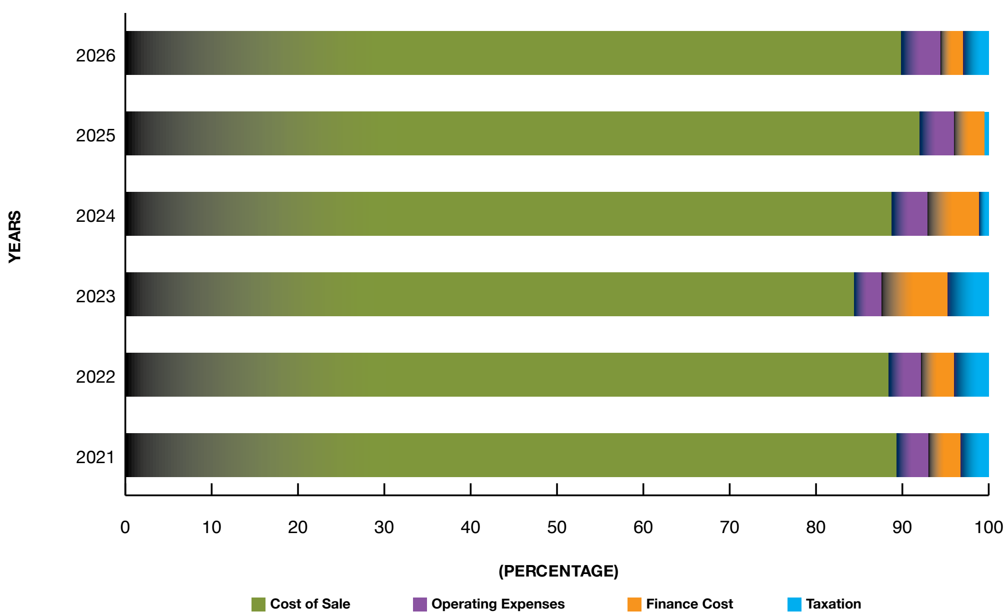
Statement of Financial Position Analysis- Equity & Liabilities



Statement of Profit or Loss Analysis- Revenue

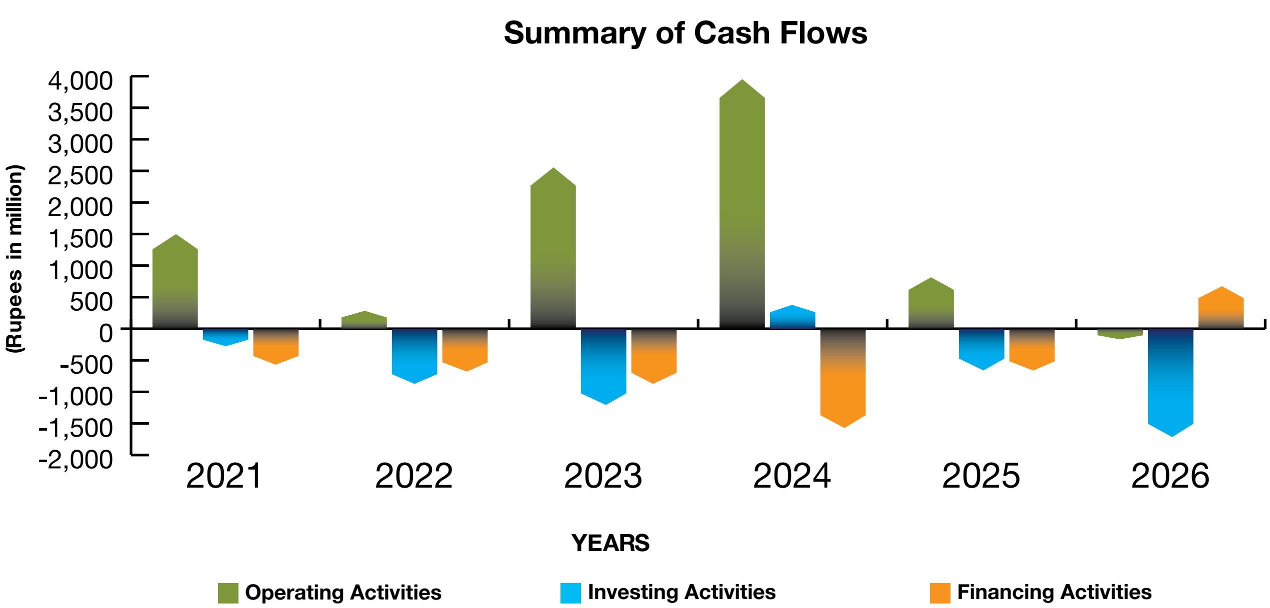


Statement of Profit or Loss Analysis- Expenses



Summary of Statement of Cash Flows - Last Six Years

	2026	2025	2024	2023	2022	2021
	(Rupees in '000)					
Net cash (used in) / generated from operating activities	(49,856)	815,432	3,954,211	2,555,994	242,617	1,499,702
Net cash (used in) / generated from investing activities	(1,715,555)	(661,348)	336,814	(1,207,161)	(881,640)	(236,108)
Net cash generated / (used in) from financing activities	673,762	(662,102)	(1,572,110)	(857,284)	(678,605)	(570,109)
Net (decrease) / increase in cash and cash equivalents	(1,091,649)	(508,018)	2,718,915	491,549	(1,317,628)	693,485
Cash and cash equivalents as at the beginning of the year	(537,455)	(29,437)	(2,748,352)	(3,239,901)	(1,922,273)	(2,615,758)
Cash and cash equivalents as at the end of the year	(1,629,104)	(537,455)	(29,437)	(2,748,352)	(3,239,901)	(1,922,273)



Comments on Statement of Cash Flows

In 2021 the Company witnessed upward trend in operating cash flows due to effective working capital management. The decrease in operating cash flow in 2022 is primarily due to increase in stock-in-trade related to the installation of PP Line IV. In 2023, the company witnessed upward trend in operating cash flow due to increase in operations / sales and effective working capital management. In 2024, the company witnessed highest operating cash flow primarily due to stock rationalization in line with change in demand patterns and prompt customer recoveries. In 2025, the company witnessed drastic decline in operating cash flow primarily due to increase in stock in trade and trade debts related to SOS / Carrier bag project and improved Flexible Packaging Division operations. In 2026, Operating activities resulted in a net cash outflow of Rs. 49.86 million. The decline was primarily attributable to a substantial increase in stock-in-trade of Rs. 1,527.09 million. A significant in stock-in trade was mainly due to raw material price which was primarily due to US-IRAN conflict.

The Company has been in continuous expansion which has governed the cash flow from investing activities. In FY 2021, the Company also installed certain other machineries for Flexible Packaging Division. Company initiated solar power project to look after its energy needs. In FY 2022, the Company installed 0.96 MW solar power to reduce energy cost and additional PP line enhancing its production capacity to 260 million bags per annum. In 2023, the company installed Roto Line II in Flexible Packaging Division (FPD) to cater the demand of the customers. Further in 2024, the company installed 2nd Flexo Line II in FPD and sold Kraft Paper (KP) lines I, II and V having the combined capacity of 240 million bags per annum. In 2025, the company has setup the SOS / Carrier bags project having the capacity of 260 million units per annum and sold kraft paper lines III & IV having combined the capacity of 160 million bags per annum. During FY 2026, the Company increased capital expenditure on 2nd Extrusion line, 2.7 MW Solar Power Panels and other assets amounting to Rs. 1,760.95 million. The Company also invested Rs. 13.02 million in long-term investments during the year. Consequently, net cash used in investing activities increased to Rs. 1,715.56 million in FY2026 compared with Rs. 661.35 million in FY2025.

Cash flows from financing activities are direct reflection of the above two. In the FY 2021, the Company was able to repay its borrowings as a result of effective working capital management. In 2022, Company received a loan to finance the installation of PP line IV. In 2023, the Company received a loan to finance the installation of new Roto Line II in Flexible Packaging Division. Further in 2024, the company received a loan to finance the installation of 2nd Flexo printer in Flexible Packaging Division. In 2025, the company received a loan for finance the installation of SOS / Carrier bags project in Bag Manufacturing Division. During FY2026, the Company received a loan an amounting to Rs. 1.3 billion to finance the installation of Extrusion Line II in Flexible Packaging Division.

Statement of Cash Flows Direct Method

for the year ended June 30, 2026

	2026	2025
	-----------(Rupees in '000)----------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	15,403,112	12,980,435
Cash paid to suppliers and employees	(14,990,880)	(11,772,339)
Cash generated from operations	412,232	1,208,096
Net income tax paid	(337,856)	(360,664)
Gratuity Paid	(36,000)	(32,000)
Sindh Infrastructure Development Cess paid	(88,232)	-
Net cash (used in) / generated from operating activities	(49,856)	815,432
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to operating property, plant and equipment	(1,760,950)	(1,013,158)
Additions to long term investments	(13,015)	-
Proceeds from disposal of operating property, plant and equipment	29,108	13,162
Proceeds from disposal of assets classified as held for sale	-	309,346
Dividend received	29,302	29,302
Net cash used in investing activities	(1,715,555)	(661,348)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing-net	1,253,352	51,970
Dividend paid	(146,265)	(220,439)
Finance costs paid	(433,325)	(493,633)
Net cash generated from / (used in) financing activities	673,762	(662,102)
Net increase in cash and cash equivalents	(1,091,649)	(508,018)
Cash and cash equivalents as at the beginning of the year	(537,455)	(29,437)
Cash and cash equivalents as at the end of the year	(1,629,104)	(537,455)

Key Financial Information - Last Six Years

	2026	2025	2024	2023	2022	2021
	----------------------(Quantity in million)----------------------					
Production BMD (Bags)	162.67	144.04	137.66	238.62	312.95	327.17
Production FPD (Kgs)	10.00	8.88	7.63	6.99	6.00	4.61
Sales BMD (Bags)	161.21	142.63	142.16	247.64	303.71	334.23
Sales FPD (Kgs)	9.88	8.84	7.85	6.89	5.86	4.66
Summary of Statement of Financial Position						
	----------------------(Rupees in million)----------------------					
Assets						
Non-Current Assets	10,570	8,780	7,535	6,641	6,062	5,979
Current Assets	8,612	6,843	6,258	9,315	8,860	6,608
Non-Current Assets Held For Sale	-	-	-	478	-	-
Total Assets	19,182	15,623	13,793	16,434	14,922	12,587
Equity and Liabilities						
Shareholders Equity	9,783	8,956	8,152	7,201	6,256	6,040
Non-current Liabilities	4,824	3,155	3,305	3,426	2,757	2,643
Current Liabilities	4,576	3,512	2,336	5,807	5,909	3,904
Equity and Liabilities	19,182	15,623	13,793	16,434	14,922	12,587
Summary of Statement of Profit or Loss						
Turnover - net	15, 093	13,014	13,820	16,554	13,503	11,255
Gross profit	1,879	1,021	1,461	3,277	2,315	1,938
Operating profit	1,472	886	1,882	2,870	1,881	1,583
Profit before income tax and final taxes	1,088	424	1,044	1,668	1,395	1,199
Profit after tax	651	356	886	908	886	855

BMD = Bags Manufacturing Division
FPD = Flexible Packaging Division

Segmental View of Business Performance

In the financial year ended June 30, 2026, the Company improved its performance in the Flexible Packaging Division. The Division's turnover increased from Rs 7.3 billion to Rs 9.3 billion. However, the Bag Manufacturing Division experienced marginal sales growth due to rising competition. Meanwhile, strategic alliances with international suppliers enabled the Company to benefit from improved raw material availability.

Segmental View

The Company continues to invest in developing relationships with various customers, particularly in the FMCG sector. It anticipates further growth in Flexible Packaging Division (FPD) sales in the coming years, supported by effective marketing strategies, efficient production capabilities, strong management and growing demand for FMCG products. This positive trend was also reflected during the year, with the FPD's contribution to total sales increasing to 62%, compared to the previous year.

2026 BMD 38% FPD 62%

2025 BMD 44% FPD 56%

Market Share

Cherat Packaging is among the largest producers of cement bags in Pakistan and has established itself as a pioneer in cement packaging by introducing several groundbreaking innovations that have benefited customers and positioned the Company as a market leader. In 2018, the Company diversified into the Flexible Packaging Division, where, through a focused penetration strategy, it has been steadily gaining market acceptance and expanding its market share.

The cement industry witnessed a significant shift from paper sacks to polypropylene bags due to price differences. In response to this changing demand pattern, the Company discontinued its KP lines last year. The flexible packaging sector in Pakistan comprises a few players in the organized segment alongside numerous smaller entities in the unorganized sector. Due to limited reliable data, the overall market size is difficult to estimate; however, the small number of organized players present an opportunity for the Company to build relationships with customers who prefer to partner with suppliers in the organized sector. Further, recent changes in laws and taxation regulations have encouraged more customers to shift toward the organized sector, further expanding opportunities for the Company to attract these clients.

In 2025, the Company commissioned its SOS/Carrier Bag Plant. The new product line has enabled the Company to access additional packaging markets, optimize resource utilization and enhance overall sales volumes.

Explanation of Negative Changes in Performance over the Period

Over the years, the company performed well, surpassing expectations despite many challenges. However, in 2020, the company witnessed a decline in profits due to the COVID-19 pandemic, though it had closed its financial year in the positive zone. In 2021 and 2022, the company continued its performance and closed its financial years at Rs. 855 million and Rs. 886 million, respectively. In 2023, the company continued its performance and sailed through difficult economic conditions, posting the 2nd highest net profit of Rs. 908 million. In the year 2024, despite various economic challenges such as changes in market demand and increase in business competition affected the company's profitability, the company was able to close its financial year at Rs. 886 million, mainly due to an increase in sales of the Flexible Packaging Division and gain on the sale of KP lines I, II, & V. In 2025, the Company's profitability declined, recording an after-tax profit of Rs. 356 million. This decrease was primarily driven by lower BMD sales, along with higher input costs that adversely impacted the overall cost of production. During the year, prudent financial management, disciplined cost control, operational excellence and a continued focus on customer service enabled the Company to improve its profitability, resulting in an after-tax profit of Rs. 651 million.

Debt Repayment

As presented in Directors' Report, the Company has always met its financial obligations and paid all its dues on time. During the year, the Company repaid loans of Rs. 448 million to the banks.

Significant Change in Accounting Policies, Judgments, Estimates and Assumptions

There is no significant change in accounting policies, judgments, estimates and assumptions during the year.

Share Price Sensitivity Analysis

Cherat Packaging Limited's share price is influenced by a combination of company-specific performance, industry dynamics, macroeconomic conditions and developments in the capital markets. During FY 2026, Pakistan's economic environment showed signs of improved macroeconomic stability, supported by easing inflationary pressures, improved external buffers and a prudent monetary and fiscal policy stance. At the same time, geopolitical developments, exchange rate movements, energy costs and fluctuations in commodity prices remained key factors affecting investor sentiment and business performance.

The Company's share price remained sensitive to these factors during the year. During the year, share prices fluctuated between Rs. 64.86 and Rs. 137.30. Given the Company's consistent profitability, diversified product portfolio, operational efficiencies and ongoing investments in manufacturing capacity and renewable energy, its future share price performance may continue to be influenced by both its underlying financial performance and broader market conditions. The following key factors may affect the Company's share price:

Government Policies

Government policies relating to taxation, fiscal measures, trade, industrial regulations, energy pricing and monetary policy can materially influence the operating environment and investor sentiment. Changes in government policies, including measures undertaken under Pakistan's ongoing economic reform programme, may affect business costs, demand, liquidity and profitability, and consequently the market value of the Company's shares.

Exchange Gain / Loss

Movements in the Pakistani Rupee against major foreign currencies can affect the Company's raw material costs, imported machinery and other foreign currency exposures. A depreciation of the Rupee may increase the cost of imported raw materials and equipment and exert pressure on margins. However, exchange rate movements may also enhance the competitiveness of export-oriented business, where applicable. Accordingly, exchange rate volatility remains an important factor influencing the Company's profitability and, consequently, its share price.

Material Price Sensitivity

The Company's profitability is sensitive to movements in the prices of key raw materials, particularly those influenced by international commodity and crude oil prices. An increase in input costs may place pressure on margins; however, the Company's ability to pass on cost increases, optimize its product mix, improve operational efficiencies and maintain strong customer relationships helps mitigate this exposure. Continued volatility in international commodity prices and global supply chains remains a key consideration.

Energy Crisis

Energy availability and pricing remain important factors affecting the Company's operating costs. During FY2026, energy prices and broader global energy market developments continued to present risks to Pakistan's industrial sector. The Company has undertaken measures to reduce its exposure to conventional energy sources through investments in renewable energy, including its solar

power project, as well as access to alternative sources of electricity. These initiatives are expected to support cost efficiency and enhance the Company's resilience against energy price volatility.

Interest Rates

Interest rates have a significant impact on corporate financing costs, investment decisions and investor sentiment. Pakistan experienced a substantial easing in monetary conditions over the preceding period, while the State Bank of Pakistan maintained a cautious monetary policy stance to balance economic recovery with inflation and external-sector stability. Changes in interest rates can affect the Company's finance costs, working capital requirements, valuation multiples and the relative attractiveness of equity investments.

Law & Order

Political stability, domestic security and regional geopolitical developments can materially influence investor confidence and capital-market valuations. During FY2026, heightened geopolitical tensions in the region increased uncertainty around commodity prices, external-sector conditions and overall investor sentiment. Such developments may affect the Company indirectly through changes in energy prices, supply chains, exchange rates and domestic economic activity.

Plant Operations

The Company continues to invest in modern manufacturing technology and capacity enhancement across its polypropylene and flexible packaging operations. Such investments are aimed at improving product quality, operational efficiency, production capacity and competitiveness. Successful commissioning and utilization of new projects, including the Barrier Films Extrusion Line II and the 2.7 MW Solar Power Project, may positively contribute to the Company's future earnings and cash flows and, consequently, investor perception.

The Cement and Allied Sector

A significant portion of the Company's revenue is derived from cement sacks and packaging products, while its flexible packaging and other operations provide diversification across end markets. Demand for cement packaging is closely linked to construction activity, infrastructure development and overall economic growth. Similarly, demand for flexible packaging is influenced by consumer spending and activity in the FMCG and other related sectors. An improvement in economic activity and private and public-sector development may support demand for the Company's products, whereas a slowdown in economic activity may adversely affect volumes and profitability.

Sensitivity Analysis of Change in Market Capitalization

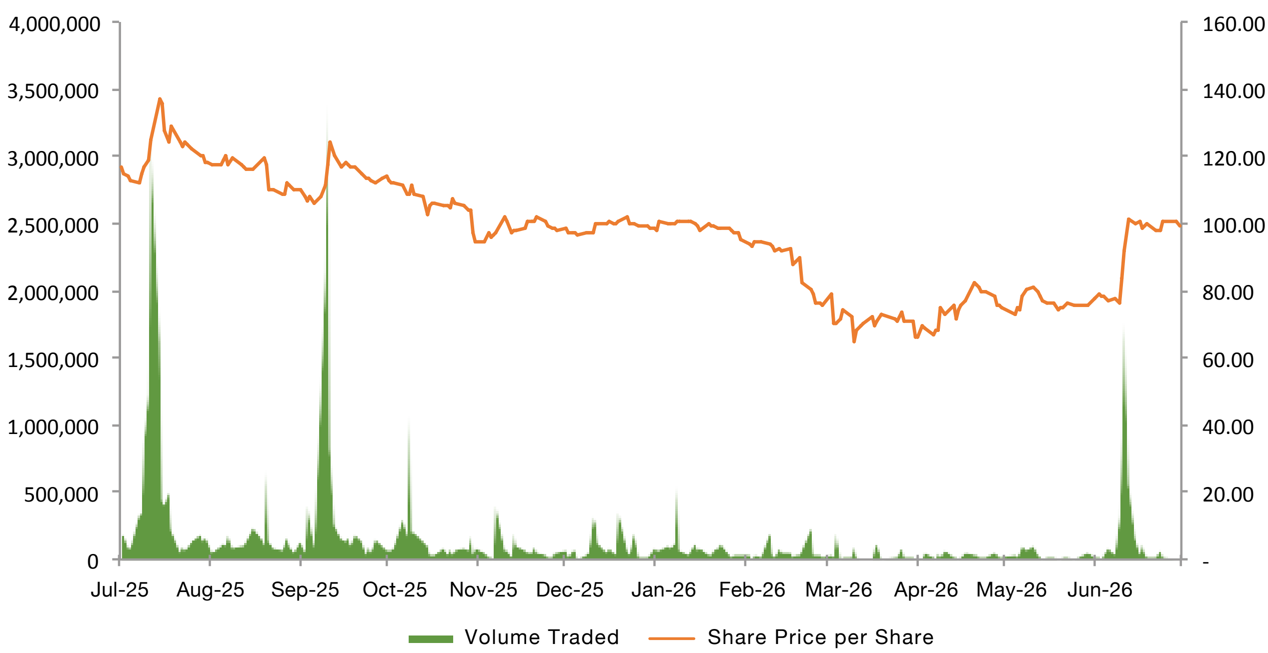
Share Price as of 30.06.2026	Rs.98.22
Market Capitalization as of 30.06.2026	Rs.4,822,149,500

Change in Share Price by Change in Market Capitalization

+10% Rs. 482,214,950

-10% Rs. (482,214,950)

Share Prices- Trend v/s Volume Traded Financial Year 2025-2026



Calendar of Notable Events

July 2025 - June 2026

OCTOBER 2025

23rd 36th AGM at Registered Office

29th Board of Directors Meeting –1st Quarter FY 2025

NOVEMBER 2025

6th Received 1st prize in Best Corporate and Sustainability Report Award 2024 organized by ICAP & ICMAP

7th Corporate Briefing Session

DECEMBER 2025

6th Annual Picnic

FEBRUARY 2026

25th NFEH Award

19th Meeting – 2nd Quarter FY 2025

MARCH 2026

08th International Women's Day 2025

APRIL 2026

27th Board of Directors Meeting-3rd Quarter FY 2025

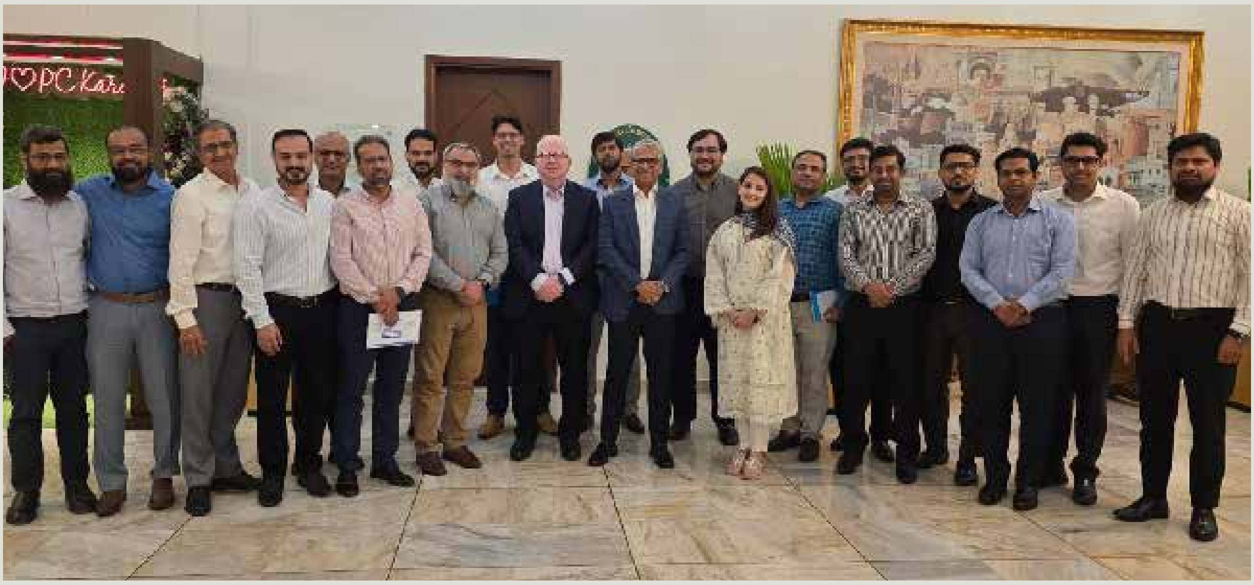
JUNE 2026

10th Commissioning of solar plant

22nd Commissioning of Extrusion Line II

24th Board of Directors Meeting –Budget 2026/27

30th Year End Closing




IN MAKING A
DIFFERENCE

HR Transformation Journey at Ghulam Faruque Group (SAP Success Factors Implementation)

As part of our ongoing HR digital transformation journey, Cherat Packaging Limited has implemented the Recruitment and Onboarding modules of SAP SuccessFactors, building upon the earlier roll-out of Employee Central, Performance & Goals Management modules.

With the implementation of RCM, the organization is now equipped with a streamlined system to attract, engage, and hire top talent more effectively. The platform enables hiring teams to manage end-to-end recruitment digitally, ensuring faster turnaround times, live-tracking, improved candidate experience, and data-driven decision-making.

The Onboarding module has further enhanced employee experience by digitizing Onboarding, Offboarding, and Rehire processes. This has allowed us to provide new hires with a structured and seamless integration into the organization, while also enabling managers and HR to efficiently manage employee transitions.

Through these technological advancements, Cherat Packaging Limited continues to strengthen its people practices and enhance operational efficiency

Business Rationale of Major Capital Expenditure

Growth

Cherat Packaging Limited is a forward-thinking company. Historically, the Company has successfully increased its production capabilities for both paper sack bags and polypropylene bags. Furthermore, in the year 2018, the Company diversified its operations by venturing into the flexible packaging materials business. This strategic move empowered the Company to offer packaging solutions to a wider spectrum of industries, including FMCGs, in addition to its established offerings of cement sacks, sugar bags, flour bags, rice bags, SOS / Carrier bags and more.

In the month of April-2025, the Company achieved the successful installation & commissioning of SOS / Carrier bag project for Bag Manufacturing Division. The project is operational with the capacity of 250 million units per annum. The addition of this product category will enable the Company to tap new markets including foods & fashion for packaging materials in an effective manner and optimize the utilization of its available resources.

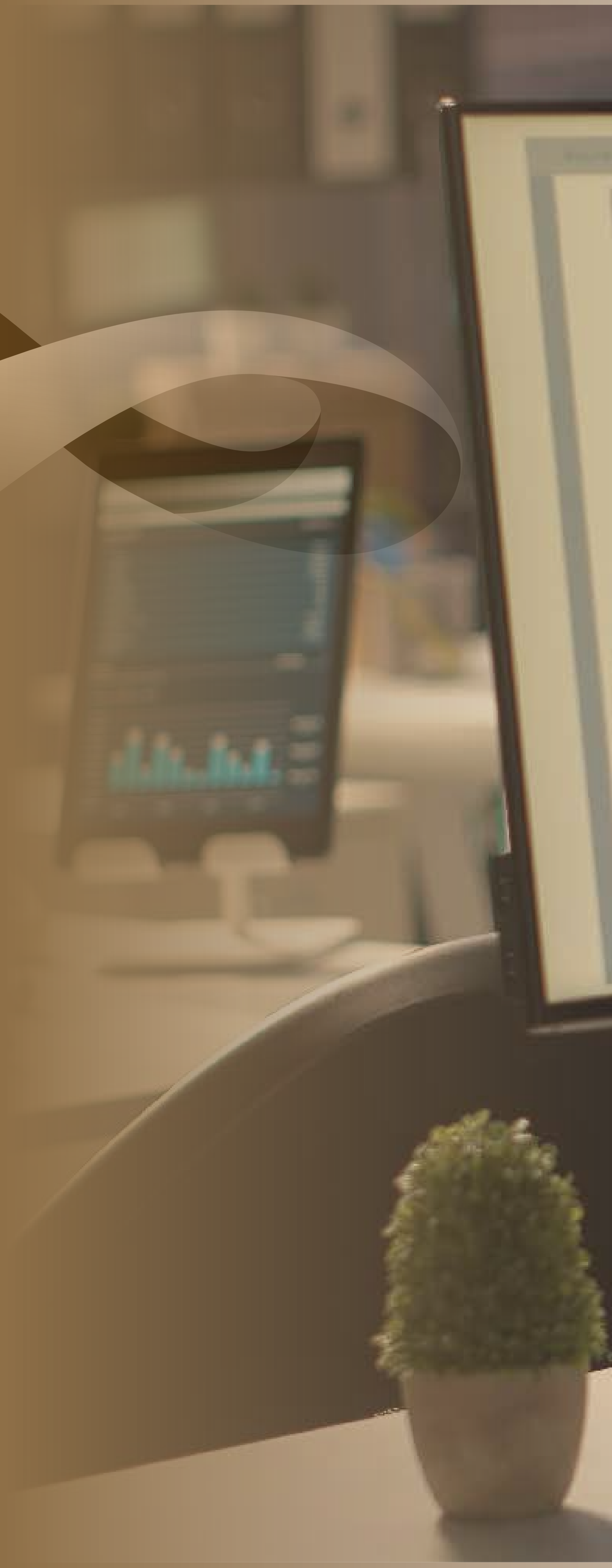
Setup of Flexible Packaging Business - 2nd Extrusion Line

In the month of June-2026, the Company installed a second Extrusion Line - a Barrier Film for Flexible Packaging Division. This project has been financed through a long-term loan. This equipment is acquired from the world's best German based plant manufacturer i.e. M/s. Windmoller & Holscher. This new facility will enable the Company to efficiently cater to the increasing requirements of its valued customers, optimize the utilization of existing resources, enhance production capabilities, and provide access to new market segments, thereby supporting the Company's continued growth and competitiveness.

Setup of 2.7 MW Solar Power Project

In the month of June-2026, the Company installed a 2.7 MW solar power panels at the factory, in addition to the existing 1 MW solar capacity. The project is expected to contribute towards reducing the Company's power costs and enhancing overall energy efficiency. Furthermore, the increased reliance on renewable energy will support the Company's commitment to environmental sustainability by promoting the use of a clean and sustainable source of energy.

Business Model




Liquidity
$162k
$73k
Total Bank Balance
13%
41%
24%

Our Business Model

INPUTS

HUMAN CAPITAL
- 314 employees
- Employee skills and expertise

MANUFACTURED CAPITAL
- SOS / Carrier bags -3 machines
- 4 PP bag lines
- Flexible Packaging Division (FPD)
  - 2 Flexographic Printers
  - 2 Rotogravure Printers
  - 2 Extrusion Lines
  - Cylinder making
  - Auxiliary machines
- Raw material procured: Rs.11.68 billion

FINANCIAL CAPITAL
- From net assets of Rs. 8.96 billion to Rs. 9.78 billion.
- Strong credit rating – A (PACRA)

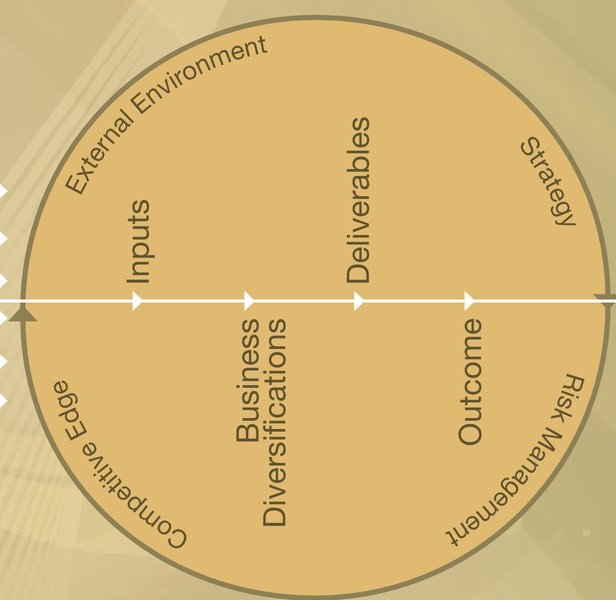
INTELLECTUAL CAPITAL
- Lowest grammage PP bag
- Conversion of Roto jobs into Flexo
- End-to-end solution from product designing to actual supply
- Quality certifications.

SOCIAL AND RELATIONSHIP CAPITAL
- Largest international suppliers
  - SABIC
  - Windmoller & Holscher
- Strong customer base in Bags Manufacturing Division (BMD)
- Evolving customer base in FPD
- Best raw material procurement

NATURAL CAPITAL
- Adherence to EMS
- Conventional to green energy

PROCESS

CPL's business model is interwoven with its vision, mission and values. The business model consists of employing resources, enhanced by competitive edge and human capital to transform inputs such as raw material into innovative packaging solutions to our customers with a focus to contribute towards local community, surrounding environment and stakeholders.



Today's packaging industry is fast paced. The Company's success depends on understanding customer requirements, anticipation of future trends, challenges and opportunities, and partnering with suppliers and human capital to discover long-term and sustainable solution to all our stakeholders.

OUTPUTS

Employees
333

Turnover:
Rs. 15.09 billion

Net profit:
Rs. 651.01 million

Dividends @40%

Revenue growth:
Rs.2 billion (16%)

Solar power project of Approximately 3.7 MW

Around 1MW electricity P.M from PEDO

OUTCOMES

HUMAN CAPITAL
- Training and development
- Promotions
- Targeted on boarding
- Net profit per employee Rs. 2 million

MANUFACTURED CAPITAL
- Turnover increased by Rs. 2.08 billion
- Investment in new support machines
- Installed 2nd Extrusion line project

FINANCIAL CAPITAL
- Retained earnings of Rs.6.5 billion
- Long term debt of Rs.3.9 billion

INTELLECTUAL CAPITAL
- Improvement in network security
- Secured Remote Working Facility
- Upgrading ERP
- Human Capital Management

SOCIAL AND RELATIONSHIP CAPITAL
- Preferred supply of raw material
- Uninterrupted production
- New customers in FPD & SOS / Carrier bags
- Charity and donation
- Dividend to shareholders

NATURAL CAPITAL
- Adherence to EMS
- Conversion to Hydel Power through PEDO
- Expansion on Solar Power Project
- Reduced carbon footprints

Disclosures on IT Governance and Cybersecurity


6.496
3.798

The Board Responsibility Statement on the IT Systems / Controls and AI Strategy of the Company

The Board of Directors of the Company recognizes the critical importance of managing cybersecurity risks in today's digital landscape. As stewards of the company's long-term success and stakeholder trust, the Board is committed to effectively evaluating, managing, and enforcing compliance with legal and regulatory requirements related to cyber risks. This statement outlines the Board's commitment to addressing cyber risks and responding to breaches in line with best practices and applicable laws. The Board of Directors of Cherat Packaging Limited has assigned oversight of cybersecurity risk management to the Group IT Steering Committee, which is committed to the following:

Cyber Risk Evaluation and Management

Understanding Company's cyber risk environment through ongoing assessments of potential threats, vulnerabilities, and impacts on operations, assets, reputation, and stakeholders. IT Steering Committee oversees a comprehensive cyber risk management framework, including asset identification, threat assessment, safeguard implementation, and regular strategy updates.

AI Strategy and Digital Transformation

The Committee oversees AI strategy and digital transformation initiatives, including SAP S/4HANA, SAP SuccessFactors, automation, and data analytics, to improve operational efficiency and data-driven decision-making. Future initiatives will focus on AI-enabled automation, predictive analytics, and intelligent business solutions, while ensuring appropriate governance, data privacy, cybersecurity, and regulatory compliance.

Legal and Regulatory Compliance

Ensuring Company's adherence to all applicable laws and regulations related to data protection, privacy, information security, and cybersecurity. The Committee works closely with management to align the company's practices with the evolving legal and regulatory landscape.

Oversight of Cybersecurity Policies and Procedures

Overseeing the development, implementation, and monitoring of robust cybersecurity policies and procedures tailored to Company's specific risk profile. These policies cover data protection, access controls, incident response, employee training and ongoing risk assessments.

Breach Response and Communication

Actively overseeing the response strategy in the event of a breach, ensuring swift action, containment, and communication with stakeholders, including customers, shareholders, regulatory authorities, and law enforcement as necessary.

Continual Improvement and Reporting

Promoting continuous improvement in cybersecurity practices through regular reviews of cyber risk management efforts, incident response plans, and breach communication protocols. Providing regular updates to shareholders and stakeholders about Company's cyber risk posture and actions taken.

IT Governance Policy

Company's IT Governance Policy ensures that IT is used effectively and efficiently to support the company's objectives. This policy is designed to maximize IT value by balancing benefit realization with risk management and resource optimization.

The framework establishes principles and objectives for initiating, implementing, maintaining, monitoring, and enhancing IT governance controls within the organization. It specifies IT governance control requirements applicable to Company's information assets. Additionally, the framework provides guidance on IT governance requirements for Company, including its staff, third parties, and customers.

The Company's IT Governance Policy is mainly charged with;

- Ensuring IT strategies support Company's business goals, enhancing operational efficiency and competitiveness.
- Managing IT resources—hardware, software, personnel, and budgets—to maximize productivity and reduce costs.
- Identifying and mitigating IT-related risks such as cybersecurity threats and data breaches to protect critical operations.
- Ensuring IT practices adhere to industry regulations, legal requirements, and internal policies. This involves staying up-to-date with regulatory requirements, conducting regular annual SAP third-party audits, and implementing controls to ensure compliance.
- Regularly assessing IT performance, including system uptime, data integrity, and service delivery.
- Facilitating the adoption of new technologies and innovations to drive growth and efficiency.
- **Policy Implementation:**
  - o Establishing principles for initiating, implementing, maintaining, monitoring, and enhancing IT governance controls.
  - o Providing guidance on IT governance requirements for staff, third parties, and customers.

IT Security Policy

The IT Security Policy aims to ensure business continuity and minimize damage by preventing and limiting the impact of security incidents.

Policy

The purpose of the Policy is to protect Company information assets from all types of threats including cybersecurity threats, whether internal or external, deliberate or accidental. These assets relate to information stored and processed electronically. IT Security policy ensures that:

- Safeguarding information from unauthorized access.
- Preventing unauthorized disclosure or interruption.
- Protecting against unauthorized modification to maintain information accuracy and completeness.
- Meeting regulatory and legislative requirements, including record-keeping standards.
- Producing, maintaining, and testing Disaster Recovery Plans to ensure availability of information and services.
- Making information on security matters available to all staff.
- Reporting and investigating all breaches of information security, actual or suspected.

Standards

To support this Policy, the Company follows recognized security standards, frameworks, and best practices. These standards include regulations, guidelines and procedures covering matters such as (not limited to) cybersecurity threats, data security, backup, endpoints users control and password protection;

- Meeting business requirements for information availability and system functionality.
- Assigning responsibility for information security to a designated officer.
- Ensuring all managers implement the policy within their areas and ensure adherence by their staff.
- Requiring each employee to adhere to the policy.

Industry specific requirements for cybersecurity and strategy

The Company's IT team has successfully implemented several advanced security measures, including next-generation edge network firewalls, a cloud-based web application firewall and endpoint Extended Detection and Response (XDR) solution, an email security gateway, and comprehensive user access policies and procedures aligned with industry best practices. To further strengthen cybersecurity, additional capabilities have been integrated for proactive risk exposure management, enabling enhanced threat detection, faster response, improved data visibility, and actionable insights through advanced analytics and threat intelligence. These measures ensure a resilient security posture against evolving cyber risks.

Board's Risk Oversight Function for Cybersecurity

The Board of Directors of the Company has delegated oversight of cybersecurity risk management to the Group IT Steering Committee. This delegation ensures alignment with management on the appropriate risk appetite related to cybersecurity, recognizing it as an enterprise-wide issue affecting all divisions and functions.

Formation of Group IT Steering Committee

- Group IT Steering Committee, composed of directors from each company including Cherat Packaging Limited. This committee plays a pivotal role in promoting broader accountability for cybersecurity risks at the management level. Its responsibilities include discussing strategic initiatives, prioritizing risks, and reviewing IT security policies and recommendations from third-party audits.
- The IT Steering Committee has actively endorsed and directed the IT teams to implement a variety of cybersecurity controls aimed at mitigating the risks associated with cyberattacks.

Management Engagement

- Ensuring that cybersecurity is understood and managed across all divisions, with clear communication about controls, employee training, and incident response protocols.

Control and Procedures for Cybersecurity Early Warning System and Associated Risks

As networks and systems continuously evolve due to emerging threats, organizational growth, and new regulatory or business requirements, traditional analysis tools primarily focus on recording and identifying threats through logging, analysis, and reporting over time.

The IT Steering Committee regularly reviews security policies, controls, and third-party audit findings. In response, the IT team has deployed a variety of security solutions and monitoring tools.

Current Measures:

- Security system including network monitoring, next-generation firewalls, web application firewalls, email security gateways, and endpoint extended detection and response (XDR) solutions and newly integrated cyber risk exposure management capabilities.
- A centralized firewall log management and analytics platform that centralizes configurations, events, and alerts, offering advanced threat visualization and actionable insights.

Implementation of Recommendations:

- Third-Party Audits ensure that recommendations from independent security assessments are implemented promptly to address identified vulnerabilities and strengthen overall resilience.

Comprehensive Security Assessment of Technology Environment

Information Security Policies and assessment of IT objects serve as the backbone of any mature information security program. IT steering committee has implemented information security policies that support its organizations' business objectives while also adhering to industry standards and regulations.

The IT Steering Committee supports and participates in comprehensive security assessments, including Vulnerability Assessment and Penetration Testing (VAPT).

Assessment Process:

- **VAPT Approach:** The IT Steering Committee has instructed the IT teams to conduct Vulnerability Assessment and Penetration Testing (VAPT) of IT assets by a third-party company every two years. As part of this exercise, cybersecurity risk assessments of critical assets will also be performed to provide deeper insight into potential threats and prioritize remediation efforts. This process offers a detailed view of vulnerabilities affecting applications and infrastructure, enabling the IT security team to focus on mitigating high-risk exposures.
- **Review and Implementation:** VAPT reports are reviewed by the IT Steering Committee, leading to the implementation of recommended patches and revalidation by third-party providers.

Contingency and Disaster Recovery Plan

The Board of Directors of the Company has approved and continually reviews the company's IT Policy and Business Continuity Plan. Management has arranged for offsite data storage facilities, and key records are maintained at multiple locations. Employees are trained on the procedures to follow in case of an emergency. Business Continuity Planning has become a crucial aspect of our management strategy in recent years.

Business Continuity Plan

Business Continuity Planning is a process used to develop a practical plan for how a business can recover or partially restore critical business activities within a predetermined timeframe after a crisis or disaster.

Disaster Recovery Plan and IT Infrastructure

The Company has established a resilient IT infrastructure supported by a comprehensive Disaster Recovery (DR) framework to ensure continuity of business operations under all circumstances. Core business functions are operated on RISE with SAP, hosted in the cloud with both Primary and Disaster Recovery Virtual Private Cloud (VPC) environments. In case the Primary VPC is unavailable, operations can be switched to the DR VPC, ensuring that SAP services and business processes continue without disruption.

For non-SAP related applications and data, the Company maintains a co-located production site with a Disaster Recovery site at the Karachi Head Office. This arrangement provides system redundancy and enables seamless transition of operations, thereby minimizing downtime and safeguarding critical information assets.

Furthermore, the Company's multi-location presence across Pakistan, supported by a secure remote VPN setup, strengthens operational flexibility and accessibility. This ensures that business processes can continue smoothly from alternate sites or remote locations whenever required. This integrated approach—combining RISE with SAP, co-located infrastructure, secure VPN access, and geographic diversification ensures high levels of resilience, security, and uninterrupted support for the Company's production and business operations.

The Company's manufacturing facility is in Gadoon Amazai, Khyber Pakhtunkhwa and is a state-of-the-art construction with its structure being earthquake proof. The building is fire resilient and fully equipped with modern firefighting equipment. It also meets HSE requirements at all levels. Hence, partial loss would not affect the Company's operations. Moreover, other locations of the Ghulam Faruque Group are available as alternate locations therefore; interruptions, if any, can be managed.

Cyber Insurance

Cybersecurity insurance is an evolving field, with organizations securing such coverage often seen as early adopters. Due to the dynamic nature of cyber risks, cybersecurity policies frequently change, and underwriters have limited historical data to develop risk models for coverage, rates, and premiums.

The Company has an IT equipment insurance policy in place that provides coverage for various technology-related risks. In addition to this insurance, we have implemented a comprehensive Disaster Recovery (DR) and Business Continuity (BC) plan. This plan is designed to address potential incidents such as theft, disasters, and cyberattacks by ensuring that resources are available to restore both data and hardware.

Our IT equipment insurance, combined with our proactive DR and BC strategies, ensures that we are well-prepared to manage and recover from potential disruptions. This integrated approach supports our ability to maintain business operations and swiftly address any IT-related challenges that may arise.

Advancement in Digital Transformation

The Company is actively leveraging Industry 4.0 technologies strengthen transparency, governance, and value creation through enhanced business process management and reporting. The IT Steering Committee, under the guidance of the Board of Directors, has prioritized the adoption of enterprise cloud solutions, advanced analytics, and automation to modernize operations and decision-making across the organization.

As part of this transformation, the Company has transitioned its on-premises ERP environment to a cloud-based platform through the RISE with SAP program, which includes SAP S/4HANA Cloud ERP, infrastructure, migration tools, and services. This shift enables greater operational efficiency, scalability, and agility in business processes. Additionally, SAP SuccessFactors has been deployed to provide cloud-based human capital management on a Software as a Service (SaaS) model.

To further enhance data-driven decision-making, SAP Analytics Cloud (SAC) has been implemented, offering seamless integration of data sources, interactive dashboards, and advanced planning capabilities. This unified analytics environment empowers professionals at all levels—from analysts to executives with real time insights to support informed strategic and operational decisions.

Recognizing that digital transformation requires a secure foundation, the Company has also strengthened its cybersecurity posture by introducing advanced controls such as cloud-based Extended Detection and Response (XDR) solutions and Cyber Risk Exposure Management. These measures act as critical enablers of Industry 4.0 adoption, ensuring that new digital platforms and interconnected systems remain resilient against evolving cyber threats.

Disclosure about Education and Training Efforts to Mitigate Cybersecurity Risks

The Company prioritizes cybersecurity education and training to mitigate risks through:

Employee Training
Regular cybersecurity training sessions are provided to all employees. These sessions cover best practices, threat awareness, and safe online behavior to empower our workforce to identify and respond to potential risks.

Specialized Workshops
The Company conducts specialized workshops for IT personnel and other relevant teams. These workshops delve into more advanced topics such as network security, data encryption, and incident response.

Security Policies Communication
The Company ensures that all employees are well-informed about our cybersecurity policies and procedures. This communication helps create a shared understanding of security measures across the organization.

Simulated Phishing Exercises
To enhance vigilance, the Company conducts simulated phishing exercises. These exercises test employees' ability to recognize phishing attempts and reinforce the importance of cautious email interactions.

Regular Updates
Our team continually provides updates on emerging threats and evolving best practices. This keeps employees informed about the ever-changing cybersecurity landscape.

Collaboration with Experts
The Company collaborates with external experts and consultants to provide specialized insights. This external perspective enriches our training efforts and helps us stay ahead of emerging threats.

Reporting Channels
The Company emphasizes the importance of reporting any security concerns promptly. Company's transparent reporting channels ensure that potential threats are addressed swiftly.

Continuous Improvement
Company's education and training efforts are regularly evaluated and refined to align with new threats and technologies. This ensures that company's workforce is well-equipped to mitigate evolving cybersecurity risks.

Through these education and training initiatives, company fosters a culture of cybersecurity awareness and responsibility across our organization, reducing vulnerabilities and enhancing our overall cybersecurity posture.

Future Outlook

Forward Looking Statement

Pakistan's economic environment showed signs of stabilization during the financial year ended June 30, 2026. Reform measures implemented under the IMF-supported programme contributed to improved confidence and progress in key macroeconomic indicators. Economic activity strengthened across major sectors, with real GDP growth estimated at approximately 3.7%. Easing inflationary pressures, improved fiscal management, a stronger external account and the gradual rebuilding of foreign exchange reserves provided greater stability to the overall business environment.

The operating environment for the manufacturing sector nevertheless remained sensitive to developments in international commodity and logistics markets. Geopolitical tensions, including the US-Iran conflict during the latter part of the year, added a new layer of uncertainty. Disruptions affecting regional shipping routes resulted in longer lead times and higher freight and insurance costs, while volatility in international oil and petrochemical prices added to input-cost pressures.

These developments had a direct bearing on the packaging industry, as the availability and pricing of polymer resins and other petrochemical-based raw materials are closely linked to international markets. Supply constraints and volatile input prices increased landed costs and reinforced the importance of maintaining supply continuity and cost competitiveness.

The Company continues to benefit from established, long-term relationships with key local and international suppliers. These relationships ensured flexibility in managing procurement requirements, negotiating commercial terms and maintaining continuity of critical supplies. The Company also closely monitors developments in global markets and proactively evaluates procurement strategies to mitigate potential disruptions and cost pressures.

Energy efficiency and cost management remain integral to the Company's operational strategy. To diversify its energy mix and reduce reliance on conventional electricity, the Company has expanded its renewable energy footprint by installing an additional 2.7 MW of solar power capacity, in addition to approximately 1 MW already installed at its factory. This investment is expected to generate long-term energy cost savings while supporting the Company's broader sustainability objectives. In addition, the Company sources approximately 1 MW of hydel power under a Wheeling Regime Energy Purchase Agreement with the Pakhtunkhwa Energy Development Organization (PEDO), providing access to electricity at a comparatively lower cost.

By strengthening its supply chain, diversifying its energy sources, and investing in cost-efficient and sustainable solutions, the Company is enhancing its ability to withstand external economic pressures. These measures form part of the Company's ongoing efforts to improve cost competitiveness, ensure business continuity and create sustainable value for its stakeholders.

The Company is committed to compliance with applicable laws and regulations in Pakistan. It holds certifications under ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System), ISO 45001:2018 (Occupational Health and Safety Management System), FSSC (Food Safety System Certification), BRC (British Retail Consortium), SEDEX (Supplier Ethical Data Exchange), URSA (Understanding Responsible Sourcing Audit) and Halal standards.

The Company has established formal policies designed to foster a supportive, inclusive and motivating workplace. These policies encompass access to healthcare, open communication, professional development opportunities, employee engagement and support for a healthy work-life balance.

The Company also leverages its premium HR management platform, SuccessFactors, to effectively monitor and manage employee development. Based on the Training Needs Analysis (TNA) and performance appraisals conducted in the preceding year, the Company identifies development needs and organizes relevant technical and leadership training programs for its employees. This process is undertaken annually and is supported by a comprehensive training framework covering employees across all management levels.

The Company remains committed to strengthening its training and development programmes to enhance technical expertise, leadership skills and managerial capabilities. Management also continues to assess evolving business requirements and take appropriate measures to address them while safeguarding the interests of all stakeholders.

Financial Projections

The Company maintains a positive outlook for Pakistan's macroeconomic environment in the coming year, supported by a gradual recovery in economic activity, easing inflationary pressures, stable interest rates and improving demand across key sectors. Despite these positive indicators, the packaging industry is expected to face a challenging operating environment amid continued geopolitical uncertainties arising from the US-Iran conflict. These developments may affect oil prices, freight costs, shipping schedules and the availability and cost of imported raw materials. Against this backdrop, the Company will remain focused on operational efficiency, prudent cost management and effective resource allocation, while pursuing opportunities created by changing market conditions. Its strategy will remain centered on sustainability and realignment of operations to strengthen its competitive position, achieve, economies of scale and support sustainable growth.

During the financial year ending June 30, 2027, the Bags Manufacturing Division is expected to remain exposed to a slowdown in cement dispatches and intensifying competition in the polypropylene bag segment. The Company will continue to leverage its established market presence, focused marketing initiatives and operational capabilities to address these challenges and support revenue growth by exploring new product segments. The SOS/Carrier Bags Plant is expected to contribute further to revenue as operations continue to mature. In the Flexible Packaging Division, the second extrusion line shall broaden the product portfolio, facilitate entry into new market segments and provide additional capacity to support sales growth. Collectively, these initiatives are expected to strengthen the Company's market position and its ability to capitalize on emerging opportunities.

Sources of Information and Assumptions Used in Forecasts

The Company prepares its master budget through a detailed annual budgeting process and updates its forecasts to reflect prevailing market conditions, historical performance and the future outlook. Inputs are obtained from all relevant functions, including marketing, production, supply chain and human resources. The budgeting process considers, among other factors, projected customer demand, average selling prices, seasonal trends and the broader economic outlook. For new ventures, information is gathered from available market research on the anticipated products. If needed, professional consulting services are engaged to refine the data and assumptions before preparing a formal feasibility. The feasibility study is then presented to the Board of Directors, where a thorough discussion on the assumptions and financial viability of the project takes place. The results and underlying assumptions are carefully reviewed and approved, with due consideration given to avoiding overly optimistic expectations and ensuring that the project's payback period is realistic and achievable.

Company Performance Against Last Year Projections

At the beginning of the year, the Company projected moderate growth after considering the prevailing economic conditions, market outlook and anticipated business environment.

The year, however, presented a challenging operating environment, characterized by persistent economic pressures and significant disruption to global supply chains following the US-Iran conflict during the second half of the year. Despite these conditions, the Company remained focused on its strategic priorities and maintained its operational resilience through prudent financial management, disciplined cost control, operational efficiencies and a continued focus on customer requirements. These measures enabled the Company to navigate the challenging environment and deliver a strong financial performance during the year. The Company recorded a net profit of Rs. 651 million against the budget of Rs. 362 million, exceeding the budget by approximately 80%.

Overall, the Company achieved or exceeded most of its financial and non-financial targets for the year. A comparison of actual results against the budget is tabulated below:

	2026 (Actual)	2026 (Budget)	Difference	%
	----- Rupees in million -----			
Net sales	15,093	15,470	(377)	-2%
Cost of sales	13,215	14,004	(789)	-6%
Gross Profit	1,879	1,466	413	28%
Net Profit	651	362	289	80%

Status of Projects

During the year, the Company successfully installed and commissioned its second extrusion line. This state-of-the-art line is expected to enhance the production capacity of the Flexible Packaging Division, support expansion into new market segments and strengthen the Company's ability to meet evolving customer requirements while improving production efficiency.

The Company also installed 2.7 MW of solar power capacity at its factory, in addition to approximately 1 MW already installed. This renewable-energy investment is expected to enhance cost efficiency while supporting the Company's environmental sustainability objectives.

Future Plans for Technology and AI Adoption

The Company's technology and artificial intelligence (AI) initiatives are intended to improve efficiency, productivity and overall business performance. Its technological capabilities have been strengthened through the implementation of SAP S/4HANA for core business operations and SAP SuccessFactors for human resource management. These platforms provide a strong foundation as the Company evaluates applications of AI, machine learning and other emerging technologies.

The Company is exploring the integration of AI-driven tools and digital solutions across its operations to streamline processes, optimize costs and derive greater value from data. Potential applications include forecasting, data analysis and decision support. Increased use of digital tools and analytics will enable the Company to generate timely insights, identify operational trends and respond more effectively to changing market conditions.

The Company is also progressing towards greater digitization and automation of business processes, including integration with regulatory and digital platforms where applicable. Connected systems and improved data availability are expected to facilitate more efficient information flows and strengthen internal controls. In parallel, continued focus on cybersecurity, data protection, system reliability and cloud-based technologies will be important in ensuring that the Company's digital infrastructure remains secure and resilient.

At the same time, the Company recognizes that technology is most effective when supported by the right skills and capabilities. Accordingly, employees are being provided with training and exposure to emerging AI tools and technologies. These initiatives are intended to build the capabilities required for effective technology adoption and foster a culture of continuous learning and innovation.

Research and Development Initiatives

The Company's philosophy is centered on sustainable growth by staying responsive to evolving industry trends and market developments. Over the years, the Company has diversified its operations into new packaging segments in line with its long-term vision of strengthening its position as a leading packaging solutions provider. Strategic investments in modern machinery, technology and production capacity have enhanced operational efficiency and enabled the Company to offer cost-effective solutions to its customers.

Innovation remains an important part of the Company's approach to product development. Through in-house research and development, the Company continues to develop high-quality, economical and innovative packaging solutions that respond to changing customer requirements and create a competitive advantage. Key achievements include the successful introduction of 2-ply paper bags and low-grammage PP bags for the cement industry. The Company continues to develop new products and explore new markets to respond to evolving customer needs and strengthen its presence in both local and international markets.

The Company also remains focused on improving operational efficiency and optimizing resource utilization to address emerging challenges and create sustainable stakeholder value. The successful commissioning of the SOS/Carrier Bags Plant in April 2025 further diversified the product portfolio and created opportunities to serve new market segments. During the year, the Company also successfully installed and commissioned a Barrier Film Extrusion Line, enhancing the production capacity of the Flexible Packaging Division and enabling it to broaden its product offerings and serve new and evolving market segments.

Statements in this section reflect management's expectations as at the date of this report concerning future operations, performance and market conditions. Since plans and expectations are forward-looking in nature, actual results may differ due to economic, geopolitical, regulatory, market, supply-chain and other risks and uncertainties.

Stakeholders' Relationship and Engagement

Stakeholders' Engagement

The Company has a policy of maintaining relationships based on trust and collaboration with all its stakeholders. Shareholders Engagement procedure embrace communication, compliance with laws & regulations, customer centric as well as society focused approach.

We identify our stakeholders by those whose interest and decision could be affected by the company's performance and business activities. We remain open to every stakeholder, provide information as and when requested and always try to improve engagement process through feedback from stakeholder.

Our key stakeholders are shareholder, customer, vendor, financial institution, government, local community, employee, analyst and media.

Our stakeholders extend valuable contribution towards our growth and existence. Procedure for stakeholders' engagement includes effective communication, good harmony and compliance with laws & regulations. We cannot truly execute our purpose without input from our stakeholders.

1. Shareholders

Safeguarding our shareholders' interest is our prime responsibility. Our shareholders' interest revolves around good returns, profitability, growth and regulatory compliances. We respond to our shareholders' expectations through improvement in business mechanics, effective governance and corporate reporting framework. Annual General Meetings and statutory reporting are the most effective means of our engagement with our shareholders. Support of shareholders is critical in achieving the Company objectives.

Investors' Grievance Policy

The Company has an investors' Grievance Policy in place. Any complaints or observations received either directly by the Corporate Department or during General Meetings are addressed by the Company Secretary. The Shareholders are given the information as desired by them as per the law well in time. All the written complaints are replied in writing. Our share registrar is CDC Share Registrar Services Limited (CDCSRSL) which is a leading name in the field. The Company has many old and loyal shareholders, which shows the trust of the Shareholders in the management of the Company.

2. Customers and Transporters

Sustaining and developing long term relationships with our customers and transporters forms the key of our business' success. Their expectations are focused on product quality, pricing and service delivery. Our sales and marketing team remain in close contact to this segment of our stakeholders to resolve issues on a priority basis. We continue to engage with our customers and transporters through meetings and market visits and communications. We derive success from the brand loyalty of Cherat and the cooperation from our transporters.

3. Suppliers and Vendors

Efficient supplier network is a key for effective working capital management. To achieve this objective, we conduct market surveys to strengthen our bond with our suppliers and vendors. We believe in strategic relationships and we have strategic alliance with Sabic and Windmoller & Holscher. Our supply chain management team is in continuous contact with suppliers and vendors through meetings and correspondences to resolve all queries for on time deliveries. Cooperation of our suppliers gives us an extra edge over our competitors.

4. Banks and Other Lenders

We value our relationship with our financial partners and lenders. Financial risk management and business sustainability are few of the interests of this segment of stakeholders. Periodic briefings, quarterly financial reporting, Head Office and Site visits are the important means for our engagement with this category of stakeholders.

Bank and other institutes help us in obtaining loans at attractive rates and advise on strategic issues whenever needed.

5. Regulators

Our commitment to compliance with laws and regulations is evident from our Corporate and Legal team's continued efforts for efficient and effective legal and regulatory obedience. The engagement includes submission of periodic reports, responding to enquiries and meetings as and when required. Active engagement with regulators improves level of compliance.

6. Employees

Our company has extensive employee engagement schemes in place. The employees' issues revolve around work life balance, training and development and rewards. We have educational loan schemes, in-house and outside training programs and long-term employment reward schemes in place to value our employees as Human Capital. Employee meetings are on regular intervals in form of Annual get-together, celebrating sports day and team building activities. Employees engagement improves the level of dedication and hard work.

7. Institutional Investors and Analysts' Briefing

Institutional investors regularly obtain general business briefings and financial reports from management. Formal meetings are also arranged whenever needed. Without compromising the confidentiality, business analysts are provided with information and briefings as and when they require.

The strong connection with institutional investors and analysts facilitates in avoiding any misconception / rumors in the market.

The Company arranges briefing with individual institutional investors from time to time. Conference calls with foreign investors were also made to discuss the performance of the company and the cement packaging industry.

Corporate Briefing Session was also held.

8. Corporate Briefing Sessions

In compliance with PSX requirements, the Company conducted Corporate Briefing Session. The briefing was well attended by analysts, shareholders and potential investors. The Chief Operating Officer (COO) of the Company presented its financial results, analysis, future prospects and challenges. COO also discussed all the queries raised by participants at a great length.

9. Media

Ads and campaigns are launched in media based on marketing requirements. Interaction with media improves the Company's brand image.

10. Local Community

The Company actively participates in various social work initiatives as part of its corporate social responsibility. Being a conscientious member of the corporate community, the Company contributes to various social and charitable causes, including health, education, and social sectors. In the past, the Company has worked for the rehabilitation of flood affectees and internally displaced persons (IDPs). Cherat Packaging has collaborated with many reputable organizations and NGOs. The Company has always stood by the people of Pakistan in their hour of need and shall continue to do so.

Furthermore, the Company takes care of people living in its vicinity through regular donations for the development of household, education, and medical facilities. The management encourages hiring a workforce from the local community, and the employment of less privileged and special persons is also considered.

MINORITY SHAREHOLDERS

The management of the Company believe, encourage and ensure the equitable treatment of all shareholders including minority shareholders to attend, speak and vote at the General Meetings and appoint another member as his/her proxy in his/her absence. The notices of General Meetings are circulated by the Company within the regulatory time frames to the registered addresses of the shareholders (including minority shareholders) as well as it is published in Urdu and English newspapers.

INVESTORS RELATIONS SECTION

To keep transparency in the relationship between the Company and its shareholders, the website of Cherat Packaging Ltd (http://gfg.com.pk/cpl) contains all the major financial information needed for investors' decision making in a separate tab of "Investor Relations". Further, presentation by CEO is also uploaded each year on the website (https://gfg.com.pk/cpl).

AGM PROCEEDINGS

The Company's last Annual General Meeting (AGM) was held on October 23, 2025, at its Registered Office, Peshawar. The meeting was well attended by the shareholders, who expressed their appreciation for the management's performance and efforts in navigating the challenging economic environment. During the meeting, shareholders raised various queries and sought clarifications on the Financial Statements, which were comprehensively addressed by the management.

The shareholders also approved the appointment and remuneration of Grant Thornton Anjum Rahman, Chartered Accountants, as the Company's external auditors, and approved the distribution of cash dividend.

MATTERS RAISED IN THE LAST AGM

The Company's valued shareholders attended the (AGM) and commended the management for successfully achieving its business objectives. The AGM served as a valuable platform for direct interaction with shareholders and was conducted both in person and virtually via video link on Thursday, October 23, 2025. Shareholder queries were addressed appropriately during the session. The Company delivered strong performance and remains committed to further expanding its clientele and enhancing profitability. Directors have attended the Annual General Meeting.

Statement of Value Addition and Distribution of Wealth

	2026		2025	
	(Rupees in '000)	%	(Rupees in '000)	%
Wealth generated				
Net Sales (including Sales Tax)	17,838,422	98.51%	15,347,514	97.56%
Other operating Income	269,166	1.49%	384,274	2.44%
	18,107,588	100.00%	15,731,788	100.00%
Distribution of wealth				
Cost of sales (Excluding employees' remuneration)	11,919,550	65.83%	10,925,754	69.45%
Distribution, Administration and certain other expenses (Excluding employees' remuneration)	318,476	1.76%	287,434	1.83%
Employees' remuneration	1,622,057	8.96%	1,290,557	8.20%
Government as direct taxes (including Workers' Welfare Fund)	459,279	2.54%	70,623	0.45%
Government as indirect taxes	2,745,092	15.16%	2,333,804	14.83%
Dividends*	147,286	0.81%	147,286	0.94%
To debt providers	384,079	2.12%	462,568	2.94%
To society as donation	8,050	0.04%	4,609	0.03%
Retained	503,719	2.78%	209,153	1.33%
	18,107,588	100.00%	15,731,788	100.00%

*Subsequent to year ended June 30, 2026, the Board of Directors in its meeting held on August 18, 2026 has proposed final cash dividend @ Rs.3.00 per share amounting to Rs.147.29 million (2025: Rs. 2.0 per share amounting to Rs. 98.19 million) for approval of the members at the Annual General Meeting.

Distribution of wealth

Cost of sales (Excluding employees' remuneration)	65.83%
Distribution, Administration and certain other expenses (Excluding employees' remuneration)	1.76%
Employees' remuneration	8.96%
Government as direct taxes (including Workers' Welfare Fund)	2.54%
Government as indirect taxes	15.16%
Dividends*	0.81%
To debt providers	2.12%
To society as donation	0.04%
Retained	2.78%

Distribution of wealth

Cost of sales (Excluding employees' remuneration)	69.45%
Distribution, Administration and certain other expenses (Excluding employees' remuneration)	1.83%
Employees' remuneration	8.20%
Government as direct taxes (including Workers' Welfare Fund)	0.45%
Government as indirect taxes	14.83%
Dividends*	0.94%
To debt providers	2.94%
To society as donation	0.03%
Retained	1.33%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Striving for Excellence in Corporate Reporting

Board's Responsibility Statement on Full Compliance of Financial Accounting and Reporting Standards as Applicable in Pakistan (i.e. International Financial Reporting Standards Issued by the International Accounting Standards Board)

The Board of the Directors confirm that:

- The financial statements prepared by the management of the Company present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom have been adequately disclosed and explained.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance.

Best Corporate Report Criteria Cross Referred with Page Numbers of the Annual Report

Best Corporate Report criteria cross referred with the page numbers of this Annual Report has been placed on the Company's website (https://gfg.com.pk/cpl).

Glossary of Terms

Annual General Meeting (AGM)	A mandatory, yearly gathering of a publicly traded Company's executives, directors and interested shareholders.
BCR	Best Corporate Report
BMD	Bag Manufacturing Division
CDC	Central Depository Company
CPEC	China Pakistan Economic Corridor
CPL	Cherat Packaging Limited
Debt	An amount owed for funds borrowed.
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization.
EMS	Environmental Management System
EPS	Earnings Per Share
FMCG	Fast Moving Consumer Goods
FPD	Flexible Packaging Division
HSE	Health, Safety, and Environment
IAS	International Accounting Standards (Accounting standards of the IASB)
IASA	International Accounting Standards Association
IASB	International Accounting Standards Board.
IFRS	International Financial Reporting Standards.
KIBOR	Karachi Inter Bank Offer Rate.
KPK	Khyber Pakhtunkhwa
NEQS	National Environmental Quality Standards
PARITY	The exchange rate between the currencies of two countries
PEDO	Pakhtunkhwa Energy Development Organization
Principal	In commercial law, the principal is the amount that is received, in the case of a loan, or the amount from which flows the interest.
PSDP	Public Sector Development Program
PSD	Paper Sack Division
Security	A pledge made to secure the performance of a contract or the fulfillment of an obligation.
SEDEX	Supplier Ethical Data Exchange
Shariah-Compliant Finance/Banking	Facility which meets all of the requirements of Shariah law and the principles articulated for "Islamic Finance".
SOP	Standard Operating Procedure
SOS	Self Opening Satchel
Spread	Rate charged by the bank over KIBOR.
Term	The maturity or length of time until final repayment on a loan, bond, sale or other contractual obligation.
URSA	Understanding Responsible Sourcing Audit
WACC	Weighted Average Cost of Capital
Working Capital	Current assets minus current liabilities


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Financial Statements

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1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

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Independent Auditor's Report

To the members of Cherat Packaging Limited

Report on the Audit of financial statements

Opinion

We have audited the annexed financial statements of Cherat Packaging Limited (the Company), which comprise the statement of financial position as at 30 June 2026, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including 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 statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof confirm 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 30 June 2026 and of the profit, total 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 financial statements section of our report*. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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Following is the key audit matter:

Key audit matter	How the matter was addressed in our audit
Inventory valuation	
As disclosed in note 8 to the financial statements, stock-in-trade amounted to Rs. 4,572.743 million which constitutes approximately 24% of the total assets of the Company. These are valued at lower of cost or Net Realizable Value (NRV). Given the significance of stock-in-trade to the Company's total assets and the level of judgement and estimates involved, we have identified it as a key audit matter.	Our key procedures amongst others included the following: - obtained an understanding of controls over purchases and valuation of stock-in-trade and tested, their design, implementation and operating effectiveness. - performed observation of inventory counts and physical inspection of the stock held at the year end. - assessed NRV by comparing management's estimation of future selling prices for the products with the selling process achieved subsequent to the reporting period. - assessed the adequacy and appropriateness of disclosures for compliance with the requirements of applicable financial reporting standards.

Information Other than the 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 financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 financial statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 of the Company are responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 to 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 financial statements of the current year and are therefore the key

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audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

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

d) 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
Place: Karachi
Date: 14 September 2026
UDIN: AR202610093xQCPukJAG

Statement of Financial Position

As at 30 June 2026

	Note	2026	2025
		-------- (Rupees in '000) --------	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	**8,702,572**	7,219,898
Intangible assets		**6,867**	8,371
		8,709,439	7,228,269
Long-term investments	6	**1,860,572**	1,551,653
Long-term security deposits		**271**	271
		10,570,282	8,780,193
CURRENT ASSETS			
Stores, spare parts and loose tools	7	**863,591**	731,637
Stock-in-trade	8	**4,572,743**	3,045,652
Trade debts	9	**2,170,484**	2,370,919
Advances		**8,154**	9,280
Trade deposits and short-term prepayments		**22,924**	11,482
Other receivables	10	**174,912**	1,604
Taxation – net		**682,385**	576,161
Cash and bank balances	11	**116,910**	96,354
		8,612,103	6,843,089
TOTAL ASSETS		**19,182,385**	15,623,282
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	12	**490,954**	490,954
Reserves	13	**9,291,672**	8,465,073
		9,782,626	8,956,027
NON-CURRENT LIABILITIES			
Long-term financing	14	**3,324,877**	2,070,180
Deferred taxation	15	**1,146,931**	929,068
Sindh Infrastructure Development Cess	16	**225,195**	-
Government grant	17	**127,071**	156,037
		4,824,074	3,155,285
CURRENT LIABILITIES			
Trade and other payables	18	**2,125,870**	2,305,977
Accrued mark-up		**130,031**	83,525
Short-term borrowings	19	**1,746,014**	633,809
Current maturity of Sindh Infrastructure Development Cess	16	**85,435**	-
Current maturity of long-term financing	14	**447,764**	449,109
Current maturity of government grant	17	**28,966**	28,966
Unpaid dividend		**1,923**	1,403
Unclaimed dividend		**9,682**	9,181
		4,575,685	3,511,970
TOTAL EQUITY AND LIABILITIES		**19,182,385**	15,623,282
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes from 1 to 40 form an integral part of these financial statements.

Amer Faruque
Chief Executive Officer

Abid Vazir
Director

Syed Waqar Haider Kazmi
Chief Financial Officer

Statement of Profit or Loss

For the year ended June 30, 2026

	Note	2026	2025
		-------- (Rupees in '000) --------	
Turnover – net	21	**15,093,330**	13,013,710
Cost of sales	22	**(13,214,520)**	(11,992,763)
Gross profit		**1,878,810**	1,020,947
Distribution costs	23	**(367,896)**	(307,730)
Administrative expenses	24	**(227,776)**	(185,078)
Other expenses	25	**(80,149)**	(26,000)
		(675,821)	(518,808)
Other income	26	**269,166**	384,266
Operating profit		**1,472,155**	886,405
Finance costs	27	**(384,079)**	(462,568)
Profit before levies and income tax		**1,088,076**	423,837
Levies			
Minimum tax		**-**	(118,015)
Final tax		**(4,395)**	(4,395)
		(4,395)	(122,410)
Profit before income tax		**1,083,681**	301,427
Income tax			
Current		**(258,766)**	(75,649)
Prior		**31,529**	50,061
Deferred		**(205,439)**	80,592
	28	**(432,676)**	55,004
Net profit for the year		**651,005**	356,431
Earnings per share - basic and diluted	29	**Rs. 13.26**	Rs. 7.26

The annexed notes from 1 to 40 form an integral part of these financial statements.

Amer Faruque	Abid Vazir	Syed Waqar Haider Kazmi
Chief Executive Officer	Director	Chief Financial Officer

Statement of Comprehensive Income

For the year ended June 30, 2026

	2026	2025
	-------- (Rupees in '000) --------	
Net profit for the year	**651,005**	356,431
Other comprehensive income		
Items that will not be reclassified subsequently to the statement of profit or loss:		
Unrealized gain on remeasurement of investment at fair value through other comprehensive income	**298,726**	677,523
Actuarial gain/(loss) on defined benefit plan - net of deferred tax	**24,154**	(9,148)
	322,880	668,375
Total comprehensive income for the year	**973,885**	1,024,806

The annexed notes from 1 to 40 form an integral part of these financial statements.

Amer Faruque	**Abid Vazir**	**Syed Waqar Haider Kazmi**
Chief Executive Officer	Director	Chief Financial Officer

Statement of Cash Flows

For the year ended June 30, 2026

	Note	2026	2025
		-------- (Rupees in '000) --------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before levies and income tax		**1,088,076**	423,837
Adjustments for:			
Depreciation	5.1.4	**356,386**	359,985
Amortization		**1,504**	1,504
Gain on disposal of operating property, plant and equipment	5.1.5	**(11,466)**	(6,717)
Gain on disposal of non-current assets classified as held for sale	26	**-**	(220,821)
Effect of discounting	16	**(189,349)**	-
Provision for gratuity		**39,002**	28,828
Amortization of government grant	17	**(28,966)**	(28,966)
Share of loss / (profit) from joint venture	25	**2,822**	(8)
Dividend income	26	**(29,302)**	(29,302)
Finance costs	27	**384,079**	462,568
		524,710	567,071
		1,612,786	990,908
Working capital changes:			
Stores, spare parts and loose tools		**(131,954)**	(77,736)
Stock-in-trade		**(1,527,091)**	(98,738)
Trade debts		**200,435**	(193,886)
Advances		**1,126**	(3,256)
Trade deposits and short-term prepayments		**(11,442)**	5,155
Other receivables		**(173,308)**	(106)
Trade and other payables		**441,680**	585,755
		(1,200,554)	217,188
Cash generated from operations		**412,232**	1,208,096
Income tax and levies paid		**(337,856)**	(360,664)
Gratuity paid		**(36,000)**	(32,000)
Sindh Infrastructure Development Cess paid	16	**(88,232)**	-
Net cash (used in) / generated from operating activities		**(49,856)**	815,432
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment - net of borrowing cost	5.2	**(1,760,950)**	(1,013,158)
Additions to long term investments		**(13,015)**	-
Proceeds from disposal of operating property, plant and equipment	5.1.5	**29,108**	13,162
Proceeds from disposal of non-current assets classified as held for sale		**-**	309,346
Dividend received		**29,302**	29,302
Net cash used in investing activities		**(1,715,555)**	(661,348)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing - net		**1,253,352**	51,970
Finance costs paid		**(433,325)**	(493,633)
Dividend paid		**(146,265)**	(220,439)
Net cash generated from / (used in) financing activities		**673,762**	(662,102)
Net decrease in cash and cash equivalents		**(1,091,649)**	(508,018)
Cash and cash equivalents as at the beginning of the year		**(537,455)**	(29,437)
Cash and cash equivalents as at the end of the year	30	**(1,629,104)**	(537,455)

The annexed notes from 1 to 40 form an integral part of these financial statements.

Amer Faruque
Chief Executive Officer

Abid Vazir
Director

Syed Waqar Haider Kazmi
Chief Financial Officer

Statement of Changes in Equity

For the year ended June 30, 2026

	Issued, Subscribed and Paid-up Capital	Reserves							Total
		Capital Reserve	Revenue Reserves				Total reserves		
		Share premium	General reserve	Unappropriated profit	Actuarial (loss) / gain on defined benefit plan	Unrealized gain on investment at fair value through other comprehensive income			
	------ (Rupees in '000) ------								
Balance as at 01 July 2024	490,954	998,628	180,000	5,820,104	(6,099)	668,559	7,661,192		8,152,146
Final cash dividend for the year ended 30 June 2024 @ Rs. 3.50 per share	-	-	-	(171,830)	-	-	(171,830)		(171,830)
Interim cash dividend for the year ended June 30, 2025 @ Re. 1.00 per share	-	-	-	(49,095)	-	-	(49,095)		(49,095)
Net profit for the year	-	-	-	356,431	-	-	356,431		356,431
Other comprehensive (loss) / income	-	-	-	-	(9,148)	677,523	668,375		668,375
Total comprehensive income / (loss) for the year	-	-	-	356,431	(9,148)	677,523	1,024,806		1,024,806
Balance as at June 30, 2025	490,954	998,628	180,000	5,955,610	(15,247)	1,346,082	8,465,073		8,956,027
Balance as at July 01, 2025	**490,954**	**998,628**	**180,000**	**5,955,610**	**(15,247)**	**1,346,082**	**8,465,073**		**8,956,027**
Final cash dividend for the year ended June 30, 2025 @ Rs. 2.00 per share	**-**	**-**	**-**	**(98,191)**	**-**	**-**	**(98,191)**		**(98,191)**
Interim cash dividend for the year ended June 30, 2026 @ Re. 1.00 per share	**-**	**-**	**-**	**(49,095)**	**-**	**-**	**(49,095)**		**(49,095)**
Net profit for the year	**-**	**-**	**-**	**651,005**	**-**	**-**	**651,005**		**651,005**
Other comprehensive income	**-**	**-**	**-**	**-**	**24,154**	**298,726**	**322,880**		**322,880**
Total comprehensive income for the year	**-**	**-**	**-**	**651,005**	**24,154**	**298,726**	**973,885**		**973,885**
Balance as at June 30, 2026	**490,954**	**998,628**	**180,000**	**6,459,329**	**8,907**	**1,644,808**	**9,291,672**		**9,782,626**

The annexed notes from 1 to 40 form an integral part of these financial statements.

Amer Faruque
Chief Executive Officer

Abid Vazir
Director

Syed Waqar Haider Kazmi
Chief Financial Officer

Notes to the Financial Statements

For the year ended June 30, 2026

1 THE COMPANY AND ITS OPERATIONS

Cherat Packaging Limited (the Company) was incorporated in Pakistan as a public company limited by shares in the year 1989. The principal business activities are manufacturing, marketing and sale of packing material. The Company is listed on Pakistan Stock Exchange Limited. The geographical location and addresses of the Company's business units / immovable assets are as under:

Business unit	Address
Registered office / sales office	1st Floor, Betani Arcade, Jamrud Road, Peshawar
Head office	3rd Floor, Modern Motors House, Beaumont Road, Karachi
Sales office	3, Sunder Das Road, Lahore
Sales office	1st Floor, Razia Sharif Plaza, Jinnah Avenue, Blue Area, Islamabad
Bags manufacturing division (immoveable assets)	Plot # 26 Gadoon Amazai Industrial Estate, District Swabi (Land measuring area - 13 acres)
Flexible packaging division (immoveable assets)	Plot # 4, Gadoon Amazai Industrial Estate, District Swabi (Land measuring area - 8.09 acres)

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Accounting convention

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

2.4 New standards and amendments to approved accounting standards

2.4.1 Accounting standards effective for the year

There are certain new standards and amendments that are mandatory for the Company's accounting period beginning on 01 July 2025, but are considered either to be not relevant or to not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

2.4.2 Accounting standards not yet effective

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's accounting periods beginning on / after 01 July 2026. However, the Company expects that these standards (other than IFRS 18) will not have any material impact on the Company's financial statements in the period of initial application. The Company is currently working to identify all impacts that IFRS 18 will have on the financial statements.

3 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of these financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities and assets, at the end of the reporting period. However, uncertainty about these estimates and judgments could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The management continually evaluates estimates, judgments and assumptions which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances. Revisions to accounting estimates are recognized prospectively.

In the process of applying the accounting policies, management has made the following estimates, judgments and assumptions which are significant to the financial statements:

3.1 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 asset is made for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of operating property, plant and equipment, with corresponding effects on the depreciation charge and impairment, if any, for that period.

3.2 Inventory

The Company reviews the Net Realizable Value (NRV) of stock-in-trade, stores, spare parts and loose tools to assess any diminution in the respective carrying values. NRV is estimated with reference to the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

3.3 Taxation

In making the estimates for taxation, the Company refers to current income tax laws and the decisions of appellate authorities on certain issues in the past.

3.4 Staff retirement benefits

Certain actuarial assumptions have been adopted for valuation of present value of defined benefit obligations and fair value of plan assets. Any change in these assumptions in future years might affect gains and losses in those years. The actuarial valuation involves making assumptions about discount rate, expected rate of return on assets, future salary increases and mortality rates.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted by the Company in the preparation of these financial statements are as follows:

4.1 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment loss, if any, except for land and capital work-in-progress which are stated at cost less impairment, if any. Capital work-in progress consists of expenditure incurred and advances made in the course of an asset's construction and installation. Depreciation is charged to statement of profit or loss applying the reducing balance method except for computers which are depreciated on straight-line method, and certain plant and machinery of flexible packaging division which are depreciated using the units of production method.

Maintenance and repairs are charged to the statement of profit or loss as and when incurred. Major renewals and improvements which increase the asset's remaining useful economic life or the performance beyond the current estimated levels are capitalized and the assets so replaced, if any, are retired.

Gains or losses on disposal of property, plant and equipment, if any, are recognized in the statement of profit or loss.

The carrying values of property, plant and equipment are reviewed for impairment, when events or changes in circumstances indicate that the carrying values may not be recoverable. If such indications exist and where the carrying values exceed the estimated recoverable amounts, the assets are written down to the recoverable amounts.

4.2 Stores, spare parts and loose tools

These are valued at lower of weighted average cost or estimated NRV except items in-transit, if any, which are stated at invoice value plus other charges incurred thereon up to the date of the statement of financial position.

4.3 Stock-in-trade

These are valued at lower of cost or estimated NRV, except items in-transit, if any, which are valued at cost comprising invoice values plus other charges incurred thereon up to the date of statement of financial position. Cost signifies in relation to:

Raw and packing material	-	Purchase cost and other direct expenses on weighted average basis
Finished goods and work-in-process	-	Cost of direct material, labour and proportion of manufacturing overheads

4.4 Financial Instruments

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

4.4.1 Financial assets

a) Initial recognition and measurement

On initial recognition, financial assets are classified at amortised cost; Fair Value through Other Comprehensive Income (FVTOCI) or Fair Value through Profit or Loss (FVTPL). These are measured at fair value and transaction cost, if any, except for financial assets at FVTPL, in which case, transaction cost is charged to statement of profit or loss.

b) Subsequent measurement

At amortised cost:

These are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains or losses are recognised in statement of profit or loss when the asset is derecognised, modified or impaired.

At FVTOCI:

These are subsequently measured at fair value with net changes recognized in other comprehensive income except for the recognition of impairment gains or losses, which are recognized in statement of profit or loss.

At FVTPL:

The Company has not designated any financial assets at FVTPL as of the reporting date.

c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

d) Impairment

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. For trade debts, the Company applies a simplified approach in calculating ECLs. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Further, the Company may consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4.4.2 Financial liabilities

a) Initial recognition and measurement

On initial recognition, financial liabilities are classified at amortised cost or FVTPL and these are measured at fair value less transaction cost, if any, except for financial assets at FVTPL, in which case, transaction cost is charged to statement of profit or loss.

b) Subsequent measurement

At amortised cost:

These are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

At FVTPL:

The Company has not designated any financial liability as at FVTPL as of the reporting date.

c) Derecognition

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

4.4.3 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle liabilities simultaneously. Incomes and expenses arising from such assets and liabilities are also offset accordingly.

4.5 Cash and cash equivalents

These are stated at cost and include cash, bank balances and short term borrowings.

4.6 Government grant

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to expense, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed out. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

4.7 Trade and other payables

These are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

4.8 Contract liabilities

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

4.9 Foreign currency transactions and translations

Transactions in foreign currencies are translated into Pak Rupees at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the date of statement of financial position are translated into Pak Rupees at the foreign exchange rate prevailing at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss.

4.10 Revenue from contract with customers

Sale of goods

Revenue from sale of goods is recognized when or as control of goods have been transferred to a customer either over time or at a point in time, when the performance obligations are met. It is recorded at net of trade discounts and rebates.

Other income

a) Profit on savings accounts is recognized on accrual basis using an effective interest rate method.
b) Dividend income is recognized when the right to receive such payment is established.
c) Other revenues are accounted when performance obligations are met.

4.11 Staff retirement benefits

Gratuity fund

The Company operates an approved and funded gratuity scheme for all eligible employees who have completed the minimum qualifying period of service. The scheme is administered by the trustees nominated under the trust deed. The contributions to the scheme are made in accordance with actuarial valuation using Projected Unit Credit method. The latest actuarial valuation was carried out as at 30 June 2026.

Provident fund

The Company operates an approved defined contributory provident fund scheme for all permanent employees who have completed the minimum qualifying period of service. Equal monthly contributions are made by the Company and the employees to the fund at the rate of 8.33% of basic salary.

4.12 Provisions

Provisions are recognized when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

4.13 Taxation

Current / Levies

The charge for current taxation is computed in accordance with Income Tax Ordinance, 2001 (the Ordinance).The Company has elected to designate the amount computed in accordance with the Ordinance as an income tax within the scope of IAS 12 ‘Income Taxes’ and recognize it as current income tax expense. Any excess over the amount designated as income tax is recognized as a levy.

Deferred

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which these can be utilized. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantially enacted by the statement of financial position date.

4.14 Sales tax

Revenues, expenses and assets are recognized net of amount of sales tax except:

- Where sales tax incurred on a purchase of asset or service is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- Receivables or payables that are stated with the amount of sales tax included; and
- The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of assets or liabilities in the statement of financial position.

4.15 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 the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares.

4.16 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.17 Dividend and appropriation to reserves

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

4.18 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	2026	2025
		-------- (Rupees in '000) --------	
Operating property, plant and equipment	5.1	**8,648,288**	6,461,537
Capital work-in-progress	5.2	**54,284**	758,361
		8,702,572	7,219,898

5.1 Operating property, plant and equipment

Description	COST					ACCUMULATED DEPRECIATION					NET BOOK VALUE	DEPRECIATION RATE
	As at July 01, 2025	Additions	Disposals	Transferred to non-current assets classified as held for sale	As at June 30, 2026	As at July 01, 2025	Disposals	Charge for the year	Transferred to non-current assets classified as held for sale	As at June 30, 2026	As at June 30, 2026	% per annum
	(Rupees in '000)											
Leasehold land	77,022	-	-	-	77,022	-	-	-	-	-	77,022	-
Building on leasehold land	1,442,199	172,408	-	-	1,614,607	654,883	-	60,416	-	715,299	899,308	7.5
Plant and machinery	6,157,532	1,621,411	-	-	7,778,943	1,406,380	-	173,484	-	1,579,864	6,199,079	5
Power and other installations	354,966	402,253	-	-	757,219	142,644	-	18,672	-	161,316	595,903	7.5
Furniture and fittings	108,259	15,470	(381)	-	123,348	40,770	(63)	7,095	-	47,802	75,546	5-10
Vehicles	439,663	91,481	(45,325)	-	485,819	182,758	(28,021)	58,172	-	212,909	272,910	20
Equipment	472,380	246,636	-	-	719,016	179,668	-	26,295	-	205,963	513,053	7.5-10
Computers	102,323	11,120	(2,209)	-	111,234	85,704	(2,189)	12,252	-	95,767	15,467	33.33
	9,154,344	2,560,779	(47,915)	-	11,667,208	2,692,807	(30,273)	356,386	-	3,018,920	8,648,288	

Description	COST					ACCUMULATED DEPRECIATION					NET BOOK VALUE	DEPRECIATION RATE
	As at July 01, 2024	Additions	Disposals	Transferred to non-current assets classified as held for sale (Note 12)	As at June 30, 2025	As at July 01, 2024	Disposals	Charge for the year	Transferred to non-current assets classified as held for sale	As at June 30, 2025	As at June 30, 2025	% per annum
	Rupees in '000											
Leasehold land	77,022	-	-	-	77,022	-	-	-	-	-	77,022	-
Building on leasehold land	1,405,563	36,636	-	-	1,442,199	587,066	-	67,817	-	654,883	787,316	5-10
Plant and machinery	6,204,953	272,657	-	(320,078)	6,157,532	1,453,756	-	184,177	(231,553)	1,406,380	4,751,152	5-7.5
Power and other installations	343,536	11,430	-	-	354,966	124,417	-	18,227	-	142,644	212,322	7.5-10
Furniture and fittings	101,611	6,648	-	-	108,259	33,948	-	6,822	-	40,770	67,489	5-10
Vehicles	340,936	123,175	(24,448)	-	439,663	154,658	(18,198)	46,298	-	182,758	256,905	20
Equipment	461,103	11,277	-	-	472,380	155,512	-	24,156	-	179,668	292,712	7.5-10
Computers	94,283	8,633	(593)	-	102,323	73,614	(398)	12,488	-	85,704	16,619	33.33
	9,029,007	470,456	(25,041)	(320,078)	9,154,344	2,582,971	(18,596)	359,985	(231,553)	2,692,807	6,461,537	

5.1.1 Following plant and machinery relating to Flexible Packaging Division are depreciated using units of production method:

- Flexo graphic printers
- Rotogravure printers
- Extrusion lines
- Laminators

5.1.2 Particulars of significant plant and machinery are given below:

Polypropylene bags plant
Extrusion line – 4 machines
Coating line – 4 machines
Printing line – 4 machines
Bags conversion line – 6 machines

SOS Bags Plant
SOS / Carrier bags machines – 3 machines
Flexographic – 1 printer

Flexible packaging plant
Flexographic – 2 printers
Rotogravure – 2 printers
Extrusion – 2 lines
Laminator – 4 machines
Bag making – 4 machines

	Note	2026	2025
		-------- (Rupees in '000) --------	
5.1.3 Reconciliation of net book value:			
Net book value as at the beginning of the year		**6,461,537**	6,446,036
Additions during the year - at cost		**2,560,779**	470,456
Depreciation charge for the year		**(356,386)**	(359,985)
Disposals during the year - at book value	5.1.5	**(17,642)**	(6,445)
Transferred to non-current assets classified as held for sale - at book value		**-**	(88,525)
Net book value as at the end of the year		**8,648,288**	6,461,537
5.1.4 The depreciation charge for the year has been allocated to:			
Cost of sales	22	**321,328**	336,464
Distribution costs	23	**24,058**	15,262
Administrative expenses	24	**11,000**	8,259
		356,386	359,985

5.1.5 The following operating property, plant and equipment were disposed of during the year:

Description	Cost	Net book value	Sale proceeds	Gain / (loss) (Note 26)	Mode of disposal	Particulars of buyers
	------------- (Rupees in '000) -------------					
Vehicles						
HONDA CIVIC	2,695	528	-	(528)	Employee scheme	Mr. Anwar Khan
HONDA CIVIC	9,005	4,902	4,902	-	Employee scheme	Mr. Oosama Mufti
HONDA CIVIC	6,628	3,500	8,650	5,150	Insurance claim	EFU Insurance
Suzuki Cultus	3,718	2,498	3,718	1,220	Insurance claim	EFU Insurance
Suzuki Wagon R	2,421	1,098	3,000	1,902	Insurance claim	EFU Insurance
Items having net book value less than Rs. 500,000 each	23,448	5,116	8,838	3,722		
2026	**47,915**	**17,642**	**29,108**	**11,466**		
2025	25,041	6,445	13,162	6,717		

5.1.6 Fair value of property, plant and equipment

The market value of property, plant and equipment based on an independent valuer's report as of January 2026 updated by adding subsequent additions at cost amounts to Rs.11,102 million (2025: Rs. 7,401 million). However, the same has not been incorporated in these financial statements.

5.2 Capital work-in-progress

	Leasehold land	Building on leasehold land	Plant and machinery	Power and other installations	Furniture and fittings	Vehicles	Equipment	Computers	Total
	----------------------------------- (Rupees in '000) -----------------------------------								
Balance as at 30 June 2024	-	7,820	23,497	12,260	110	5,712	155,386	-	204,785
Capital expenditure incurred / advances made during the year	300	53,167	567,371	175,368	6,603	117,463	95,127	8,633	1,024,032
Transferred to operating property, plant and equipment	-	(36,636)	(272,657)	(11,430)	(6,648)	(123,175)	(11,277)	(8,633)	(470,456)
Balance as at 30 June 2025	300	24,351	318,211	176,198	65	-	239,236	-	758,361
Capital expenditure incurred / advances made during the year	811	150,934	1,338,414	237,013	16,250	91,481	10,679	11,120	1,856,702
Transferred to operating property, plant and equipment	-	(172,408)	(1,621,411)	(402,253)	(15,470)	(91,481)	(246,636)	(11,120)	(2,560,779)
Balance as at 30 June 2026	**1,111**	**2,877**	**35,214**	**10,958**	**845**	**-**	**3,279**	**-**	**54,284**

5.2.1 During the year, borrowing costs on long-term financing obtained have been capitalized amounting to Rs. 95.75 million (2025: Rs. 10.87 million), using a capitalization rate of 11.11% (2025: 12%) per annum.

		Note	2026	2025
			------- (Rupees in '000) -------	
6	**LONG-TERM INVESTMENTS**			
	Related parties			
	At FVTOCI			
	Cherat Cement Company Limited		**1,858,372**	1,546,631
	5,372,105 shares (2025: 5,327,698 shares)			
	% of shareholding - 2.76			
	Joint venture - UniEnergy Limited		**2,200**	5,022
			1,860,572	1,551,653
7	**STORES, SPARE PARTS AND LOOSE TOOLS**			
	Stores		**89,702**	65,162
	Spare parts		**715,229**	612,986
	Loose tools		**1,354**	893
			806,285	679,041
	In-transit		**57,306**	52,596
			863,591	731,637
8	**STOCK-IN-TRADE**			
	Raw material			
	In hand		**3,548,115**	1,983,142
	In-transit		**148,074**	408,173
			3,696,189	2,391,315
	Work-in-process		**387,424**	340,065
	Finished goods		**489,130**	314,272
			4,572,743	3,045,652
9	**TRADE DEBTS - unsecured**			
	Considered good	9.1	**2,170,484**	2,370,919
	Considered doubtful		**65,695**	43,670
	Allowance for ECL	9.3	**(65,695)**	(43,670)
			-	-
			2,170,484	2,370,919

9.1 Include Rs. 2.86 million (2025: Rs. 0.07 million), 28.56 million (2025: Nill) and Rs. 90.70 million (2025: Rs. 27.37 million) due from Unicol Limited, Mirpurkhas Sugar Mills Limited and National Foods Limited, respectively (related parties). The amount due from related parties is neither past due nor impaired. The maximum aggregate amount receivable from the related parties at the end of any month during the year was Rs. 405.48 million (2025: Rs. 195.03 million).

9.2 Trade debts are generally on 45 days term. Aging analysis of trade debts is as follows:

		Note	2026	2025
			------- (Rupees in '000) -------	
	Neither past due nor impaired		**1,605,956**	1,706,293
	Past due but not impaired		**564,528**	664,626
			2,170,484	2,370,919
9.3	**Allowance for ECL**			
	Balance at beginning of the year		**43,670**	43,670
	Charge during the year	25	**22,025**	-
	Balance at the end of the year		**65,695**	43,670

	Note	2026	2025
		------- (Rupees in '000) -------	

10 OTHER RECEIVABLES

Sales tax refundable		**126,799**	-
Import rebate		**42,000**	-
Others		**6,113**	1,604
		174,912	1,604

11 CASH AND BANK BALANCES

	Note	2026	2025
Bank balances			
Islamic banks			
Current accounts		**12,969**	13,397
Conventional banks			
Current accounts		**43,495**	76,577
Savings accounts	11.1	**60,290**	5,335
		103,785	81,912
		116,754	95,309
Cash in hand		**156**	1,045
		116,910	96,354

11.1 These carry profit rates ranging from 7.5% to 8.5% (2025: 8% to 19%) per annum.

12 SHARE CAPITAL

12.1 Authorized capital

2026	2025		2026	2025
------ Number of shares ------			------- (Rupees in '000) -------	
100,000,000	100,000,000	Ordinary shares of Rs. 10/- each	**1,000,000**	1,000,000

12.2 Issued, subscribed and paid-up capital

2026	2025		2026	2025
------ Number of shares ------				
		Ordinary shares of Rs. 10/- each		
26,207,242	26,207,242	- Issued as fully paid in cash	**262,072**	262,072
22,888,151	22,888,151	- Issued as bonus shares	**228,882**	228,882
49,095,393	49,095,393		**490,954**	490,954

12.3 Voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding.

13 RESERVES

	2026	2025
	------- (Rupees in '000) -------	
Capital reserve		
Share premium	**998,628**	998,628
Revenue reserve		
General reserve	**180,000**	180,000
Unappropriated profit	**6,459,329**	5,955,610
Actuarial gain / (loss) on defined benefit plan	**8,907**	(15,247)
Unrealized gain on investment at FVTOCI	**1,644,808**	1,346,082
	8,293,044	7,466,445
	9,291,672	8,465,073

	Note	2026	2025
		------- (Rupees in '000) -------	
14 LONG-TERM FINANCING - secured			
Islamic banks			
Diminishing Musharakah - Meezan Bank Limited	14.1	**690,036**	887,189
Islamic Finance Facility for Renewable Energy - Meezan Bank Limited	14.2	**45,208**	54,362
Diminishing Musharakah - Faysal Bank Limited	14.3	**1,307,025**	-
		2,042,269	941,551
Conventional banks			
Term Loan - Allied Bank Limited	14.4	**797,025**	954,816
Term Loan - MCB Limited	14.5	**318,515**	230,976
Temporary Economic Refinance Facility - MCB Limited	14.6	**344,832**	391,946
Term Loan - Allied Bank Limited	14.7	**270,000**	-
		1,730,372	1,577,738
		3,772,641	2,519,289
Current maturities		**(447,764)**	(449,109)
		3,324,877	2,070,180

14.1 Represents Diminishing Musharakah obtained from an Islamic bank for the import of Rotogravure Printing Line-II. The loan carries profit at the rate of 3 months KIBOR + 0.2% per annum. The loan is repayable in 20 equal quarterly installments commencing after 27 months from the date of first disbursement i.e. from 16 August 2022. It is secured by way of first pari-passu hypothecation charge of Rs. 1,333 million over plant and machinery of the Company.

14.2 Represents financing obtained to setup a 0.96 MW Solar Power Project. The total facility amounts to Rs. 120 million carrying a flat SBP profit rate of 2% + 1.75% per annum and is repayable in 20 equal semi-annual installments which commenced after 6 months from the date of first drawdown i.e. April 2021. This is secured against first pari-passu hypothecation charge of Rs. 160 million on plant and machinery of the Company. The facility was initially recognized at fair value and subsequently discounted at the incremental borrowing rate of 7.65% per annum. The differential profit has been recognized as government grant which is amortized over the period of facility.

14.3 Represents financing obtained for Barrier Film Extrusion Project. The facility carries profit at the rate of 3 months KIBOR + 0.15% per annum and is repayable in 20 equal quarterly installments commencing after 39 months from the date of first disbursement i.e. from April 2029. This is secured against ranking charge of Rs. 1,867 million on all present & future plant and machinery of the Company.

14.4 Represents loan obtained for the import of Flexographic Printing Line - II. The loan carries mark-up at the rate of 6 months KIBOR + spread ranging from 0.25% to 0.30% per annum and is repayable in 12 equal semi-annual installments commencing after 18 months from first drawdown i.e. from August 2025. This is secured against first exclusive hypothecation charge over imported plant and machinery to the extent of principle amount i.e. Rs. 1,000 million and first pari-passu hypothecation charge of Rs. 333 million on plant and machinery of the Company.

14.5 Represents loan obtained for the import of SOS / Carrier Bag Project. The loan carries mark-up at the rate of 3 months' KIBOR + 0.15% per annum and is repayable in 10 equal semi-annual installments which is due to commence after 42 months from first drawdown i.e. from August 2028. This is secured against first pari-passu hypothecation charge of Rs. 667 million over fixed asset (excluding land and building) of the Company.

14.6 Represents financing obtained for the expansion of Polypropylene Line - IV. The total facility amounts to Rs. 800 million carrying a flat mark-up rate of 1.70% per annum and is repayable in 16 equal semi-annual installments commencing from June 2024. This is secured against first pari-passu hypothecation charge of Rs. 1,067 million on the plant and machinery of the Company. The facility was initially recognised at fair value and subsequently discounted at the incremental borrowing rate of 11.02% per annum. The differential profit has been recognized as government grant which is amortized over the period of facility.

14.7 Represents loan obtained during the year to setup a 2.7 MW Solar Power Project. The loan carries mark-up at the rate of 6 months KIBOR + 0.1% per annum. The loan is repayable in 10 equal semi-annual installments commencing after 30 months from the date of first disbursement i.e. from June 2028. The financing is secured against first exclusive ranking charge over specific plant and machinery to the extent of principle amount i.e. Rs. 400 million and ranking charge of Rs. 133.33 million on all existing plant and machinery of the Company.

		Note	2026	2025
			------- (Rupees in '000) -------	
15	**DEFERRED TAXATION**			
	Taxable temporary differences arising due to:			
	Accelerated tax depreciation		**1,207,631**	1,175,233
	Deductible temporary differences arising due to:			
	Allowance for ECL / provisions		**(25,592)**	(29,866)
	Tax credits and others		**(35,108)**	(216,299)
			(60,700)	(246,165)
			1,146,931	929,068
15.1	**The movement of deferred taxation is as follows:**			
	As at the beginning of the year		**929,068**	1,013,170
	Recognized in profit or loss		**205,439**	80,592
	Recognized in other comprehensive income		**12,424**	(164,694)
	As at the end of the year		**1,146,931**	929,068
16	**SINDH INFRASTRUCTURE DEVELOPMENT CESS**			
	SIDC payable as per agreement		**588,211**	-
	Payments during the year		**(88,232)**	-
	Effect of discounting	16.1	**(189,349)**	-
	As at the end of the year		**310,630**	-
	Current maturity		**(85,435)**	-
			225,195	-

16.1 During the year, the Company entered into an agreement with the Government of Sindh to settle the liability in 51 installments payable by 15 April 2040. Accordingly, the Company has recorded the said liability at its present value using a discount rate of 11.5% per annum, and the resulting effect of discounting is recognised as other income.

		Note	2026	2025
			------- (Rupees in '000) -------	
17	**GOVERNMENT GRANT**			
	Balance at the beginning of the year		**185,003**	213,969
	Amortized during the year	26	**(28,966)**	(28,966)
	Balance at the end of the year		**156,037**	185,003
	Current maturity		**(28,966)**	(28,966)
			127,071	156,037
18	**TRADE AND OTHER PAYABLES**			
	Creditors		**1,623,706**	928,407
	Bills payable		**92,459**	408,525
	Contract liabilities		**20,967**	30,380
	Gratuity fund	18.1	**21,438**	55,014
	Accrued liabilities		**149,723**	179,480
	Provisions	18.2	**174,026**	154,166
	Sindh Infrastructure Development Cess		**-**	537,550
	Workers' Profit Participation Fund	18.3	**21,676**	2,277
	Workers' Welfare Fund	18.4	**13,390**	3,217
	Retention money	18.5	**8,485**	6,961
			2,125,870	2,305,977

	2026	2025
	------- (Rupees in '000) -------	

18.1 Gratuity fund

18.1.1 Amounts recognized in the statement of financial position

	2026	2025
Present value of defined benefit obligations	**315,248**	272,258
Fair value of plan assets	**(293,810)**	(217,244)
Liability recognized in the statement of financial position	**21,438**	55,014

18.1.2 Movement in the present value of defined benefit obligation

	2026	2025
As at the beginning of the year	**272,258**	220,437
Current service cost	**32,538**	25,456
Interest cost	**31,990**	29,479
Benefits paid during the year	**(18,659)**	(27,815)
Actuarial (gain) / loss	**(2,879)**	24,701
Balance as at the end of the year	**315,248**	272,258

18.1.3 Movement in the fair value of plan assets

	2026	2025
As at the beginning of the year	**217,244**	174,909
Expected return	**25,526**	26,107
Contributions	**36,000**	32,000
Benefits paid during the year	**(18,659)**	(27,815)
Actuarial gain	**33,699**	12,043
Balance as at the end of the year	**293,810**	217,244

18.1.4 Movement in the liability in the statement of financial position

	2026	2025
As at the beginning of the year	**55,014**	45,528
Recognized in profit or loss	**39,002**	28,828
Recognized in other comprehensive income	**(36,578)**	12,658
Contributions	**(36,000)**	(32,000)
Balance as at the end of the year	**21,438**	55,014

18.1.5 Amounts recognized in the statement of profit or loss

	2026	2025
Current service cost	**32,538**	25,456
Interest cost	**31,990**	29,479
Expected return on plan assets	**(25,526)**	(26,107)
	39,002	28,828

18.1.6 Amounts recognized in other comprehensive income

	2026	2025
Actuarial gain / (loss) on defined benefit obligations	**2,879**	(24,701)
Actuarial gain on plan assets	**33,699**	12,043
	36,578	(12,658)

18.1.7 Principal actuarial assumptions

	2026	2025
	------ (Percentage) ------	
Expected rate of increase in salary level – long term	**13.75**	13.75
Valuation discount rate	**11.75**	11.75
Rate of return on plan assets	**11.75**	11.75
Mortality rates	**SLIC 2001-2005**	SLIC 2001-2005

18.1.8 Expected gratuity expense to the plan for the year ending 30 June 2027 is Rs. 29.44 million.

18.1.9 The weighted average duration of defined benefit obligation is 4.43 years (2025: 4.35 years).

18.1.10 Comparison for past years:

As at 30 June,	2026	2025	2024	2023	2022
	(Rupees in '000)				
Present value of defined benefit obligations	**315,248**	272,258	220,437	166,323	123,566
Fair value of plan assets	**(293,810)**	(217,244)	(174,909)	(145,171)	(102,732)
Deficit	**21,438**	55,014	45,528	21,152	20,834
Experience adjustment on plan liabilities	**2,879**	(24,701)	(29,849)	(7,129)	2,865
Experience adjustment on plan assets	**33,699**	12,043	5,974	7,769	(23,408)
	36,578	(12,658)	(23,875)	640	(20,543)

18.1.11 Composition of plan assets are as follows:

	2026	2025
	(Rupees in '000)	
Government Securities	**87,668**	64,709
Mutual Funds / Shares	**200,328**	151,542
Bank balances	**5,814**	993
	293,810	217,244

18.1.12 The expected return on plan assets is based on the market expectations and depends upon the asset portfolio of the Company, at the beginning of the year, for returns over the entire life of related obligation. The return on plan assets was assumed to equal the discount rate. Actual gain on plan assets during the year amounts to Rs. 33.70 million (2025: Rs. 38.15 million).

18.1.13 Sensitivity analysis

	2026			
	Discount rate		Salary increase	
	+100 bps	-100 bps	+100 bps	-100 bps
	(Rupees in '000)			
Present value of defined benefit obligations	**304,409**	**327,299**	**328,397**	**303,162**

18.2 Provisions

During the year, provision of Rs. 19.86 million (2025: 21.89 million) was recognized in respect of various obligations payable to the Government authorities.

	Note	2026	2025
		(Rupees in '000)	
18.3 Workers' Profits Participation Fund			
Balance as at the beginning of the year		**2,277**	1,731
Interest thereon		**102**	136
		2,379	1,867
Payments during the year		**(2,379)**	(1,867)
		-	-
Charge for the year	25	**21,676**	2,277
Balance as at the end of the year		**21,676**	2,277
18.4 Workers' Welfare Fund			
Balance at the beginning of the year		**3,217**	5,206
Payments / adjustments during the year		**(12,035)**	(5,206)
Prior / charge for the year	25	**22,208**	3,217
Balance at the end of the year		**13,390**	3,217

18.5 Include Rs. 6.32 million due to Greaves Pakistan (Pvt.) Limited, a related party.

		Note	2026	2025
			------- (Rupees in '000) -------	
19	**SHORT-TERM BORROWINGS - secured**			
	Conventional banks			
	Running finance	19.1	**898,217**	105,842
	Islamic banks			
	Running Musharakah	19.2	**847,797**	527,967
			1,746,014	633,809

19.1 Represents facilities obtained from various conventional banks amounting to Rs. 5,150 million (2025: Rs. 5,750 million) out of which Rs. 4,252 million (2025: Rs. 5,644 million) remains unutilized at the period end. These facilities are secured against registered joint pari-passu hypothecation charge over stocks and book debts for Rs. 6,470 million (2025: Rs. 7,271 million) and ranking hypothecation charge over stocks and book debts of Rs. 400 million (2025: Rs. 400 million). These facilities carry mark-up of 1 and 3 months KIBOR with spread ranging from 0.05% to 0.75% (2025: 1 and 3 months' KIBOR with spread ranging from 0.40% to 0.75%) per annum.

19.2 Represents facilities obtained from various Islamic banks amounting to Rs. 4,200 million (2025: Rs. 3,900 million) out of which Rs. 3,352 million (2025: Rs. 3,372 million) remains unutilized at the period end. These facilities are secured against registered joint pari-passu hypothecation charge over stocks and book debts for Rs. 4,603 million (2025: Rs. 4,869 million) and ranking hypothecation charge over stocks and book debts of Rs. 1,001 million (2025: Rs. 334 million). These facilities carry profit rate of 1 and 3 months KIBOR with spread ranging from 0.10% to 1.00% (2025: 1 and 3 months KIBOR with spread ranging from 0.15% to 0.75%) per annum.

20 CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

Khyber Pakhtunkhwa Economic Zones Development and Management Company (KPEZDMC) was established in KPK with an aim to develop and manage industrial zones in KPK. KPEZDMC offered various incentives on development projects within KPK from the financial year 2016 to 2019. The Company applied for the incentive against its Polypropylene bags line and other expansions up till 30 June 2017 amounted to Rs. 93.4 million. However, KPEZDMC has not released the incentive amount. The Company has filed a petition in Peshawar High Court (PHC) for the recovery of the incentive amount which is pending adjudication. However, as a matter of prudence, no income has yet been recorded.

		2026	2025
		------- (Rupees in '000) -------	
20.2	**Commitments**		
	Outstanding letters of guarantee – conventional bank	**77,018**	77,018
	Outstanding letters of credit – conventional and Islamic banks	**926,148**	403,144
	Capital commitments	**9,876**	1,224,152
21	**TURNOVER – net**		
	Local sales - gross	**17,886,930**	15,285,848
	Less: Sales tax	**2,745,092**	2,333,804
	Less: Discounts	**56,450**	28,990
	Local sales - net	**15,085,388**	12,923,054
	Export sales	**7,942**	90,656
		15,093,330	13,013,710

		Note	2026	2025
			------- (Rupees in '000) -------	
22	**COST OF SALES**			
	Raw material consumed			
	Opening balance		**1,983,142**	2,412,592
	Purchases		**11,675,560**	8,750,132
			13,658,702	11,162,724
	Closing balance	8	**(3,548,115)**	(1,983,142)
			10,110,587	9,179,582
	Duty drawback on export		**(2,700)**	(54)
	Scrap sales		**(102,583)**	(75,956)
			10,005,304	9,103,572
	Manufacturing overheads			
	Salaries, wages and benefits	22.1	**1,294,970**	1,067,009
	Stores, spare parts and loose tools consumed		**490,779**	415,832
	Fuel and power		**558,054**	599,071
	Packing charges		**503,496**	371,166
	Rent, rates and taxes		**8,362**	9,658
	Repairs and maintenance		**32,732**	21,407
	Depreciation	5.1.4	**321,328**	336,464
	Amortization		**1,007**	1,007
	Insurance		**90,661**	92,024
	General office expenses		**2,095**	1,887
	Vehicle running expenses		**41,207**	42,205
	Travelling and conveyance		**23,248**	21,992
	Communication expenses		**5,498**	6,921
	Printing and stationery		**4,114**	4,509
	Legal and professional charges		**25,753**	25,175
	Freight and cartage		**7,080**	5,612
	Subscription		**11,126**	11,283
	Others		**9,923**	9,538
			3,431,433	3,042,760
			13,436,737	12,146,332
	Work-in-process			
	Balance as at the beginning of the year		**340,065**	238,498
	Balance as at the end of the year	8	**(387,424)**	(340,065)
			(47,359)	(101,567)
	Cost of goods manufactured		**13,389,378**	12,044,765
	Finished goods			
	Balance as at the beginning of the year		**314,272**	262,270
	Balance as at the end of the year	8	**(489,130)**	(314,272)
			(174,858)	(52,002)
			13,214,520	11,992,763

22.1 Include amounts in respect of provident fund and gratuity fund amounting to Rs. 26.37 million and Rs. 29 million (2025: Rs. 22.53 million and Rs. 24.26 million) respectively.

23 DISTRIBUTION COSTS

	Note	2026	2025
		------- (Rupees in '000) -------	
Salaries and benefits	23.1	**172,694**	124,350
Travelling and conveyance		**5,245**	5,745
Vehicle running expenses		**16,833**	14,802
Repair and maintenance		**979**	1,798
Communication expenses		**3,009**	4,554
Rent, rates and taxes		**3,238**	3,338
Insurance		**6,952**	6,006
Printing and stationery		**1,299**	2,123
Depreciation	5.1.4	**24,058**	15,262
Freight and cartage		**125,404**	105,220
Export expenses		**810**	14,065
Others		**7,375**	10,467
		367,896	307,730

23.1 Include amounts in respect of provident fund and gratuity fund amounting to Rs. 5.00 million and Rs. 6.52 million (2025: Rs. 4.21 million and Rs. 2.65 million) respectively.

24 ADMINISTRATIVE EXPENSES

	Note	2026	2025
		------- (Rupees in '000) -------	
Salaries and benefits	24.1	**132,717**	96,921
Travelling and conveyance		**6,656**	9,317
Vehicle running expenses		**10,499**	9,572
Communication expenses		**8,637**	8,108
Printing and stationery		**5,421**	3,760
Rent, rates and taxes		**3,854**	4,447
Legal and professional charges		**13,887**	13,605
Insurance		**20,117**	17,504
Subscription		**7,406**	6,166
Advertisement		**1,385**	1,174
Depreciation	5.1.4	**11,000**	8,259
Amortization		**497**	497
Repairs and maintenance		**1,744**	2,353
General office expenses		**3,392**	2,623
Utilities		**548**	763
Others		**16**	9
		227,776	185,078

24.1 Includes amounts in respect of provident fund and gratuity fund amounting to Rs. 3.76 million and Rs. 3.48 million (2025: Rs. 2.32 million and Rs. 1.91 million) respectively.

25 OTHER EXPENSES

	Note	2026	2025
		------- (Rupees in '000) -------	
Auditor's remuneration	25.1	**3,368**	2,820
Donations	25.2	**8,050**	4,609
Workers' Profit Participation Fund	18.3	**21,676**	2,277
Workers' Welfare Fund	18.4	**22,208**	3,217
Allowance for ECL	9.3	**22,025**	-
Commission on disposal of non-current assets classified as held for sale		**-**	13,085
Share of loss / (profit) from joint venture		**2,822**	(8)
		80,149	26,000

		2026	2025
		------- (Rupees in '000) -------	
25.1	**Auditors' remuneration**		
	Audit fee	**1,851**	1,645
	Half yearly review and other certifications	**965**	855
	Out of pocket expenses	**552**	320
		3,368	2,820

25.2 Includes donation paid to The Citizen Foundation amounting to Rs. 4 million. Recipients of donations do not include any donee in which any director or his spouse had any interest.

		Note	2026	2025
			------- (Rupees in '000) -------	
26	**OTHER INCOME**			
	Income from financial assets			
	Gain on redemption of investments at FVTPL - Shariah compliant		**-**	9,375
	Gain on redemption of investments at FVTPL - Conventional		**-**	77,534
	Profit on bank accounts - Shariah compliant		**2,327**	3,484
	Dividend income from Cherat Cement Company Limited - Shariah compliant		**29,302**	29,302
			31,629	119,695
	Income from non-financial assets			
	Gain on disposal of operating property, plant and equipment - Shariah compliant	5.1.5	**11,466**	6,717
	Gain on disposal of non-current assets classified as held for sale - Shariah compliant		**-**	220,821
	Amortization of government grant - Conventional	17	**27,339**	27,339
	Amortization of government grant - Shariah compliant	17	**1,627**	1,627
	Scrap sales - Shariah compliant		**7,756**	8,067
	Effect of discounting - Shariah compliant	16.1	**189,349**	-
			237,537	264,571
			269,166	384,266
27	**FINANCE COSTS**			
	Islamic banks			
	Mark-up on long-term financing		**92,907**	153,321
	Mark-up on short-term borrowings		**80,504**	8,983
	Bank charges and duties		**3,146**	2,033
			176,557	164,337
	Conventional banks		**163,436**	185,476
	Mark-up on long-term financing		**35,599**	102,332
	Mark-up on short-term borrowings		**3,823**	3,660
	Guarantee commission		**4,562**	6,627
	Bank charges and duties		**207,420**	298,095
			383,977	462,432
	Interest on Workers' Profit Participation Fund	18.3	**102**	136
			384,079	462,568
28	**INCOME TAX**			
	Current		**(258,766)**	(75,649)
	Prior		**31,529**	50,061
	Deferred		**(205,439)**	80,592
		28.1	**(432,676)**	55,004

		2026
		(Rupees in '000)
28.1	**Reconciliation between tax expense and accounting profit**	
	Profit before income tax	**1,083,681**
	Corporate tax rate	**29%**
	Tax on accounting profit at applicable rate	**314,267**
	Tax effects of:	
	Super tax	**127,980**
	Lower tax rates	**(7,223)**
	Others	**(2,348)**
		118,409
		432,676

28.2 No numeric tax rate reconciliation for the prior year is given as provision made during the prior year represented minimum tax under section 113 of the Ordinance.

		2026	2025
29	**EARNINGS PER SHARE - basic and diluted**		
	Net profit for the year (Rupees in '000)	**651,005**	356,431
	Weighted average number of ordinary shares in issue	**49,095,393**	49,095,393
	Basic earnings per share - basic and diluted	**Rs. 13.26**	Rs. 7.26

		Note	2026	2025
			------- (Rupees in '000) -------	
30	**CASH AND CASH EQUIVALENTS**			
	Cash and bank balances	11	**116,910**	96,354
	Short-term borrowings	19	**(1,746,014)**	(633,809)
			(1,629,104)	(537,455)

31 SEGMENT REPORTING

31.1 For management purposes, the activities of the Company are organized into following operating segments.

Type of Segments	**Nature of business**
Bags manufacturing division	Polypropylene and SOS / Carrier bags manufacturing
Flexible packaging division	Extrusion, Flexo Graphic and Rotogravure printing

31.2 Segment analysis and reconciliation

	Bags manufacturing division		Flexible packaging division		Unallocated items		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	(Rupees in'000)							
Turnover	5,784,629	5,666,501	9,308,701	7,347,209	-	-	15,093,330	13,013,710
Depreciation and amortization	(127,995)	(157,103)	(194,340)	(180,368)	-	-	(322,335)	(337,471)
Cost of sales (other than depreciation and amortization)	(4,993,694)	(5,088,800)	(7,898,491)	(6,566,492)	-	-	(12,892,185)	(11,655,292)
Distribution and administrative expenses	-	-	-	-	(595,672)	(492,808)	(595,672)	(492,808)
Other expenses	-	-	-	-	(80,149)	(26,000)	(80,149)	(26,000)
Finance cost	(76,401)	(52,783)	(179,942)	(286,045)	(127,736)	(123,740)	(384,079)	(462,568)
Other income					269,166	384,266	269,166	384,266
Levies and income tax					(437,071)	(67,406)	(437,071)	(67,406)
Net profit for the year	586,539	367,815	1,035,928	314,304	(971,462)	(325,688)	651,005	356,431
Total assets	5,058,295	4,568,104	11,198,356	8,732,626	2,925,734	2,322,552	19,182,385	15,623,282
Total liabilities	(1,004,257)	(807,879)	(3,023,892)	(1,958,523)	(15,154,236)	(12,856,880)	(19,182,385)	(15,623,282)
Capital expenditure	(266,101)	(663,022)	(1,590,601)	(361,010)	-	-	(1,856,702)	(1,024,032)

31.3 Turnover information by geographical area

	2026	2025
	(Rupees in '000)	
Pakistan	15,085,388	12,925,997
Congo	-	87,713
Austria	7,942	-
	15,093,330	13,013,710

31.4 Sales to one (2025: one) customer of the Company from the bags manufacturing division represents approximately Rs. 2,085.77 million (2025: Rs. 1,895.48 million) and sales to one (2025: Nil) customer of the Company from the flexible packaging division represents approximately Rs. 1,682.92 million (2025: Rs. Nil) of the Company's total revenue. These customers represent 10% or more revenue individually in the total revenue of the Company. All non-current assets of the company are located in Pakistan.

32 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company's senior management provides policies for overall risk management, as well as policies covering specific areas. The Board of Directors review and agree policies for managing each of these risks which are summarized below:

32.1 Market risk

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market prices. Market prices comprise three types of risk as follows:

32.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in the market interest rates. The Company's interest rate risk arises from long-term financing, short-term borrowings obtained with floating rates. Borrowings of the Company are substantially obtained in the functional currency. The following figures demonstrate the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Company's profit before levies and income tax:

	Change in basis points	Effect on profit before levies and income tax (Rupees in '000)
2026		
KIBOR	+/- 100	**55,187**
2025		
KIBOR	+/- 100	26,104

32.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. As of the reporting date, the company is not materially exposed to such risk.

32.1.3 Price risk

Price risk is the risk of loss arising from uncertainties about future values of investments in securities due to movements in prices of equity investments. As of the reporting date, the Company is exposed to such risk in respect of equity investment in Cherat Cement Company Limited - a related party amounting to Rs. 1,858.37 million.

A decrease of 10% in the share price of these securities would have an impact of approximately Rs. 185.84 million on the statement of comprehensive income. An increase of 10% in the share price of the listed security would impact the statement of comprehensive income with the similar amount.

32.2 Credit Risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company seeks to minimize the credit risk exposure through having exposures only to parties considered credit worthy and obtaining securities where applicable. As of the reporting date, the Company is mainly exposed to credit risk in respect of the following:

	Note	2026	2025
		------ (Rupees in '000) ------	
Trade debts	9	**2,236,179**	2,414,589
Deposits		**23,195**	11,753
Bank balances	11	**116,754**	95,309
		2,376,128	2,521,651

32.2.1 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

	2026	2025
	------ (Rupees in '000) ------	
Trade debts		
Customers with no defaults in the past one year	**2,236,179**	2,414,589
Bank balances		
A1+	**99,999**	93,144
A1	**16,755**	2,165
	116,754	95,309

32.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company applies prudent liquidity risk management by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The table below summarizes the maturity profile of the Company's financial liabilities at the following reporting dates based on contractual payments.

	2026				2025			
	On demand	Less than one year	More than one year	Total	On demand	Less than one year	More than one year	Total
	----------------- (Rupees in '000) -----------------				----------------- (Rupees in '000) -----------------			
Long-term financing	-	476,730	3,451,948	3,928,678	-	478,075	2,226,217	2,704,292
Trade and other payables	-	2,090,804	-	2,090,804	-	1,762,933	-	1,762,933
Unpaid dividend	1,923	-	-	1,923	1,403	-	-	1,403
Unclaimed dividend	9,682	-	-	9,682	9,181	-	-	9,181
Accrued mark-up	-	130,031	1,502,941	1,632,972	-	83,525	1,790,704	1,874,229
Short-term borrowings	-	1,746,014	-	1,746,014	-	633,809	-	633,809
	11,605	4,443,579	4,954,889	9,410,073	10,584	2,958,342	4,016,921	6,985,847

Effective interest / yield rates for the interest bearing liabilities are mentioned in the respective notes to the financial statements.

32.4 Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholders value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in 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 shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, less cash and cash equivalents.

The gearing ratio as at 30 June 2026 and 2025 are as follows:

	2026	2025
	-------- (Rupees in '000) -------	
Long-term financing	**3,928,678**	2,704,292
Accrued mark-up	**130,031**	83,525
Short-term borrowings	**1,746,014**	633,809
Total debt	**5,804,723**	3,421,626
Cash and bank balances	**(116,910)**	(96,354)
Net debt	**5,687,813**	3,325,272
Share capital	**490,954**	490,954
Reserves	**9,291,672**	8,465,073
Total capital	**9,782,626**	8,956,027
Capital and net debt	**15,470,439**	12,281,299
Gearing ratio	**36.77%**	27.08%

The Company finances its expansion projects through equity, borrowings and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

32.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate fair values.

The following table shows assets recognized at fair value, bifurcated between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities,

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below categorized fair value measurement of financial instruments by the level in the fair value hierarchy into which the fair value measurement is categorized:

	2026			
	Level 1	**Level 2**	**Level 3**	**Total**
	----------------- (Rupees in '000) -----------------			
Listed equity investment	**1,858,372**	**-**	**-**	**1,858,372**

	2025			
	Level 1	Level 2	Level 3	Total
	--------------------- (Rupees in '000) ---------------------			
Listed equity investment	1,546,631	-	-	1,546,631

During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

32.5.1 Financial instruments which are tradable in an open market are revalued at the market prices prevailing on the statement of financial position date.

32.6 Reconciliation of movement of liabilities to cash flows arising from financing activities:

	Note	2026	2025
		------ (Rupees in '000) ------	
Long-term financing - Opening balance		**2,519,289**	2,467,319
Draw-downs		**1,701,116**	483,366
Repayments		**(447,764)**	(431,396)
Long-term financing - Closing balance		**3,772,641**	2,519,289

33 Shariah Disclosures under Clause VII of Part I of Schedule IV of the Companies Act, 2017

	Note	2026	2025
Disclosures in relation to the Statement of Financial Position - Liability Side:			
Long-term financing as per Islamic mode	14	**2,042,269**	941,551
Short-term borrowings as per Islamic mode	19	**847,797**	527,967
Accrued markup on conventional loans		**51,455**	53,717
Accrued markup on Islamic financing		**78,576**	29,808
Disclosures in relation to the Statement of Financial Position - Asset Side:			
Long-term investments - shariah compliant	6	**1,860,572**	1,551,653
Short-term investments - shariah compliant		**-**	-
Shariah compliant bank balances	11	**12,969**	13,397
Disclosures in relation to the Statement of Profit or Loss:			
Revenue earned from shariah compliant business	21	**15,093,330**	13,013,710
Break-up of late payments or liquidated damages		**N/A**	N/A
Share of (loss) / profit from shariah compliant joint venture	25	**(2,822)**	8
Exchange gain earned from actual currency		**-**	-
Exchange gains earned using conventional derivative financial instruments		**N/A**	N/A
Profit paid on Islamic mode of financing		**173,411**	162,304
Total interest earned from conventional loan		**N/A**	N/A
Disclosures in relation to the Statement of Comprehensive Income:			
Unrealised gain on remeasurement of shariah compliant long term investments		**298,726**	677,523
Source and detailed breakup of other income			
Shariah Compliant			
Scrap sales	26	**7,756**	8,067
Gain on disposals of operating property, plant and equipment	5.1.5	**11,466**	6,717
Gain on disposal of assets classified as held for sale		**-**	220,821
Dividend earned from shariah compliant long-term investment	26	**29,302**	29,302
Gain earned from shariah compliant short term investments		**-**	9,375
Profit earned from shariah compliant bank deposits / TDR	26	**2,327**	3,484
Amortization of government grant	26	**1,627**	1,627
Effect of discounting	16.1	**189,349**	-
Non Shariah Compliant			
Amortization of government grant	26	**27,339**	27,339
Gain earned on short term conventional investments		**-**	77,534
Total		**269,166**	384,266

Relationship with Shariah Compliant Institutions

Name	Relationship
Askari Bank Ltd	Running Musharakah
Bank Alfalah Ltd	Running Musharakah
Bank Al Habib Ltd	Bank Balance
Bankislami Pakistan Ltd	Running Musharakah
Dubai Islamic Bank Pakistan Limited	Running Musharakah
Faysal Bank Limited	Diminishing Musharakah / Running Musharakah
MCB Islamic Bank Ltd	Running Musharakah
Meezan Bank Limited	Diminishing Musharakah / Running Musharakah
The Bank of Khyber Limited	Running Musharakah
United Bank Limited	Running Musharakah
EFU General Insurance Window Takaful Operations	Fire & Engineering Insurance

34 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2026		2025	
	Chief Executive	**Executives**	Chief Executive	Executives
	(Rupees in '000)			
Managerial remuneration	**63,960**	**239,167**	55,617	197,613
Bonus	**31,980**	**99,440**	27,809	77,542
Housing allowance	**1,848**	**81,380**	1,848	66,491
Retirement benefits	**10,660**	**34,772**	9,270	26,270
Utilities	**-**	**22,694**	-	18,544
Leave fare assistance	**5,330**	**13,717**	4,635	8,234
	113,778	**491,170**	99,179	394,694
Number	**1**	**77**	1	65

34.1 The Chief Executive and a director are provided with the Company maintained cars. In addition, certain executives are provided with the Company maintained cars, cell phone facility, utilities and some other facilities, which are reimbursed at actual to the extent of their entitlements.

34.2 The aggregate amount charged in the financial statements for meeting fee to 8 Directors (including 7 non – executive Directors) amounted to Rs. 5.4 million (2025: 8 Directors - Rs. 5.7 million). No further remuneration was paid to any director.

35 TRANSACTIONS WITH RELATED PARTIES

35.1 The related parties of the Company comprise of companies with common directorship, retirement funds and key management personnel. The Company enters into transactions with related parties on agreed terms as approved by the Board of Directors. Transactions with related parties other than those disclosed elsewhere in the financial statements, are as follows:

Relationship	**Nature of transactions**	**2026**	2025
		(Rupees in '000)	
Associates / common directorship	Sales	**3,380,177**	2,782,596
	Purchases	**23,569**	13,831
	Purchase of fixed asset	**225,684**	218,765
	Services received	**21,320**	21,768
	IT support charges	**31,581**	30,551
	Dividends received	**29,302**	29,302
	Insurance premium	**58,973**	48,739
	Dividends paid	**54,184**	83,271
Directors and their spouse(s)	Dividends paid	**6,896**	10,384
Retirement benefit fund	Contribution to staff provident and gratuity funds	**71,131**	61,037
	Dividends paid	**249**	373

In addition, certain actual administrative expenses are being shared amongst the group companies.

35.2 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

S.No.	Name of related party	Basis of association	Aggregate % of shareholding
1	Faruque (Pvt.) Limited	Common Directorship	10.25
2	Atlas Insurance Limited	Common Directorship	9.20
3	Atlas Asset Management Limited	Common Directorship	-
4	Cherat Cement Company Limited	Common Directorship	7.35
5	Mirpurkhas Sugar Mills Limited	Common Directorship	4.97
6	Greaves Pakistan (Pvt.) Limited	Common Directorship	5.02
7	Greaves Airconditioning (Pvt.) Limited	Common Directorship	-
8	Greaves FZE	Common Directorship	-
9	Zensoft (Pvt.) Limited	Common Directorship	-
10	Unicol Limited	Common Directorship	-
11	UniEnergy Limited	Common Directorship	-
12	Jubilee General Insurance Company Limited	Common Directorship	-
13	Cherat Packaging Limited – Employees' Provident fund	Retirement benefit fund	0.17
14	Cherat Packaging Limited – Employees' Gratuity Fund	Retirement benefit fund	-
15	National Foods Limited	Common Directorship	-
16	Pakistan Cables Limited	Common Directorship	-
17	Fauji Cement Company Limited	Common Directorship	-
18	Management Association of Pakistan	Common Directorship	-
19	Mr. Akbarali Pesnani	Director	0.27
20	Mr. Amer Faruque	Director	0.49
21	Mrs. Amina Faruque W/O. Mr. Amer Faruque	Spouse of director	0.78
22	Mr. Aslam Faruque	Director	0.89
23	Mr. Shehryar Faruque	Director	0.70
24	Mr. Arif Dino Faruque	Director	1.54
25	Mr. Abid Akber Vazir	Director	0.00
26	Mr. Ali H. Shirazi	Director	0.00
27	Mr. Sher Afzal Khan Mazari	Director	0.00
28	Ms. Maleeha Mimi Bangash	Director	0.00

35.3 None of the key management personnel had any arrangement with the Company other than the employment contract.

35.4 Investment out of provident fund has been made in accordance with the provisions of section 218 of the Act and the rules formulated for this purpose.

36 DATE OF AUTHORIZATION

These financial statements were authorized for issue on August 18, 2026 by the Board of Directors of the Company.

37 NON ADJUSTING EVENTS AFTER REPORTING DATE

Subsequent to year ended 30 June 2026, the Board of Directors in its meeting held on August 18, 2026 has proposed final cash dividend @ Rs. 3.00 per share amounting to Rs. 147.29 million (2025: Rs. 2.00 per share amounting to Rs. 98.19 million) for approval of the members at the Annual General Meeting. This is in addition to the interim cash dividend @ Re. 1.00 per share amounting to Rs. 49.10 million (2025: Re. 1.00 per share amounting to Rs. 49.10 million) approved by the Board of Directors for the year ended June 30, 2026.

38 NUMBER OF EMPLOYEES

	2026		2025	
	Total	**Factory**	Total	Factory
	------------------- (Number) -------------------			
Total number of employees as at 30 June	**343**	**307**	322	288
Average number of employees during the year	**333**	**298**	314	280

38.1 During the year, the Company made an expenditure of Rs. 19.89 million (2025: Rs. 13.55 million) in respect of staff recruitment, selection, hiring, rewarding, utilization, training and development of the human assets.

39 CAPACITY AND PRODUCTION

	Bag manufacturing division		Flexible packaging division	
	2026	2025	**2026**	2025
	(Bags / units in '000)		(KGs in '000)	
Annual installed capacity as of 30 June	**510,000**	510,000	**23,600**	19,800
Actual production for the year	**162,670**	144,044	**12,958**	11,938

39.1 Capacity utilization is in line with the market demand during the year.

39.2 Barrier Film Extrusion Line II in Flexible packaging division commissioned in June 2026 having 3,800 tons capacity per annum.

40 GENERAL

40.1 Corresponding figure have been re-arranged and re-classified for the purpose of better presentation. However, there are no material reclassification to report.

40.2 Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.

Amer Faruque
Chief Executive Officer

Abid Vazir
Director

Syed Waqar Haider Kazmi
Chief Financial Officer

Pattern of Shareholding

As at June 30, 2026

No. of Shareholders	Shareholdings' Slab			Total Shares Held
	From		To	
642	1	to	100	22,286
531	101	to	500	161,466
339	501	to	1000	279,535
576	1001	to	5000	1,425,308
147	5001	to	10000	1,107,937
67	10001	to	15000	821,890
39	15001	to	20000	692,821
34	20001	to	25000	780,386
13	25001	to	30000	359,182
11	30001	to	35000	349,373
10	35001	to	40000	371,044
6	40001	to	45000	253,695
5	45001	to	50000	245,206
4	50001	to	55000	205,842
2	55001	to	60000	115,555
3	60001	to	65000	186,261
2	65001	to	70000	135,216
3	70001	to	75000	217,913
2	75001	to	80000	156,500
1	80001	to	85000	82,635
2	85001	to	90000	177,976
4	90001	to	95000	366,251
3	95001	to	100000	300,000
3	100001	to	105000	309,166
1	130001	to	135000	131,204
1	135001	to	140000	140,000
1	145001	to	150000	149,784
1	150001	to	155000	150,409
1	170001	to	175000	173,530
2	185001	to	190000	374,622
1	200001	to	205000	205,000
2	225001	to	230000	459,741
3	240001	to	245000	728,674
1	310001	to	315000	314,581
1	320001	to	325000	321,205
1	335001	to	340000	337,044
1	340001	to	345000	343,752
1	380001	to	385000	381,801
1	390001	to	395000	394,613
1	415001	to	420000	418,678
1	425001	to	430000	427,016
1	435001	to	440000	438,721
1	500001	to	505000	504,100
1	505001	to	510000	506,520
1	560001	to	565000	563,981
1	635001	to	640000	638,788
1	740001	to	745000	743,295
1	755001	to	760000	757,311
1	865001	to	870000	865,973
1	890001	to	895000	891,620
1	975001	to	980000	978,285
1	995001	to	1000000	1,000,000
1	1140001	to	1145000	1,144,996
1	1365001	to	1370000	1,368,479
1	1440001	to	1445000	1,440,009
1	1910001	to	1915000	1,910,874
1	2435001	to	2440000	2,437,615

No. of Shareholders	Shareholdings'Slab			Total Shares Held
	From		To	
1	2465001	to	2470000	2,465,963
1	2705001	to	2710000	2,706,501
1	3605001	to	3610000	3,606,524
1	4515001	to	4520000	4,518,526
1	5030001	to	5035000	5,032,214
2491				**49,095,393**

Pattern of Shareholding

As of June 30, 2026

Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children			
MR. AKBARALI PESNANI	1	131,204	0.27
MR. AMER FARUQUE	1	240,881	0.49
MRS. AMINA FARUQUE W/O. MR. AMER FARUQUE	1	381,801	0.78
MR. ASLAM FARUQUE	1	438,721	0.89
MR. ARIF DINO FARUQUE	1	757,311	1.54
MR. SHEHRYAR FARUQUE	1	343,752	0.70
MR. ABID AKBER VAZIR	1	127	0.00
MR. ALI H. SHIRAZI	1	1,752	0.00
MR. SHER AFZAL KHAN MAZARI	1	10	0.00
MS. MALEEHA HUMAYUN BANGASH	1	1	0.00
Associated Companies, undertakings and related parties			
FARUQUE (PRIVATE) LIMITED	1	5,032,214	10.25
CHERAT CEMENT COMPANY LIMITED	1	3,606,524	7.35
MIRPURKHAS SUGAR MILLS LIMITED	1	2,437,615	4.97
GREAVES PAKISTAN (PRIVATE) LIMITED	1	2,465,963	5.02
ATLAS INSURANCE LIMITED	1	4,518,526	9.20
NIT & ICP	-	-	-
Banks, Development Financial Institutions, Non Banking Financial Institutions	3	2,374,861	4.84
Insurance Companies	1	1,440,009	2.93
Modarabas and Mutual Funds	2	1,414,375	2.89
General Public			
a. Local	2,367	20,611,772	41.98
b. Foreign	71	736,926	1.50
Foreign Companies	-	-	-
Others	32	2,161,048	4.40
Total	**2,491**	**49,095,393**	**100.00**

Shareholders holding 10% or more	Shares Held	Percentage
FARUQUE (PRIVATE) LIMITED	5,032,214	10.25

CHERAT
PACKAGING
A Ghulam Faruque Group Company

پوسٹل بیلٹ پیپر

بروز جمعرات، 8 اکتوبر 2026، صبح 11:30 بجے ہونے والے سالانہ اجلاس عام میں خصوصی امور کے سلسلے میں ووٹ بذریعہ ڈاک،
کمپنی کے رجسٹرڈ آفس ارسال کریں:
بتانی آرکیڈ، جمرود روڈ، پشاور
ویب سائٹ:www.gfg.com.pk یو اے این:009-000-111-21 92+

فولیو/سی ڈی ایس اکاؤنٹ نمبر	
شیئر ہولڈر کا نام/پراکسی ہولڈر کا نام	
رجسٹرڈ پتہ	
ملکیتی شیئرز کی تعداد	
سی این آئی سی/پاسپورٹ نمبر(غیر ملکی ہونے کی صورت میں)کاپی منسلک کریں	
اضافی معلومات اور منسلک کاغذات (کارپوریٹ باڈی، کارپوریشن اور وفاقی حکومت کے نمائندے کی صورت میں)	
مجاز دستخط کنندہ کا نام	
مجاز دستخط کنندہ کا سی این آئی سی/پاسپورٹ نمبر(غیر ملکی ہونے کی صورت میں)کاپی منسلک کریں	

ایجنڈا آئٹم نمبر 6 کے لیے قرارداد

الف) ''یہ قرارداد منظور کی جاتی ہے کہ 30 جون 2026 کو ختم ہونے والے مالی سال کے دوران فنانشل اسٹیٹمنٹس کے نوٹ 35 میں ظاہر کردہ متعلقہ فریقین اور وابستہ کمپنیوں کے ساتھ کاروبار کے معمول کے کورس میں کیے جانے والے لین دین کی منظوری دی جاتی ہے اور ان کی توثیق کی جاتی ہے۔''

ب) ''مزید یہ قرارداد منظور کی جاتی ہے کہ کمپنی کے بورڈ آف ڈائریکٹرز کو اختیار دیا جاتا ہے کہ وہ 30 جون 2027 کو ختم ہونے والے آئندہ سال کے دوران متعلقہ فریقین اور وابستہ کمپنیوں کے ساتھ کاروبار کے معمول کے کورس میں کیے جانے والے تمام لین دین طے کریں اور ان کی منظوری دیں۔''

ووٹ دینے کے لیے ہدایات

1) براہِ کرم متعلقہ خانے میں (√) کا نشان لگا کر اپنی رائے/ووٹ کا اظہار کریں۔

2) اگر دونوں خانوں پر (√) کا نشان لگا دیا جائے تو آپ کا ووٹ ''مسترد شدہ'' تصور کیا جائے گا۔

میں/ہم بذریعہ بیلٹ مذکورہ بالا قرارداد کے سلسلے میں اپنا/اپنےووٹ استعمال کرتے ہوئے، ذیل میں دیے گئے موزوں خانے میں ٹک (√) کا نشان لگا کر مذکورہ قرارداد سے اپنی/ہماری موافقت یا عدم موافقت کا اظہار کرتا/کرتے ہیں۔

قرارداد	میں/ہم قرارداد سے اتفاق کرتے ہیں (حق میں)	میں/ہم قرارداد سے اتفاق نہیں کرتے (خلاف ہیں)
ایجنڈا آئٹم نمبر 6 کے لیے قرارداد		

1) مکمل طور پر پُر کیا گیا بیلٹ پیپر چیئرمین کے نام، تیسری منزل، ماڈرن موٹرز ہاؤس، بیومونٹ روڈ، کراچی کے پتے پر ارسال کیا جائے یا درج ذیل ای میل پتے پر ارسال کیا جائے: agmcpl@gfg.com.pk

2) پوسٹل بیلٹ فارم کے ساتھ CNIC / پاسپورٹ (غیر ملکی شہری کی صورت میں) کی نقل لازماً منسلک کی جائے۔

3) بیلٹ پیپر بدھ، 7 اکتوبر 2026ء کو یا اس سے قبل دفتری اوقاتِ کار کے دوران چیئرمین کو موصول ہوجانا چاہیے۔ مذکورہ تاریخ کے بعد موصول ہونے والے کسی بھی پوسٹل بیلٹ کو ووٹنگ کے لیے قابلِ قبول تصور نہیں کیا جائے گا۔

4) بیلٹ پیپر پر موجود دستخط ، CNIC / پاسپورٹ (غیر ملکی شہری کی صورت میں) پر موجود دستخط سے مطابقت رکھنے چاہئیں۔

5) نامکمل، بغیر دستخط، غلط، مسخ شدہ، پھٹا ہوا، ناقص حالت میں، یا اوور رائٹنگ شدہ پول پیپر مسترد کر دیا جائے گا۔

6) کسی باڈی کارپوریٹ، کارپوریشن یا وفاقی حکومت کے نمائندے کی صورت میں، بیلٹ پیپر فارم کے ساتھ مجاز شخص کے CNIC کی نقل، بورڈ کی قرارداد کی تصدیق شدہ نقل، مختارنامہ، اجازت نامہ وغیرہ، حسبِ اطلاق، کمپنیز ایکٹ، 2017ء کی دفعہ 138 یا 139 کے تقاضوں کے مطابق منسلک ہونا ضروری ہے۔

7) بیلٹ پیپر فارم، کمپنی کی ویب سائٹ www.gfg.com.pk پر بھی دستیاب ہے۔ اراکین، کمپنی کی ویب سائٹ سے بیلٹ پیپر ڈاؤن لوڈ کرسکتے ہیں۔

تاریخ:______________	______________________ دستخط شیئر ہولڈر/پراکسی ہولڈر/ مجازدستخط کنندہ (کارپوریٹ ادارے کی صورت میں، براہِ کرم کمپنی کی مہر ثبت کریں)

30 جون 2026ء کو ختم ہونے والے سال کی فنانشل اسٹیٹمنٹس کے نوٹ نمبر 35 میں ظاہر کیے گئے لین دین کی فریق وار تفصیل درج ذیل ہے:

متعلقہ فریق کا نام	لین دین کی نوعیت	رقم (000' روپے میں)
اٹلس ایسٹ مینجمنٹ لمیٹڈ	موصول شدہ خدمات	345
اٹلس انشورنس لمیٹڈ	انشورنس پریمیم	8,552
اٹلس انشورنس لمیٹڈ	ادا شدہ منافع منقسمہ	13,556
چیراٹ سیمنٹ کمپنی لمیٹڈ	پیکنگ میٹریل کی فروخت	2,461,211
چیراٹ سیمنٹ کمپنی لمیٹڈ	ادا شدہ منافع منقسمہ	10,820
چیراٹ سیمنٹ کمپنی لمیٹڈ	وصول شدہ منافع منقسمہ	29,302
چیراٹ سیمنٹ کمپنی لمیٹڈ	اشیاء کی خریداری	2,381
ڈائریکٹرز	اجلاس کی فیس	5,400
ڈائریکٹرز، چیف ایگزیکٹو آفیسر اور ان کے شریکِ حیات	ادا شدہ منافع منقسمہ	6,896
ایمپلائز پروویڈنٹ اینڈ گریجویٹی فنڈ	فنڈ میں واجب الادا حصہ	71,131
ایمپلائز پروویڈنٹ اینڈ گریجویٹی فنڈ	ادا شدہ منافع منقسمہ	249
فاروق (پرائیویٹ) لمیٹڈ	موصول شدہ خدمات	20,167
فاروق (پرائیویٹ) لمیٹڈ	ادا شدہ منافع منقسمہ	15,097
فوجی سیمنٹ کمپنی لمیٹڈ	پیکنگ میٹریل کی فروخت	113,124
گریوز ایئرکنڈیشننگ (پرائیویٹ) لمیٹڈ	موصول شدہ خدمات	469
گریوز ایئرکنڈیشننگ (پرائیویٹ) لمیٹڈ	اشیاء کی خریداری	260
گریوز ایئرکنڈیشننگ (پرائیویٹ) لمیٹڈ	مستقل اثاثوں کی خریداری	5,697
گریوز ایف زیڈ ای	مستقل اثاثوں کی خریداری	79,488
گریوز پاکستان (پرائیویٹ) لمیٹڈ	موصول شدہ خدمات	259
گریوز پاکستان (پرائیویٹ) لمیٹڈ	ادا شدہ منافع منقسمہ	7,398
گریوز پاکستان (پرائیویٹ) لمیٹڈ	اشیاء کی خریداری	135
گریوز پاکستان (پرائیویٹ) لمیٹڈ	مستقل اثاثوں کی خریداری	140,499
جوبلی جنرل انشورنس کمپنی لمیٹڈ	انشورنس پریمیم	50,421
کلیدی انتظامی عہدیداران	معاوضہ	604,947
مینجمنٹ ایسوسی ایشن آف پاکستان	موصول شدہ خدمات	80
میرپورخاص شوگر ملز لمیٹڈ	پیکنگ میٹریل کی فروخت	59,849
میرپورخاص شوگر ملز لمیٹڈ	ادا شدہ منافع منقسمہ	7,313
میرپورخاص شوگر ملز لمیٹڈ	اشیاء کی خریداری	7,012
نیشنل فوڈز لمیٹڈ	پیکنگ میٹریل کی فروخت	703,900
پاکستان کیبلز لمیٹڈ	اشیاء کی خریداری	13,781
یونیکول لمیٹڈ	پیکنگ میٹریل کی فروخت	42,093
زین سوفٹ (پرائیویٹ) لمیٹڈ	سافٹ ویئر کنسلٹنسی کے اخراجات	31,581

مندرجہ بالا کاروبار میں ڈائریکٹرز براہِ راست یا بالواسطہ طور پر کسی مفاد کے حامل نہیں ہیں، سوائے اس حد تک کہ ان کی شیئر ہولڈنگ، شیئر ہولڈنگ کے پیٹرن میں درج ہے۔

چیراٹ سیمنٹ کمپنی لمیٹڈ میں سرمایہ کاری کی صورتحال

کمپنی نے 21 اپریل 2026 کو منعقد ہونے والے اپنے غیر معمولی اجلاس عام میں اپنے شیئر ہولڈرز سے اپنی منسلک کمپنی، یعنی چیراٹ سیمنٹ کمپنی لمیٹڈ میں ایکویٹی سرمایہ کاری کی منظوری حاصل کی تھی۔ یہ سرمایہ کاری مارکیٹ سے شیئرز کے حصول کے ذریعے پانچ (5) سال کی مدت کے دوران، زیادہ سے زیادہ 250 ملین روپے تک کی جانی ہے۔ کمپنی نے اب تک منظور شدہ رقم کے مقابلے میں تقریباً 13 ملین روپے کی سرمایہ کاری کی ہے۔

24) اگر بطور ڈائریکٹر انتخاب کے لیے خود کو پیش کرنے والے اراکین کی تعداد منتخب کیے جانے والے ڈائریکٹرز کی تعداد سے زیادہ نہ ہو، تو ایسے اراکین کو بلا مقابلہ، بغیر ووٹنگ کے عمل کے منتخب قرار دیا جائے گا۔

25) مقابلے میں حصہ لینے والے ڈائریکٹرز کی حتمی فہرست کمپنیز ایکٹ، 2017 کی دفعہ 159(4) کے تحت سالانہ اجلاس عام کی تاریخ سے کم از کم سات (7) دن قبل اخبارات میں شائع کی جائے گی۔ مزید برآں، کمپنی کی ویب سائٹ پر بھی مطلوبہ معلومات فراہم کر کے اسے اپ ڈیٹ کیا جائے گا۔

26) ڈائریکٹرز کے انتخاب کی صورت میں، اگر ضرورت پیش آئے، تو پوسٹل بیلٹ/الیکٹرانک ووٹنگ کا شیڈول اور طریقۂ کار، بشمول ڈائریکٹرز کے انتخاب کے لیے پوسٹل بیلٹ، اجلاس سے سات (7) دن قبل اخبارات میں شائع کیا جائے گا اور کمپنی کی ویب سائٹ www.gfg.com.pk پر بھی دستیاب کرایا جائے گا۔

نگرانِ انتخاب (Scrutinizer)

27) کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کے ریگولیشن 11 کے مطابق، کمپنی نے UHY حسن نعیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو، جو انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوالٹی کنٹرول ریویو پروگرام (QCR) کے تحت ریٹنگ کی حامل آڈٹ فرم ہے، کمپنی کے اجلاس عام میں ہونے والے ڈائریکٹرز کے انتخاب کے لیے نگرانِ انتخاب (Scrutinizer) مقرر کیا ہے۔ مزید برآں، مذکورہ فرم ریگولیشنز کے ریگولیشن A11 میں بیان کردہ دیگر ذمہ داریاں بھی انجام دے گی۔

کمپنیز ایکٹ، 2017 کی دفعہ 166 کے تحت بیان -خودمختار ڈائریکٹرز کے حوالے سے

خودمختار ڈائریکٹرز کا انتخاب کمپنیز ایکٹ، 2017 کی دفعہ 166 اور کمپنیز (آزاد ڈائریکٹرز کے تقرر اور انتخاب کے طریقۂ کار) ریگولیشنز، 2018 کے تحت خودمختار ی سے متعلق مقرر کردہ قابلِ اطلاق معیار کے مطابق کیا جائے گا۔مزید برآں، مذکورہ بالا ضوابط اور ان کے تحت جاری کردہ قواعد و ضوابط کے مطابق، خودمختار ڈائریکٹرز کے نام پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (PICG) کے زیرِ انتظام خودمختار ڈائریکٹرز کے ڈیٹا بینک میں درج ہونا ضروری ہے۔تاہم، امیدوار کا انتخاب کمپنیز ایکٹ، 2017 کی دفعہ 159 کے تحت دیگر ڈائریکٹرز کے انتخاب کی طرح ہی کیا جائے گا۔مذکورہ بالا کاروبار میں کسی بھی ڈائریکٹر کا براہِ راست یا بالواسطہ کوئی مفاد نہیں ہے، سوائے اس کے کہ وہ کمپنی کے شیئر ہولڈرز ہیں، اور وہ اہلیت کے مقررہ معیار کو پورا کرنے کی صورت میں ڈائریکٹرز کے انتخاب میں حصہ لے سکتے ہیں۔

کمپنیز ایکٹ، 2017 کے سیکشن 134 کے تحت اسٹیٹمنٹس

متعلقہ فریقین کے ساتھ لین دین

یہ اسٹیٹمنٹ کمپنی کے سالانہ اجلاس عام میں، جو بروز جمعرات، 8 اکتوبر 2026ء کو منعقد ہوگا، پیش کیے جانے والے ''خصوصی امور'' سے متعلق اہم حقائق پر مشتمل ہے۔ کمپنی کے اراکین سے درج ذیل امور کی منظوری حاصل کی جائے گی:

30 جون 2026ء کو ختم ہونے والے مالی سال کے دوران، کمپنی نے اپنی پالیسیز اور قابلِ اطلاق قوانین و ضوابط کے مطابق اپنی منسلک کمپنیز اور متعلقہ پارٹیز کے ساتھ لین دین کیے۔ کمپنیز ایکٹ، 2017 کی دفعات 207 اور 208 کے تحت متعلقہ پارٹیز کے ساتھ کیے جانے والے لین دین کے لیے شیئرہولڈرز کی منظوری درکار ہوتی ہے۔ چنانچہ مذکورہ لین دین شیئرہولڈرز کی منظوری کے لیے خصوصی قرارداد کے ذریعے سالانہ اجلاس عام میں پیش کیے جا رہے ہیں۔

شیئرہولڈرز سے درخواست ہے کہ وہ 30 جون 2026ء کو ختم ہونے والے سال کی فنانشل اسٹیٹمنٹس کے نوٹ نمبر 35 میں ظاہر کیے گئے لین دین کی توثیق کریں، اور مزید یہ کہ بورڈ آف ڈائریکٹرز کو 30 جون 2027ء کو ختم ہونے والے مالی سال کے دوران متعلقہ فریقین یا منسلک کمپنیز کے ساتھ لین دین کرنے کا اختیار دیا جائے۔

16) شیئر ہولڈرز کے پاس سالانہ آڈٹ شدہ مالیاتی بیانات اور جنرل میٹنگ کا نوٹس ای میل کے ذریعے حاصل کرنے کا اختیار ہے۔ قابل اطلاق قوانین کے مطابق، سالانہ اجلاس عام کا نوٹس کمپنی کو فراہم کردہ اراکین کے رجسٹرڈ ای میل پتے پر ارسال کیا جائے گا۔ کمپنی کے شیئر ہولڈرز سے گزارش ہے کہ اگر وہ سالانہ آڈٹ شدہ مالیاتی بیانات اور اجلاس عام کا نوٹس ای میل کے ذریعے حاصل کرنا چاہتے ہیں تو ریکارڈ کو اپ ڈیٹ کرنے کے لیے ہمارے شیئر رجسٹرار کو اپنی رضامندی دیں۔ تاہم، اگر شیئر ہولڈرز اس کے علاوہ آڈٹ شدہ فنانشل اسٹیٹمنٹس کی ہارڈ کاپی طلب کرتے ہیں، تو ایسی تحریری درخواست موصول ہونے کے سات (7) دنوں کے اندر یہ کاپی بلا معاوضہ فراہم کی جائے گی۔

17) تمام شیئر ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ فیڈرل بورڈ آف ریونیو (FBR) کی ویب سائٹ پر دستیاب ایکٹیو ٹیکس پیئرز لسٹ (ATL) میں اپنا نام چیک کریں اور اگر ضرورت ہو تو اپنا نام ATL میں شامل کروانے کے لیے ضروری اقدامات کریں۔ اگر کسی شخص کا نام ATL میں موجود نہیں ہوگا تو قابل اطلاق ٹیکس کی شرح میں سو فیصد اضافہ کر دیا جائے گا۔

18) مشترکہ اکاؤنٹ کی صورت میں، براہ کرم ATL پر ان کی انفرادی حیثیت کے ساتھ ساتھ ہر اکاؤنٹ ہولڈر کے شیئر کی شرح کا تناسب بھی واضح کریں۔

19) کارپوریٹ شیئر ہولڈرز جن کے سی ڈی سی (CDC) اکاؤنٹس ہیں، انہیں اپنے متعلقہ شرکت کنندہ کے پاس اپنا قومی ٹیکس نمبر (NTN) اپ ڈیٹ کرانا ہوگا، جبکہ فزیکل کارپوریٹ شیئر ہولڈرز کو اپنے این ٹی این (NTN) سرٹیفکیٹ کی نقل سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو ارسال کرنی ہوگی۔ شیئر ہولڈرز ،جب این ٹی این یا این ٹی این سرٹیفکیٹ ارسال کریں (جیسا بھی معاملہ ہو)، تو ان کے لیے کمپنی کا نام اور اپنا متعلقہ فولیو نمبر درج کرنا لازمی ہے۔

20) منافع منقسمہ کی آمدنی پر ودہولڈنگ ٹیکس سے استثناء صرف اسی صورت میں دیا جائے گا جب بک کلوزر کے پہلے دن تک درست ٹیکس استثنائی سرٹیفکیٹ کی نقل سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو فراہم کر دی جائے۔

21) زکوٰۃ کی لازمی کٹوتی سے استثناء کا دعویٰ کرنے کے لیے، شیئر ہولڈرز سے درخواست ہے کہ وہ مستقبل کے تمام ڈیویڈنڈز پر زکوٰۃ کی کٹوتی سے بچنے کے لیے، زکوٰۃ ڈیکلریشن (فارم CZ-50) یا اس کی مصدقہ فوٹو کاپی جلد از جلد سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو جمع کروائیں ۔

22) کوئی بھی رکن جو ڈائریکٹرز کے منصب کے لیے انتخاب لڑنے کا ارادہ رکھتا ہے، وہ سالانہ عام میٹنگ (AGM) کی تاریخ سے کم از کم چودہ (14) دن پہلے درج ذیل دستاویزات کمپنی کے ہیڈ آفس میں جمع کروائے گا:

a) کمپنیز ایکٹ، 2017 کے سیکشن 159(3) کے تحت بطور آزاد ڈائریکٹر، خاتون ڈائریکٹر اور دیگر ڈائریکٹرز کے انتخاب میں حصہ لینے کے اپنے ارادے کا نوٹس

b) فارم 9 کے دستخط شدہ ضمیمہ پر بطور ڈائریکٹر کام کرنے کی رضامندی، جو امیدوار کی جانب سے مکمل اور دستخط شدہ ہو، اس کے ساتھ Valid CNIC کی نقل بھی منسلک ہو۔

c) سالانہ اجلاس عام کی تاریخ سے سات (7) دن پہلے کمپنی کی ویب سائٹ پر آویزاں کرنے کے لیے تفصیلی پروفائل (بشمول دیگر ڈائریکٹر شپس، اگر کوئی ہوں) اور دفتری پتہ؛

d) لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) کے ضوابط، 2019 کی ضروریات اور کمپنیزایکٹ، 2017 میں طے شدہ اہلیت کے معیار کی تعمیل کے حوالے سے اعلان/حلف نامہ؛

e) لسٹڈ کمپنیز (کارپوریٹ گورننس کے ضابطۂ کار) ریگولیشنز، 2019، اور کمپنیز (آزاد ڈائریکٹرز کے انتخاب اور تقرری کا طریقہ کار) ریگولیشنز، 2018، کے تحت ایک آزاد ڈائریکٹر کی جانب سے غیر عدالتی اسٹامپ پیپر پر دیا گیا اقرار نامہ/حلف نامہ، جس میں اس بات کی تصدیق کی گئی ہو کہ وہ کمپنیز ایکٹ، 2017 کی دفعہ 166 کے تحت مقرر کردہ تمام تقاضوں پر پورا اترتا/اترتی ہے؛ اور

f) امیدواروں کے لیے ضروری ہے کہ وہ کمپنیز ایکٹ، 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) کے ضوابط، 2019 میں مذکور ڈائریکٹرز کی تقرری/انتخاب سے متعلقہ دفعات/ضروریات کا مطالعہ کریں اور روح اور حرف بہ حرف ان کی تعمیل کو یقینی بنائیں۔

23) کمپنی کے بورڈ آف ڈائریکٹرز کی موجودہ مدتِ عہدہ 24 اکتوبر 2026 کو ختم ہو جائے گی۔ SECP سرکلر نمبر 01 آف 2026 مورخہ 08 جنوری 2026 کے مطابق، کمپنیوں کو یہ اجازت ہے کہ وہ ڈائریکٹرز کے انتخاب کے لیے انتخابات اس سالانہ اجلاس عام میں منعقد کر سکتی ہیں جس میں ڈائریکٹرز کا انتخاب واجب الادا ہو، بشرطیکہ یہ انتخاب AGM کے بعد تیس (30) دن کے اندر ہونا ہو۔ مزید برآں، SECP سرکلر نمبر 7 آف 2025 مورخہ 13 مارچ 2025 کے پیراگراف 4 کے مطابق، نئے منتخب ہونے والے ڈائریکٹرز کی تقرری کی مؤثر تاریخ ان کی اصل مقررہ تاریخ، یعنی 24 اکتوبر 2026 ہی رہے گی۔

11) شیئر ہولڈرز کو یاد دہانی کرائی جاتی ہے کہ کمپنیز ایکٹ 2017 کا سیکشن 242 یہ فراہم کرتا ہے کہ لسٹڈ کمپنی کی صورت میں، کمپنی کی طرف سے اعلان کردہ کوئی بھی نقد منافع منقسمہ،الیکٹرانک طریقے سے براہ راست شیئر ہولڈرز کے بینک اکاؤنٹس میں ادا کیا جانا چاہیے۔ براہ راست اپنے بینک اکاؤنٹ میں منافع حاصل کرنے کے لیے، شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ یعنی www.gfg.com.pk پر دستیاب ای-ڈیویڈنڈ مینڈیٹ فارم کو پر کریں اور فزیکل شیئرز کی صورت میں CNIC کی کاپی کے ساتھ مکمل دستخط شدہ فارم کمپنی کے رجسٹرار، CDC شیئر رجسٹرار سروسز لمیٹڈ کو بھیجیں۔ اگر شیئرز CDC میں رکھے گئے ہیں، تو ای-ڈیویڈنڈ مینڈیٹ فارم براہ راست شیئر ہولڈر کے بروکر/شرکت کنندہ/CDC انویسٹر اکاؤنٹ سروسز کو جمع کرایا جانا چاہیے۔ IBAN جمع نہ کرانے کی صورت میں کمپنی، 'کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈز) ریگولیشنز، 2017' کے تحت منافع کی ادائیگی روک لے گی۔ مزید برآں، کل منافع، ٹیکس/زکوۃ کی کٹوتی اور منافع کی خالص رقم سے متعلق معلومات سینٹرلائزڈ کیش ڈیویڈنڈ رجسٹر (CCDR) کے ذریعے فراہم کی جائیں گی۔ لہٰذا، شیئر ہولڈرز کو چاہیے کہ وہ CDC کے ای-سروسز پورٹل https://eservices.cdcaccess.com.pk پر خود کو رجسٹر کریں۔

12) کمپنیز ایکٹ، 2017 کے سیکشن 244 کی تعمیل میں، ایک بار جب کمپنی مقررہ ضابطے پورے کر لیتی ہے، تو کوئی بھی غیر دعویٰ شدہ منافع منقسمہ (ڈیویڈنڈ) اور/یا شیئرز جو قابل ادائیگی ہونے کی تاریخ سے یا اس کے بعد تین سال کی مدت تک بقایا رہیں، انہیں وفاقی حکومت (منافع کی صورت میں) کے نام جمع کر دیا جائے گا یا ایس ای سی پی (فزیکل شیئرز کی صورت میں) کے حوالے کر دیا جائے گا۔ وہ شیئر ہولڈرز جو کسی بھی وجہ سے اپنا بقایا غیر دعویٰ شدہ منافع/شیئرز وصول نہیں کر سکے، انہیں مشورہ دیا جاتا ہے کہ وہ اپنے غیر دعویٰ شدہ منافع یا شیئرز (اگر کوئی ہوں) کے بارے میں معلومات حاصل کرنے یا انہیں وصول کرنے کے لیے کمپنی کے شیئر رجسٹرار سے رابطہ کریں۔

13) تمام اراکین کو اس نوٹس کے ذریعے مطلع کیا جاتا ہے کہ کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کے تحت ایس ای سی پی نے تمام لسٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ خصوصی کاروبار کے زمرے میں آنے والے تمام امور پر اراکین کو الیکٹرانک ووٹنگ کی سہولت اور پوسٹ کے ذریعے ووٹنگ کا حق فراہم کریں، اور ڈائریکٹرز کے انتخاب کی صورت میں، اگر خود کو امیدوار کے طور پر پیش کرنے والے افراد کی تعداد کمپنیز ایکٹ، 2017 کے سیکشن 159 کے تحت مقرر کردہ ڈائریکٹرز کی تعداد سے زیادہ ہو۔

نتیجتاً، کمپنی کے اراکین کو کمپنیز ایکٹ، 2017 کے سیکشن 143 اور 144 کی شرائط کے تابع، جمعرات، 8 اکتوبر 2026 کو صبح 11:30 بجے منعقد ہونے والے سالانہ اجلاس عام میں خصوصی کاروبار اور ڈائریکٹرز کے انتخاب (اگر ضرورت ہو) کے لیے الیکٹرانک ووٹنگ کی سہولت یا پوسٹ کے ذریعے ووٹنگ کا حق استعمال کرنے کی اجازت ہوگی، جو مذکورہ بالا ضوابط میں موجود شرائط و ضوابط کے مطابق ہوگی۔

ای-ووٹنگ کا طریقہ کار:

14) کمپنی کے ان شیئر ہولڈرز کو، جن کے درست شناختی کارڈ نمبرز، موبائل نمبرز اور ای میل ایڈریسز، 30 ستمبر 2026 کو کاروبار کے اختتام تک کمپنی کے رجسٹر آف ممبران میں دستیاب ہوں گے، ای ووٹنگ کی سہولت کی تفصیلات ای میل کے ذریعے شیئر کی جائیں گی۔

ویب ایڈریس اور لاگ ان کی تفصیلات ممبران کو ای میل کے ذریعے بتائی جائیں گی۔ سیکیورٹی کوڈز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ (بطور ای ووٹنگ سروس فراہم کنندہ) کے ویب پورٹل سے ایس ایم ایس کے ذریعے ممبران کو ارسال کیے جائیں گے۔

ای ووٹنگ کے ذریعے ووٹ دینے کے خواہشمند شیئر ہولڈرز کی شناخت، الیکٹرانک دستخط یا لاگ ان کے لیے تصدیق کے ذریعے کی جائے گی۔

ای ووٹنگ لائنز 4 اکتوبر 2026 سے شروع ہوں گی اور 7 اکتوبر 2026 کو شام 5:00 بجے بند ہوں گی۔ شیئر ہولڈرز اس مدت کے دوران کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں۔ ایک بار کسی قرارداد پر ووٹ ڈالنے کے بعد، متعلقہ شخص کو بعد میں اسے تبدیل کرنے کی اجازت نہیں ہوگی۔

پوسٹل بیلٹ کے ذریعے ووٹنگ کا طریقہ کار:

شیئر ہولڈرز کو یہ یقینی بنانا ہوگا کہ مکمل طور پر پر کیا گیا اور دستخط شدہ بیلٹ پیپر، کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی نقل کے ساتھ، سالانہ اجلاس عام سے ایک دن پہلے یعنی 7 اکتوبر 2026 کو کاروباری اوقات کے دوران، ڈاک کے ذریعے کمپنی کے پتے: تیسری منزل، ماڈرن موٹرز ہاؤس، بیومونٹ روڈ، کراچی پر چیئرمین کو موصول ہو جائے یا ای میل ایڈریس agmcpl@gfg.com.pk پر بھیج دیا جائے۔ بیلٹ پیپر پر موجود دستخط، شناختی کارڈ پر موجود دستخط سے مطابقت رکھنے چاہئیں۔

شیئر ہولڈرز کی سہولت کے لیے، بیلٹ پیپر اس نوٹس کے ساتھ منسلک ہے اور ڈاؤن لوڈ کرنے کے لیے کمپنی کی ویب سائٹ www.gfg.com.pk پر بھی دستیاب ہے۔

15) سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ ہدایت کے تحت، میٹنگ میں کوئی تحائف تقسیم نہیں کیے جائیں گے۔

نوٹس:

1) پنی کے ممبران کا رجسٹر جمعرات، 1 اکتوبر 2026 سے جمعرات، 8 اکتوبر 2026 (بشمول دونوں ایام) تک بند رہیں گے اور اس دوران شیئرز کی منتقلیاں رجسٹرڈ نہیں ہوں گی۔وہ تمام ترسیلات جو بدھ 30 ستمبر 2026 کو کاروباری وقت کے اختتام تک کمپنی کے شیئر رجسٹرار، سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کے دفتر، واقع سی ڈی سی ہاؤس، 99-بی، بلاک بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی۔74400 میں موصول ہوں گی، انہیں اجلاس میں شرکت کا اہل سمجھا جائے گا۔

2) سالانہ اجلاس عام میں شرکت، بولنے اور ووٹ دینے کا اہل ممبر اپنی جگہ کسی دوسرے ممبر کو پراکسی مقرر کر سکتا ہے۔ پراکسی کے موثر ہونے کے لیے تحریری شکل میں ہونا اور اجلاس سے 48 گھنٹے قبل کمپنی کے ہیڈ آفس واقع ماڈرن موٹرز ہاؤس، بی مونٹ روڈ، کراچی میں موصول ہونا ضروری ہے۔ پراکسی فارم کمپنی کی ویب سائٹ سے بھی ڈاؤن لوڈ کیے جاسکتے ہیں: www.gfg.com.pk

3) سالانہ عام اجلاس (AGM) کی کارروائی زوم (ZOOM) ایپلی کیشن کے ذریعے بھی منعقد کی جائے گی (ویڈیو لنک کانفرنسنگ کی سہولت)۔ اجلاس میں شرکت کے خواہش مند شیئر ہولڈرز سے گزارش ہے کہ وہ مطلوبہ معلومات ای میل کے عنوان "Registration for Cherat Packaging Limited AGM" کے ساتھ اور کمپیوٹرائزڈ قومی شناختی کارڈ (Valid CNIC) کے دونوں اطراف کاپی منسلک کر کے cdcsr@cdcsrsl.com پر ای میل کریں۔ شیئر ہولڈرز کو ہدایت کی جاتی ہے کہ وہ اپنی مکمل تفصیلات درج ذیل طریقے سے تحریر کریں:

شیئر ہولڈر/پراکسی کا پورا نام	کمپنی	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	فولیو/سی ڈی سی اکاؤنٹ نمبر	ای میل آئی ڈی	موبائل فون نمبر
	چیراٹ پیکیجنگ لمیٹڈ				

4) ویڈیو لنک کی تفصیلات اور لاگ ان کی معلومات، ممبران کو ان کے فراہم کردہ ای میل ایڈریسز پر بھیج دی جائیں گی تاکہ وہ مقررہ تاریخ اور وقت پر اجلاس میں شرکت کر سکیں۔

5) ممبران شیئر ہولڈرز کی شناخت اور تصدیق کے لیے ضروری تمام تر کارروائیاں مکمل کرنے کے بعد اپنے آلات (ڈیوائسز) کے ذریعے سالانہ اجلاس عام کی کارروائی میں لاگ ان اور شرکت کر سکیں گے۔ ویڈیو لنک اور لاگ ان کی تفصیلات (کریڈنشلز) صرف انہی ممبران کے ساتھ شیئر کی جائیں گی جن کی ای میلز، تمام مطلوبہ تفصیلات کے ساتھ، سالانہ اجلاس عام کے وقت سے کم از کم 48 گھنٹے پہلے موصول ہوں گی۔

6) کمپنی کے وہ ممبران جن کے شیئرز سینٹرل ڈیپازٹری سسٹم (CDS) میں ان کے اکاؤنٹ/سب اکاؤنٹ میں رجسٹرڈ ہیں، ان سے درخواست کی جاتی ہے کہ وہ تصدیق کے لیے CDS میں اپنے اکاؤنٹ نمبر اور شرکت کنندہ کے ID نمبر کے ساتھ اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) ساتھ لائیں۔

7) فزیکل شیئرز رکھنے والے ممبران سے درخواست کی جاتی ہے کہ وہ اپنے پتوں میں کسی بھی قسم کی تبدیلی کے بارے میں کمپنی کے شیئر رجسٹرار کو مطلع کریں۔ جبکہ، CDC اکاؤنٹس کے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے پتوں میں کسی بھی تبدیلی کے بارے میں اپنے متعلقہ CDC پارٹیسپینٹ / بروکر / CDC انویسٹر اکاؤنٹ سروسز کو فوری مطلع کریں۔

8) کمپنیز ایکٹ 2017 کے سیکشن 119 اور کمپنیوں کے ضوابط 2024 کے ریگولیشن 47 کے مطابق، تمام فزیکل شیئر ہولڈرز کو ہدایت کی جاتی ہے اپنی لازمی معلومات جیسے کہ CNIC نمبر، پتہ، ای میل پتہ، رابطہ کے لیے موبائل/ٹیلی فون نمبر، پیشہ وغیرہ فوری طور پر CDC شیئر رجسٹرار سروسز لمیٹڈ کو فراہم کریں۔ تاکہ قانوں کی عدم تعمیل یا مستقبل میں کسی قسم کی زحمت سے بچا جاسکے۔

9) فزیکل شیئرز رکھنے والے وہ ممبران جنہوں نے ابھی تک اپنے معتبر کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی فوٹو کاپی جمع نہیں کروائی ہے، ان سے درخواست کی جاتی ہے کہ وہ اسے کمپنی کے شیئر رجسٹرار کو ارسال کریں۔

10) کمپنیزایکٹ 2017 کے سیکشن 72 کے مطابق، ہر لسٹڈ کمپنی کے لیے لازم ہوگا کہ وہ اپنے فزیکل شیئرز کو SECP کی طرف سے بتائے گئے طریقے اور تاریخ سے بک انٹری (ڈیجیٹل) فارم میں تبدیل کرے۔ لہٰذا، فزیکل شیئر ہولڈنگ رکھنے والے شیئر ہولڈرز کے لیے ضروری ہے کہ وہ CDC کے انویسٹر اکاؤنٹ سروسز کے پاس اپنا اکاؤنٹ یا کسی بھی بروکر کے پاس سب اکاؤنٹ کھولیں اور اپنے فزیکل شیئرز کو بک انٹری فارم میں تبدیل کریں۔ اس سے شیئر ہولڈر کو کئی طریقوں سے سہولت ملے گی، بشمول محفوظ کسٹڈی اور جب چاہے شیئرز کی فروخت، کیونکہ پاکستان اسٹاک ایکسچینج لمیٹڈ کے موجودہ ضوابط کے مطابق فزیکل شیئرز کی خرید و فروخت کی اجازت نہیں ہے۔

اطلاع برائے سالانہ اجلاس عام

بذریعہ ہذا نوٹس دیا جاتا ہے کہ چیراٹ پیکجنگ لمیٹڈ کا 37 واں سالانہ اجلاس عام بروز جمعرات، 8 اکتوبر 2026 کو صبح 11:30 بجے کمپنی کے رجسٹرڈ دفتر ،واقع بٹانی آرکیڈ، جمرود روڈ، پشاور میں منعقد ہوگا۔ نیز مندرجہ ذیل امور کی انجام دہی کے لیے ویڈیو لنک کانفرنسنگ کی سہولت کے ذریعے بھی شرکت کی جا سکے گی:

عمومی امور

1) 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ کھاتے، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے ساتھ وصول کرنا، ان پر غور کرنا اور انہیں منظور کرنا۔

2) 30فیصد (3.00 روپے فی شیئر) کے حتمی نقد منافع منقسمہ (Dividend) کی ادائیگی پر غور اور منظوری دینا۔ یہ اس عبوری نقد منافع منقسمہ، 10فیصد (1.00 روپیہ فی شیئر) کے علاوہ ہے جو 30 جون 2026 کو ختم شدہ سال کے لیے بورڈ آف ڈائریکٹرز کی سفارش پر شیئر ہولڈرز کو پہلے ہی ادا کیا جا چکا ہے۔

3) سال 27-2026 کے لیے آڈیٹرز گرانٹ تھورنٹن انجم رحمان - چارٹرڈ اکاؤنٹنٹس کی تقرری اور ان کا معاوضہ طے کرنا۔

4) 24 اکتوبر 2026 سے شروع ہونے والی تین (3) سالہ مدت کے لیے کمپنیز ایکٹ 2017 کے سیکشن 159(1) کے تحت بورڈ آف ڈائریکٹرز کی طرف سے مقرر کردہ نو (9) ڈائریکٹرز کا انتخاب کرنا۔ سبکدوش ہونے والے ڈائریکٹرز کے نام درج ذیل ہیں:
(1) جناب اکبر علی پسنانی (2) جناب عامر فاروق (3) جناب اسلم فاروق (4) جناب شہریار فاروق (5) جناب عارف فاروق (6) جناب علی اتچ شیرازی (7) جناب عابد وزیر (8) جناب شیر افضل خان مزاری اور (9) محترمہ ملیحہ ہمایوں بنگش۔

5) صدر مجلس کی اجازت سے کسی دیگر امر پر غور کرنا۔

خصوصی امور :

6) مندرجہ ذیل قرار دادپر بطور خصوصی قرار داد، غور وخوض اور منظور ی:

.α «قرار پایا کہ 30 جون 2026 کو ختم ہونے والے سال کے دوران مالیاتی گوشواروں کے نوٹ 35 میں افشا ءکردہ متعلقہ فریقوں اور منسلک کمپنیوں کے ساتھ کاروبار کے معمول کے مطابق کی جانے والی تمام لین دین کی توثیق اور منظوری دی جاتی ہے۔»

.β «مزید قرار پایا کہ کمپنی کے بورڈ آف ڈائریکٹرز کو مجاز بنایا جاتا ہے کہ وہ 30 جون 2027 کو ختم ہونے والے آنے والے سال کے دوران متعلقہ فریقوں اور منسلک کمپنیوں کے ساتھ کاروبار کے معمول کے مطابق کیے جانے والے تمام لین دین کی منظوری دیں اور معاہدے کریں۔»

مذکورہ بالا خصوصی امور اور ڈائریکٹرز کے انتخاب سے متعلق کمپنیز ایکٹ 2017 کے سیکشن 134 اور 166 کے تحت بیان نوٹس کے ساتھ منسلک ہے۔

بحکم بورڈ آف ڈائریکٹرز

عاصم اتچ آخوند
کمپنی سیکرٹری

کراچی: 18 اگست 2026

کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشوارے، دیگر رپورٹس اور دستاویزات کمپنی کی ویب سائٹ پر اپ لوڈ کر دیے گئے ہیں جنہیں درج ذیل لنک/کیو آر کوڈ سے ڈاؤن لوڈ کیا جا سکتا ہے:

ویب لنک	کیو آر کوڈ
https://gfg.com.pk/cpl/financial-information/	

کمپنی نے جدید اور ماحول دوست ٹیکنالوجیز میں خاطر خواہ وسائل کی سرمایہ کاری کی ہے، جس سے پیداوار اور کھپت کے ذمہ دارانہ اصولوں کا اظہار ہوتا ہے۔ وضع کردہ فریم ورک کے مطابق خصوصی توجہ کے متقاضی شعبہ جات کی نشاندہی کرتے ہوئے ،موجودہ اور ممکنہ خطرات کا تفصیلی جائزہ لیا جاتا ہے ۔

تنوع، مساوات اور شمولیت (ڈی ای اینڈ آئی)

متنوع افرادی قوت اور مختلف طبقات پر مشتمل کمیونٹیز کے ساتھ، کمپنی تنوع، مساوات اور شمولیت (DE&I) کے اصولوں کو فروغ دیتی ہے۔ DE&I کا فروغ کمپنی کی مرکزی ترجیحات میں شامل ہے اور اس کے پائیدار اور اخلاقی کاروباری طریقۂ کار کا ایک اہم حصہ ہے۔ بھرتی کے عمل میں مختلف جاب بورڈز اور متنوع انٹرویو پینلز کے استعمال کی جامع حکمت عملی اختیار کرتے ہوئے ، کمپنی تمام سطحوں پر صنفی اور نسلی تنوع اور شمولیت کو مزید فروغ دینے کے لیے فعال طور پر اقدامات کر رہی ہے۔

قرضوں کی ادائیگی

کمپنی نے ہمیشہ اپنی مالیاتی ذمہ داریاں پوری کی ہیں اور اپنے تمام واجبات بروقت ادا کیے ہیں۔ اس سال کے دوران کمپنی نے بینکوں کو 448 ملین روپے کے قرضے واپس ادا کیے۔

کیپیٹل اسٹرکچر

کمپنی کا موجودہ قرض اور ایکویٹی کا تناسب تقریباً 29:71 ہے۔ کمپنی کی جانب سے مسلسل منافع حاصل کیے جانے کے باعث گیئرنگ ریشو میں بہتری آ رہی ہے۔ مکمل پیداواری صلاحیت کے استعمال کے بعد اس تناسب میں مزید بہتری متوقع ہے۔

مستقبل کا منظر نامہ

کمپنی پاکستان کے مستقبل کے میکرو اکنامک منظرنامے کے حوالے سے پُرامید ہے، جسے اقتصادی سرگرمیوں کی بتدریج بحالی، مہنگائی میں کمی، شرحِ سود میں کمی اور خوراک، مشروبات، دواسازی، ایف ایم سی جی اور برآمدات جیسے اہم شعبہ جات میں طلب میں آنے والی بہتری کی معاونت حاصل ہے۔ امریکہ-ایران تنازع کے باعث جاری جغرافیائی و سیاسی غیر یقینی صورتحال کے سبب توقع ہے کہ پیکیجنگ انڈسٹری ایک چیلنجنگ کاروباری ماحول میں کام جاری رکھے گی ، جو کہ تیل کی قیمتوں، مال برداری کے اخراجات، شپنگ کے شیڈولز اور درآمد شدہ خام مال، بشمول پولی پروپلین، پولی ایتھیلین، انکس، ایڈہیسیوز اور پیکیجنگ میں استعمال ہونے والے دیگر خام مال کی دستیابی کے لئے مسلسل ایک خطرہ ہے ۔ کمپنی آپریشنل کارکردگی کو بہتر بنانے کے لیے بروقت اور اسٹریٹجک فیصلے کرتے ہوئے ان چیلنجز سے نمٹنے کے لیے پُرعزم ہے۔

مذکورہ صورتحال کے تناظر میں، کمپنی اپنی خریداری کے ذرائع کو متنوع رکھنے، محتاط انوینٹری مینجمنٹ، صارفین کے ساتھ مضبوط تعلقات اور آپریشنل کارکردگی پر اپنی توجہ مرکوز رکھنے کے سلسلے کو برقرار رکھے گی۔ ویلیو ایڈڈ مصنوعات، پائیدار پیکیجنگ سلوشنز اور پیداواری صلاحیت میں بہتری کے لیے مسلسل سرمایہ کاری کمپنی کی مارکیٹ میں قائدانہ حیثیت برقرار رکھنے کے لیے بدستور اہم رہے گی۔ بڑھتے ہوئے مسابقتی ماحول میں، کمپنی کو یقین ہے کہ وہ اپنی مارکیٹ شیئر کو برقرار رکھنے، زیادہ معاشی پیمانے کی بچت (Economies of Scale) کے حصول اور مسلسل ترقی کے لیے ابھرنے والے مواقع سے بھرپور فائدہ اٹھانے میں کامیاب رہے گی۔ معاشی مشکلات کا مقابلہ کرنے اور ان سے مؤثر انداز میں نمٹنے میں کمپنی کی ثابت شدہ استقامت ایک مضبوط طویل مدتی کاروباری وژن کی عکاسی کرتی ہے، جو اسٹیک ہولڈرز کے لیے زیادہ سے زیادہ قدر پیدا کرتا ہے۔ اپنے مالیاتی استحکام اور آپریشنل کارکردگی سے فائدہ اٹھاتے ہوئے، کمپنی بیرونی خطرات کے اثرات کو کم کرنے کا سلسلہ جاری رکھے گی، جبکہ انتظامیہ اقتصادی حالات کی مسلسل نگرانی کرتے ہوئے اسٹیک ہولڈرز کے مفادات کے تحفظ کے لیے فعال اقدامات اٹھاتی رہے گی۔

ہم اپنے آڈیٹرز میسرز گرانٹ تھارنٹن انجم رحمٰن ، چارٹرڈ اکاؤنٹنٹس کے تہہ دل سے شکر گزار ہیں، جو سبکدوش ہو چکے ہیں اور جنہوں نے دوبارہ تقرری کے لیے خود کو پیش کیا ہے۔ آڈیٹرز کے مشاہرے کی تفصیلات 30 جون 2026 کو اختتام پذیر ہونے والے سال کے مالیاتی گوشواروں کے نوٹ 25.1 میں فراہم کی گئی ہیں۔

انتظامیہ کمپنی کے تمام صارفین، مالیاتی اداروں، ملازمین، سپلائرز اور شیئر ہولڈرز کی تہہ دل سے شکر گزار ہے، جو کمپنی کے ساتھ وابستہ رہے ہیں اور جنہوں نے مسلسل تعاون اور معاونت سے کمپنی کا ساتھ دیاہے۔

بورڈ آف ڈائریکٹرز کے ایما پر

اکبر علی پسنانی	عامر فاروق
چیئرمین	چیف ایگزیکٹو

کراچی: 18اگست ، 2026

کیا ہے۔ آزاد اندرونی آڈٹ کا شعبہ ان مالیاتی کنٹرولز کے نفاذ کا باقاعدگی سے جائزہ لیتا اور نگرانی کرتا ہے، جبکہ آڈٹ کمیٹی سہ ماہی بنیادوں پر اندرونی کنٹرولز کے اسٹرکچر اور فائنانشل اسٹیٹمنٹس کا جائزہ لیتی ہے۔

اخلاقیات اور کمپلائنس کے لئے عزم

کمپنی کا بورڈ آف ڈائریکٹرز اخلاقیات اور کمپلائنس کے اعلیٰ ترین معیارات کو برقرار رکھنے کے لیے ہمہ وقت کوشاں ہے۔ بورڈ دیانت داری اور احتساب کے کلچر کو فروغ دیتا ہے، کمپنی کے ضابطۂ اخلاق کی پاسداری کو یقینی بناتا ہے، اخلاقی بنیادوں پر فیصلہ سازی حوصلہ افزائی کرتا ہے، مؤثر اور مضبوط کمپلائنس پروگرامز کو یقینی بناتا ہے اور کسی بھی خلاف ورزی کی صورت میں مناسب انداز سے اور فوری کارروائی کرتا ہے۔

خدشات اور مواقع

رسک مینجمنٹ

بورڈ آف ڈائریکٹرز نے اُن سماجی و معاشی ماحول اور اس کے نتیجے میں پیدا ہونے والے اندرونی و بیرونی خطرات پر گہری نظر رکھی، جو کمپنی کے محفوظ اور بلا رکاوٹ آپریشنز اور کارکردگی کو متاثر کرنے کا باعث بن سکتے تھے۔ اسٹیک ہولڈرز کے مفادات کے امین کی حیثیت سے، ڈائریکٹرز سال بھر خطرات کی بروقت نشاندہی اور خدشات کے تدارک کے لیے انتہائی مستعد رہے ۔ بورڈ آف ڈائریکٹرز نے ممکنہ خطرات کی نشاندہی کی، کمپنی پر ان کے ممکنہ اثرات کا جائزہ لیا اور کاروبار کو درپیش خطرات کے تدارک کے لیے مناسب حکمتِ عملی مرتب کی۔

خطرات کا جائزہ

کاروباری ادارے اکثر غیر یقینی صورتحال کا سامنا کرتے ہیں ، جو ان کے کاروباری مقاصد کے لیے خطرات کا باعث بن سکتی ہیں اور بروقت تدارک نہ ہونے کی صورت میں ایسے نقصانات کا سبب بن سکتی ہیں جن سے بچا جا سکتا ہے ۔ کمپنی کے بورڈ آف ڈائریکٹرز نے کمپنی کو درپیش ممکنہ اندرونی اور بیرونی خطرات کا جائزہ لیا ہے ۔ اہم خام مال کی سپلائی میں رکاوٹ اور اس کی بڑھتی ہوئی لاگت کمپنی کو درپیش نمایاں خطرات میں شامل ہیں۔ پاکستانی روپے کی قدر میں کمی بھی کمپنی کے لیے ایک ممکنہ خطرہ ہے۔ اس کے منفی اثرات کو کم کرنے کے لیے کمپنی نے اپنے اہم بین الاقوامی سپلائرز کے ساتھ اسٹریٹجک تعلقات قائم کیے ہیں اور بروقت مذاکرات، پیشگی آرڈرز اور بروقت ترسیل کو یقینی بنایا ہے۔

چیراٹ پیکیجنگ دنیا کے معروف ای آر پی سسٹم SAP کا استعمال کر رہی ہے، جو اس کے مربوط فنانس، کوالٹی کنٹرول، سپلائی چین اور انوینٹری مینجمنٹ ماڈیولز کے ذریعے مکمل طور پر فعال ہے۔ اس کے علاوہ، کمپنی نے ہیومن ریسورس ماڈیولز کے لیے SAP SuccessFactors بھی نافذ کیا ہے۔ اس اقدام نے کمپنی کو بین الاقوامی معیارات کے مطابق تکنیکی ترقی کی رفتار سے ہم آہنگ رکھنے میں اہم کردار ادا کیا ہے۔ سسٹم کی سیکیورٹی کو یقینی بنانے کے لیے مناسب رسائی کو ممکن بنایا گیا ہے اور دیگر کنٹرولز نافذ کیے گئے ہیں۔

بورڈ بدلتے ہوئے انفارمیشن سیکیورٹی خطرات کے پیش نظر سائبر سیکیورٹی کی اہمیت کو تسلیم کرتا ہے، جو کہ براہِ راست ہماری کاروباری سرگرمیوں کو متاثر کر سکتے ہیں۔ کمپنی میں ایک اندرونی آئی ٹی ڈپارٹمنٹ موجود ہے، جس میں آئی ٹی سے متعلق سیکیورٹی کے لیے مختص وسائل موجود ہیں۔ بورڈ کی ہدایت کے مطابق ہر چند سال بعد ایک بیرونی کنسلٹنٹ کے ذریعے سائبر سیکیورٹی آڈٹ کرایا جاتا ہے اور اس ضمن میں دی جانے والی سفارشات پر باقاعدہ طور پر عمل درآمد کیا جاتا ہے۔اس سال کے دوران سائبر سیکیورٹی کی کوئی خلاف ورزی رپورٹ نہیں ہوئی۔

ای ایس جی کے اسٹریٹجک مقاصد

بورڈ ایک پائیدار اور اخلاقی اصولوں پر وضع کردہ کاروباری ماحول کو فروغ دینے کے لیے پُرعزم ہے۔ ہماری اسٹریٹجک ترجیحات میں ماحولیاتی انتظام، سماجی ذمہ داری اور مضبوط گورننس شامل ہیں۔ ہم اپنے کاربن فٹ پرنٹ کو کم سے کم کرنے، وسائل کے تحفظ اور حیاتیاتی تنوع کے تحفظ کے لیے پُرعزم ہیں۔ہماری ترجیحات میں تنوع کو فروغ دینا، ملازمین کی فلاح و بہبود کو یقینی بنانا اور معاشرے کے ساتھ مؤثر روابط قائم رکھنا شامل ہے۔ ہمارے فیصلے اخلاقی طرزِ عمل کے اصولوں، شفافیت اور محتاط رسک مینجمنٹ کے تحت کیے جاتے ہیں۔ بورڈ تمام اسٹیک ہولڈرز کے لیے دیرپا قدر پیدا کرنے کے اپنے عزم کو مزید مستحکم کرتے ہوئے، ان مقاصد کی مکمل حمایت کرتا ہے ۔

پائیداری کے حوالے سے خطرات اور مواقع

پائیداری کے حوالے سے کمپنی کا عزم غیر متزلزل ہے۔ بورڈ نے پائیداری سے متعلق خطرات اور مواقع کے ساتھ ساتھ کارپوریٹ اور ریگولیٹری امور میں تنوع، مساوات اور شمولیت کی پالیسیوں اور بہترین طریقۂ کار، اور ان کے مؤثر نفاذ اور نگرانی کو یقینی بنانے کے لیے ایک موزوں نظام وضع کیا ہے۔ہماری اسٹریٹجک ترجیحات میں ماحولیاتی ذمہ داری، سماجی ذمہ داری اور مؤثر گورننس شامل ہیں۔ ہم اپنے کاربن فٹ پرنٹ کو کم کرنے، وسائل کے تحفظ، ماحول دوست توانائی کے فروغ اور فضلے کے پائیدار انتظام کے لیے پُرعزم ہیں۔ مزید یہ کہ، ہم تنوع کے فروغ، ملازمین کی فلاح و بہبود اور معاشرے کی بہتری میں اپنا کردار ادا کرنے کو خصوصی اہمیت دیتے ہیں۔

پائیداری سے متعلق خطرات

پائیداری سے متعلق خطرات میں ماحولیاتی، سماجی اور گورننس (ESG) سے متعلق عناصر کا جائزہ شامل ہے۔ جدید آپریشنل طریقۂ کار اپناتے ، قابل تجدید توانائی سے متعلق پالیسیوں پر عمل درآمد کرتے اور ماحول دوست اقدامات کی حمایت کرتے ہوئے، کمپنی ایک پائیدار مستقبل کے فروغ کے لیے کوشاں ہے۔انتظامیہ نے واضح ESG مقاصد وضع کیے ہیں، جو کمپنی کے اسٹریٹجک ہدف سے ہم آہنگ ہیں، جس کا مقصد پائیدار بنیادوں پر کمپنی کی مضبوطی خطرات سے نمٹنے کی صلاحیت کو مزید بہتر بنانا اور معاشرے پر مثبت اثرات مرتب کرنا ہے

• پراویڈنٹ فنڈ	559 ملین روپے
• گریجوٹی فنڈ	294 ملین روپے

بورڈ کے ڈائریکٹرز کی کل تعداد 8 ہے جس کی ساخت درج ذیل ہے

مرد ڈائریکٹرز	8
خاتون ڈائریکٹر	1

a انڈیپنڈنٹ ڈائریکٹرز 3

i. جناب علی ایچ شیرازی
ii. جناب شیر افضل خان مزاری
iii. محترمہ ملیحہ ہمایوں بنگش

b نان ایگزیکٹو ڈائریکٹرز

i. جناب اکبر علی پسنانی
ii. جناب اسلم فاروق
iii. جناب شہریار فاروق
iv. جناب عارف فاروق

c ایگزیکٹو ڈائریکٹرز

i. جناب عامر فاروق
ii. جناب عابد وزیر

d خاتون ڈائریکٹر

i. محترمہ ملیحہ ہمایوں بنگش

اس سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی اجلاسوں میں حاضری کا ریکارڈ درج ذیل ہے:

ڈائریکٹر کا نام	میٹنگز میں شرکت کی تعداد
جناب اکبر علی پسنانی	5
جناب عامر فاروق	5
جناب اسلم فاروق	4
جناب شہریار فاروق	5
جناب عارف فاروق	5
جناب علی ایچ شیرازی	5
جناب عابد وزیر	5
جناب شیر افضل خان مزاری	5
محترمہ ملیحہ ہمایوں بنگش	2

اس سال کے دوران آڈٹ کمیٹی کے چار (4) اجلاس منعقد ہوئے۔ کمیٹی کے ہر رکن کی اجلاسوں میں حاضری کا ریکارڈ درج ذیل ہے

ڈائریکٹر کا نام	میٹنگز میں شرکت کی تعداد
جناب علی ایچ شیرازی	4
جناب عارف فاروق	4
جناب شہریار فاروق	4

اس سال کے دوران ہیومن ریسورس اور ریمیونریشن کمیٹی کے تین (3) اجلاس منعقد ہوئے۔ کمیٹی کے ہر رکن کی اجلاسوں میں حاضری کا ریکارڈ درج ذیل ہے:

ڈائریکٹر کا نام	میٹنگز میں شرکت کی تعداد
جناب شیر افضل خان مزاری	3
جناب اسلم فاروق	3
جناب عامر فاروق	3

پیٹرن آف شیئرہولڈنگ رپوٹ کے ساتھ منسلک ہے۔

اس سال کے دوران فی شیئرآمدنی(EPS) 13.26 روپے رہی، جبکہ گزشتہ سال یہ 7.26 روپے تھی

ڈائریکٹرز کا مشاہدہ

کمپنی کے آرٹیکلز آف ایسوسی ایشن کے تحت، بورڈ آف ڈائریکٹرز کو نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز کے معاوضے کا وقتاً فوقتاً تعین کرنے کا اختیار حاصل ہے۔ اس سلسلے میں، بورڈ آف ڈائریکٹرز نے کمپنی کے نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز کے لیے ریمیونریشن پالیسی وضع کی ہے۔30 جون 2026 کو اختتام پذیر ہونے والے سال کے لیے ڈائریکٹرز کے معاوضے کی تفصیلات فائنانشل اسٹیٹمنٹس کے نوٹ 34 میں درج ہیں۔

بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیز کی کارکردگی کا جائزہ

کمپنی کارپوریٹ گورننس کوڈ کے حصے کے طور پر ہر سال بورڈ آف ڈائریکٹرز، اس کی کمیٹیوں اور انفرادی ڈائریکٹرز کی کارکردگی کا جائزہ لیتی ہے۔ مکمل شدہ سوالنامے موصول ہونے پر کمپنی سیکریٹری کی جانب سے رازداری کے اعلیٰ ترین معیار کو یقینی بنایا جاتا ہے۔ اس عمل میں شفافیت کو یقینی بنانے کے لیے کمپنی نے ایک آزاد آڈٹ فرم کی خدمات حاصل کی ہیں، جو نتائج مرتب کرنے اور بورڈ آف ڈائریکٹرز کے لیے رپورٹ تیار کرنے کی ذمہ دار ہے۔ رپورٹ کے مندرجات کا جائزہ لیا جاتا ہے اور ان شعبہ جات کی نشاندہی کی جاتی ہے جہاں بہتری کی ضرورت ہو۔

متعلقہ پارٹیز کی ٹرانزیکشنز

متعلقہ فریقین کے ساتھ تمام لین دین معمول کی تجارتی شرائط (Arm's Length Basis) پر کیا گیا ہے اور کمپنی کی فائنانشل اسٹیٹمنٹس کی مناسب طور پر مکمل تفصیلات فراہم کی گئی ہیں۔

کوڈ آف کارپوریٹ گورنس کی کمپلائنس کی اسٹیٹمنٹ

کمپنی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنس) ریگولیشنز، 2019 کے تقاضوں کی مکمل تعمیل کی ہے۔ تعمیل کا بیان رپورٹ کے متعلقہ حصے میں فراہم کیا گیا ہے۔

داخلی مالیاتی کنٹرولز کی صلاحیت کے حوالے سے ڈائریکٹرز کی ذمہ داری

بورڈ آف ڈائریکٹرز نے آپریشنز کے بلا رکاوٹ اور مؤثر نفاذ، کمپنی کے اثاثوں کے تحفظ، متعلقہ قوانین اور قواعد کی پابندی اور قابل اعتماد مالیاتی رپورٹنگ کو یقینی بنانے کے لیے اندرونی مالیاتی کنٹرولز کا ایک مؤثر نظام وضع

فیصلہ کمپنی کی مالیاتی کارکردگی، کاروباری ضروریات، مستقبل میں ترقی کے امکانات اور توسیعی منصوبوں سمیت مختلف عوامل کو مدِنظر رکھتے ہوئے کیا جاتا ہے۔ زیرِ جائزہ سال کے لیے بورڈ آف ڈائریکٹرز 3 روپے فی شیئر کا حتمی کیش ڈیویڈنڈ تجویز کرتے ہوئے خوشی محسوس کر رہے ہیں۔ یہ ڈیویڈنڈ کمپنی کی جانب سے پہلے ہی ادا کیے گئے 1 روپے فی شیئر کے عبوری کیش ڈیویڈنڈ کے علاوہ ہے۔

پراجیکٹس کی تازہ ترین صورتحال

اس سال کے دوران کمپنی نے 1.3 ارب روپے کی لاگت سے اپنا دوسرا ایکسٹروژن پلانٹ ،بیریئر فلم ایکسٹروژن لائن، بمعہ متعلقہ آلات، کامیابی سے نصب اور فعال کر دیا۔ مذکورہ ایکسٹروژن لائن پیکیجنگ انڈسٹری کو آلات فراہم کرنے والے دنیا کے معروف سپلائر Windmöller & Hölscher سے حاصل کی گئی ہے۔اس ایکسٹروژن لائن کے اضافے سے نہ صرف فلیکسیبل پیکیجنگ ڈویژن کی پیداواری صلاحیت میں اضافہ ہوگا بلکہ کمپنی مارکیٹ کے نئے شعبہ جات کی ضروریات بھی پوری کر سکے گی۔ اس طرح کمپنی صارفین کی طلب کو مزید مؤثر انداز میں پورا کرنے اور وسائل کے زیادہ سے زیادہ مؤثر استعمال کو یقینی بنانے کے قابل ہوگی۔

سماجی کارپوریٹ ذمہ داری

مزید یہ کہ ، کمپنی نے فیکٹری میں 2.7میگاواٹ کے سولر پینلز بھی نصب کیے ہیں، جو پہلے سے نصب 1 میگاواٹ کے سولر پینلز کے علاوہ ہیں۔ سولر پینلز کی تنصیب نہ صرف لاگت کو مؤثر بنانے میں معاون ثابت ہوگی بلکہ صاف اور ماحول دوست توانائی کی فراہمی کے ذریعے کمپنی کو ماحولیاتی تحفظ کے حوالے سے اپنی ذمہ داری بھی بہتر طور پر پوری کرنے کے قابل بنائے گی۔

حفاظت، صحت اور ماحول

اپنی کارپوریٹ سماجی ذمہ داری کی پالیسیوں کے تحت، کمپنی پیداواری سہولیات کے قرب و جوار اور ملحقہ علاقوں میں مقیم افراد کے معیارِ زندگی کو بہتر بنانے کے لیے مختلف سماجی اقدامات کے حوالے سے مصروف عمل ہے۔ کمپنی نے ہمیشہ ان افراد تک پہنچنے کی کوشش کی ہے جنہیں مدد کی ضرورت ہو اور بحران یا قدرتی آفت کے مواقع پر ضروری معاونت فراہم کی ہے۔ کمپنی ایک بہتر ماحول، ایک بہتر معیشت اور ایک بہتر پاکستان کے وژن کے تحت مختلف مستند فلاحی اداروں اور سماجی بہبود کے مقاصد کے لیے مسلسل اپنا کردار ادا کر رہی ہے۔

حفاظت:

اپنے ملازمین کے لیے صحت اور تحفظ کے اعلیٰ معیارات کو برقرار رکھنا بھی کمپنی کی حکمتِ عملی کا ایک اہم حصہ رہا ہے۔ اس سلسلے میں کمپنی نے ملازمین کی صحت اور تحفظ سے متعلق پروٹوکولز کے نفاذ سمیت متعدد اقدامات کیے ہیں ۔ کمپنی کی پروڈکشن فیسلٹی میں تحفظ کے اعلیٰ معیارات پر عمل درآمد کو یقینی بنایا جاتا ہے، جبکہ ایک ایچ ایس ای (HSE) ڈپارٹمنٹ اس حوالے سے مقررہ اہداف پر عمل درآمد کی نگرانی کے لیے مختص ہے۔ یہ ڈپارٹمنٹ نہ صرف بہترین ایچ ایس ای طریقۂ کار کی تعمیل کو یقینی بناتا ہے بلکہ عملے کے لیے باقاعدگی سے فائر اور سیفٹی ٹریننگ کا بھی اہتمام کرتا ہے۔ایچ ایس ای معیارات پر سختی سے عمل درآمد کے حوالے سے کمپنی کے مضبوط عزم کے نتیجے میں اس سال کے دوران بھی کوئی بڑا حادثہ رونما نہیں ہوا۔

قومی خزانے میں حصہ

اس سال کے دوران کمپنی نے ٹیکسز، ایکسائز ڈیوٹی، انکم ٹیکس اور سیلز ٹیکس کی مد میں تقریباً 4.6 ارب روپے حکومتی خزانے میں جمع کرائے۔

کارپوریٹ اور فائنانشل رپورٹنگ فریم ورک پر اسٹیٹمنٹ

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے مالیاتی امور، اس کے آپریشنز کے نتائج، نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کی شفاف انداز سے عکاسی کرتے ہیں۔
- کمپنی کی بُکس آف اکاؤنٹ باقاعدگی سے برقرار رکھی گئی ہیں۔
- مالیاتی گوشوارے تیار کرتے وقت مناسب اکاؤنٹنگ پالیسیوں کا مستقل طور پر اطلاق کیا گیا ہے، جبکہ اکاؤنٹنگ تخمینے معقول اور محتاط فیصلوں کی بنیاد پر کیے گئے ہیں۔
- فائنانشل اسٹیٹمنٹس کی تیاری میں پاکستان میں لاگو ہونے والے انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) کی پیروی کی گئی ہے، اور ان سے کسی بھی انحراف کو مناسب طور پر ظاہر کیا گیا ہے اور اس کی وضاحت کی گئی ہے۔
- اندرونی کنٹرولز کا نظام م اپنی نوعیت کے لحاظ سے موزوں ہے، اور اسے مؤثر طور پر نافذ اور مانیٹر کیا گیا ہے۔
- کمپنی کے بطور جاری کاروباری ادارہ (Going Concern) اپنی سرگرمیاں جاری رکھنے کی صلاحیت کے حوالے سے کوئی اہم تشویش نہیں پائی جاتی۔
- کارپوریٹ گورننس کے بہترین طرز عمل سے کوئی مادی انحراف نہیں ہوا۔
- گزشتہ چھ (6) سال کے اہم آپریشنل اور مالیاتی اعداد و شمار کا خلاصہ منسلک ہے۔
- آپ کی کمپنی کے ذمے ٹیکسز، ڈیوٹیز، لیویز اور دیگر واجبات کی مد میں کوئی رقم واجب الادا نہیں، سوائے ان معمول کے واجبات کے جو کاروباری سرگرمیوں کے دوران معمول کے مطابق لاگو ہوتے ہیں۔
- کمپنی اپنے ملازمین کے لیے پراویڈنٹ فنڈ اور گریجویٹی فنڈ کے اکاؤنٹس برقرار رکھتی ہے۔ 30 جون 2026 تک ان فنڈز میں کی گئی سرمایہ کاری کی مالیت درج ذیل ہے۔

ڈائریکٹرز رپورٹ برائے ممبران

برائے سال مختتمہ 30 جون ، 2026

بورڈ آف ڈائریکٹرز آپ کے سامنے کمپنی کی سالانہ رپورٹ بمعہ آڈٹ شدہ فائنانشل اسٹیٹمنٹس برائے سال مختتمہ 30 جون 2026 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مجموعی جائزہ:

سال 2025-26 پاکستان کے لیے اقتصادی استحکام سے بتدریج بحالی کی جانب ایک اہم عبوری مرحلہ ثابت ہوا، جس نے پائیدار طویل مدتی معاشی نمو کے لیے ایک مضبوط بنیاد فراہم کی جیسا کہ ملک کی معیشت نے آئی ایم ایف کے تعاون سے جاری اصلاحاتی پروگرام کے تحت مسلسل میکرو اکنامک استحکام کا مظاہرہ کیا۔

اقتصادی سرگرمی متوقع اصل جی ڈی پی گروتھ 3.7 فیصد کے ساتھ مستحکم ہوئی، جس کا باعث زرعی، صنعتی اور خدمات کے شعبوں میں بہتری ہے۔ گذشتہ سالوں کے دوران بلند سطح پر رہنے والی مہنگائی میں کمی واقع ہوئی، جبکہ مالیاتی نظم و ضبط، کرنٹ اکاؤنٹ کی مضبوط تر پوزیشن اور زرمبادلہ کے بہتر ہوتے ذخائر نے مجموعی اقتصادی استحکام اور سرمایہ کاروں کے اعتماد کو مزید تقویت دی۔تاہم، ان مثبت پیش رفتوں کے باوجود، زیادہ فائنانسنگ کاسٹ، ملکی طلب میں کمی، اور بدستور موجود ساختی چیلنجز کے باعث نجی شعبے کی سرمایہ کاری محتاط رہی۔ جس کے نتیجے میں گروتھ حکومت کے مقررہ ہدف سے کم رہی۔

مالی سال کے آخری حصے پر امریکہ اور ایران کے درمیان جاری تنازع کے اثرات نمایاں رہے، جس کے باعث عالمی سپلائی چینز اور اجناس کی مارکیٹس میں خاصی غیر یقینی صورتحال پیدا ہوئی۔ مشرقِ وسطیٰ سے گزرنے والے بحری راستوں میں رکاوٹ کے نتیجے میں مال برداری کے اخراجات میں اضافہ، انشورنس پریمیم میں اضافہ، ترسیل کے دورانیے میں طوالت اور خام تیل و پیٹروکیمیکل مصنوعات کی قیمتوں میں اتار چڑھاؤ دیکھنے میں آیا۔ اس پیش رفت نے پاکستان کی پیکیجنگ انڈسٹری کو براہِ راست متاثر کیا، جو درآمد شدہ پولیمر ریزنز اور دیگر پیٹروکیمیکل پر مبنی خام مال پر بہت زیادہ انحصار کرتی ہے۔ مینوفیکچررز کو سپلائی میں رکاوٹوں، لاگت میں اضافے اور آپریٹنگ مارجنز پر دباؤ کا سامنا کرنا پڑا۔

اس تنازع نے جغرافیائی و سیاسی خطرات کے اثرات میں کمی لانے کے لیے سپلائی چین میں مزید مضبوطی اور لچک پیدا کرنے، خریداری کے ذرائع کو متنوع بنانے، انوینٹری کی بہتر منصوبہ بندی اور آپریشنل کارکردگی میں مزید بہتری کی ضرورت کو اجاگر کیا۔

کاروباری جائزہ

سیمنٹ، خوراک، ایف ایم سی جی اور صنعتی مصنوعات سمیت مختلف شعبہ جات کی ضروریات پوری کرتے ہوئے، چیراٹ پیکیجنگ ملک میں پیکیجنگ سلوشنز فراہم کرنے والی صفِ اول کی کمپنیوں میں ایک نمایاں مقام حاصل کر چکی ہے ۔ جدید ترین آلات، ٹیکنالوجی، انسانی وسائل اور پائیداری کے شعبوں میں کمپنی کی اسٹرٹیجک سرمایہ کاری نے اسے معیاری پیکیجنگ سلوشنز کی فراہمی کے لیے ایک قابل اعتماد شراکت دار کے طور پر مستحکم کیا ہے۔

مسلسل معاشی چیلنجز لیے کاروباری ماحول اور سال کے دوسرے نصف حصے میں امریکہ۔ایران تنازع کے باعث عالمی سپلائی چین میں وسیع پیمانے پر پیدا ہونے والی رکاوٹوں کے باوجود، کمپنی نے اس سال کے دوران غیر معمولی استقامت کا مظاہرہ کیا۔ محتاط مالیاتی انتظام، لاگت پر منظم کنٹرول، بہترین آپریشنل کارکردگی اور اپنے صارفین کی خدمت پر مسلسل توجہ کے ذریعے، کمپنی نے ان بیرونی چیلنجز کے اثرات کو کامیابی سے کم کیا اور اس سال ایک مرتبہ پھر مضبوط مالیاتی کارکردگی کا مظاہرہ کیا۔ کمپنی نے نہ صرف اپنی مالیاتی پوزیشن کو مزید مستحکم کیا بلکہ گزشتہ سال کے مقابلے میں اپنے منافع میں بھی اضافہ کیا، جو کمپنی کے بنیادی کاروباری اصولوں کی مضبوطی، اسٹرٹیجک اقدامات کے مؤثر ہونے اور صارفین کے غیر متزلزل اعتماد کا عکاس ہے۔

موجودہ سال اور گزشتہ سال کے مالیاتی نمایاں اعداد و شمار درج ذیل ہیں:

	2026 (ملین روپے میں)	2025 (ملین روپے میں)
خالص سیلز	15,093	13,014
مجموعی منافع	1,879	1,021
خالص منافع	651	356

مالیاتی کارکردگی

گزشتہ سال کے مقابلے میں کمپنی کے سیلز ریونیو میں 16 فیصد اضافہ ہوا، جس کی بنیادی وجہ فلیکسیبل پیکیجنگ میٹریلز کی فروخت کے حجم میں اضافہ تھا۔ اس سال کے دوران کمپنی نے اپنی آپریشنل کارکردگی کو بہتر بنانے، اپنی مصنوعات کے پورٹ فولیو کو وسعت دینے اور صارفین کے ساتھ تعلقات کو مزید مضبوط بنانے پر توجہ مرکوز کی۔ جیسا کہ پہلے بھی ذکر کیا گیا ہے، امریکہ۔ایران تنازع کے باعث خام مال کی شدید قلت کے دوران بھی کمپنی نے اس امر کو یقینی بنایا کہ وہ اپنے معزز صارفین کی پیکیجنگ کی ضروریات مسلسل پوری کرتی رہے۔ اس سال کے دوران ڈسکاؤنٹ ریٹس میں کمی کے باعث فائنانس کاسٹ میں کمی واقع ہوئی۔ سندھ انفراسٹرکچر ڈویلپمنٹ سیس (SIDC) کا واجب الادا رقم کی موجودہ قدر کے مطابق دوبارہ پیمائش کی گئی، جس کے نتیجے میں 189 ملین روپے کا یک وقتی منافع حاصل ہوا۔ مذکورہ منافع کو دیگر آمدنی کے طور پر ریکارڈ کیا گیا ہے۔ 30 جون 2026 کو اختتام پذیر ہونے والے سال کے دوران کمپنی نے 651 ملین روپے کا بعد از ٹیکس منافع ریکارڈ کیا، س کے نتیجے میں فی حصص آمدنی (EPS) 13.26 روپے رہی۔

ڈیویڈنڈ کی ادائیگی

کمپنی ہمیشہ منافع کی تقسیم کے حوالے سے اپنی پالیسی میں مستقل مزاجی برقرار رکھنے کے لیے کوشاں رہی ہے۔ ڈیویڈنڈ کی ادائیگی سے متعلق

Proxy Form

37th Annual General Meeting

Cherat Packaging Limited
A Ghulam Faruque Group Company

I / We ____

of ____

being a member of CHERAT PACKAGING LIMITED, hereby appoint ____________________

____________________ of ____________________ another member of the Company as my / our proxy to attend & vote for me / us and on my / our behalf at the 37th Annual General meeting of the Company to be held on Thursday, 8th October, 2026 at 11:30 a.m. at the Registered Office of the Company at Betani Arcade, Jamrud Road, Peshawar and at any adjournment thereof.

WITNESSES:

1. Signature: ____________________
   Name: ____________________
   Address: ____________________
   ____
   CNIC or
   Passport No. ____________________

2. Signature: ____________________
   Name: ____________________
   Address: ____________________
   ____
   CNIC or
   Passport No. ____________________

Signature of Shareholder

Revenue Stamp

____

(Signature should agree with the specimen signature registered with the Company)

Shares Held: ____________________

Folio No.	CDC Account No.	
	Participant I.D.	Account No.

CNIC No. ☐☐☐☐☐ - ☐☐☐☐☐☐☐ - ☐

Important

1. Instruments of Proxy will not be considered as valid unless deposited or received at the Company's Head Office at Modern Motors House, Beaumont Road, Karachi - 75530 not later than 48 hours before the time of holding the meeting and must be duly stamped, signed and witnessed.

2. CDC Shareholders, entitled to attend, speak and vote at this meeting, must bring with them their Computerized National Identity Card (CNIC) / Passports in original to prove his/her identity, and in case of Proxy, must enclose an attested copy of his / her CNIC or Passport.

3. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee should be attached with the proxy form

پراکسی فارم
37واں سالانہ اجلاسِ عام

چیراٹ پیکیجنگ لمیٹڈ
CHERAT PACKAGING

میں مسمی / مسماۃ__________________سکنہ __________________

ضلع__________________بحیثیت ممبر چیراٹ پیکیجنگ لمیٹڈ، مسمی / مسماۃ __________________

سکنہ__________________کوبطور مختار (پراکسی) مقرر کرتا / کرتی ہوں تا کہ وہ میری جگہ اور میری طرف سے کمپنی کے 37واں سالانہ اجلاسِ عام (یا جو بھی صورت حال ہو) بروز جمعرات 8 اکتوبر 2026، صبح 11:30 بجے، کمپنی کے رجسٹرآفس، بیٹانی آرکیڈ، جمرود روڈ، پشاور میں منعقد ہوگا، اس میں اور اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے، بولے اور ووٹ ڈالے۔

گواہان

1 دستخط__________________

نام__________________

پتہ__________________

CNIC/پاسپورٹ نمبر__________________

ریونیو اسٹیمپ

دستخط شئیر ہولڈر

(دستخط کمپنی میں درج نمونہ کے مطابق ہونے چاہئے)

2 دستخط__________________

نام__________________

پتہ__________________

CNIC/پاسپورٹ نمبر__________________

اہم نوٹ

۱- پراکسی فارم اس وقت تک قابل قبول نہ ہوگا جب تک کہ یہ سالانہ اجلاس عام کے وقت سے 48 گھنٹے پہلے کمپنی کے ہیڈ آفس میں موصول نہ ہوجائے اور پراکسی فارم لازمی طور پر مہر شدہ، دستخط شدہ ہو اور اس پر گواہان کے دستخط و کوائف موجود ہوں۔

۲- سی ڈی سی حصص داران جو اجلاس ہذا میں شرکت کرنے، بولنے اور ووٹ دینے کے اہل ہیں، وہ اپنی شناخت ثابت کرنے کے لئے اپنے ساتھ اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) / پاسپورٹ لائیں اور پراکسی کی صورت میں لازمی طور پر اپنےCNIC یا سپورٹ کی مصدقہ نقل منسلک کریں۔

۳- کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختیارنامہ بمع نامزد فرد کے نمونہ دستخط لازمی طور پر پراکسی فارم کے ساتھ منسلک ہونے چاہئیں۔

مجموعی شئیرز__________________

رجسٹرڈ فولیو نمبر	سی ڈی سی اکاؤنٹ نمبر	
	شراکتی نمبر	اکاؤنٹ نمبر

CNIC نمبر | | | | | -- | | | | | | | -- | | | | | | |

E-Dividend Mandate Form

CHERAT PACKAGING

To: Date: ____________

I hereby communicate to receive my future dividends directly in my bank account as detailed below:

Shareholder's Detail	
Name of Company	Cherat Packaging Limited
Name of shareholder	
Folio No./CDC Participants ID A/c No.	
CNIC No	
Passport No. (in case of foreign shareholder)	
Cell Number & Land Line Number	
Email Address (Mandatory)	

Shareholder's Bank Detail	
Title of Bank Account (Mandatory)	

International Bank Account Number (IBAN) Mandatory (24 Digits)

P	K																						

Bank's Name

Branch Name and Address	

It is stated that the above mentioned information is correct and in case of any change therein, I will immediately intimate Participant / Share Registrar accordingly.

Yours sincerely,

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Signature of Shareholder

(Please affix company stamp in case of corporate entity)

Notes:

COMPANY WITHHOLD THE PAYMENT OF DIVIDEND OF A MEMBER WHERE THE MEMBER HAS NOT PROVIDED THE COMPLETE INFORMATION OR DOCUMENTS AS SPECIFIED.

The shareholders who hold shares in Central Depository Company are requested to submit the above- mentioned Dividend Mandate Form, duly filled-in, to the relevant Broker/Participants/Investor Account Services of the Central Depository Company of Pakistan Limited where Member's CDC account is being dealt.The shareholders who hold shares in physical form are requested to submit the above mentioned Dividend Mandate Form, duly filled-in, to the share Registrar of the Company, as mentioned below:

M/s CDC Share Registrar Services Limited
CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi-74400, Pakistan
Tel: 0800-23275 UAN: 111-111-500 Email: info@cdcsrsl.com

GHULAM FARUQUE
GROUP

Cherat Packaging Limited
Head Office: Modern Motors, House Beaumont Road,
Karachi 75530, Pakistan UAN: (9221) 111-000-009
Email: info@gfg.com.pk I Web: www.gfg.com.pk

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