MERIT PACKAGING LIMITED Since 1980
A Lakson Group Company
Progressive Packaging Solutions

# DELIVERING VALUES

ANNUAL REPORT 2026

INTEGRITY + TRUST + TEAMWORK = GROWTH

“Improvement is a journey and together, we will keep moving forward”

MERIT
PACKAGING
LIMITED
PROGRESSIVE PACKAGING SOLUTIONS

# PREFACE

As we embark on the journey through the Annual Report 2026, we welcome you to join us in envisioning the future of packaging.

Established in 1980, Merit Packaging Limited has been a beacon of innovation and excellence in the printing and packaging industry in Pakistan. Our dedication to delivering quality products and tailored solutions has forged enduring partnerships and propelled us to the forefront of the industry.

At Merit Packaging Limited, we believe in embracing the future with optimism and ingenuity. Guided by our theme, “Complementing your packaging ambitions with our packaging expertise,” we are committed to pushing the boundaries of what is possible, anticipating the evolving needs of our clients, and delivering solutions that inspire and create value.

As an ISO-certified public limited company and a proud member of the Lakson Group of Companies, we remain steadfast in our commitment to upholding the highest standards of corporate governance and integrity. And beyond that, our success is built on the foundation of human connections, collaboration, and shared aspirations.

In this annual report, we invite you to journey with us as we explore the possibilities of tomorrow, driven by our passion for creativity and our resolute dedication to our clients and stakeholders. Together, let us shape the future of packaging, one ambition at a time.

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# Iqbal Ali Lakhani

## Chairman

Mr. Iqbal Ali Lakhani has over 55 years of top management experience in group companies in finance, marketing, manufacturing industry and government relations. His special interests include marketing, finance, total quality management and re engineering.

Mr. Iqbal Ali Lakhani is the Chairman of the Corporate Boards of 4 Lakson Group Companies which are listed on the Stock Exchange covering a diversified range of businesses such as, cigarettes,paper & paperboard, soap, detergents, toothpaste, printing & packaging and insurance. The spectrum of 36 unlisted public & private Companies includes Surgical Instruments, Media (T.V. & Print), software development & consultancy, travel & tourism, aviation industry, investment & mutual funds, ISP-broad band & Data Centre, Business Process Outsourcing house into call Centre & I.T., Director Fly Jinnah, Chairman OMI (Hospital).

He is also the Trustee of Hasanali & Gulbanoo Lakhani Foundation (A Lakson Group Welfare Trust), providing educational and medical facilities to the needy and deserving persons and helping in other social activities. He is also the Trustee of Lakson Medical Trust and R & I Trust.

**Recognition at National Level:**

- Awarded Sitara-e- Imtiaz by Govt. of Pakistan for his philanthropy work (2019).

**Important Positions Held:**

- Charter Member of The Indus Entrepreneurs
- Vice Chairman Board of Trustees of the Layton Rahmatullah Benevolent Trust.
- Held the position of Director of Pakistan Business Council
- Chairman Cigarette Manufacturers Association of Pakistan,
- Chairman Aga Khan Economic Planning Board for Pakistan
- Vice President American Business Council of Pakistan.

**Education:**

- Acquired his Bachelor Degree from the University of California – Berkeley.
- Remained member of the PSI-National

  Accounting Fraternity; Honor Student's Society and Phi Beta Kappa.
- Recipient of departmental award for outstanding undergraduate achievement.

# CEO's MESSAGE

I am pleased to present the results of Merit Packaging Limited for the year ended June 30, 2026, a year in which we reset the Company's footprint and restored operating discipline.

## Economic and Industry Context

Pakistan's economy strengthened in FY 2026, with real GDP growth of 3.7%—the strongest in four years—driven by recovery in large-scale manufacturing, construction and services.

Large-scale manufacturing grew 4.98%, reversing the prior year's contraction, while our key end markets of paper and board, food, beverages and garments all expanded. Private consumption improved as inflation eased and remittance-driven incomes rose. Inflation remained within the State Bank's target range at 6–7%, reserves were rebuilt beyond $16 billion and the fiscal primary surplus exceeded targets.

These gains remain fragile amid a persistent fiscal deficit, high public debt, a narrow tax base and a return to current-account deficit. In packaging, rising input costs, margin pressure and competition from the undocumented segments continued to challenge the industry. We remained focused on defending and growing our market share.

## Financial Performance

The Company made meaningful operational progress. Revenue declined mainly due to the deliberate disposal of the Gravure division, enabling us to simplify the business and concentrate on core operations.

Despite lower revenue, gross performance turned from a loss to a profit through operational efficiencies, wasage controls, and sustained austerity measures. The operating loss (excluding the one-time disposal gain) narrowed significantly.

Financial charges fell sharply as reliance on running finance, reduced KIBOR rates also contributed in the decline in financial charges.

Realization of disposal proceeds of Gravure division generated a substantial gain, returning the Company to profit after tax compared to a significant loss in the prior year. While the reported profit is driven by the Gravure disposal, the underlying business is closer to break-even. Our priority is to make it profitable on its own earnings.

## Outlook and Strategy

We expect the economy to grow at a similar pace in FY 2027, with inflation forecast at 8.3% on higher energy costs and pressure on remittances. Industry participants remain cautiously optimistic, supported by rising domestic consumption, capacity expansion and an improved product mix in FMCG, personal care, pharmaceutical and food segments.

Our cost base remains exposed to global pulp and paperboard pricing, which rose through the first half of 2026 and is expected to stay firm or increase. Combined with competitive local pricing, this will keep margins under pressure even as demand improves.

Our FY 2027 strategy rests on three pillars: strengthening relationships with existing customers, winning new customers to diversify revenue, and deepening engagement with key suppliers to secure more reliable pricing, availability and lead times.

I thank our Board, customers, suppliers, lenders and shareholders for their continued trust, and our employees for their commitment through a demanding transition.

**Sabir Imtiaz**
Chief Executive Officer
Karachi, September 29, 2026

# VISION

To be the most preferred supplier of high-quality packaging materials, in Pakistan and International markets.

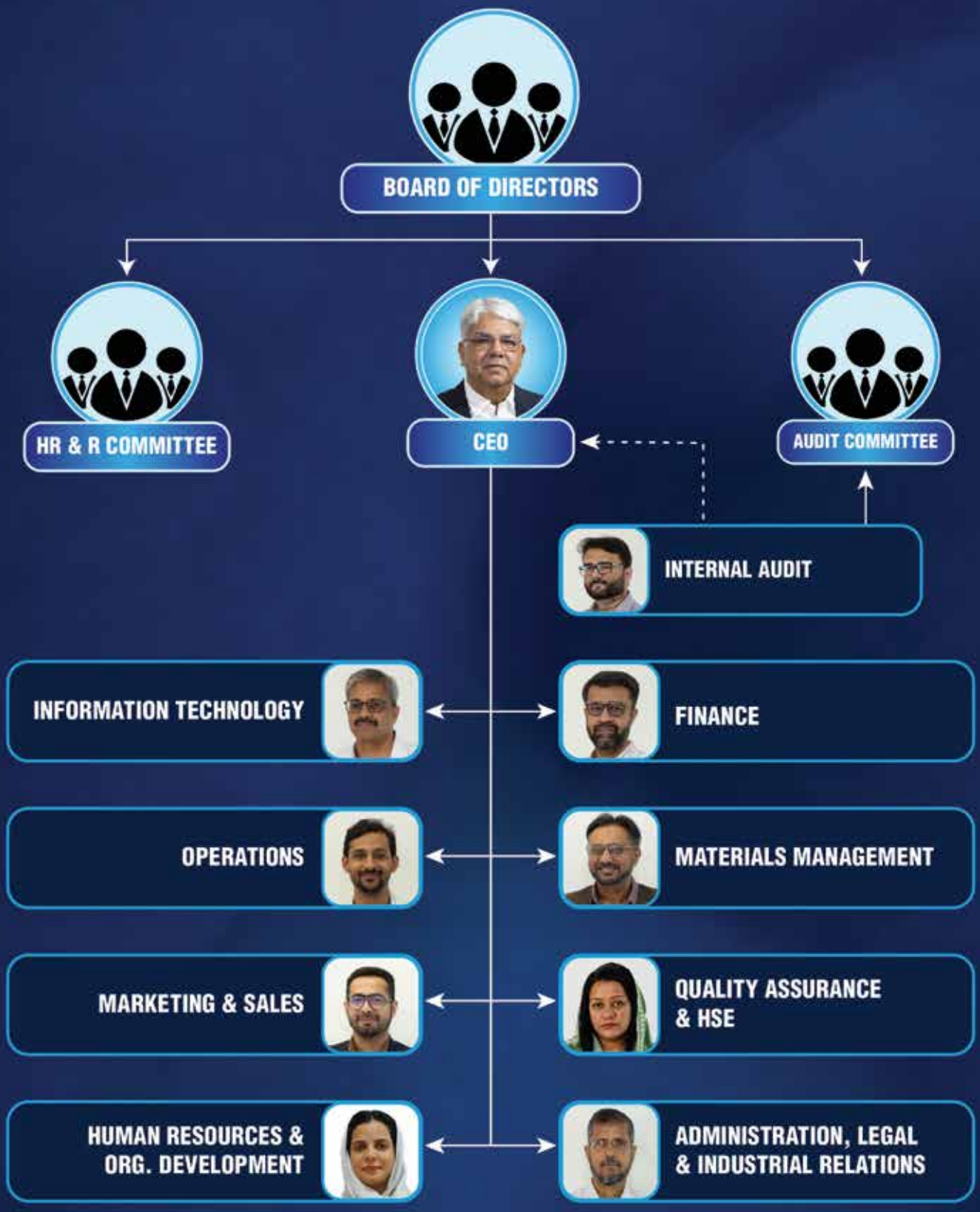
# MISSION

To timely deliver reliable and efficient offset-printing packaging solutions.

# OUR VALUES—ALWAYS ETHICAL

- **Humility & Compassion:** Stay grounded, respect others, and lead with empathy.
- **Intergrity:** Act with honesty, transparency, and fairness in all dealings.
- **Customer Focus:** Deliver excellence through professionalism and responsive communication.
- **Teamwork:** Collaborate, support one another, and achieve shared success.
- **Adaptability:** Embrace change and continuously evolve with the business environment.
- **Continuous Improvement:** Strive every day to improve processes, performance, and outcomes.
- **Sense of Urgency:** Act promptly, respect deadlines, and ensure timely delivery.

# ORGANIZATIONAL STRUCTURE



# OFFSET DIVISION

At Merit Packaging Limited's Offset Division, we go beyond traditional limits, embracing a forward-thinking and technology-driven mindset to realize our objectives.

Our investment in cutting-edge technology and our steadfast dedication to innovation reinforce our commitment to delivering packaging solutions that not only meet but consistently exceed industry expectations—setting new standards in excellence.

We take pride in offering a comprehensive range of advanced printing and packaging services, thoughtfully tailored to meet the diverse needs of our clients across various sectors.

# PREPRESS

Our Prepress Department features the latest Kodak thermal plate-setter, celebrated for its unmatched precision, operational stability, and dependable performance.

This state-of-the-art technology ensures minimal plate remakes, reduces the need for variable adjustments, and significantly elevates overall print quality, enabling us to maintain the highest standards of consistency and efficiency in every project.

# COLOR MANAGEMENT

The latest integration of GMG Color Management software has significantly enhanced our ability to achieve exceptional color accuracy and consistency across all print jobs.

This advanced technology not only optimizes ink usage and elevates print quality, but also minimizes errors and streamlines production—driving greater efficiency and setting a new standard of excellence within the industry.

# PRINTING

Our printing facility is equipped with four state-of-the-art machines, including industry-leading Heidelberg and Komori presses, capable of delivering up to 18,000 impressions per hour.

These high-performance machines have been expertly customized to produce a wide range of innovative and specialty printing effects, ensuring our packaging designs are not only visually striking but also highly engaging, bringing our clients' visions to life with precision and flair.

# CUTTING AND CREASING

Our Cutting and Creasing Division is equipped with seven advanced machines, including four BOBST and three Iberica units, as well as a dedicated foiling machine.

Capable of achieving speeds of up to 7,500 sheets per hour, these state-of-the-art systems deliver exceptional precision in cutting, stripping, and blanking—enhancing both the efficiency and the overall quality of our packaging solutions.

# FOLDING AND GLUING

Our Folding and Gluing Department is equipped with high-speed pasting machines from globally recognized manufacturers, including BOBST, VEGA, and Duran.

Operating at an impressive speed of up to 400 meters per minute, these machines are specifically designed for the efficient pasting of laminated and metallized boxes—delivering both structural integrity and an enhanced aesthetic appeal to the finished product.

# PEOPLE, PURPOSE & PROGRESS

## PINKTOBER

As part of its commitment to employee well-being and health awareness, Merit Packaging Limited observed Pinktober to raise awareness about breast cancer, early detection, preventive healthcare, and the importance of timely medical consultation. The initiative supported a culture of health consciousness and social awareness within the workplace.

## INDEPENDENCE DAY

Merit celebrated **Pakistan's 79th year of Independence with** employee engagement activities. The celebration promoted patriotism, pride, unity, and shared responsibility while strengthening employee engagement and organizational belonging.

# BLOOD DONATION DRIVE

A **Blood Donation Drive** was organized as part of the organization's **CSR and community support initiatives**.

A good number of Merit's employees, voluntarily donated blood for the patients in need.

## CAREER FAIR

Merit Packaging Limited participated in a **Career Fair** to engage with students, graduates, and emerging professionals. The initiative supported **career development and youth engagement** by creating awareness about employment opportunities, industry expectations, and potential career pathways, while also strengthening the organization's employer presence.

## LEARNING & AWARENESS SESSIONS

Merit started inviting well known personalities to share their thought on best business practices to enlighten the management. These sessions supported a culture of **continuous learning, awareness, and informed discussion**, contributing to employees' broader understanding of the business and economic environment.

First session was held with **Dr. Kaiser Bengali** who provided insights into Pakistan's economic environment, contemporary challenges and how we, as individuals and corporate entity should react.

**Mr. Zafar Iqbal Sobhani** was the second invitee. He spoke about the financial and good governance practices.

## LAKSON CRICKET LEAGUE

Merit again remained a key participant in Lakson's Group Cricket League held at UBL Sports Complex in December 2025.

# CSR & EMPLOYEE WELFARE

# SUPERANNUATIONS

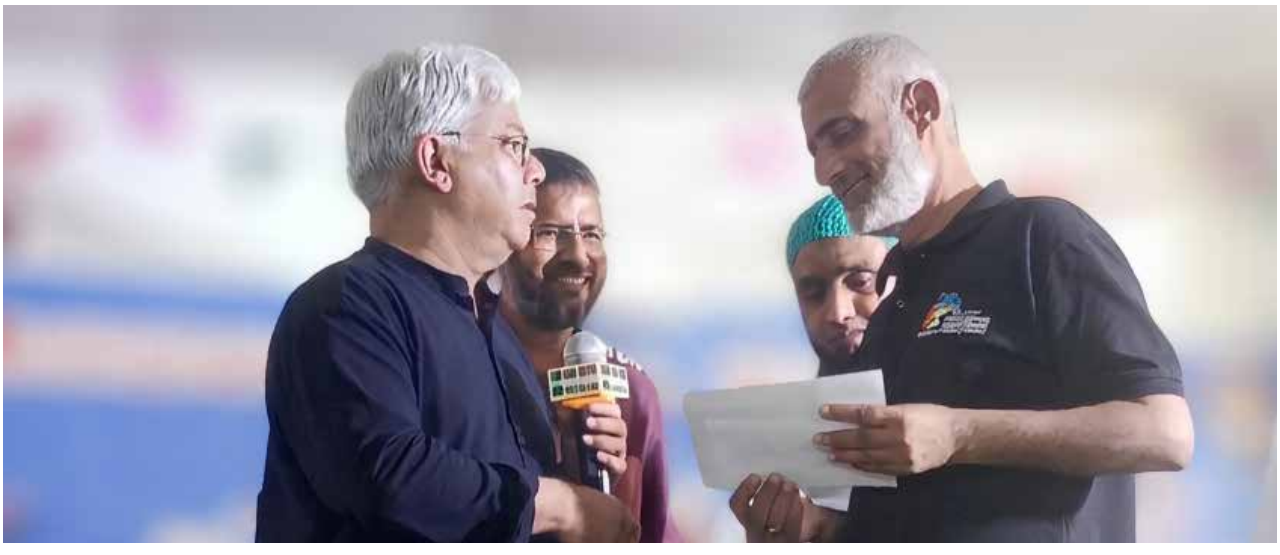
Merit Packaging Limited organized a **Retirement Ceremony** to honor employees completing their service tenure.

The event recognized their dedication, loyalty, and valuable contributions to the organization, reinforcing a culture of **respect, appreciation, and employee recognition**.

## VALUES & COMMUNITY SPIRIT — 12 RABI-UL-AWWAL

The organization observed **12 Rabi-ul-Awwal** by reflecting on values including compassion, honesty, integrity, respect, patience, and service. The initiative promoted positive social and ethical values and reinforced the importance of responsible conduct and harmonious relationships within the workplace and wider community.

## EMPLOYEE RECOGNITION & ENGAGEMENT



Two employees' exceptionally impressive attendance and punctuality during the year was recognized and rewarded.

# FY'S HIGHEST SALES ACCOMPLISHMENT

Merit Packaging Limited recognized the **Highest Sales Accomplishment** to appreciate exceptional performance and contribution towards achieving business objectives. The recognition promoted a culture of **performance, excellence, accountability, and appreciation,** motivating employees to contribute towards sustainable business growth.

## Gender Pay Gap

### Mean Gap

The mean pay for women is 3.84% higher than that of men.

### Median Gap

The median pay for women is 33.35% higher than that of men.

# OUR PEOPLE
## MANAGEMENT

# Finance

# Internal Audit

# Human Resources & Organizational Development

# Administration, IR & Legal

# Marketing & Sales

# Information Technology

# Operations

# Planning & Pre-Press

# Maintenance & Utilities

# Quality Assurance & HSE

# DIRECTOR PROFILE

## Mr. Amin Mohammed Lakhani Director

An MBA in Finance and International Business from The Wharton School of Business, University of Pennsylvania (USA) and holder of Bachelor of Science in Industrial Engineering from Stanford University (USA), Mr. Amin Mohammed Lakhani is part of the Executive Leadership Team of Lakson Group of Companies.

Mr. Amin Mohammed Lakhani is Chief Executive Officer of SIZA Foods (Private) Limited, the franchise holders of McDonald's restaurants in Pakistan, a world known Multinational Corporation serving fast foods. Under his dynamic leadership, SIZA has succeeded in a short period of 27 years in making McDonald's a household name in Pakistan, expanding the network of its restaurants to 43 in key cities of the country. He has also won "Golden Arches Award" 2011 from McDonald's Corporation, the highest award an owner operator can receive from McDonald's.

His rich experience in finance, marketing, management and production spanning over 33 years has enabled him to serve as CEO of 11 unlisted public and private limited companies, Director on the Corporate Boards of 4 Lakson Group companies listed on Stock Exchange in Pakistan and Director in 11 other unlisted public and private limited companies of the Lakson Group.

Mr. Lakhani is the Honorary Consul General of Singapore in Pakistan since July 1992. Previously he served as Singapore's Honorary Consul since April 1989. Acknowledging his services the Republic of Singapore awarded him "The Public Service Star".

Mr. Lakhani actively participates in social activities. He is a Founder Member of Pakistan Chapter of Young Presidents' Organization, and served as the local Chapter's chairman for the 2006-07 term. He is a Member of Stanford Alumni Association as well as of The Wharton Alumni Association. He is an ardent sport enthusiast and his favourite sporting activities include riding, playing polo, tennis and golf. He has widely travelled around the globe and takes interest in international/current affairs.

Mr. Lakhani strongly believes in Lakson Group's philosophy of paying back to the society. He is a Trustee of Hasanali & Gulbanoo Lakhani Foundation, a Lakson Group welfare trust. The Foundation provides educational and medical facilities to the deserving and needy persons and helps people in other areas and also a Trustee of Amin, Saira and Anika Lakhani (ASAL) Foundation.

## Ms. Anushka Lakhani Director

Ms. Anushka Lakhani has a BSE from Wharton School of Business, University of Pennsylvania and a MBA from Harvard Business School. She serves as Director on the Corporate Board of 03 Group Companies that are listed on Stock Exchange and also Director on 06 Public un-listed and Private Companies of the Group.

## Mr. Farrukh Shauket Ansari Director

Mr. Ansari brings over thirty years of rich and diversified experience in Commercial, Corporate & Investment banking as well as corporate sector. He has held senior management positions over the last twenty five years and was CEO of a major NBFI between 2003-2011 and played a key role in the development of SME sector in Pakistan. He was instrumental in setting up of an investment banking arm of a foreign bank in Pakistan and establishing a new bank in South Africa.

He has advised on numerous fund raising, acquisition and privatization transactions over his carrier. He possesses rich experience in restricting and rehabilitation of projects in distress. He is highly respected as a Leader in his field with respect to special focus on restructuring and project turnaround.

He has served on various advisory committees of the Government and the board of Karachi Stock Exchange as a representative of the Government of Pakistan. He also served on the Board of Directors Commercial Banks, Leasing, Modaraba, Insurance, Asset Management, Petroleum and Food Products Companies.

He obtained his MBA degree from IBA, Karachi in 1983 and Certificate in MIS from US Department of Agriculture School, Washington D.C. in 1990. He is also a Certified Director from the first batch of Pakistan Institute of Corporate Governance. He is an investment advisor to some of the leading Business families in Pakistan. Apart from his professional commitments, he enjoys reading, traveling and experiencing new cultures.

## Mr. Aftab Ahmad Director

Mr. Aftab Ahmad is presently the Director of two listed companies including Chief Executive Officer of one Company. He joined Lakson Group of Companies in 1984 as Deputy General Manager (Technical) of Century Paper & Board Mills Limited (CPBM), and has also served as G. M. Operations and Director Operations of CPBM.

Prior to joining Lakson Group, he has worked in Packages Limited in Pakistan, Saigal Brothers and Azzawya Oil Refinery in Libya. Under his Dynamic Leadership, CPBM become Market Leader in the field of Packaging. With his engineering background he successfully implemented the mega project of Century's new board machine PM-07, thereby building CPBM brand image for quality and reliability in the market.

## Mr. Ahmed Munaf Director

Mr. Ahmed Munaf Lodhikawala is the proprietor of M-Tex, which indents Polyester yarn, and is the sole agent for the Polyester yarn in the Pakistan market for Hangzhou Zhongli / Zhongcai China yarn. He has more than 16 years of experience in leading businesses. Apart from this he also has interests in running a Textile Weaving mill, Real Estate projects, Car Dealerships along with exporting Hand Knotted Carpets from Pakistan.

Mr. Munaf was also recently Appointed Convener of Federation of Pakistan Chamber of Commerce & Industry (FPCCI) Central Standing Committee on Polyester Filament Yarn. He has also been nominated for the National Committee (Pakistan Chapter) for Developing-8 Countries Chamber of Commerce & Industry (D-8 CCI).

Mr. Munaf is also the Chief Patron of IMO (International Memon Organization) Young Memons (with over 1 million global members) which is one of the largest Memon organizations in the world. IMO is also involved in significant social work across Pakistan where it helps underprivileged individuals improve their lot through scholarships along with improving access to sports and helping the memon community navigate tough times. He also devotes his time to helping advance the cause of education where he is the Vice President of Jetpur Memon Association (JMA) for the years 2018-2021 and also serves as the Chairman of the Education Board of the JMA. They have started a white fund scholarship for all kinds of students including Masters Programmes and currently supporting around 1,500-1,700 Students with support of WMO (World Memon Organization) and JMA. He has also served as a member of the Managing Committee for Karachi Club for the years 2019-2020.

Mr. Munaf also believes in the concept of shareholder activism where he along with a group of other like minded investors help managements to improve their businesses creating value for both major and minority shareholders alike.

## Mr. Sheikh Asim Rafiq Director

Mr. Asim Rafiq is a Fellow member of the Institute of Chartered Accountants of Pakistan (ICAP). He has over 27 years of diversified experience in financial accounting & audits, strategy, taxation, corporate affairs & Regulators' dealings in leading private and public sector organizations. He has been a Nominee/Independent Director in various national and multinational companies, listed on PSX, for more than 17 years.

He completed his Chartered Accountancy from ICAP with training from A F Ferguson & Co. Chartered Accountants (PwC Pakistan); certification in International Financial Reporting Standards (IFRS) from the Institute of Chartered Accountants in England & Wales and certification in Internal Audit from the Institute of Internal Auditors, USA. He has also attended various national and international seminars & conferences. Also, he is a Certified Director from ICAP.

# CORPORATE CALENDAR

| | | |
|---|---|---|
| Audit Committee Meeting | September 19, 2025 | To consider the audited accounts for the year ended June 30, 2025 |
| BOD Meeting | September 19, 2025 | To approve audited accounts for the year ended June 30, 2025 |
| Annual General Meeting | October 24, 2025 | To consider the annual accounts for the year ended June 30, 2025 |
| Audit Committee Meeting | October 29, 2025 | To consider the quarterly accounts for the period ended September 30, 2025 |
| BOD Meeting | October 29, 2025 | To approve the quarterly accounts for the quarter ended September 30, 2025 |
| Audit Committee Meeting | February 24, 2026 | To consider the half yearly accounts for the period ended December 31, 2025 |
| BOD Meeting | February 25, 2026 | To approve half yearly accounts for the half year ended December 31, 2025 |
| Audit Committee Meeting | April 27, 2026 | To consider the nine months accounts for the period ended March 31, 2026 |
| BOD Meeting | April 28, 2026 | To approve nine months accounts for the period ended March 31, 2026 |
| HR Committee | May 05, 2026 | To discuss the policies of HR and its improvements |

# CORPORATE INFORMATION

## Board of Directors
Mr. Iqbal Ali Lakhani (Chairman)
Mr. Amin Mohammed Lakhani
Ms. Anushka Lakhani
Mr. Aftab Ahmad
Mr. Farrukh Shauket Ansari
Mr. Ahmed Munaf
Mr. Sheikh Asim Rafiq

## Advisor
Mr. Sultan Ali Lakhani

## Audit Committee
Mr. Sheikh Asim Rafiq (Chairman)
Mr. Amin Mohammed Lakhani
Mr. Farrukh Shauket Ansari

## Human Resource and Remuneration Committee
Mr. Sheikh Asim Rafiq (Chairman)
Mr. Amin Mohammed Lakhani
Mr. Sabir Imtiaz - CEO
Mr. Aftab Ahmad

## Chief Executive Officer
Mr. Sabir Imtiaz

## Chief Financial Officer
Mr. Umair Ahmed

## Company Secretary
Mr. Mansoor Ahmed

## Auditors
BDO Ebrahim & Co.
Chartered Accountants

## Bankers - Conventional
Habib Bank Limited
National Bank of Pakistan
Soneri Bank Limited
MCB Bank Limited

## Bankers - Islamic
Meezan Bank Limited
United Bank Limited – Ameen
Al-Baraka Bank (Pakistan) Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited - Islamic Banking
MCB Islamic Bank Limited

## Shares Registrar
FAMCO Share Registration Services (Private) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi.
Website: www.famcosrs.com
Email: info.shares@famcosrs.com
Phone: (021) 34380101- 5
Fax: (021) 34380106

## Registered & Head Office
Lakson Square, Building No. 2, Sarwar Shaheed Road, Karachi-74200, Pakistan.

## Factory
17-B, Sector 29, Korangi Industrial Area, Karachi.

## Marketing Divisions
**CONTACT US**
UAN: +9221 38892147 Ext. 1706,
Email: info@meritpack.com
Web: www.meritpack.com

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 46th Annual General Meeting (AGM) of MERIT PACKAGING LIMITED will be held on Wednesday, October 28, 2026 at 03:00 p.m. at Dr. Shamshad Akhtar Auditorium, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi as well as electronically through Video link facility to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2026 together with the Directors' and Auditors' reports thereon.

   As required under Section 223(6) of the Companies Act, 2017 (the "Act"), Financial Statements of the Company have been uploaded on the website of the Company, which can be downloaded from the following link and/or QR enabled code:

   https://meritpack.com/wp-content/uploads/PDF/Financial%20Statements/2025-26/MPL-FR-AN-2025-26.pdf

2. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS**

3. To consider and if deemed fit to pass the following resolutions as special resolution:

   a) **"RESOLVED THAT** the transactions carried out in normal course of business with associated companies/related parties as disclosed in Note No. 46 of the audited financial statements for the year ended June 30, 2026 be and are hereby ratified and approved."

   b) **"RESOLVED THAT** the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies/related parties during the ensuing year ending June 30, 2027 and in this connection the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."

Statement under Section 134 of the Companies Act, 2017 in the above matter mentioned in item No. 3 is annexed.

By Order of the Board

(MANSOOR AHMED)
Company Secretary

Karachi: September 30, 2026

***NOTES:***

1. **Closure of Share Transfer Books**
   The share transfer books of the Company will remain closed from October 21, 2026 to October 28, 2026 (both days inclusive). Transfers received in order by the Shares Registrar of the Company, M/s. FAMCO Share Registration Services (Private) Limited, 8-F, near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi up to the close of business on October 20, 2026 will be treated in time for the purpose of attending the annual general meeting 'AGM'.

2. **Electronic transmission of Annual Report:**
   In compliance with Section 223(6) of the Act, the Company has electronically transmitted the Annual Report 2026 through email to Shareholders whose email addresses are available with the Company's Shares Registrar, M/s. FAMCO Share Registration Services (Private) Limited. In those cases, where email address is not available with the Company's Shares Registrar, printed notice of AGM along with the weblink and QR enabled code to download the said Annual Report have been dispatched. However, the company will provide hard copies of the Annual Report to any Member on their demand, at their registered address, free of cost, within one week of receiving such request.

   Annual Report 2026 shall also be available electronically on PUCARS system of Pakistan Stock Exchange Limited and the Company's website.

3. **Participation in the AGM via physical presence or through video link facility:**
   a. A member, who has deposited his/her shares into Central Depository Company of Pakistan Limited, must bring his/her participant's ID number and CDC account/sub-account number along with original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.

   b. To facilitate our members who want to attend AGM through Zoom application - a video conference facility will be provided for which undernoted procedure will be followed:

      Shareholders interested in attending the AGM through Zoom application are hereby requested to get themselves registered with the Company Secretary office by providing the following details at the earliest but not later than 24 hours before the time of AGM (i.e., before 03:00 p.m. on October 27, 2026) through following means:

      a) Mobile/WhatsApp: 0315 5008228
      b) E-mail: comsec@meritpack.com

      Shareholders are advised to mention their Name, CNIC Number, Folio/CDC Account Number, cell number and email ID for identification and sending login credential.

      Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their e-mail address. On the date of AGM, shareholders will be able to login and participate in the AGM proceedings through their smartphone/computer devices.

   Shareholders can also provide their comments/suggestions for the proposed agenda items of the AGM by using the aforesaid means.

4. **Requirements for appointing Proxies**
   a. A member entitled to attend and vote at the AGM may appoint another member as his/her proxy to attend, speak and vote on his/her behalf, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the meeting as are available to a member. A proxy must be a member of the Company.

   b. Form of proxy, in order to be valid must be properly filled-in/executed and received at the registered office of the Company situated at Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi not later than 48 hours before the time of the meeting excluding holidays.

   c. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

d. Copies of CNIC or the valid passport of the beneficial owners and the proxy shall be furnished along with the proxy form.

e. The proxy holders shall produce their original CNIC or original valid passport at the time of the Meeting.

f. A corporate entity, being a member, may appoint any person, regardless whether a member or not, as its proxy. In this respect, a resolution of the Board of Directors/Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted to the Company along with a completed proxy form.

5. **Updation of Shareholder Addresses/Email & Cell Numbers:**
Members holding shares in physical form are requested to promptly notify M/s. FAMCO Share Registration Services (Pvt.) Limited (the Share Registrar of the Company) of any change in their addresses or any other particulars. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service.

6. **Conversion of Physical Shares into CDC Account:**
The Securities and Exchange Commission of Pakistan has issued a letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 addressed to all listed companies drawing attention towards the provision of Section 72 of the Companies Act, 2017 (Act) which requires all companies to replace shares issued in physical form with shares in the Book-Entry-form within a period not exceeding four years from the date of the promulgation of the Act in 2017.

In order to ensure full compliance with the provisions of the aforesaid Section 72 and to benefit from the facility of holding shares in the Book-Entry-Form, the shareholders who still hold shares in physical form are requested to convert their shares in the Book-Entry-Form, as soon as possible.

7. **Unclaimed Dividend / Shares under Section 244 of the Companies Act, 2017**
An updated list of unclaimed dividend/shares of the Company is available on the Company's website www.meritpack.com. These are unclaimed dividend/shares which have remained unpaid or unclaimed for a period of three years or more from the date these have become due and payable. Claims can be lodged by shareholders on Claim Forms as are available on the Company's website. Claims Forms must be submitted to the Company's Shares Registrar for receipt of dividend/shares.

8. **E-Voting:**
In accordance with the Companies (Postal Ballot) Regulation, 2018, as amended, the right to vote through electronic voting facility will be provided by the Company in respect of the Special Business. Details of e-voting facility will be shared through e-mail with those members of the Company who have their valid CNIC numbers, Cell Numbers and e-mail addresses available in the register of Members of the Company within due course. The member may alternatively opt for voting through postal ballot which is being published with this notice and is also available on Company's website.

9. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 to Section 145 of the Companies Act, 2017.

10. **Prohibition on grant of gifts to Shareholders**
The Securities and Exchange Commission of Pakistan (the "SECP"), through its Circular 2 of 2018, dated February 9, 2018, has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens/coupons/lunches/takeaway packages) in any form or manner, to shareholders at or in connection with general meetings. Under Section 185 of the Act, any violation of this directive is considered an offense, and companies failing to comply may face penalties and accordance with the directive issued by the SECP, vide its S.R.O.452(i)/2025 dated 17 March 2025 the Company would like to inform all the shareholders that no gifts will be distributed at the AGM.

11. **Proxy Form:**
Form of Proxy and Postal Ballot Paper are enclosed and are also available on Company's website: www.meritpack.com.

**STATEMENT OF MATERIAL FACTS CONCERNING SPECIAL BUSINESS PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2017**

This statement sets out the material facts concerning the Special Business item No. 3 of the Notice which will be considered to be passed by the members.

Agenda Item No. 3(a) – Transactions carried out with associated companies/related parties during the year ended June 30, 2026 to be passed as a Special Resolution.

The transactions carried out in normal course of business with associated companies/related parties were being approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019.

During the Board meeting it was pointed out by the Directors that as some of Company Directors were interested in these transactions, the quorum of directors seemingly could not be formed for approval of some of these transactions which resultantly have to be approved by the shareholders in the general meeting.

In view of the above, the transactions conducted during the financial year ended June 30, 2026 with associated companies/related parties shown in Note No. 46 of the financial statements for the year ended June 30, 2026 are being placed before the shareholders for their consideration and approval/ratification.

Agenda Item No. 3(b) – Authorization to the Chief Executive Officer for the transactions carried out and to be carried out with associated companies during the ensuing year ending June 30, 2027 to be passed as a Special Resolution.

The Company would be conducting transactions with associated companies/related parties in the normal course of business. The majority of Directors are interested in these transactions, therefore, such transactions with associated companies/related parties have to be approved by the shareholders.

In order to comply with the provisions of Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019, the shareholders may authorize the Chief Executive Officer to approve transactions carried out and to be carried out in normal course of business with associated companies/related parties during the ensuing year ending June 30, 2027.

The Directors are interested in the resolutions to the extent of their common directorships and shareholding in the associated companies and the privileges attached thereto only.

# OTHER FINANCIAL INFORMATION


Statement of Value Added & its Distribution 39
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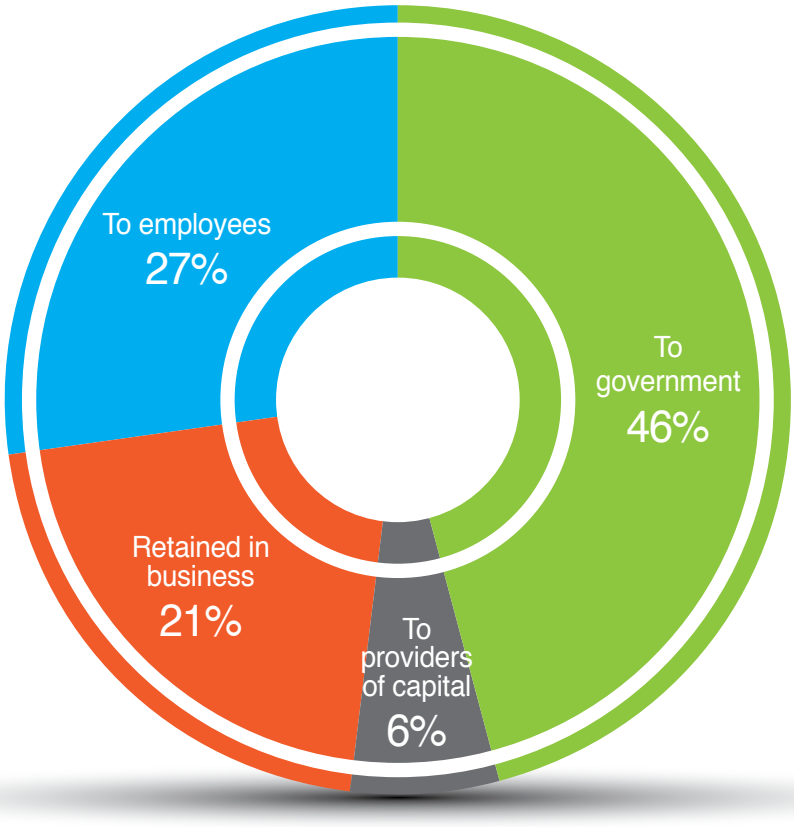
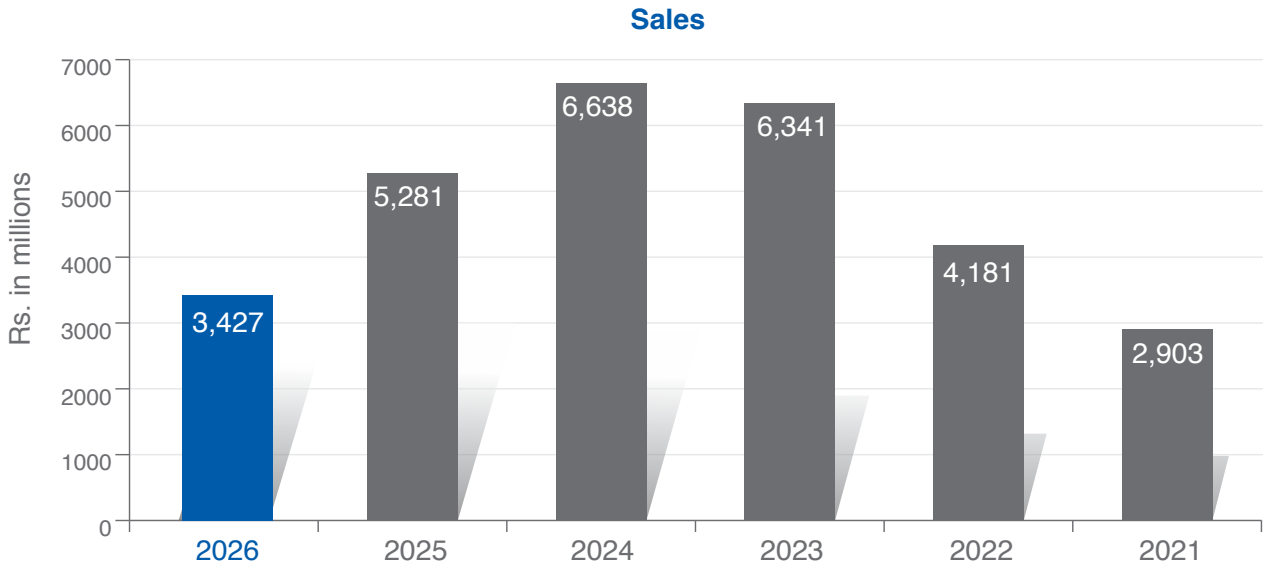
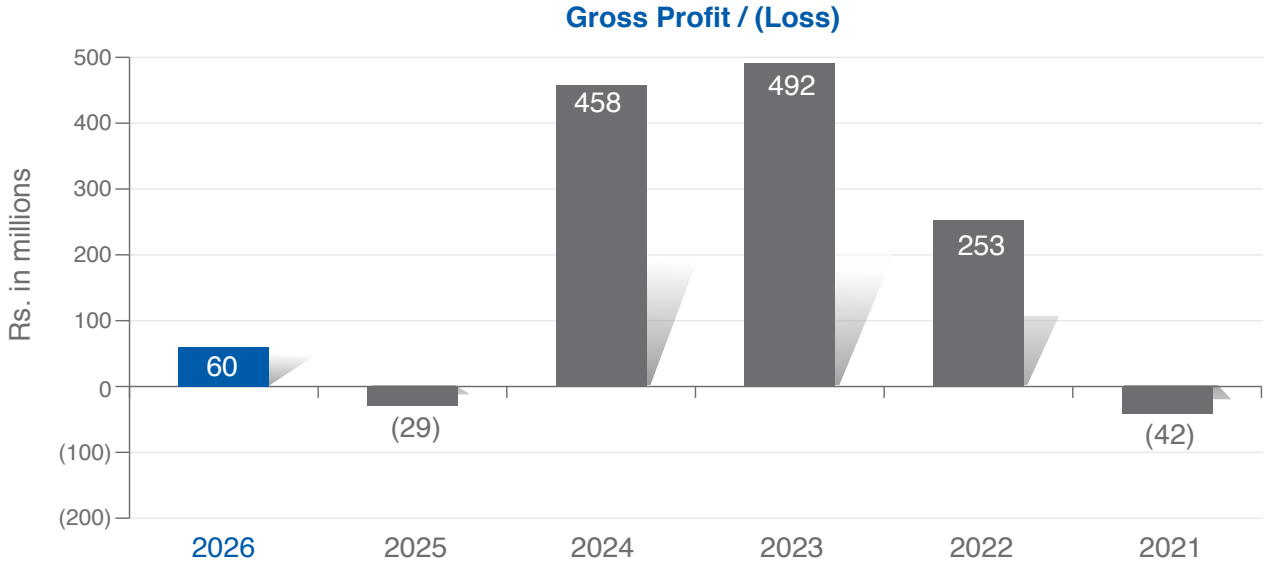
# STATEMENT OF VALUE ADDITION

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | Rs '000 | (%) | Rs '000 | (%) |
| **Value Added** | | | | |
| Gross Sales | 4,038,291 | | 6,203,661 | |
| Material & Services | (3,057,425) | | (4,953,090) | |
| Other income | 591,780 | | 27,804 | |
| | 1,572,646 | 100% | 1,278,375 | 100% |
| **Distribution** | | | | |
| To Employees | | | | |
| Salaries, Wages & other Benefits | 424,299 | 27% | 472,543 | 37% |
| To Government | | | | |
| Sales tax | 611,419 | | 922,728 | |
| Company taxation | 117,958 | | 66,298 | |
| | 681,182 | 46% | 989,026 | 77% |
| To Provider of Capital | | | | |
| Financial Charges on Borrowed Fund | 97,207 | 6% | 175,501 | 14% |
| Retained in Business | | | | |
| Depreciation | 198,128 | | 233,317 | |
| Amortization on Intangible Assets | - | | 91 | |
| Notinal Markup on Loan from Sponsers | - | | 7,565 | |
| Income / (Loss) for the year | 123,635 | | (599,668) | |
| | 321,824 | 21% | (358,695) | -28% |
| | 1,572,646 | 100% | 1,278,375 | 100% |

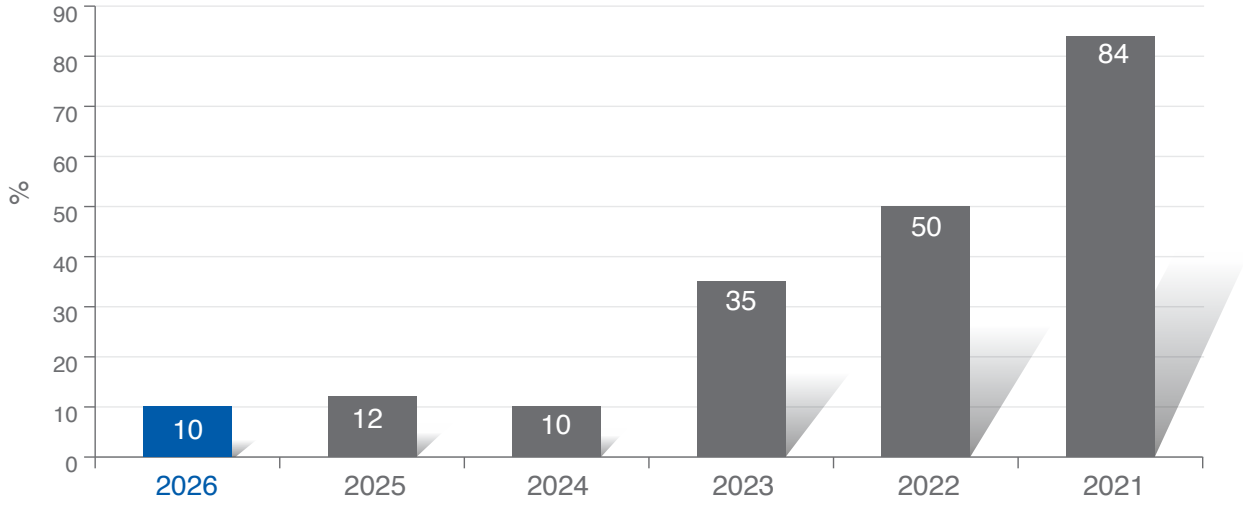



Sales
Rs. in millions
7000
6000
5000
4000
3000
2000
1000
0
3,427
5,281
6,638
6,341
4,181
2,903
2026
2025
2024
2023
2022
2021

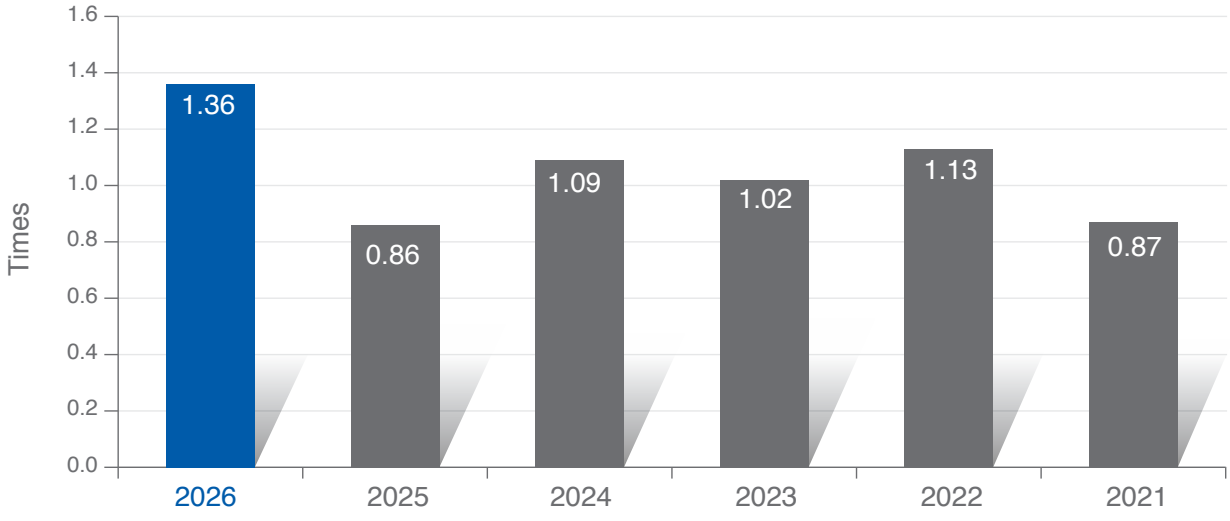

Gross Profit / (Loss)
Rs. in millions
500
400
300
200
100
0
(100)
(200)
60
(29)
458
492
253
(42)
2026
2025
2024
2023
2022
2021

Operating Profit / (Loss)
Rs. in millions
350
250
150
50
(50)
(150)
(250)
(350)
339
(350)
249
279
93
(218)
2026
2025
2024
2023
2022
2021

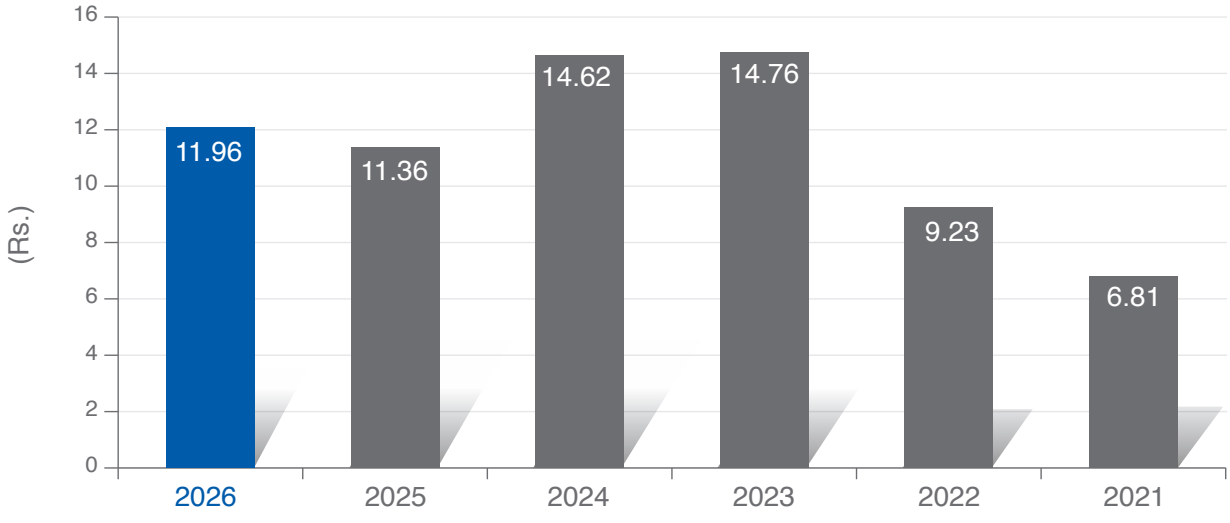
## Debt to Equity




## Current Ratio




## Break-up Value per share



# VERTICAL ANALYSIS

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | Rs '000 | % | Rs '000 | % |
| **Statement of Profit or loss** | | | | |
| Sales - net | 3,426,871 | 100 | 5,280,932 | 100 |
| Cost of sales | (3,367,292) | -98 | (5,309,665) | -101 |
| Gross profit / (loss) | 59,579 | 2 | (28,733) | -1 |
| Operating expenses | (279,222) | -8 | (321,571) | -6 |
| Operating profit / (loss) | 338,801 | 10 | (350,304) | -7 |
| Financial charges | (97,207) | -3 | (183,065) | -3 |
| Profit / (Loss) before taxation | 241,594 | 7 | (533,369) | -10 |
| Profit / (Loss) after taxation | 123,635 | 4 | (599,667) | -11 |
| **Statement of Financial Position** | | | | |
| **Assets** | | | | |
| Property, plant and equipment | 2,190,621 | 55 | 2,361,589 | 47 |
| Other non-current assets | 123,987 | 3 | 138,161 | 3 |
| Current Assets | 1,700,002 | 42 | 2,022,589 | 40 |
| Assets - Held for Sale | - | - | 494,341 | 10 |
| **Total Assets** | 4,014,609 | 100 | 5,016,741 | 100 |
| **Equity & Laibilities** | | | | |
| Share capital & reserves | 2,393,875 | 60 | 2,272,589 | 45 |
| Non-current liabilities | 376,447 | 9 | 383,616 | 8 |
| Current liabilities | 1,244,287 | 31 | 2,361,059 | 47 |
| **Total Equity and Liabilities** | 4,014,609 | 100 | 5,016,741 | 100 |

# HORIZONTAL ANALYSIS

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | Rs '000 | % | Rs '000 | % |
| **Statement of Profit or loss** | | | | |
| Sales - net | 3,426,871 | -35 | 5,280,932 | -20 |
| Cost of sales | (3,367,292) | -37 | (5,309,665) | -14 |
| Gross profit / (loss) | 59,579 | 307.35 | (28,733) | -106.27 |
| Operating expenses | (279,222) | 13 | (321,571) | -53 |
| Operating profit / (loss) | 338,801 | 197 | (350,304) | -241 |
| Financial charges | (97,207) | 47 | (183,065) | 48 |
| Profit / (Loss) before taxation | 241,594 | 145 | (533,369) | -417 |
| Profit / (Loss) after taxation | 123,635 | 121 | (599,667) | -222 |
| **Statement of Financial Position** | | | | |
| **Assets** | | | | |
| Property, plant and equipment | 2,190,621 | -7 | 2,361,650 | -19 |
| Other non-current assets | 123,987 | -10 | 138,161 | -9 |
| Current Assets | 1,700,002 | -16 | 2,022,589 | -10 |
| Assets - Held for Sale | - | - | 494,341 | - |
| **Total Assets** | 4,014,609 | -20 | 5,016,741 | -6 |
| **Equity & Laibilities** | | | | |
| Share capital & reserves | 2,393,875 | 5 | 2,272,065 | -22 |
| Non-current liabilities | 376,447 | -2 | 383,616 | 15 |
| Current liabilities | 1,244,287 | -47 | 2,361,059 | 14 |
| **Total Equity and Liabilities** | 4,014,609 | -20 | 5,016,741 | -6 |

| 2024 | | 2023 | | 2022 | | 2021 | |
|---|---|---|---|---|---|---|---|
| Rs '000 | % | Rs '000 | % | Rs '000 | % | Rs '000 | % |
| 6,638,477 | 100 | 6,340,624 | 100 | 4,181,647 | 100 | 2,902,559 | 100 |
| (6,180,364) | -93 | (5,849,026) | -92 | (3,928,730) | -94 | -2,944,958 | -101 |
| 458,113 | 7 | 491,597 | 8 | 252,917 | 6 | -42,399 | -1 |
| (209,543) | -3 | (212,848) | -3 | (160,146) | -4 | -175,354 | -6 |
| 248,569 | 4 | 278,749 | 4 | 92,771 | 2 | -217,753 | -8 |
| (351,728) | -5 | (344,285) | -5 | (263,168) | -6 | -326,963 | -11 |
| (103,159) | -2 | (65,536) | -1 | (170,396) | -4 | -544,716 | -19 |
| (186,362) | -3 | (189,912) | -3 | (168,169) | -4 | -564,978 | -19 |
| 2,921,484 | 55 | 4,430,917 | 62 | 2,988,530 | 56 | 3,028,233 | 61 |
| 152,464 | 3 | 12,493 | 0 | 5,432 | 0 | 182,415 | 4 |
| 2,253,835 | 42 | 2,713,195 | 38 | 2,313,493 | 44 | 1,765,083 | 35 |
| - | - | - | - | - | - | - | - |
| 5,327,783 | 100 | 7,156,605 | 100 | 5,307,455 | 100 | 4,975,731 | 100 |
| 2,923,913 | 55 | 2,951,691 | 41 | 1,613,816 | 30 | 549,316 | 11 |
| 332,846 | 6 | 1,538,582 | 21 | 1,641,496 | 31 | 2,408,284 | 48 |
| 2,071,024 | 39 | 2,666,331 | 37 | 2,052,143 | 39 | 2,018,131 | 41 |
| 5,327,783 | 100 | 7,156,604 | 100 | 5,307,455 | 100 | 4,975,731 | 100 |

| 2024 | | 2023 | | 2022 | | 2021 | |
|---|---|---|---|---|---|---|---|
| Rs '000 | % | Rs '000 | % | Rs '000 | % | Rs '000 | % |
| 6,638,477 | 5 | 6,340,624 | 52 | 4,181,647 | 44 | 2,902,559 | 34 |
| (6,180,364) | 6 | (5,849,026) | 49 | (3,928,730) | 33 | (2,944,958) | 25 |
| 458,113 | -7 | 491,597 | 94 | 252,917 | -697 | (42,399) | -79 |
| (209,543) | -2 | (212,848) | 33 | (160,146) | -9 | (175,354) | -19 |
| 248,569 | -11 | 278,749 | 200 | 92,771 | -143 | (217,753) | -48 |
| (351,728) | 2 | (344,285) | 31 | (263,168) | -20 | (326,963) | -7 |
| (103,159) | 57 | (65,536) | -62 | (170,396) | -69 | (544,716) | -29 |
| (186,362) | -2 | (189,912) | 13 | (168,169) | -70 | (564,978) | -18 |
| 2,921,484 | -34 | 4,430,917 | 48 | 2,988,530 | -1 | 3,028,233 | 5 |
| 152,464 | 1120 | 12,493 | 130 | 5,432 | -97 | 182,415 | -1 |
| 2,253,835 | -17 | 2,713,195 | 17 | 2,313,493 | 31 | 1,765,083 | 7 |
| - | - | - | - | - | - | - | - |
| 5,327,783 | -26 | 7,156,605 | 35 | 5,307,455 | 7 | 4,975,731 | 6 |
| 2,923,913 | -1 | 2,951,691 | 83 | 1,613,816 | 194 | 549,316 | -4 |
| 332,846 | -78 | 1,538,582 | -6 | 1,641,496 | -32 | 2,408,284 | -2 |
| 2,071,024 | -22 | 2,666,331 | 30 | 2,052,143 | 2 | 2,018,131 | 19 |
| 5,327,783 | -26 | 7,156,604 | 35 | 5,307,455 | 7 | 4,975,731 | 6 |

# SIX YEAR KEY OPERATING AND FINANCIAL DATA

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|---|
| | Rupees in thousands | | | | | |
| **Trading results** | | | | | | |
| Sales | 3,426,871 | 5,280,932 | 6,638,477 | 6,340,624 | 4,181,647 | 2,902,559 |
| Gross (loss) / profit | 59,579 | (28,733) | 458,113 | 491,597 | 252,917 | (42,399) |
| Profit / (Loss) before taxation | 241,594 | (533,369) | (103,159) | (65,536) | (170,396) | (544,716) |
| Profit / (Loss) after taxation | 123,635 | (599,667) | (186,362) | (189,912) | (168,169) | (564,978) |
| **Financial position** | | | | | | |
| Total capital employed | 2,770,322 | 2,655,682 | 3,256,759 | 4,490,273 | 3,255,312 | 2,957,600 |
| Property, plant and equipment | 2,190,621 | 2,361,650 | 2,921,484 | 4,430,917 | 2,988,530 | 3,028,233 |
| Shareholder equity | 2,393,875 | 2,272,065 | 2,923,913 | 2,951,691 | 1,613,816 | 549,316 |
| Long term liabilities | 376,447 | 383,616 | 332,846 | 1,538,582 | 1,641,496 | 2,408,284 |
| Deferred taxation | - | - | - | - | - | 176,482 |
| **Others** | | | | | | |
| Number of employees (at year end) | 137 | 170 | 181 | 194 | 188 | 206 |
| Capital expenditure | 28,470 | 116,337 | 246,381 | 240,402 | 155,471 | 48,308 |
| Contribution to national exchequer | 244,538 | 296,932 | 298,477 | 285,771 | 119,945 | 135,183 |
| **Ratios** | | | | | | |
| Gross (loss) / profit | 1.74% | -0.54% | 6.90% | 7.75% | 6.05% | -1.46% |
| Profit / (Loss) before taxation | 7.05% | -10.10% | -1.55% | -1.03% | -4.07% | -18.77% |
| Profit / (Loss) after taxation | 3.61% | -11.36% | -2.81% | -3.00% | -4.02% | -19.46% |
| Return on equity | 5.16% | -26.39% | -6.37% | -6.43% | -10.42% | -102.85% |
| Return on capital employed | 4.46% | -18.41% | -5.72% | -4.23% | -5.17% | -19.10% |
| Current ratio | 1.36 : 1 | 0.86 : 1 | 1.09 : 1 | 1.02 : 1 | 1.13 : 1 | 0.87 : 1 |
| Debt / equity ratio | 10 : 90 | 12 : 88 | 10 : 90 | 35 : 65 | 50 : 50 | 84 : 16 |
| Inventory days | 46 | 34 | 36 | 46 | 58 | 66 |
| Receivable days | 82 | 69 | 73 | 74 | 77 | 75 |
| **Others** | | | | | | |
| Earning / (Loss) per share - (Rs.) | 0.62 | (3.00) | (0.93) | (0.95) | (1.13) | (7.01) |
| Break-up value per share (Rs.) | 11.96 | 11.36 | 14.62 | 14.76 | 9.23 | 6.81 |
| Market Value (Rs.) | 10.11 | 13.10 | 12.99 | 8.80 | 8.79 | 17.66 |
| Price earning ratio | 16.31 | N/A | N/A | N/A | N/A | N/A |

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# CHAIRMAN'S REVIEW

## For the year ended June 30, 2026

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019, an annual evaluation of the Board of Directors of Merit Packaging Limited is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness are measured and benchmarked against expectations in the context of objectives set for the Company.

For the financial year ended June 30, 2026, the Board's overall performance and effectiveness have been assessed as Satisfactory. Improvements are an ongoing process leading to action plans. The above overall assessment is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitoring financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's responsibility.

The Board of Directors of your Company received agendas and supporting written material including follow-up materials in sufficient time prior to the Board and its committee meetings. The Board meets frequently enough to adequately discharge its responsibilities. The Non-Executive and Independent Directors are equally involved in important decisions.

Iqbal Ali Lakhani
Chairman

Karachi: September 29, 2026

# چیئرمین کا جائزہ

برائے مالی سال اختتامیہ 30 جون 2026

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت مطلوبہ تقاضے کے مطابق، کمپنی کے بورڈ آف ڈائریکٹرز کی سالانہ کارکردگی کا جائزہ لیا جاتا ہے۔ اس جائزے کا مقصد یہ یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور موثریت کو کمپنی کے لیے مقرر کردہ مقاصد کے تناظر میں توقعات کے مطابق جانچا اور معیار کے ساتھ پرکھا جائے۔

مالی سال اختتامیہ 30 جون 2026 کے لیے بورڈ کی مجموعی کارکردگی اور موثریت کو تسلی بخش قرار دیا گیا ہے۔ بہتری ایک مسلسل عمل ہے جو عملی منصوبہ بندی کی طرف لے جاتا ہے۔

مندرجہ بالا مجموعی جائزہ مختلف بنیادی اجزائ کی تشخیص پر مبنی ہے، جن میں وژن، مشن اور اقدار؛ اسٹریٹجک منصوبہ بندی میں شرکت؛ پالیسیوں کی تشکیل؛ ادارے کی کاروباری سرگرمیوں کی نگرانی؛ مالی وسائل کے انتظام کی نگرانی؛ موثر مالیاتی نگرانی؛ تمام ملازمین کے ساتھ مساوی سلوک؛ اور بورڈ کی ذمہ داریوں کو انجام دینے میں موثریت شامل ہیں۔

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کو بورڈ اور اس کی کمیٹیوں کے اجلاسوں سے کافی وقت پہلے ایجنڈے اور معاون تحریری مواد، بشمول فالو اُپ سے متعلق مواد، موصول ہوئے۔ بورڈ اپنے فرائض کو مناسب طور پر انجام دینے کے لیے کافی باقاعدگی سے اجلاس منعقد کرتا ہے۔ غیر انتظامی اور آزاد ڈائریکٹرز اہم فیصلوں میں یکساں طور پر شریک ہوتے ہیں۔

**اقبال علی لاکھانی**
چیئرمین

کراچی:29 ستمبر 2026

# DIRECTORS REPORT TO THE MEMBERS

For the year ended June 30, 2026

The Board of Directors of Merit Packaging Limited present the Annual Report along with the Company's Audited Financial Statements for the year ended June 30, 2026.

This Directors' Report has been prepared in accordance with Section 227 of the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations 2019, and will be submitted to the members at the 46th Annual General Meeting to be held on October 28, 2026.

## PRINCIPLE ACTIVITIES

Company is mainly engaged in manufacturing and selling printing and packaging materials.

## BUSINESS AND ECONOMIC ENVIRONMENT

Pakistan's economy strengthened in FY 2026, with real GDP growth reaching 3.7 percent, the strongest in four years, driven by a recovery in large scale manufacturing, construction, and services. Inflation, after multi year lows in FY 2025, edged up to 6 to 7 percent on rising global energy prices, though it stayed within the State Bank's target range. Reserves were rebuilt past $16 billion, and the fiscal primary surplus exceeded targets, supported by continued IMF Extended Fund Facility and Resilience and Sustainability Facility disbursements. These gains remain fragile. The fiscal deficit, high public debt, and narrow tax base persist, and the current account swung back into deficit as the Middle East conflict pushed up import costs and briefly triggered capital outflows.

For packaging specifically, the demand backdrop improved. Large scale manufacturing grew 4.98 percent, reversing last year's contraction, with paper and board, alongside food, beverages, and garments, the Company's core end markets, recording growth. Private consumption, which had slowed sharply in FY 2025, recovered as inflation eased and remittance driven incomes improved. Structural pressures persisted regardless: rising input costs, margin compression, and competition from a large undocumented segment. The Company continued focusing on defending and growing its market share.

## FINANCIAL PERFORMANCE

The financial performance at a glance is presented below:

| | 2026 | 2025 |
|---|---|---|
| | PKR in millions | |
| • Revenue | 3,426.87 | 5,280.93 |
| • Gross profit / (loss) | 59.58 | (28.73) |
| • Profit / (loss) before taxation and levy | 241.59 | (350.30) |
| • Profit / (loss) after tax | 123.64 | (599.67) |

During the year, the Company made a significant progress in terms of operation as compared to last year. Although the revenue fell from Rs. 5,281 million to Rs. 3,426 million, a decline of Rs. 1,855 million (34.12%) during the year mainly on account of disposal of Gravure division, the Company made a gross profit of Rs. 60 million as compared to a loss of Rs. 29 million, a recovery of Rs. 88 million (306.37%). This was achieved through reducing wastages, improving operations and austerity measures.

The Company arrived at Operating Loss for FY26 of PKR 166 million (excluding the one-time gain on disposal of the Gravure division) from Operating loss of PKR 350 million in FY25 i.e. reduction in loss by Rs. 184 million (52.6%). This was mainly on account of acheving operating effeciencies, closure of Gravure division, and austerity measures. During the year, the Company disposed its Gravure division to M/s Kompass Pvt. Limited for a consideration of Rs. 1 billion. The amount was fully credited. Resultantly, the Company made a profit of Rs. 505 million.

The Financial charges witnessed significant decline from Rs. 183 million FY 2025 to Rs. 97 million FY 2026 (47%). This decline was mainly due to significant reduction in utilization of running finance and downward revision of KIBOR by SBP.

## DIVIDEND PAYOUT

Despite the profit after tax, no dividend has been declared in view of the Company's accumulated losses.

## EARNINGS PER SHARE

The basic Earnings / (Loss) per Share of the Company was Re. 0.62 (2025: Re. 3.00 (LPS).

## CORPORATE SOCIAL RESPONSIBILITY

At Merit Packaging Limited, we are more than just a company; we are a community-focused organization committed to driving positive social change. In line with our dedication to corporate social responsibility, we actively engage in various initiatives aimed at improving the quality of life for those residing near our manufacturing facilities and in surrounding areas. The company is steadfast in its support for individuals in need, particularly during emergencies and natural disasters. With a vision to create a better environment, a stronger economy, and a more prosperous Pakistan, we remain committed to supporting reputable charitable organizations and impactful social projects. Further details on our CSR activities during the year can be found in the CSR section of the Annual Report.

## SUSTAINABILITY

Under SECP's order of December 31, 2024, issued under Section 238 of the Companies Act, 2017, the IFRS Sustainability Disclosure Standards, IFRS S1 and IFRS S2, are being adopted in Pakistan in three phases based on turnover, employee count, and total assets. Based on the Company's size, this places Merit Packaging Limited in the third phase, with mandatory sustainability related financial disclosures applicable from the financial year ending June 30, 2028. While this requirement is not yet mandatory for the Company, the Board has proactively begun laying the groundwork for structured ESG governance ahead of that timeline. The Company recognizes sustainability related risks and opportunities relevant to its operations as a packaging manufacturer, spanning energy consumption and GHG emissions, water and waste management, sustainable sourcing of raw materials, occupational health and safety, and responsible supply chain practices. Its existing certifications, including ISO 14001 for environmental management, ISO 9001 for quality management, FSC Chain of Custody, and participation in SEDEX and EcoVadis assessments, continue to support these practices and the Company's ability to meet customer sustainability requirements.

During the year, the Board constituted a Sustainability Committee, chaired by Mr. Farrukh Shauket Ansari, to provide formal oversight of the Company's ESG strategy. The Committee reviewed a proposed ESG framework structured around environmental, social, and governance pillars, identified key sustainability risks and opportunities facing the Company, and considered a roadmap for establishing ESG baselines, key performance indicators, and a structured reporting mechanism ahead of the FY 2028 requirement. The Committee also reviewed the Company's approach to diversity, equity, and inclusion, with a focus on gender equality, workforce participation, equal opportunity, and fair treatment practices, and proposed initiatives to establish a DE&I baseline and monitor female workforce participation, including in supervisory and management roles. The Board views the Committee's formation as an early, deliberate step toward sustainability governance well in advance of the regulatory timeline.

## GENDER PAYGAP

The gender pay gap information is provided in the annual report. Please refer page 22.

## SAFETY, SECURITY, HEALTH, AND ENVIRONMENT

The safety and well-being of our employees, along with the preservation of the environment, are our top priorities. Through strong leadership commitment, we safeguard our workforce, assets, and surroundings by maintaining a comprehensive control framework and cultivating a robust SSHE (Safety, Security, Health, and Environment) culture across our operations. Additionally, we are committed to addressing environmental challenges by setting ambitious sustainability goals to reduce our long-term environmental impact.

Our production facilities adhere to industry safety standards, overseen by a dedicated department that ensures compliance with best practices. This department also regularly conducts fire and safety training for our staff. Thanks to the Company's unwavering commitment to strict SSHE protocols, no significant accidents were reported during the year.

## 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 the 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 the 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 about 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 a 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 the 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 of June 30, 2026.
- Provident Fund PKR 141.07 million
- Gratuity Fund PKR 84.90 million

## RELATED PARTY TRANSACTIONS

All related party transactions, during the year 2026, were placed before the Audit Committee and the Board for their review and approval. These transactions were duly reviewed by the Audit Committee and approved by the Board in their respective meetings. All these transactions were executed at an arm's length transaction and are in line with the policy with related parties approved by the Board. The Company also maintains a full record of all such transactions, along with the terms and conditions.

## BOARD OF DIRECTORS

The total number of Directors on the board is 7. Its composition is as follows:

| | |
|---|---|
| Male Directors | 6 |
| Female Director | 1 |
| **A. Independent Directors** | 2 |

- Mr. Sheikh Asim Rafiq
- Mr. Ahmed Munaf

| | |
|---|---|
| **B. Non-Executive Directors** | 5 |

- Mr. Iqbal Ali Lakhani – Chairman
- Mr. Amin Mohammed Lakhani
- Mr. Aftab Ahmad
- Ms. Anushka Lakhani
- Mr. Farrukh Shauket Ansari

| | |
|---|---|
| **C. Female Director** | 1 |

- Ms. Anushka Lakhani

- During the year, 6 meetings of the Board of Directors were convened. The attendance record of each director is as follows:

| Name of Director | Meetings Attended |
|---|---|
| Mr. Iqbal Ali Lakhani | 6 |
| Mr. Amin Mohammed Lakhani | 5 |
| Ms. Anushka Lakhani | 4 |
| Mr. Aftab Ahmad | 6 |
| Mr. Farrukh Shauket Ansari | 6 |
| Mr. Ahmed Munaf | 6 |
| Mr. Sheikh Asim Rafiq | 6 |

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

| Name of Director | Meetings Attended |
|---|---|
| Mr. Sheikh Asim Rafiq | 4 |
| Mr. Amin Mohammed Lakhani | 3 |
| Mr. Farrukh Shaukat Ansari | 4 |

- During the year, 1 meeting of the Human Resource and Remuneration Committee was convened. The attendance record of each member is as follows:

| Name of Director | Meetings Attended |
|---|---|
| Mr. Amin Mohammed Lakhani | 1 |
| Mr. Sheikh Asim Rafiq | 1 |
| Mr. Aftab Ahmad | 1 |
| Mr. Sabir Imtiaz (CEO) | 1 |

## DIRECTORS' REMUNERATION

The significant features and key elements of Directors' Remuneration are as follows:

- Independent and Non-Executive Directors are only entitled to receive fixed fees in lieu of remuneration of the Board and the Committee meetings.
- The Board is authorized to determine the remuneration of its Directors for attending meetings of the Board and Committee.
- The detail of Directors' remuneration is disclosed in Note 46 of the Financial Statements for the year ended June 30, 2026.

## PERFORMANCE EVALUATION OF BOARD OF DIRECTORS AND BOARD COMMITTEES

The Company carries out an annual evaluation of the Board of Directors, its Committees, and Individual Directors as part of the Code of Corporate Governance. A strict level of confidentiality is exercised by the Company Secretary upon receipt of completed questionnaires. The contents of the report are evaluated and areas that require improvement are identified.

## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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

## RISK MANAGEMENT

The Company encounters various legal, regulatory, and operational risks. To manage these effectively, an Internal Controls and Risk Management Framework is in place, ensuring that appropriate risk mitigation plans are implemented and functioning well. Any significant issues are promptly escalated to senior management and the Board.

The Board of Directors maintained vigilant oversight of the socio-economic environment and the related internal and external risks that could potentially impact the Company's secure and seamless operations.

As protectors of stakeholder interests, the Directors diligently identified and addressed risks throughout the year. They assessed potential risks, evaluated their implications for the Company, and developed strategies to minimize their impact. These strategies were implemented across the Company, with the Audit Committee overseeing the process.

Strategic risks are managed by the Board of Directors, while operational risks are handled by the leadership team. One of the most significant risks the Company faces is the pricing and availability of raw materials. Given the economic volatility, raw material prices can be unpredictable. To mitigate this risk, the Company has established strong relationships with key suppliers, enabling it to manage pricing effectively while ensuring a reliable supply of raw materials.

## INTERNAL AUDIT AND CONTROLS

The Company has established a robust internal audit and control system, offering independent assurance to the Board on the adequacy and effectiveness of internal controls. Aligned with the Company's risk governance structure, the Audit Committee approves the annual internal audit plan to ensure the Internal Audit function remains effective and independent. The Directors are confident that the internal control framework has been carefully designed and was effectively implemented and monitored throughout the year.

## SUBSEQUENT EVENTS

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company and the date of this report.

## PATTERN OF SHAREHOLDING

The pattern of shareholding along with categories of shareholders as of June 30, 2026, as required under section 227 of the Companies Act 2017 is presented on page 102 to 104 of the annual report.

## AUDITORS

The present external auditors, M/s BDO Ebrahim & Co., Chartered Accountants, have completed the annual audit for the year ended June 30, 2026. The auditors shall retire at the conclusion of the Annual General Meeting on October 28, 2026, and being eligible, have offered themselves for reappointment for the year 2027 the Board's Audit Committee has also recommended their re-appointment, which has been endorsed by the Board.

## FUTURE PROSPECTS

Pakistan's economy is expected to grow at a similar pace in FY 2027, with inflation forecast to rise to 8.3 percent on higher energy costs and continued pressure on remittances. For the packaging industry, sector participants remain cautiously optimistic, with growth expected from rising domestic consumption, capacity expansion, and improved product mix across the FMCG, personal care, pharmaceutical, and food segments the industry serves. The Company's cost base is more directly exposed to global paperboard and pulp pricing volatility. Global paperboard prices rose through the first half of 2026 on tightening pulp and recovered fiber supply and elevated energy costs at major producing mills, with this pressure expected to persist through the second half of the year, meaning the Company's key input cost is likely to remain firm to higher rather than easing in the near term. This global cost pressure, layered on top of a large domestic undocumented segment that keeps local pricing competitive, is expected to keep margins under strain even as underlying demand improves. Against this backdrop, the Company's strategy for FY 2027 centers on strengthening its position with existing customers while actively pursuing new customer relationships to diversify its revenue base, and on deepening engagement with key suppliers to secure more reliable paperboard pricing, availability, and lead times.

## ACKNOWLEDGEMENT

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. We are grateful to the sponsors for their continued support and guidance in testing situations especially in terms of the financial support they extended from time to time to the company in the shape of the right shares and interest-free sponsors' loans. This support from our sponsors has helped the Company pave the way for future profitability.

On behalf of the Board of Directors

**Iqbal Ali Lakhani**
Chairman

**Sabir Imtiaz**
Chief Executive

Karachi: September 29, 2026

اسٹریٹجک خطرات کا انتظام بورڈ آف ڈائریکٹرز کی معاونت سے کیا جاتا ہے، جبکہ آپریشنل خطرات سے انتظامی قیادت کی ٹیم نمٹتی ہے۔ کمپنی کو درپیش سب سے اہم خطرات میں سے ایک خام مال کی قیمتوں اور دستیابی سے متعلق ہے۔ معاشی اتار چڑھاؤ کے پیش نظر، خام مال کی قیمتیں غیر متوقع ہو سکتی ہیں۔ اس خطرے کو کم کرنے کے لیے کمپنی نے اہم سپلائرز کے ساتھ مضبوط تعلقات قائم کیے ہیں، جس سے اسے قیمتوں کو موثر طریقے سے منظم کرنے کے ساتھ ساتھ خام مال کی قابلِ اعتماد فراہمی کو یقینی بنانے میں مدد ملتی ہے

## اندرونی آڈٹ اور نگرانی

کمپنی نے ایک مضبوط اندرونی آڈٹ اور کنٹرول کا نظام قائم کیا ہے، جو بورڈ کو داخلی کنٹرولز کی موزونیت اور موثریت کے بارے میں آزادانہ یقین دہانی فراہم کرتا ہے۔ کمپنی کے رسک گورننس کے ڈھانچے سے ہم آہنگ، آڈٹ کمیٹی سالانہ اندرونی آڈٹ پلان کی منظوری دیتی ہے تاکہ یہ یقینی بنایا جا سکے کہ اندرونی آڈٹ کا شعبہ موثر اور آزادانہ طور پر کام کرتا رہے۔ ڈائریکٹرز کو یقین ہے کہ داخلی کنٹرولز کے فریم ورک کو احتیاط سے ڈیزائن کیا گیا ہے اور پورے سال اسے موثر طریقے سے نافذ اور مانیٹر کیا گیا ہے۔

## مابعد واقعات

کمپنی کے مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کوئی ایسی اہم تبدیلی یا عہد و پیمان واقع نہیں ہوا جس سے کمپنی کی مالیاتی حیثیت متاثر ہوتی ہو۔

## ترتیب حصص داری

جون 2026 تک ترتیب حصص داری، حصص یافتگان کے زمرہ جات کے ساتھ، جیسا کہ کمپنیز ایکٹ 2017 کی دفعہ 227 کے تحت مطلوب ہے، سالانہ رپورٹ کے صفحات 102 تا 104 پر پیش کیا گیا ہے۔

## آڈیٹرز

موجودہ بیرونی آڈیٹرز، میسرز بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے 30 جون 2026 کو ختم ہونے والے سال کا سالانہ آڈٹ مکمل کر لیا ہے۔ موجودہ آڈیٹرز 28 اکتوبر 2026 کو منعقد ہونے والے سالانہ عام اجلاس کے اختتام پر اپنے عہدے سے سبکدوش ہو جائیں گے، اور اہل ہونے کی وجہ سے انہوں نے مالی سال 2027 کے لیے دوبارہ تقرری کے لیے اپنی خدمات پیش کی ہیں۔ بورڈ کی آڈٹ کمیٹی نے بھی ان کی دوبارہ تقرری کی سفارش کی ہے، جس کی بورڈ نے توثیق کر دی ہے۔

## مستقبل کا لائحہ عمل

توقع ہے کہ پاکستان کی معیشت مالی سال 2027 میں بھی اسی رفتار سے ترقی کرے گی، جبکہ توانائی کی بلند قیمتوں اور ترسیلاتِ زر پر جاری دباؤ کے باعث افراطِ زر بڑھ کر 8.3% تک پہنچنے کی پیش گوئی کی گئی ہے۔ پیکیجنگ کی صنعت کے لیے، شعبے کے شرکائ محتاط طور پر پُرامید ہیں۔ توقع ہے کہ ملکی کھپت میں اضافے، پیداواری صلاحیت میں توسیع، اور ایف ایم سی جی، ذاتی نگہداشت، دوا سازی اور خوراک کے شعبوں میں مصنوعات کے بہتر امتزاج کے نتیجے میں ترقی حاصل ہوگی، جن شعبوں کو یہ صنعت خدمات فراہم کرتی ہے۔ کمپنی کی لاگت کی بنیاد عالمی کاغذی گتے اور پلپ کی قیمتوں میں اتار چڑھاؤ سے زیادہ براہِ راست متاثر ہوتی ہے۔ عالمی سطح پر پلپ اور ری سائیکل شدہ فائبر کی فراہمی میں کمی اور بڑے پیداواری کارخانوں میں توانائی کی بلند قیمتوں کے باعث 2026 کی پہلی ششماہی کے دوران پیپر بورڈ کی عالمی قیمتوں میں اضافہ ہوا۔ توقع ہے کہ یہ دباؤ سال کی دوسری ششماہی کے دوران بھی برقرار رہے گا۔ اس کا مطلب یہ ہے کہ کمپنی کی بنیادی خام مال کی لاگت قلیل مدت میں کم ہونے کے بجائے مستحکم یا مزید بلند رہنے کا امکان ہے۔ یہ عالمی لاگتی دباؤ، مقامی سطح پر موجود ایک بڑے غیر دستاویزی شعبے کے اضافی اثر کے ساتھ، جو مقامی قیمتوں کو مسابقتی رجحان رکھتا ہے، منافع کے مارجن پر دباؤ برقرار رکھنے کا باعث بننے کی توقع ہے، اگرچہ بنیادی طلب میں بہتری آ رہی ہو۔

اس پس منظر میں، مالی سال 2027 کے لیے کمپنی کی حکمتِ عملی موجودہ صارفین کے ساتھ اپنی پوزیشن مضبوط کرنے، آمدنی کی بنیاد کو متنوع بنانے کے لیے نئے صارفین کے ساتھ تعلقات فعال طور پر قائم کرنے، اور اہم سپلائرز کے ساتھ روابط کو مزید مضبوط بنانے پر مرکوز ہے، تاکہ پیپر بورڈ کی زیادہ قابلِ اعتماد قیمتوں، دستیابی اور فراہمی کے اوقات کو یقینی بنایا جا سکے۔

## اظہارِ تشکر

انتظامیہ تمام صارفین، مالیاتی اداروں، عملے کے ارکان، سپلائرز اور حصص یافتگان کا تہہ دل سے شکریہ ادا کرنا چاہتی ہے جو کمپنی کے ساتھ وابستہ رہے ہیں اور مسلسل تعاون اور معاونت فراہم کرتے رہے ہیں۔ہم اسپانسرز کے مسلسل تعاون اور رہنمائی کے لیے بھی ان کے شکر گزار ہیں، خصوصاً مشکل حالات میں، بالخصوص اس مالی معاونت کے حوالے سے جو انہوں نے وقتاً فوقتاً کمپنی کو رائٹ شیئرز اور بلاسود اسپانسرز کے قرضوں کی صورت میں فراہم کی۔ ہمارے اسپانسرز کی اس معاونت نے کمپنی کو مستقبل میں منافع حاصل کرنے کی راہ ہموار کرنے میں مدد دی ہے۔

منجانب و برائے بورڈ آف ڈائریکٹرز

**اقبال علی لاکھانی**
چیئرمین

**صابر امتیاز**
چیف ایگزیکٹو

کراچی: 29 ستمبر، 2026

دوران سال، بورڈ آف دائریکٹرز کے چھ(6) اجلاس منعقد کئے گئے۔تمام ڈائریکٹرز کی شرکت اور حاضری درج ذیل ہے

| ڈیئریکٹرز کے نام | اجلاسوں میں حاضری |
|---|---|
| جناب اقبال علی لاکھانی | 6 |
| جناب امین محمد لاکھانی | 5 |
| محترمہ انوشکا لاکھانی | 4 |
| جناب آفتاب احمد | 6 |
| جناب فرخ شوکت انصاری | 6 |
| جناب احمد مناف | 6 |
| جناب شیخ عاصم رفیق | 6 |

دوران سال، آڈٹ کمیٹی کے چار (4) اجلاس منعقد کئے گئے۔ ان اجلاسوں میں حاضری کی تفصیلات درج ذیل ہے:

| ڈیئریکٹرز کے نام | اجلاسوں میں حاضری |
|---|---|
| جناب شیخ عاصم رفیق | 5 |
| جناب امین محمد لاکھانی | 4 |
| جناب فرخ شوکت انصاری | 5 |

دوران سال، انسانی وسائل و ادائیگیوں کی کمیٹی کا ایک (1) اجلاس منعقد کیا گیا۔ اس اجلاس میں ممبران کی حاضری کی تفصیلات درج ذیل ہے:

| ڈیئریکٹرز کے نام | اجلاسوں میں حاضری |
|---|---|
| جناب امین محمد لاکھانی | 1 |
| جناب شیخ عاصم رفیق | 1 |
| جناب آفتاب احمد | 1 |
| جناب صابر امتیاز (سی ای او) | 1 |

## ڈائریکٹرز کا مشاہرہ

ڈائریکٹرز کے معاوضے کی نمایاں خصوصیات اور اہم عناصر درج ذیل ہیں:

- غیر جانبدار اور غیر انتظامی ڈائریکٹرز صرف بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے عوض معاوضے کے طور پر مقررہ فیس وصول کرنے کے حق دار ہیں۔
- بورڈ کو یہ اختیار حاصل ہے کہ وہ بورڈ اور کمیٹی کے اجلاسوں میں شرکت کرنے والے اپنے ڈائریکٹرز کے معاوضے کا تعین کرے۔
- ڈائریکٹرز کے معاوضے کی تفصیلات 30 جون 2026 کو ختم ہونے والے سال کے مالیاتی گوشواروں کے نوٹ نمبر 46 میں ظاہر کی گئی ہیں۔

## بورڈ اور اس کی کمیٹیوں کی کارکردگی کا جائزہ

کمپنی کارپوریٹ گورننس کے ضابطہ کار کے تحت اپنی سرگرمیوں کے حصے کے طور پر بورڈ آف ڈائریکٹرز، اس کی کمیٹیوں اور انفرادی ڈائریکٹرز کی سالانہ کارکردگی کا جائزہ لیتی ہے۔

مکمل شدہ سوالنامے موصول ہونے پر کمپنی سیکریٹری کی جانب سے رازداری کے اصول پر سختی سے عمل کیا جاتا ہے۔ رپورٹ کے مندرجات کا جائزہ لیا جاتا ہے اور ان شعبوں کی نشاندہی کی جاتی ہے جن میں بہتری کی ضرورت ہوتی ہے۔

## کارپوریٹ گورننس کے ضابطہ اخلاق پر عملدرآمد کا بیان

کمپنی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس ) ریگولیشنز، 2019 کے تقاضوں کی مکمل تعمیل کی ہے۔ تعمیل کا بیان رپورٹ کے متعلقہ حصے میں بیان کیا گیا ہے۔

## خطرات کا انتظام

کمپنی کو مختلف قانونی، ضابطہ جاتی اور آپریشنل خطرات کا سامنا ہے۔ ان خطرات کو موثر طریقے سے منظم کرنے کے لیے داخلی کنٹرولز اور رسک مینجمنٹ کا ایک فریم ورک موجود ہے، جو اس بات کو یقینی بناتا ہے کہ خطرات کو کم کرنے کے لیے مناسب منصوبے نافذ کیے جائیں اور موثر طریقے سے کام کر رہے ہوں۔ کسی بھی اہم مسئلے کو فوری طور پر اعلیٰ انتظامیہ اور بورڈ تک پہنچایا جاتا ہے۔

بورڈ آف ڈائریکٹرز نے سماجی و معاشی ماحول اور اس سے متعلق داخلی اور بیرونی خطرات کی محتاط نگرانی برقرار رکھی، جو ممکنہ طور پر کمپنی کے محفوظ اور بلاتعطل افعال کو متاثر کر سکتے تھے۔ تمام شراکت داروں کے مفادات کے محافظ کی حیثیت سے، ڈائریکٹرز نے پورے سال خطرات کی مستعدی سے نشاندہی کی اور ان سے نمٹا۔ انہوں نے ممکنہ خطرات کا جائزہ لیا، کمپنی پر ان کے اثرات کا تجزیہ کیا، اور ان کے اثرات کو کم سے کم کرنے کے لیے حکمتِ عملیاں تیار کیں۔ یہ حکمتِ عملیاں پوری کمپنی میں نافذ کی گئیں، جبکہ آڈٹ کمیٹی نے اس عمل کی نگرانی کی۔

- مالیاتی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور محتاط فیصلے کی بنیاد پر کیے گئے ہیں۔
- پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات کو مالیاتی گوشواروں کی تیاری میں اختیار کیا گیا ہے، اور ان سے کسی بھی انحراف کو مناسب طور پر ظاہر اور واضح کیا گیا ہے۔
- داخلی کنٹرولز کا نظام ڈیزائن کے لحاظ سے مضبوط ہے اور اسے مؤثر طریقے سے نافذ اور مانیٹر کیا گیا ہے
- ہمیشگی کی بنیاد پر کمپنی کے کاروبار کو جاری رکھنے کی صلاحیت کے بارے میں کوئی اہم شبہات موجود نہیں ہیں۔
- کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی اہم انحراف نہیں ہوا۔
- گزشتہ چھ (6) سالوں کے اہم کاروباری اور مالیاتی اعداد و شمار خلاصہ منسلک ہیں۔
- ٹیکسز، ڈیوٹیز، محصولات اور دیگر واجبات کے حوالے سے آپ کی کمپنی کے ذمے کوئی ایسی رقم واجب الادا نہیں ہے، سوائے ان واجبات کے جو کاروبار کے معمول کے دوران پیدا ہوتے ہیں۔
- کمپنی اپنے ملازمین کے لیے پروویڈنٹ فنڈ اور گریجویٹی فنڈ کے اکاؤنٹس برقرار رکھتی ہے۔ 30 جون 2026 کو ان فنڈز کی سرمایہ کاری کی مالیت درج ذیل ہے

  - پراویڈنٹ فنڈ: 141.07 ملین روپے
  - گریجوئٹی فنڈ: 84.90 ملین روپے

## متعلقہ فریقین کے ساتھ لین دین

مالی سال 2026 کے دوران متعلقہ فریقوں کے ساتھ کیے گئے تمام لین دین جائزے اور منظوری کے لیے آڈٹ کمیٹی اور بورڈ کے سامنے پیش کیے گئے۔ ان تمام لین دین کا آڈٹ کمیٹی نے باقاعدہ جائزہ لیا اور بورڈ نے اپنے متعلقہ اجلاسوں میں ان کی منظوری دی۔یہ تمام لین دین باہمی آزاد فریقوں کے درمیان ہونے والے لین دین کی بنیاد پر کیے گئے اور بورڈ کی جانب سے متعلقہ فریقوں کے ساتھ لین دین کے لیے منظور شدہ پالیسی کے مطابق ہیں۔ کمپنی ایسے تمام لین دین کا مکمل ریکارڈ بھی برقرار رکھتی ہے، جس میں ان کی شرائط و ضوابط بھی شامل ہیں۔

## بورڈ آف ڈائریکٹرز

بورڈ میں موجود سات (7) ڈائریکٹرز اور بورڈ کی ساخت در ج ذیل ہے:

| | |
|---|---|
| مرد ڈائریکٹرز | 6 |
| خاتون ڈائریکٹر | 1 |
| **الف: غیر جانبدار ڈائریکٹرز** | 2 |
| جناب شیخ عاصم رفیق | |
| جناب احمد مناف | |
| **ب ۔ غیر انتظامی ڈائریکٹرز** | 5 |
| جناب اقبال علی لاکھانی - چیئرمین | |
| جناب امین محمد لاکھانی | |
| جناب آفتاب احمد | |
| محترمہ انوشکا لاکھانی | |
| جناب فرخ شوکت انصاری | |
| **ج خاتون ڈائریکٹر** | 1 |
| محترمہ انوشکا لاکھانی | |

## ڈیویڈنڈ کی ادائیگی

ٹیکس کے بعد منافع کے باوجود، کمپنی کے جمع شدہ نقصانات کے پیش نظر کسی ڈیویڈنڈ (منافع) کا اعلان نہیں کیا گیا۔

## فی شیئر آمدنی

کمپنی کی بنیادی فی حصص آمدنی / (خسارہ) 0.62 روپے رہی (2025میں 3.00 روپے فی حصص خسارہ تھا)۔

## کارپوریٹ سماجی ذمہ داری

میرٹ پیکیجنگ لمیٹڈ میں ہم محض ایک کمپنی نہیں ہیں؛ بلکہ ہم ایک ایسی کمیونٹی پر توجہ مرکوز رکھنے والی تنظیم ہیں جو مثبت سماجی تبدیلی کو فروغ دینے کے لیے پَرعزم ہے۔ کارپوریٹ سماجی ذمہ داری کے حوالے سے اپنی وابستگی کے مطابق، ہم مختلف اقدامات میں فعال طور پر حصہ لیتے ہیں جن کا مقصد ہماری پیداواری تنصیبات کے قریب اور گرد و نواح کے علاقوں میں رہنے والے افراد کے معیارِ زندگی کو بہتر بنانا ہے۔ کمپنی ضرورت مند افراد کی مدد کے لیے پَرعزم ہے، بالخصوص ہنگامی حالات اور قدرتی آفات کے دوران۔ ایک بہتر ماحول، مضبوط معیشت اور زیادہ خوشحال پاکستان کے قیام کے وژن کے ساتھ، ہم قابلِ اعتماد فلاحی اداروں اور م؛ثر سماجی منصوبوں کی معاونت کے لیے بدستور پَرعزم ہیں۔ سال کے دوران ہماری کارپوریٹ سماجی ذمہ داری کی سرگرمیوں کی مزید تفصیلات سالانہ رپورٹ کے سی ایس آر سیکشن میں دیکھی جا سکتی ہیں۔

## پائیداری

ایس ای سی پی کے 31 دسمبر 2024 کے حکمنامے کے تحت، جو کمپنیز ایکٹ، 2017 کی دفعہ 238 کے تحت جاری کیا گیا، آئی ایف آر ایس پائیداری کے انکشاف کے معیارات ، یعنی IFRS S1 اورIFRS S2 ، پاکستان میں تین مراحل میں اختیار کیے جا رہے ہیں، جن کی بنیاد کاروبار کے حجم ، ملازمین کی تعداد، اور کل اثاثہ جات پر ہے۔ کمپنی کے حجم کی بنیاد پر، میرٹ پیکیجنگ لمیٹڈ تیسرے مرحلے میں آتی ہے، جس کے تحت پائیداری سے متعلق مالیاتی انکشافات مالی سال جو 30 جون 2028 کو ختم ہوگا، سے لازمی طور پر لاگو ہوں گے۔ اگرچہ یہ تقاضا ابھی کمپنی کے لیے لازمی نہیں ہے، تاہم بورڈ نے اس مقررہ مدت سے پہلے منظم ای ایس جی گورننس کے لیے بنیادی ڈھانچہ تیار کرنے کا کام فعال طور پر شروع کر دیا ہے۔ کمپنی پیکیجنگ تیار کنندہ ہونے کی حیثیت سے اپنی سرگرمیوں سے متعلق پائیداری کے خطرات اور مواقع کو تسلیم کرتی ہے، جن میں توانائی کا استعمال اور گرین ہاؤس گیسز کا اخراج، پانی اور فضلے کا انتظام، خام مال کی پائیدار فراہمی، پیشہ ورانہ صحت اور حفاظت، اور ذمہ دارانہ سپلائی چین کے طریقہ کار شامل ہیں۔ کمپنی کی موجودہ سرٹیفیکیشنز میں ماحولیاتی انتظام کے لیے ISO 14001، ماحولیاتی معیار کے لیے ISO 9001، معیاری انتظامی امور کیلئے ایف ایس سی( FSC)، او رتحویل کے تسلسل اور شراکت کیلئے سیڈیکس( SEDEX) اور (EcoVadis ) شامل ہیں، ان طریقہ کار اور صارفین کی پائیداری سے متعلق ضروریات کو پورا کرنے کی کمپنی کی صلاحیت کی مسلسل معاونت کرتی ہیں۔

زیر جائزہ مالی سال کے دوران، بورڈ نے کمپنی کی ای ایس جی حکمتِ عملی کی باضابطہ نگرانی فراہم کرنے کے لیے ایک پائیداری کمیٹی تشکیل دی، جس کے چیئرمین جناب فرخ شوکت انصاری مقرر کیے گئے۔ جس میں ماحولیاتی، سماجی اور گورننس کے ستونوں پر مبنی مجوزہ ای ایس جی فریم ورک کا جائزہ لیا، کمپنی کو درپیش اہم پائیداری کے خطرات اور مواقع کی نشاندہی کی، اور مالی سال 2028 کی ضرورت سے قبل ای ایس جی کے بنیادی پیمانوں، اہم کارکردگی کے اشاریوں اور ایک منظم رپورٹنگ نظام کے قیام کے لیے روڈ میپ پر غور کیا۔ کمیٹی نے تنوع، مساوات اور شمولیت کے حوالے سے کمپنی کے طریقہ کار کا بھی جائزہ لیا، جس میں صنفی مساوات، افرادی قوت میں شرکت، مساوی مواقع اور منصفانہ سلوک کے طریقہ کار پر توجہ مرکوز کی گئی، اور صنفی مساوات، افرادی قوت کے بنیادی پیمانے کے قیام اور خواتین کی افرادی قوت میں شرکت کی نگرانی کے لیے اقدامات تجویز کیے، جن میں نگران اور انتظامی عہدوں پر خواتین کی شرکت بھی شامل ہے۔بورڈ کمیٹی کی تشکیل کو پائیداری کی گورننس کی جانب ایک ابتدائی اور سوچا سمجھا قدم قرار دیتا ہے، جو ضابطہ جاتی مقررہ مدت سے کافی پہلے اٹھایا گیا ہے۔

## صنفی اجرت میں فرق

صنفی اجرت میں فرق سے متعلق معلومات سالانہ رپورٹ میں فراہم کی گئی ہیں۔ براہِ کرم صفحہ نمبر 22 ملاحظہ کیجئے۔

## محفوظ ماحول، حفاظت، صحت اور ماحولیات

ہمارے ملازمین کی حفاظت اور بہبود، نیز ماحول کا تحفظ، ہماری اولین ترجیحات میں شامل ہیں۔ مضبوط قیادت کے عزم کے ذریعے، ہم ایک جامع کنٹرول فریم ورک برقرار رکھتے ہوئے اور اپنی تمام سرگرمیوں میں ایک مضبوط حفاظت، سلامتی، صحت اور ماحول کلچر کو فروغ دیتے ہوئے اپنی افرادی قوت، اثاثہ جات اور ارد گرد کے ماحول کی حفاظت کرتے ہیں۔مزید برآں، ہم طویل مدت میں اپنے ماحولیاتی اثرات کو کم کرنے کے لیے بلند پایہ پائیداری کے اہداف مقرر کرتے ہوئے ماحولیاتی مسائل سے نمٹنے کے لیے پَرعزم ہیں۔

ہماری پیداواری تنصیبات صنعتی حفاظتی معیارات کی پابندی کرتی ہیں، جن کی نگرانی ایک مخصوص شعبہ کرتا ہے جو بہترین طریقہ کار کی تعمیل کو یقینی بناتا ہے۔ یہ شعبہ ہمارے عملے کے لیے باقاعدگی سے آگ سے بچاؤ اور حفاظتی تربیت کا بھی انعقاد کرتا ہے۔کمپنی کی سخت ایس ایس ایچ ای پروٹوکولز کے لیے غیر متزلزل وابستگی کی بدولت، سال کے دوران کوئی بڑا حادثہ رپورٹ نہیں ہوا۔

## کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

- کمپنی کی انتظامیہ کی جانب سے تیار کیے گئے مالیاتی گوشوارے کمپنی کے معاملات کی صورتِ حال، اس کے کاروباری کے نتائج، نقد رقوم کی ترسیل اور ایکویٹی میں ہونے والی تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- کمپنی کے حسابات کے مناسب کھاتے برقرار رکھے گئے ہیں۔

# ڈائریکٹرز رپورٹ برائے ممبران

برائے مالی سال اختتامیہ 30 جون 2026

میرٹ پیکیجنگ لمیٹڈ کے بورڈ آف ڈائریکٹرز،مالی سال اختتامیہ 30 جون 2026 کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ سالانہ رپورٹ پیش کررہے ہیں۔

ڈائریکٹرز رپورٹ کمپنیز ایکٹ، 2017 کی دفعہ 227، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس ) ریگولیشنز 2019 کے مطابق تیار کی گئی ہے، اور اسے 28 اکتوبر 2026 کو منعقد ہونے والے 46ویں سالانہ عام اجلاس میں اراکین کے سامنے پیش کیا جائے گا۔

## بنیادی سرگرمیاں

کمپنی بنیادی طور پر پرنٹنگ اور پیکیجنگ کے مواد کی تیاری اور فروخت کے کاروبار میں مصروف ہے۔

## کاروباری اور معاشی ماحول

پاکستان کی معیشت نے مالی سال 2026 میں مضبوط ہوئی ہے، جس کے نتیجے میں حقیقی مجموعی ملکی پیداواریعنی جی ڈی پی کی شرح نمو% 3.7 تک پہنچ گئی، جو گزشتہ چار سالوں میں سب سے زیادہ تھی۔ اس کی بنیادی وجہ بڑے پیمانے کی صنعتی پیداوار، تعمیرات اور خدمات کے شعبوں میں بحالی تھی۔مالی سال 2025 میں کئی سالوں کی کم ترین سطح پر رہنے کے بعد، افراطِ زر بڑھتی ہوئی عالمی توانائی کی قیمتوں کے باعث معمولی طور پر بڑھ کر 6% سے% 7 تک پہنچ گئی، تاہم یہ اسٹیٹ بینک کی مقررہ ہدف کی حد کے اندر رہی۔ زرمبادلہ کے ذخائر دوبارہ بڑھ کر 16 ارب ڈالر سے تجاوز کر گئے، جبکہ مالیاتی بنیادی اضافہ مقررہ اہداف سے زیادہ رہا، جسے مسلسل آئی ایم ایف کی ایکسٹینڈڈ فنڈ فسیلٹی (Extended Fund Facility) اور ریزیلینس اینڈ سسٹین ایبلٹی فسیلٹی (Resilience and Sustainability Facility) کے تحت رقوم کی فراہمی سے معاونت حاصل ہوئی۔تاہم، یہ فوائد بدستور نازک حالت میں ہیں۔ مالیاتی خسارہ، بلند عوامی قرضہ، اور ٹیکسوں کی محدود بنیاد بدستور برقرار ہیں، جبکہ مشرقِ وسطیٰ کے تنازع نے درآمدی اخراجات میں اضافہ کیا ہے اور مختصر مدت کے لیے سرمائے کے اخراج کا سبب بنا، جس کے نتیجے میں کرنٹ اکاؤنٹ دوبارہ خسارے میں چلا گیا۔

خاص طور پر پیکیجنگ کے شعبے کے لیے طلب کا ماحول بہتر ہواہے ۔ بڑے پیمانے کی صنعتی پیداوار میں% 4.98 اضافہ ہوا، جس نے گزشتہ سال کی سکڑاؤ کی صورتِ حال کو تبدیل کر دیا۔ کاغذ اور گتے کے شعبے کے ساتھ ساتھ خوراک، مشروبات اور ملبوسات کے شعبوں میں بھی، جو کمپنی کی بنیادی آخری منڈیاں ہیں، ترقی ریکارڈ کی گئی۔ نجی کھپت، جو مالی سال 2025 میں نمایاں طور پر سست پڑ گئی تھی، افراطِ زر میں کمی اور ترسیلاتِ زر سے چلنے والی آمدنی میں بہتری کے باعث بحال ہوئی۔ اس کے باوجودبنیادی د ساختی دباؤ برقرار رہے، جن میں خام مال اور دیگر پیداواری اشیائ کی بڑھتی ہوئی لاگت، منافع کے مارجن میں کمی، اور ایک بڑے غیر دستاویزی شعبے سے مسابقت شامل ہیں۔کمپنی نے مارکیٹ میں اپنے موجودہ حصے کے تحفظ اور اس میں اضافے پر اپنی توجہ برقرار رکھی۔

## مالی کارکردگی

مالیاتی کارکردگی کی ایک جھلک ذی میں پیش کی جا رہی ہے:

| | 2026 | 2025 |
|---|---|---|
| | روپے ملین میں | |
| آمدن | 3,426.87 | 5،280.93 |
| خام(نقصان)/منافع | 59.58 | (28.73) |
| آپریٹنگ (نقصان) / منافع | 241.59 | (350.30) |
| نقصان بعدازٹیکس | 123.64 | (599.67) |

زیر جائزہ مالی سال کے دوران، کمپنی نے گزشتہ سال کے مقابلے میں کاروباری افعال کے لحاظ سے نمایاں پیش رفت کی ہے۔ اگرچہ آمدنی 5,281 ملین روپے سے کم ہو کر 3,426 ملین روپے رہ گئی، یعنی سال کے دوران 1,855 ملین روپے (34.12% ) کی کمی ہوئی، جس کی بنیادی وجہ گرویور ڈویژن کی فروخت تھی، تاہم کمپنی نے 60 ملین روپے کا مجموعی منافع حاصل کیا، جبکہ گزشتہ سال 29 ملین روپے کا خسارہ ہوا تھا، یعنی 88 ملین روپے (306.37% ) کی بہتری ہوئی۔ یہ بہتری کفایت شعاری کے اقدامات اور آپریشنز میں بہتری، بشمول ضیاع میں کمی، کے ذریعے حاصل کی گئی۔

کمپنی کو مالی سال 2026 کے لیے 166 ملین روپے کا کاروباری خسارہ ہوا (گرویور ڈویژن کی فروخت سے حاصل ہونے والے ایک مرتبہ کے منافع کو خارج کرتے ہوئے)، جبکہ مالی سال 2025 میں کاروباری خسارہ 350 ملین روپے تھا، یعنی خسارے میں 184 ملین روپے (52.6% ) کی کمی ہوئی۔ یہ بہتری بنیادی طور پر کفایت شعاری کے اقدامات اور گرویور ڈویژن کی بندش کی وجہ سے ہوئی۔ سال کے دوران، کمپنی نے اپنا گرویور ڈویژن کو 1 ارب روپے کے عوض فروخت کر دیا۔ یہ رقم مکمل طور پر وصول ہو چکی ہے۔ نتیجتاً، کمپنی نے 505 ملین روپے کا منافع حاصل کیا۔

تمویلی اخراجات میں بھی نمایاں کمی دیکھی گئی، جو مالی سال 2025 کے 183 ملین روپے سے کم ہو کر مالی سال 2026 میں 97 ملین روپے (47% ) رہ گئے۔ یہ کمی بنیادی طور پر رننگ فنانس کے استعمال میں نمایاں کمی اور اسٹیٹ بینک آف پاکستان کی جانب سے کائی بور کی تنزلی کی وجہ سے رہی۔

# STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

## (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

## FOR THE YEAR ENDED JUNE 30, 2026

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

1. Total number of Directors is seven as per the following:

   a. Male 6
   b. Female 1

2. The composition of the Board is as follows:

| | |
|---|---|
| Independent Directors | Mr. Sheikh Asim Rafiq |
| | Mr. Ahmed Munaf |
| Other Non-executive Directors | Mr. Iqbal Ali Lakhani – Chairman |
| | Mr. Amin Mohammed Lakhani |
| | Ms. Anushka Lakhani |
| | Mr. Aftab Ahmad |
| | Mr. Farrukh Shauket Ansari |
| Executive Director | -- |
| Female Directors | Ms. Anushka Lakhani |

***Note:*** The Board of the Company comprises of seven directors and one-third works out to be 2.33. The fractional requirement has not bee rounded up, as two (2) Independent Directors elected by the shareholders in terms of Section 166 of the Companies Act, 2017 who have the requisite competence, skills, knowledge, and experience are considered adequate to discharge and execute their duties competently as per laws and regulations.

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 a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

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

7. The 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 meetings of the Board.

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

9. All the Directors of the Company have completed or are exempted from the requirement of the Directors' Training program.

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. Mr. Mansoor Ahmed was assigned the responsibilities of Company Secretary of the Company in addition to his responsibilities in other group companies.

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:

| | |
|---|---|
| Audit Committee | Mr. Sheikh Asim Rafiq – Chairman |
| | Mr. Amin Mohammed Lakhani – Member |
| | Mr. Farrukh Shauket Ansari – Member |
| HR and Remuneration Committee | Mr. Sheikh Asim Rafiq - Chairman |
| | Mr. Amin Mohammed Lakhani – Member |
| | Mr. Aftab Ahmad – Member |
| | Mr. Sabir Imtiaz – Member |
| Sustainability Committee | Mr. Farrukh Shauket Ansari - Chairman |
| | Ms. Anushka Lakhani – Member |
| | Mr. Sabir Imtiaz – Member |

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

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

    a. Audit Committee — 4 quarterly meetings
    b. HR and Remuneration Committee — 1 annual meeting
    c. Sustainability Committee — 1 annual meeting

15. The board has set up an effective internal audit function comprising of personnel who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

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

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

18. We confirm that all other requirements of Regulations 3, 6, 7, 8, 10(6), 27, 32, 33 and 36 of the Regulations have been complied with.

**Iqbal Ali Lakhani**
Chairman

**Sabir Imtiaz**
Chief Executive

Karachi: September 29, 2026

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# INDEPENDENT AUDITOR'S REVIEW REPORT

## TO THE MEMBERS OF MERIT 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 Merit Packaging Limited for the year ended June 30, 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 a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2026.

KARACHI
DATED: 06 OCT 2026
UDIN: CR2026101660PWeUSDmR

**BDO EBRAHIM & CO.**
**CHARTERED ACCOUNTANTS**
Engagement Partner: Tariq Feroz Khan

BDO Ebrahim & Co. Chartered Accountants
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# FINANCIAL STATEMENTS


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Pakistan

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MERIT PACKAGING LIMITED

## Report on the Audit of the Financial Statements

**Opinion**

We have audited the annexed financial statements of Merit Packaging Limited (the Company), which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the 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 conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the profit, other comprehensive loss, 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.

The following are the Key audit matters:

| S. No | Key audit matters | How the matter was addressed in our audit |
|---|---|---|
| 1. | Revenue recognition | |
| | As disclosed in note 31 to the accompanying financial statements, the Company recognized revenue amounting to Rs. 3,426.871 million.<br><br>The revenue is susceptible to the risk of completeness / accuracy and occurrence / valuation, being key performance indicator, which may misstate the Company's reported financial performance.<br><br>Therefore, given the risks involved, we identified revenue recognition as a key audit matter. | Our audit procedures, among others, included the following:<br>• Obtained an understanding of the process relating to recording of revenue from contract with customers and testing the design and operating effectiveness of relevant Key internal controls implemented around sales cycle.<br>• Performed test of details on revenue recognized during the year, on a sample basis, including review of order receipt, invoicing and dispatched;<br>• Performed cut-off procedures on transactions occurring either immediately before or after the year end to assess the recording of revenue in correct accounting period; and<br>• Performed analytical procedures to ascertain the reasoning of major fluctuations.<br>• Scanned for any manual journal entries relating to revenue recorded during the year, particularly at year-end, which were considered to be material or met other specific risk-based criteria for inspecting underlying documentation.<br>• Considered the adequacy of the related disclosures presented in the financial statements and assessed these are in accordance with applicable financial reporting framework. |

**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 by in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the 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 concerned and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the 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 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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**
Based on our audit, we further report that in our opinion:

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

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

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

**BDO EBRAHIM & CO.**
**CHARTERED ACCOUNTANTS**

KARACHI
DATED: 06 OCT 2026
UDIN: AR202610166A6JW8i1yc

# STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | | |
| Operating fixed assets | 6 | 2,190,620,964 | 2,349,700,653 |
| Capital work in progress | 7 | - | 11,949,395 |
| | | 2,190,620,964 | 2,361,650,048 |
| Right-of-use asset | 8 | 111,737,344 | 125,851,534 |
| Intangible assets | 9 | - | 60,928 |
| Long-term deposits | 10 | 12,249,187 | 12,249,187 |
| | | 2,314,607,495 | 2,499,811,697 |
| **Current assets** | | | |
| Stores and spares | 11 | 110,975,817 | 97,482,688 |
| Stock-in-trade | 12 | 298,519,834 | 545,652,000 |
| Trade debts | 13 | 742,281,940 | 792,650,635 |
| Loans and advances | 14 | 35,748,153 | 39,752,529 |
| Advances, trade deposits and short-term prepayments | 15 | 62,120,725 | 71,608,952 |
| Other receivables | 16 | 21,216,112 | 23,675,667 |
| Tax refund due from Government | 17 | 259,693,577 | 322,094,873 |
| Taxation - net | 18 | 159,097,840 | 127,015,061 |
| Cash and bank balances | 19 | 10,347,804 | 2,657,049 |
| | | 1,700,001,802 | 2,022,589,454 |
| **Assets classified as held for sale** | 20 | - | 494,340,500 |
| | | 4,014,609,297 | 5,016,741,651 |
| **SHARE CAPITAL AND RESERVES** | | | |
| Authorized share capital | 21 | 2,000,000,000 | 2,000,000,000 |
| Issued, subscribed and paid-up capital | 21 | 1,999,584,270 | 1,999,584,270 |
| **Capital reserve** | | | |
| Surplus on revaluation of plant and machinery | 22 | 674,845,270 | 942,873,017 |
| Equity portion of loan - associated company | | 691,148,871 | 691,148,871 |
| Share premium reserve | | 298,325,000 | 298,325,000 |
| | | 1,664,319,141 | 1,932,346,888 |
| **Revenue reserves** | | | |
| General reserves | | 106,800,000 | 106,800,000 |
| Accumulated losses | | (1,376,828,763) | (1,766,665,825) |
| | | (1,270,028,763) | (1,659,865,825) |
| | | 2,393,874,649 | 2,272,065,333 |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Sub-ordinated loan | 23 | 250,000,000 | 250,000,000 |
| Lease liability | 25 | 126,447,324 | 133,616,819 |
| | | 376,447,324 | 383,616,819 |
| **Current liabilities** | | | |
| Trade and other payables | 26 | 1,077,845,749 | 1,445,040,158 |
| Mark-up accrued | 27 | 1,502,805 | 21,951,915 |
| Short-term borrowings | 28 | 157,640,132 | 841,327,248 |
| **Current portion of:** | | | |
| Long-term financing | 24 | - | 46,823,699 |
| Lease liability | 25 | 7,169,495 | 5,787,336 |
| Un-claimed dividend | | 129,143 | 129,143 |
| | | 1,244,287,324 | 2,361,059,499 |
| | | 4,014,609,297 | 5,016,741,651 |
| **CONTINGENCIES AND COMMITMENTS** | 30 | | |

The annexed notes from 1 to 56 form an integral part of these financial statements.

**Sabir Imtiaz**
Chief Executive Officer

**Farrukh Shauket Ansari**
Director

**Umair Ahmed**
Chief Financial Officer

# STATEMENT OF PROFIT OR LOSS

## For the year ended June 30, 2026

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Revenue - net | 31 | 3,426,871,319 | 5,280,932,621 |
| Cost of sales | 32 | (3,367,292,059) | (5,309,665,888) |
| Gross profit / (loss) | | 59,579,260 | (28,733,267) |
| General and administrative expenses | 33 | (192,700,034) | (214,405,073) |
| Selling and distribution expenses | 34 | (89,615,152) | (123,938,498) |
| Allowance for expected credit losses | | (6,496,436) | - |
| Other income | 35 | 591,780,112 | 27,803,856 |
| Other operating expenses | 36 | (23,746,432) | (11,031,716) |
| | | 279,222,058 | (321,571,431) |
| Operating profit / (loss) | | 338,801,318 | (350,304,697) |
| Financial charges | 37 | (97,207,186) | (183,065,358) |
| Profit / (loss) before taxation and levy | | 241,594,132 | (533,370,055) |
| Levy | 38 | (48,196,020) | (66,297,470) |
| Profit / (loss) before taxation | | 193,398,112 | (599,667,526) |
| Taxation | 39 | (69,762,468) | - |
| Profit / (loss) for the year | | 123,635,644 | (599,667,526) |
| Earnings / (loss) per share - basic and diluted | 40 | 0.62 | (3.00) |

The annexed notes from 1 to 56 form an integral part of these financial statements.

**Sabir Imtiaz**
Chief Executive Officer

**Farrukh Shauket Ansari**
Director

**Umair Ahmed**
Chief Financial Officer

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2026

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Profit / (loss) for the year | | 123,635,644 | (599,667,526) |
| Other comprehensive (loss) / income | | | |
| Items that will not be reclassified subsequently to statement of profit or loss: | | | |
| Actuarial (loss)/gain on remeasurement of post employment benefit plans | 41.1.6 | (1,826,329) | 7,193,627 |
| Surplus on revaluation of plant and machinery | | - | 39,427,580 |
| | | (1,826,329) | 46,621,207 |
| Total comprehensive income / (loss) for the year | | 121,809,315 | (553,046,319) |

The annexed notes from 1 to 56 form an integral part of these financial statements.

**Sabir Imtiaz**
Chief Executive Officer

**Farrukh Shauket Ansari**
Director

**Umair Ahmed**
Chief Financial Officer

# STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2026

| | Issued, subscribed and paid-up capital | Capital Reserves | | | | Revenue Reserves | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | Surplus on revaluation of plant and machinery | Share Premium Reserve | Equity portion of loan from associated company | Sub Total | General Reserves | Accumulated losses | Sub Total | |
| | (Rupees) | | | | | | | | |
| **Balance as at July 01, 2024** | 1,999,584,270 | 973,961,544 | 298,325,000 | 789,949,781 | 2,062,236,325 | 106,800,000 | (1,244,708,033) | (1,137,908,033) | 2,923,912,562 |
| Total comprehensive income for the year ended June 30, 2025 | | | | | | | | | |
| Loss for the year | - | - | - | - | - | - | (599,667,526) | (599,667,526) | (599,667,526) |
| Other comprehensive income | - | 39,427,580 | - | - | 39,427,580 | - | 7,193,627 | 7,193,627 | 46,621,207 |
| | - | 39,427,580 | - | - | 39,427,580 | - | (592,473,899) | (592,473,899) | (553,046,319) |
| Transaction with owners | | | | | | | | | |
| Equity portion of loan - note 23 | - | - | - | (98,800,910) | (98,800,910) | - | - | - | (98,800,910) |
| Transferred to accumulated losses on account of : | | | | | | | | | |
| Incremental depreciation - note 22 | - | (70,089,050) | - | - | (70,089,050) | - | 70,089,050 | 70,089,050 | - |
| operating assets disposed of during the year- note 22 | - | (427,057) | - | - | (427,057) | - | 427,057 | 427,057 | - |
| | - | (70,516,107) | - | - | (70,516,107) | - | 70,516,107 | 70,516,107 | - |
| **Balance as at June 30, 2025** | 1,999,584,270 | 942,873,017 | 298,325,000 | 691,148,871 | 1,932,346,888 | 106,800,000 | (1,766,665,825) | (1,659,865,825) | 2,272,065,334 |
| Total comprehensive income for the year ended June 30, 2026 | | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | 123,635,644 | 123,635,644 | 123,635,644 |
| Other comprehensive loss | - | - | - | - | - | - | (1,826,329) | (1,826,329) | (1,826,329) |
| | - | - | - | - | - | - | 121,809,315 | 121,809,315 | 121,809,315 |
| Transferred to accumulated losses on account of | | | | | | | | | |
| incremental depreciation - note 22 | - | (50,794,805) | - | - | (50,794,805) | - | 50,794,805 | 50,794,805 | - |
| operating assets disposed during the year - note 22 | - | (217,232,942) | - | - | (217,232,942) | - | 217,232,942 | 217,232,942 | - |
| | - | (268,027,747) | - | - | (268,027,747) | - | 268,027,747 | 268,027,747 | - |
| **Balance as at June 30, 2026** | 1,999,584,270 | 674,845,270 | 298,325,000 | 691,148,871 | 1,664,319,141 | 106,800,000 | (1,376,828,763) | (1,270,028,763) | 2,393,874,649 |

The annexed notes from 1 to 56 form an integral part of these financial statements.

**Sabir Imtiaz**
Chief Executive Officer

Farrukh Shauket Ansari*
Director

Umair Ahmed
Chief Financial Officer

# STATEMENT OF CASH FLOWS

For the year ended June 30, 2026

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Cash generated from operations | 42 | 25,278,338 | 311,631,787 |
| Taxes paid - net | | (150,041,267) | (124,215,568) |
| Financial charges paid | | (81,261,378) | (158,508,268) |
| Net cash generated from operating activities | | (206,024,307) | 28,907,951 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Capital expenditure made during the year | 7.1 | (28,470,216) | (116,337,313) |
| Proceeds from disposal of assets held for sale | | 1,000,000,000 | - |
| Proceeds from disposal of property, plant and equipment | | 8,696,093 | 408,550 |
| Net cash used in investing activities | | 980,225,877 | (115,928,763) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Repayment of long-term financing - financial institution | | (46,823,699) | (93,647,402) |
| Payment against lease liability | | (36,000,000) | (39,000,000) |
| Net cash used in financing activities | | (82,823,699) | (132,647,402) |
| Net increase / (decrease) in cash and cash equivalents | | 691,377,871 | (219,668,215) |
| Cash and cash equivalents at beginning of the year | | (838,670,199) | (619,001,984) |
| Cash and cash equivalents at end of the year | 44 | (147,292,328) | (838,670,199) |

The annexed notes from 1 to 56 form an integral part of these financial statements.

**Sabir Imtiaz**
Chief Executive Officer

**Farrukh Shauket Ansari**
Director

**Umair Ahmed**
Chief Financial Officer

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

## 1 NATURE AND STATUS OF THE COMPANY

**1.1** Merit Packaging Limited ("the Company") was incorporated on January 28, 1980 in Pakistan as a public limited company under the repealed Companies Act, 1913 (repealed Companies Ordinance, 1984 and now Companies Act, 2017) and is listed on the Pakistan Stock Exchange. The Company is mainly engaged in the manufacture and sale of printing and packaging materials.

**1.2** As of the reporting date, the Company has incurred accumulated losses of Rs. 1,376.829 million as at June 30, 2026 (2025: Rs. 1,766.666 million). During the year, the Company reported a profit after tax of Rs. 123.636 million, which primarily derived from the accounting gain amounting to Rs. 505 million from the disposal of fixed assets (Gravure unit).

## 2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The geographical Location and addresses of the Company's business units / immovable assets are as under:

| Business Unit | Address |
|---|---|
| - Registered office | Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi, Pakistan. |
| - Factory | Plot No. 17-B, Sector 29, Korangi Industrial Township, Karachi, Pakistan. |

## 3. BASIS OF PREPARATION

### 3.1 Statement of compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

### 3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for revaluation of certain plant and machinery at fair value and recognition of employees retirement benefits at present value.

### 3.3 Functional and presentation currency

The financial statements are presented in Pakistani rupees ("the Rupees"), which is the Company's functional and presentation currency.

## 4. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLICATION OF ACCOUNTING AND REPORTING STANDARDS AS APPLICABLE IN PAKISTAN

### 4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2026

The following standards, amendments and interpretations are effective for the year ended June 30, 2026. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

| | Effective date (annual periods beginning on or after) |
|---|---|
| Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability | January 01, 2025 |

### 4.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

| | Effective date (annual periods beginning on or after) |
|---|---|
| Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments | January 01, 2026 |
| Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments | January 01, 2026 |
| Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) | January 01, 2026 |
| Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) | January 01, 2026 |
| Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency | January 01, 2027 |
| IFRS 18 Presentation and Disclosures in Financial Statements | January 01, 2027 |
| IFRS 19 Subsidiaries without Public Accountability: Disclosures | January 01, 2027 |

Certain annual improvements have also been made to a number of IFRSs and IASs

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 effective from January 01, 2027 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

## 5. MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies adopted in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

### 5.1 Property, plant and machinery

#### 5.1.1 Operating fixed asset

These are stated at cost less accumulated depreciation and impairment losses, if any, except for plant and machinery which are stated at revalued amount less accumulated depreciation and impairment losses, if any. Depreciation is charged using the straight line method on building/ improvements on leasehold land, cylinders and dies and computer machinerys and reducing balance method on rest of the assets at the rates as disclosed in note 6 of the financial statements , whereby the cost or revalued amount of an asset less estimated residual value, if not insignificant, is written off over its estimated useful life.

The asset's residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant. Full month's depreciation is charged on addition except in case of revaluation where revaluation is conducted in the last reporting month the impact of depreciation on the revalued amount is not recognised given the fact that the amount is immaterial. Whereas, no depreciation is charged in the month of disposal or deletion of assets.

Incremental depreciation charged for the year on revalued assets is transferred from surplus on revaluation of plant and machinery to retained earnings during the year.

Maintenance costs and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably and the assets so replaced, if any, are retired.

Gains and losses on disposal of property, plant and machinery are taken to the statement of profit or loss, and the related surplus on revaluation is transferred directly to retained earnings.

**5.1.2 Capital work in progress**

Capital work-in-progress are stated at cost less impairment loss, if any and signifies expenditures incurred, advances made in respect of specific assets and financial charges on borrowings for financing the projects which takes substantial time for completion, until such projects are available for their intended use. Assets under capital work-in-progress are classified to the appropriate categories of property, plant and machinery, when completed and ready for intended use.

**5.1.3 Right-of-use assets**

The right-of-use asset is initially measured at the amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses, if any. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of the future economic benefits. The carrying amount of the right of use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

**5.2 Intangible assets**

Intangible assets are recognized when it is probable that the expected future economic benefits will flow to the Company. Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any. Cost of the intangible asset (i.e. computer softwares) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use. Expenditure which enhances the performance of computer software beyond its original specification and useful life is recognized as a capital improvement and added to the original cost of the software.

Amortization is provided on a straight line basis at the rates disclosed in note 9 to the financial statements. Amortization on addition to intangible assets is charged from the month of addition while no amortization is charged for the month of disposal or deletion of assets. Costs associated with maintaining computer softwares are recognized as an expense as and when incurred.

**5.3 Stores and spares**

Stores and spares are stated at cost except for goods in transit which are valued at cost comprising invoice value plus other charges paid thereon. Adequate provision is made for slow moving and obsolete items on periodic basis.

Spare parts of capital nature which can be used only in connection with an item of plant and machinery are classified as operating fixed assets under “Plant and machinery” category and are depreciated over a time period not exceeding the useful life of the related assets.

**5.4 Stock-in-trade**

Stock-in-trade are stated at lower of weighted average cost and net realizable value, except for goods in transit which are stated at cost. Cost of work-in-process and finished goods comprises cost of direct material, labor and appropriate portion of manufacturing overheads. Adequate provision is made for slow moving and obsolete items on periodic basis.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessary to be incurred to make the sale.

**5.5 Trade debts**

These are recognised initially are carried at original invoice amount being the fair value of the consideration to be received in future. An allowance for Expected Credit Loss (ECL) is made against trade debts on the basis of lifetime expected credit loss model as explained in note 5.14.1 to the financial statements. The amount of provision / reversal of ECL is charged / reversed to the statement of profit or loss.

**5.6 Loans, advances, deposits, prepayments and other receivables**

These are stated at cost less allowance for doubtful balance based on a review of all outstanding amounts at the year end. Balance considered irrecoverable are written off.

**5.7 Taxation**

**5.7.1 Current income tax**

The current tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted on the statement of financial position date, and any adjustment or tax payable in respect of prior years.

The tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized in statement of comprehensive income / (loss) or directly to equity. In this case the tax is also recognized in statement of other comprehensive income / (loss) or directly to equity, respectively.

**5.7.2 Deferred taxation**

Deferred tax is recognized using the balance sheet liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts appearing in the financial statements. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced 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 is calculated based on tax rates that have been enacted or substantively enacted up to the statement of financial position date and are expected to apply to the periods when the differences reverse.

**5.8 Levy**

The Company accounts for current tax calculated on taxable income using the notified tax rate as an income tax and any tax charged under the income tax laws which is not based on the taxable income recorded as a levy in accordance with the Guidance on Accounting for Minimum Taxes and Final taxes issued by the Institute of Chartered Accountants of Pakistan. The minimum tax and final taxes which are not calculated on the 'taxable profit' but calculated on turnover or other basis are recognized as a levy in the statement of profit or loss under the scope of IFRIC 21/IAS37.

**5.9 Cash and cash equivalents**

Cash and cash equivalents comprise of cash in hand, bank deposit, cheques in hand, short term highly liquid investments and balances with banks. Short-term borrowing facilities which are payable on demand, are included as part of cash and cash equivalents for the purpose of statement of cash flows.

**5.10 Surplus on revaluation of plant and machinery**

Any revaluation increase arising on the revaluation of plant and machinery is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on plant and machinery", except to the extent that it reverses a revaluation decrease for the same asset.

Any impairment previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the impairment previously charged. Any decrease in carrying amount arising on the revaluation of plant and machinery is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on plant and machinery relating to a previous revaluation of that asset.

The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revaluation to the extent of incremental depreciation charged (net of deferred tax) is transferred to accumulated loss.

**5.11 Provisions**

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and amount of that obligation can be measured reliably. Provisions are not recognised for future operating losses. Provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimates.

**5.12 Impairment losses**

The Company assesses at each reporting date whether there is any indication that assets other than stores and spares, stock in trade and deferred tax assets may be impaired. If such an indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss, if any.

Where carrying values exceed the estimated recoverable amount, assets are written down to the recoverable amounts and the resulting impairment loss is recognized as expense in the statement of profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

**5.13 Contingencies**

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

**5.14 Financial instruments**

**5.14.1 Financial assets**

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

**Amortized cost**

A financial asset is measured at amortized cost if it meets both the following conditions:

(i) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

(ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A financial asset is initially measured at fair value plus transaction costs that are directly attributable to its acquisition.

**The SPPI test**

As a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of 'interest' within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set.

**Impairment of financial assets**

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs under simplified approach and 12 months life time under general approach.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

**The calculation of ECL**

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- Exposure at Default (EAD) — EAD generally represents the gross carrying amount of the receivable, taking into consideration expected cash collections and other relevant factors at reporting date.

- Loss Given Default (LGD) — The estimated percentage of the exposure that will not be recovered in the event of default. LGD considers historical recovery experience and the availability and effectiveness of collateral, guarantees, credit insurance and other recoveries, where applicable.

- Probability of Default (PD) — The likelihood that a customer or counterparty will default on its contractual obligations. PD is determined based on historical default experience, customer-specific information, payment history, creditworthiness and, where appropriate, forward-looking economic information.

**Forward looking information**

The Company formulates a base case view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios and consideration of a variety of external actual and forecast information. This process involves developing three different economic scenarios, which represent a range of scenarios linked to various macro-economic factors.

### 5.14.2 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

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

### 5.15 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

### 5.16 Foreign currency translation

Transactions in foreign currencies are translated into Pak rupees at the exchange rates prevailing at the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak rupees at the rates of exchange prevailing at the reporting date. Foreign exchange differences are recognized in the statement of profit or loss.

### 5.17 Employee benefits

### 5.17.1 Defined benefit plan

The Company has a gratuity scheme for all its permanent employees who attain the minimum qualification period for entitlement to gratuity. The Gratuity Fund is maintained by a trust created and duly approved. Contributions to the fund are made based on actuarial recommendations. The most recent actuarial valuation was carried out at June 30, 2026 using the projected unit credit method (refer note 40). The remeasurement gains/losses as per actuarial valuation done at financial year end are recognized immediately in other comprehensive income and all other expenses are recognized in accordance with IAS 19 “Employee Benefits” in the statement of profit or loss.

### 5.17.2 Defined contribution plan

The Company operates a recognized provident fund scheme covering all permanent employees. Equal contributions are made to the Fund by the Company and the employees in accordance with the rules of the scheme.

### 5.17.3 Leave encashment

The liability in respect of leave encashment of employees is accounted for in the period in which the absences accrue.

### 5.18 Revenue recognition

The Company recognises revenue from sale of goods when goods are transferred to the customer and the performance obligation is fulfilled . Goods are transferred when the customer obtains their control. The point at which control passes is determined by each customer arrangement, but mainly occurs on delivery to the customer. Revenue is recognised at transaction price (which excludes estimates of variable consideration), which represents the fair value of the consideration received or receivable excluding discount, rebates and government levies.

**Contract assets**

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

**Contract liabilities**

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

**Other income**

- Scrap sales are recognized on delivery to customers at realized amounts.

- Profit on bank deposit is accrued on time proportion basis by reference to the principal outstanding and the applicable rate of return.

**5.19 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at amortised cost. For the purpose of statement of cash flows, cash and cash equivalents include cash in hand, balances with banks in current and savings accounts and bank overdrafts / short term financing that are repayable on demand and form an integral part of the Company's cash management.

**5.20 Asset classified as held for sale**

The Company classifies non-current assets as held for sale if the carrying amounts is to be recovered principally through a sale transaction rather than through continuing use, the sale is considered highly probable within one year from the reporting date and the asset is available for immediate sale in the present condition. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Assets classified as held for sale are presented separately in the statement of financial position. An impairment loss is recognized for any initial or subsequent writedown of the asset to fair value less cost to sell. A gain is recognized for any subsequent increase in fair value less cost to sell of an asset, but not in excess of any cumulative impairment loss previously recognized Assets are not depreciated or ammortized while these are classified as held for sale.

**5.21 Dividend and appropriation to reserves**

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

**5.22 Share capital**

Ordinary shares are classified as equity and are recorded at face value. Incremental costs, if any, directly attributable to the issuance of shares, are recognised in equity as a deduction, net of tax, from the proceeds.

**5.23 Earnings / loss per share**

The Company presents earnings / loss per share data for its ordinary shares. Basic earnings / loss per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period.

**5.24 Related parties transactions**

Transactions with related parties are carried out at the mutually agreed terms as approved by the Board.

### 5.25 Segment reporting

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. The Company has only one reportable segment.

### 5.26 Significant accounting judgements and critical accounting estimates / assumptions

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates, assumptions and judgments are continually evaluated and are based on historic experience and other factors including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

#### 5.26.1 Property, plant and equipment

The estimates for revalued amounts, if any, of different classes of property, plant and equipment, are based on valuation performed by external and internal professional valuers and recommendation of technical teams of the Company. The said recommendations also include estimates with respect to residual values and depreciable live. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment. Depreciation is charged on property, plant, and equipment, capitalized during the year from the month the asset is available for use up to the month immediately preceding the disposal.

#### 5.26.2 Stores, spares and stock in trade

The Company has made estimates for realizable amount of slow moving and obsolete stores, spares and stock-in-trade to determine provision for slow moving and obsolete items. Any future change in estimated realizable amounts might affect carrying amount of stores, spares and stock-in-trade with corresponding affect on amounts recognized in statement of profit and loss as provision/reversal.

#### 5.26.3 Trade debts and other receivables

An estimated allowance is made on the basis of lifetime expected credit loss model as explained in note 13 & 16 whereas debts considered irrecoverable are written off.

#### 5.26.4 Defined benefit plan

Certain actuarial assumptions have been adopted as disclosed in note 41 to these financial statements for valuation of present value of defined benefit obligation and fair value of plan assets. Any changes in these assumptions in future years might affect actuarial gains / losses recognized in those years with corresponding effect on carrying amount of defined benefit plan liability / asset.

#### 5.26.5 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgement as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events.

#### 5.26.6 Provision for taxation

The Company takes into account the current income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the tax authorities at the assessment stage and where the Company considers that it's view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

## 6 OPERATING FIXED ASSETS

| Description | Building / Improvements on leasehold land | Plant and machinery (note 6.4) | Cylinders and dies | Furniture and fixtures | Vehicles | Office equipment | Computer equipment | Electrical installation | Total |
|---|---|---|---|---|---|---|---|---|---|
| | (Rupees) | | | | | | | | |
| **As at July 01, 2025** | | | | | | | | | |
| Cost / Revalued amount | 83,914,301 | 3,210,701,965 | 6,180,629 | 39,807,289 | 14,226,217 | 63,755,805 | 31,962,755 | 104,817,547 | 3,555,366,508 |
| Accumulated depreciation | (6,109,944) | (1,072,378,879) | (6,180,629) | (13,102,436) | (10,871,221) | (19,386,637) | (20,576,838) | (46,328,221) | (1,194,934,805) |
| Accumulated impairment | - | (10,670,850) | - | - | - | - | - | (60,200) | (10,731,050) |
| Net book value | 77,804,357 | 2,127,652,236 | - | 26,704,853 | 3,354,996 | 44,369,168 | 11,385,917 | 58,429,126 | 2,349,700,653 |
| **Year ended June 30, 2026** | | | | | | | | | |
| Opening net book value | 77,804,357 | 2,127,652,236 | - | 26,704,853 | 3,354,996 | 44,369,168 | 11,385,917 | 58,429,126 | 2,349,700,653 |
| Transfers from capital work in progress - Note 7.1 | 18,870,650 | 18,341,279 | - | - | - | 457,049 | 669,797 | 2,080,836 | 40,419,611 |
| Disposals at Net Book Value - Note 6.6 | - | (10,678,346) | - | - | (793,048) | - | - | - | (11,471,394) |
| Written Off - Note 6.6 | (4,013,659) | - | - | - | - | - | - | - | (4,013,659) |
| Depreciation charged - Note 6.3 | (10,200,608) | (149,298,512) | - | (2,670,483) | (295,785) | (4,576,191) | (4,320,611) | (12,652,058) | (184,014,247) |
| Net book value (refer note 6.1) | 82,460,740 | 1,986,016,657 | - | 24,034,370 | 2,266,163 | 40,250,026 | 7,735,103 | 47,857,904 | 2,190,620,964 |
| **As at June 30, 2026** | | | | | | | | | |
| Cost / Revalued amount | 98,117,346 | 3,184,652,523 | 6,180,629 | 39,807,289 | 10,912,717 | 64,212,854 | 32,632,552 | 106,898,383 | 3,543,414,293 |
| Accumulated depreciation | (15,656,606) | (1,193,356,865) | (6,180,629) | (15,772,919) | (8,646,554) | (23,962,828) | (24,897,449) | (58,980,279) | (1,347,454,128) |
| Accumulated impairment | - | (5,279,001) | - | - | - | - | - | (60,200) | (5,339,201) |
| Net book value (refer note 6.1) | 82,460,740 | 1,986,016,657 | - | 24,034,370 | 2,266,163 | 40,250,026 | 7,735,103 | 47,857,904 | 2,190,620,964 |
| Annual rate of depreciation | 10% | 7% | 40% | 10% | 10% | 10% | 4 - 50% | 4 - 50% | |
| Depreciation Method | Straight Line | Reducing Balance | Straight Line | Reducing Balance | Reducing Balance | Reducing Balance | Straight Line | Straight Line | |

| Description | Building / Improvements on leasehold land | Plant and machinery (note 6.2) | Cylinders and dies | Furniture and fixtures | Vehicles | Office equipment | Computer equipment | Electrical installation | Total |
|---|---|---|---|---|---|---|---|---|---|
| | (Rupees) | | | | | | | | |
| **As at July 01, 2024** | | | | | | | | | |
| Cost / Revalued amount | - | 3,824,006,097 | 6,180,629 | 33,274,792 | 17,942,017 | 56,309,614 | 29,793,941 | 110,107,810 | 4,077,614,900 |
| Accumulated depreciation | - | (1,158,844,942) | (6,180,629) | (10,397,902) | (13,168,867) | (15,649,580) | (16,644,699) | (37,448,149) | (1,258,334,768) |
| Accumulated impairment | - | (13,295,921) | - | - | - | - | - | (60,200) | (13,356,121) |
| Net book value | - | 2,651,865,234 | - | 22,876,890 | 4,773,150 | 40,660,034 | 13,149,242 | 72,599,461 | 2,805,924,011 |
| **Year ended June 30, 2025** | | | | | | | | | |
| Opening net book value | - | 2,651,865,234 | - | 22,876,890 | 4,773,150 | 40,660,034 | 13,149,242 | 72,599,461 | 2,805,924,011 |
| Transfers from capital work in progress - Note 7.1 | 83,914,301 | 116,294,906 | - | 6,532,497 | - | 8,185,150 | 3,202,900 | 1,818,567 | 219,948,321 |
| Disposals at Net Book Value - Note 6.6 | - | - | - | - | (203,298) | - | - | - | (203,298) |
| Written Off - Note 6.6 | - | (1,059,441) | - | - | (781,106) | (3,674) | (8,387) | - | (1,852,608) |
| Revalaution Surplus - Note 6.3 | - | 39,080,816 | - | - | - | - | - | 346,764 | 39,427,580 |
| Classified as held for sale | - | (489,992,796) | - | - | - | - | | (4,347,704) | (494,340,500) |
| Depreciation charged - Note 6.3 | (6,109,944) | (188,536,484) | - | (2,704,533) | (433,750) | (4,472,343) | (4,957,838) | (11,987,962) | (219,202,853) |
| Net book value (refer note 6.1) | 77,804,357 | 2,127,652,236 | - | 26,704,853 | 3,354,996 | 44,369,168 | 11,385,917 | 58,429,126 | 2,349,700,653 |
| **As at June 30, 2025** | | | | | | | | | |
| Cost / Revalued amount | 83,914,301 | 3,210,701,965 | 6,180,629 | 39,807,289 | 14,226,217 | 63,755,805 | 31,962,755 | 104,817,547 | 3,555,366,508 |
| Accumulated depreciation | (6,109,944) | (1,072,378,879) | (6,180,629) | (13,102,436) | (10,871,221) | (19,386,637) | (20,576,838) | (46,328,221) | (1,194,934,805) |
| Accumulated impairment | - | (10,670,850) | - | - | - | - | - | (60,200) | (10,731,050) |
| Net Book Value (refer note 6.1) | 77,804,357 | 2,127,652,236 | - | 26,704,853 | 3,354,996 | 44,369,168 | 11,385,917 | 58,429,126 | 2,349,700,653 |
| Annual rate of depreciation | 10% | 7% | 40% | 10% | 10% | 10% | 4 - 50% | 4 - 50% | |
| Depreciation Method | Straight Line | Reducing Balance | Straight Line | Reducing Balance | Reducing Balance | Reducing Balance | Straight Line | Straight Line | |

**6.1** The cost of fully depreciated assets which are still in use as at June 30, 2026 is Rs. 140.762 million (2025: Rs. 140.589 million) having written down value of Rs. Nil (2025: Rs. Nil).

**6.2** Plant and machinery includes capital spares amounting to Rs. 289.896 million (2025: Rs. 289.896 million) having written down value of Rs. 127.029 million (2025: Rs. 136.590 million).

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

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Cost of sales | 32 | 175,531,344 | 212,218,999 |
| General and administrative expenses | 33 | 8,286,152 | 6,658,954 |
| Selling and distribution expenses | 34 | 196,751 | 324,900 |
| | | 184,014,247 | 219,202,853 |

**6.4** The Company had revalued its plant and machinery on September 01, 2004, June 25, 2009, June 30, 2012, May 27, 2016, July 02, 2018, June 01, 2021 by an independent vaiuer M/s. Akbani & Javed Associates and on June 27, 2023 by an independent valuer M/s Joseph Lobo (Private) Limited on the basis of market value.

The incremental value of the plant and machinery so revalued are being depreciated over the remaining useful lives of these assets at the date of revaluation.

At the time of latest revaluation, estimated forced sales value of revalued assets was Rs. 3,358.501 million.

In the absence of current prices in an active market, the fair value of property and machine are determined by taking into account the following factors:

- Make, model, country of origin etc.;
- Operational capacity;
- Present physical condition;
- Resale prospects; and
- Obsolescence.

The valuation is considered to be level 3 in the fair value hierarchy due to the above unobservable inputs used in the valuation. Most significant input in this valuation is the current replacement cost which is adjusted for factors above.

**6.5** Had there been no revaluation, the net book value of the specific classes of plant and machinery would have been as follows:

| | 2026 | 2025 |
|---|---|---|
| | (Rupees) | |
| Plant and machinery | 1,500,100,287 | 1,613,011,061 |

**6.6** The details of aggregate net book value of operating fixed assets disposed/written off during the year are as follows:

| Description | Original cost | Accumulated depreciation | Net book value | Sale proceeds | (Loss)/gain on disposal | Relationship with buyers | Particular of buyers |
|---|---|---|---|---|---|---|---|
| **Assets having book value of five hundred thousand rupees and more disposed of during the year** | | | | | | | |
| **Improvement on leasehold land** | | | | | | | |
| Lease Hold Improvement-Building | 4,667,607 | 653,948 | 4,013,659 | - | (4,013,659) | Sale (outside) | Various |
| **Plant and Machinery** | | | | | | | |
| Wax coating machine | 29,326,973 | 22,901,503 | 6,425,470 | 3,628,928 | (2,796,542) | Sale (outside) | Ramzan & Co. |
| Automatic calendaring machine | 15,054,719 | 10,801,842 | 4,252,877 | 1,862,875 | (2,390,002) | Sale (outside) | Ramzan & Co. |
| | 44,381,692 | 33,703,345 | 10,678,347 | 5,491,803 | (5,186,544) | | |
| **Assets having book value of five hundred thsousand rupees and more disposed of during the year** | 3,313,500 | 2,520,452 | 793,048 | 3,145,000 | 2,351,952 | Sale (employees) | Various |
| **Total June 30, 2026** | 52,362,799 | 36,877,745 | 15,485,054 | 8,636,803 | (6,848,251) | | |
| **Total June 30, 2025** | 7,540,287 | 5,484,381 | 2,055,906 | 408,551 | (1,647,355) | | |

## 7 CAPITAL WORK-IN-PROGRESS

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| This comprises of: | | | |
| Civil works | | - | 2,403,395 |
| Plant and machinery | | - | 9,546,000 |
| | 7.1 | - | 11,949,395 |

### 7.1 Movement of carrying amount

| | | | |
|---|---|---|---|
| As at July 01 | | 11,949,395 | 115,560,403 |
| Additions (at cost) | | 28,470,216 | 116,337,313 |
| Transfer to operating fixed assets | | (40,419,611) | (219,948,321) |
| As at June 30 | | - | 11,949,395 |

## 8 RIGHT-OF-USE ASSETS

| | | | |
|---|---|---|---|
| Right of use assets | | 111,737,344 | 125,851,534 |
| **Movement during the year** | | | |
| As at July 01 | | 125,851,534 | 140,062,324 |
| Written off | | - | (96,599) |
| Depreciation charged | 32 | (14,114,190) | (14,114,191) |
| As at June 30 | | 111,737,344 | 125,851,534 |
| Depreciation rate (% per annum) | | 10 | 10 |

**8.1** The depreciation charge for the year amounting to Rs. 14,114,190 (2025: Rs. 14,114,191) is allocated to cost of sales.

## 9 INTANGIBLE ASSETS

| | Note | 2026 | 2025 |
|---|---|---|---|
| **Net carrying value basis** | | (Rupees) | |
| Opening book value | | 60,928 | 152,310 |
| Amortisation charged | 9.1 | (60,928) | (91,382) |
| Closing net book value | | - | 60,928 |
| **Gross carrying value basis** | | | |
| Cost | | 6,932,800 | 6,932,800 |
| Accumulated amortisation | | (6,932,800) | (6,871,872) |
| **Net book value** | | - | 60,928 |
| Amortisation rate (% per annum) | | 20 | 20 |

**9.1** The amortisation for the year amounting to Rs. 60,928 (2025: Rs. 91,382) is allocated to General and administrative expenses.

## 10 LONG-TERM DEPOSITS

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Power and fuel | | 12,225,237 | 12,225,237 |
| Others | | 23,950 | 23,950 |
| | 10.1 | 12,249,187 | 12,249,187 |

**10.1 These deposits do not carry any interest or markup.**

## 11 STORES AND SPARES

| | | | |
|---|---|---|---|
| Stores and accessories | | 60,661,876 | 114,711,600 |
| Spare parts and others | | 84,604,940 | 17,062,087 |
| | | 145,266,816 | 131,773,687 |
| Provision for slow moving and obsolete store and spares | 11.1 | (34,290,999) | (34,290,999) |
| | | 110,975,817 | 97,482,688 |

### 11.1 Provision for slow moving and obsolete stores and spares comprises:

| | | | |
|---|---|---|---|
| Balance at beginning of the year | | 34,290,999 | 1,297,984 |
| Addition during the year | | - | 34,290,999 |
| Reversal made during the year | | - | (1,297,984) |
| | | - | 32,993,015 |
| Balance at end of the year | 11.2 | 34,290,999 | 34,290,999 |

**11.2** It includes an amount of Rs. 32.316 million (2025: Rs. 32.316 million) relates to stores and spares of the Gravure plant and machinery, disposed off during the year.

## 12 STOCK-IN-TRADE

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Raw materials | | 171,260,262 | 377,645,451 |
| Packing materials | | 18,444,363 | 34,119,995 |
| | | 189,704,625 | 411,765,446 |
| Provision for slow moving and obsolete stock in trade | 12.1 | (6,167,876) | (716,116) |
| | | 183,536,749 | 411,049,330 |
| Work-in-process | 32 | 40,361,846 | 56,285,511 |
| Stock-in-trade | | 21,199,850 | |
| Finished goods | 12.2 | 53,421,389 | 78,317,159 |
| | | 298,519,834 | 545,652,000 |

**12.1 Provision for slow moving and obsolete stock in trade comprises:**

| | 2026 | 2025 |
|---|---|---|
| Balance at beginning of the year | 716,116 | 1,219,680 |
| Provision made / (reverse) during the year | 5,451,760 | (503,564) |
| Balance at end of the year | 6,167,876 | 716,116 |

**12.2** The net realisable value of the finishsed goods was lower than its cost as at year end which resulted in a write down amounting to Rs. 1.19 million (2025: Rs. 6.59 million).

## 13 TRADE DEBTS

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Unsecured - considered good | | | |
| Due from associated companies | 13.1 | 143,589,358 | 389,496,716 |
| Others | | 598,692,582 | 403,153,919 |
| | | 742,281,940 | 792,650,635 |
| Considered doubtful | | 55,177,145 | 48,680,709 |
| Allowance for expected credit losses | 13.4 | (55,177,145) | (48,680,709) |
| | | 742,281,940 | 792,650,635 |

**13.1 This comprises amounts receivable from:**

| | 2026 | 2025 |
|---|---|---|
| Century Paper and Board Mills Limited | 42,229,465 | 41,319,213 |
| Colgate-Palmolive (Pakistan) Limited | 98,869,498 | 341,192,186 |
| Caraway (Private) Limited | 2,490,395 | - |
| SIZA Foods (Private) Limited | - | 6,985,317 |
| | 143,589,358 | 389,496,716 |

**13.2** The aging analysis of balances due are as follows:

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | Due from related party | Other parties | Total | Due from related party | Other parties | Total |
| | (Rupees) | | | | | |
| Not past due | 70,643,368 | 465,135,695 | 535,779,063 | 122,391,917 | 215,823,142 | 338,215,059 |
| Past due 1-30 days | 34,388,644 | 104,658,845 | 139,047,489 | 198,688,542 | 116,232,732 | 314,921,274 |
| Past due 30-90 days | 16,499,494 | 22,846,536 | 39,346,030 | 47,439,174 | 38,811,229 | 86,250,403 |
| Past due over 90 days | 22,057,852 | 6,051,506 | 28,109,358 | 20,977,084 | 80,967,526 | 101,944,610 |
| | 143,589,358 | 598,692,582 | 742,281,940 | 389,496,716 | 451,834,629 | 841,331,345 |

**13.3** The maximum amount due from related parties at the end of any month during the year was Rs. 162.769 million (2025: Rs. 609.872 million).

**13.4 Allowance for expected credit losses**

| | 2026 | 2025 |
|---|---|---|
| | (Rupees) | |
| Balance as at July 01 | 48,680,709 | 48,680,709 |
| Charge during the year | 6,496,436 | - |
| Balance as at June 30 | 55,177,145 | 48,680,709 |

## 14 LOANS AND ADVANCES

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **Unsecured, considered good** | | | |
| Advances | | | |
| -to employees | | 1,183,500 | 9,657,663 |
| -to suppliers | 14.1 | 34,564,653 | 30,094,866 |
| | | 35,748,153 | 39,752,529 |
| **Unsecured, considered doubtful** | | | |
| -to suppliers | | 23,520,893 | - |
| -to chief executive officer | | 4,000,000 | 4,000,000 |
| | | 27,520,893 | 4,000,000 |
| Provision for doubtful advances | | (27,520,893) | (4,000,000) |
| | | 35,748,153 | 39,752,529 |

**14.1** This represents balances paid as advances to suppliers for future supplies of goods.

## 15 ADVANCES,TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Security deposits | 15.1 | 178,091 | 1,458,000 |
| Prepayments | | 13,746,614 | 3,853,482 |
| Minimum tax - levy | 38 | 48,196,020 | 66,297,470 |
| | | 62,120,725 | 71,608,952 |

**15.1** This represents short term deposits in the normal course of business and does not carry any interest or mark-up.

## 16 OTHER RECEIVABLES

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **Unsecured-considered good** | | | |
| Due from associated company | | - | 86,340 |
| Receivable from gratuity fund | 41.1.1 | 20,057,850 | 23,588,632 |
| Others | | 1,158,262 | 695 |
| | | 21,216,112 | 23,675,667 |

## 17 TAX REFUND DUE FROM GOVERNMENT

| | | | |
|---|---|---|---|
| Sales tax and special excise duty | 17.1 | 259,693,577 | 322,094,873 |

**17.1** It includes sales tax refunds due from the government amounting to Rs. 156 million pertaining to financial years from 2013 to 2020. The refunds pertains to capitilization of assets.These refunds are in the process of appeal and pending with appellate tribunal.

Based on the opinion from a tax advisor, the Company is confident that these refunds are expected to be recovered in due course.

It also includes sales tax refunds due from the government amounting to Rs. 60 million pertaining to financial year 2020-21. The claim pertains to difference of input and output tax. The claim is pending with Commissioner Inland revenue.

It also includes sales tax refunds due from the government amounting to Rs. 10.589 million pertaining to financial years from 2006 to 2008. In addition, an amount of Rs. 1.490 million in respect of Special and Federal Excise Duty pertaining to FY 2007-08 is also claimed as refundable by the Comapny. The same is pending with Deputy Commissioner Inland Revenue.

## 18 TAXATION - NET

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Advance tax | | 88,711,161 | 60,531,036 |
| Income tax refund | 18.1 | 70,386,679 | 66,484,025 |
| | | 159,097,840 | 127,015,061 |

**18.1** The income tax assessments of the Company have been finalised upto Tax Year 2025 (accounting year ended June 30, 2025).

## 19 CASH AND BANK BALANCES

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Cash in hand | | 519,710 | 1,257,395 |
| Cash at bank - current account | | | |
| Islamic mode | | 1,558,253 | 915,214 |
| Conventional mode | | 6,090,966 | 484,440 |
| | | 7,649,219 | 1,399,654 |
| Cash at bank - saving account | 19.1 | 2,178,875 | - |
| | | 10,347,804 | 2,657,049 |

**19.1** This carry profit of 3.89% (2025: Nil) per annum.

## 20 ASSETS CLASSIFIED AS HELD FOR SALE

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Plant and machinery | 20.1 | - | 489,992,796 |
| Electrical installation | | - | 4,347,704 |
| | | - | 494,340,500 |

**20.1** In FY 2024-25, the Company classified plant and machinery, including related electrical installations, having a carrying amount of Rs. 494.340 million, as assets held for sale under IFRS 5, based on a fair valuation conducted by Joseph Lobo (Pvt.) Limited on May 2, 2025, with the resulting surplus recognized in revaluation surplus. The disposal was approved by the Board and shareholders on June 3, 2025 and June 27, 2025 respectively.

In current year, the Company entered into an Asset Sale Agreement with Kompass Pakistan (Private) Limited on July 16, 2025. The sale was executed during the year with an aggregate price of Rs. 1,000 million resulting in a gain of Rs. 505.66 million.

## 21 AUTHORIZED SHARE CAPITAL

| 2026 | 2025 | | 2026 | 2025 |
|---|---|---|---|---|
| Number of shares | | | (Rupees) | |
| 200,000,000 | 200,000,000 | Ordinary shares of Rs. 10/- each | 2,000,000,000 | 2,000,000,000 |

ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

| 2026 | 2025 | | 2026 | 2025 |
|---|---|---|---|---|
| Number of shares | | | (Rupees) | |
| 197,105,580 | 197,105,580 | Fully paid in cash | 1,971,055,800 | 1,971,055,800 |
| 2,852,847 | 2,852,847 | Issued as bonus shares | 28,528,470 | 28,528,470 |
| 199,958,427 | 199,958,427 | | 1,999,584,270 | 1,999,584,270 |

**21.1** The Company has one class of ordinary shares which carry no rights to fixed income. The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meeting of the Company. All shares rank equally with regard to the Company's residual assets.

## 22 SURPLUS ON REVALUATION OF PLANT AND MACHINERY

| | 2026 | 2025 |
|---|---|---|
| | (Rupees) | |
| Balance as at July 01 | 942,873,017 | 973,961,544 |
| Surplus on revaluation arising during the year | - | 39,427,580 |
| Transfer to accumulated losses on account of disposal during the year | (217,232,942) | (427,057) |
| Transfer to accumulated losses on account of incremental depreciation charged during the year | (50,794,805) | (70,089,050) |
| | (268,027,747) | (31,088,527) |
| Balance as at June 30 | 674,845,270 | 942,873,017 |

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

## 23 SUBORDINATED LOAN - UNSECURED

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| From associated undertakings: | | | |
| Opening balance | | 250,000,000 | 143,634,453 |
| Notional markup | | - | 7,564,637 |
| | | 250,000,000 | 151,199,090 |
| Equity portion of loan | | - | 98,800,910 |
| | 23.1 | 250,000,000 | 250,000,000 |

**23.1** In FY 2023-24, the sponsors had extended the interest free loan amounting to Rs. 250 million received in 2 tranches amouning of Rs. 200 million and Rs. 50 million. The loan is obtained to meet the working capital requirements, and financing the capital expenditure. This loan was discounted at market rate ranging from 22.60% to 22.84% per annum and the difference between the principal amount and the fair value was recorded in equity.

In FY 2024-25, the waiver of markup on the loan was revoked, and the loan was converted into an interest-bearing facility. As a result, the loan, with a carrying value of Rs. 151.2 million the unwinding effect of Rs. 16.2 million on the date of revised agreement, was increased by Rs. 98.8 million, and the corresponding adjustment has been reflected in equity. The interest rate applicable to the restructured loan is based on the three-month KIBOR plus a 0.5% spread, payable on a quarterly basis. The loan tenure remains unchanged at three years.

This loan shall remain sub-ordinated to the financing facilities extended by the banks to the Company. The loan shall not be repaid until the entire amount of financing facilities and any payments due in respect of financing facilities or any other finance extended / provided by the banks to the Company, have been paid in full by the Company to the banks and the banks have notified to the sponsors of such payments; and / or the banks otherwise give any permission in writing to the Company to make full or part of the payments due under the long term financing to the associated undertakings.

## 24 LONG TERM FINANCING

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **Secured** | | | |
| **From banking companies** | | | |
| Islamic mode | | | |
| Dubai Islamic Bank Pakistan Limited | 24.1 | - | 46,823,699 |
| Less: Current portion shown under current liabilities | | - | (46,823,699) |
| | | - | - |

**24.1** This loan has been obtained from banking companies for the purpose of financing capital expenditure and secured against first pari passu charge on specific property, plant and equipments of the Company. The effective rate of mark-up was Nil (2025: 13.08% to 23.03%) payable quarterly. During the year the Comapny repaid the amount in full.

## 25 LEASE LIABILITY

| | 2026 | 2025 |
|---|---|---|
| | (Rupees) | |
| Present value of lease payments: | 133,616,819 | 139,404,155 |
| -against assets under right-of-use assets | | |
| Less: Current portion shown under current liabilities | (7,169,495) | (5,787,336) |
| | 126,447,324 | 133,616,819 |
| **Movement of lease liabilities** | | |
| As at July 01 | 139,404,155 | 147,062,733 |
| Written off | - | (96,599) |
| Finance cost | 30,212,664 | 31,438,021 |
| Payments made during the year | (36,000,000) | (39,000,000) |
| As at June 30 | 133,616,819 | 139,404,155 |

This represents sale and lease back arrangement with a related party. SIZA Services (Private) Limited for factory land and building. The term of lease is for a period of ten years at KIBOR + 1.6%. The purpose of such transaction is to allow the company to maintain continuous operations.

**25.1 Maturity analysis-contractual cash flow**

| | 2026 | | |
|---|---|---|---|
| | (Rupees) | | |
| | Minimum lease payments | Interest | Net Present value |
| Within one year | 36,000,000 | 28,830,505 | 7,169,495 |
| Over one year to 5 years | 144,000,000 | 93,467,256 | 50,532,744 |
| Over 5 years | 105,000,000 | 29,085,420 | 75,914,580 |
| Total lease liability | 285,000,000 | 151,383,181 | 133,616,819 |
| Current portion of lease liability | 36,000,000 | 28,830,505 | 7,169,495 |
| Non current portion of lease liability | 249,000,000 | 122,552,676 | 126,447,324 |
| | 285,000,000 | 151,383,181 | 133,616,819 |

| | 2025 (Rupees) | | |
|---|---|---|---|
| | Minimum lease payments | Interest | Net Present value |
| Within one year | 36,000,000 | 30,212,664 | 5,787,336 |
| Over one year to 5 years | 144,000,000 | 103,315,135 | 40,684,865 |
| Over 5 years | 141,000,000 | 48,068,046 | 92,931,954 |
| Total lease liability | 321,000,000 | 181,595,845 | 139,404,155 |
| Current portion of lease liability | 36,000,000 | 30,212,664 | 5,787,336 |
| Non current portion of lease liability | 285,000,000 | 151,383,181 | 133,616,819 |
| | 321,000,000 | 181,595,845 | 139,404,155 |

## 26 TRADE AND OTHER PAYABLES

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Creditors | 26.1 | 983,396,223 | 1,361,243,311 |
| Accrued liabilities | | 34,469,905 | 14,741,543 |
| Advances from customers | | 51,197 | 51,197 |
| Provision for compensated absences | | 2,734,754 | 2,726,936 |
| Minimum tax - levy | | 48,196,020 | 66,277,074 |
| Others | | 8,997,650 | 97 |
| | | 1,077,845,749 | 1,445,040,158 |

**26.1** This includes an amount payable to associated companies amounting to Rs. 867.617 million (2025: Rs. 862.739 million).

## 27 MARK-UP ACCRUED

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Mark-up accrued on : | | | |
| Short-term borrowings | | 8,161 | 20,907,235 |
| Long term financing | | 1,494,644 | 1,044,680 |
| | | 1,502,805 | 21,951,915 |

## 28 SHORT-TERM BORROWINGS

| | | | |
|---|---|---|---|
| Commercial | 28.1 | 157,640,132 | 491,327,248 |
| Islamic | 28.2 | - | 350,000,000 |
| | | 157,640,132 | 841,327,248 |

**28.1** The Company has obained short-term running finance facilities from various commercial banks under mark-up arrangements in aggregate amount of Rs. 470 million (2025: Rs. 570 million) having mark-up at rates ranging from 1 and 3 month KIBOR with spread ranging from 1 % to 1.5% (2025: 1 and 3 month KIBOR with spread ranging from 1 % to 1.75%) per annum calculated on a daily utilization basis and payable quarterly. The unutilized balance at the end of the year was Rs. 313 million (2025: Rs. 79 million).

The Company also has a facility for opening letters of credit under mark-up arrangements as at June 30, 2026 amounting to Rs. 470 million (June 30, 2025: Rs. 470 million). This facility remains unutilized as at reporting date (i.e., June 30, 2026).

**28.2** The Company has short-term running finance facilities from various islamic banks under profit rate arrangements in aggregate amount of Rs. 350 million (2025: Rs. 350 million) having profit rates Nil (2025: 6 month KIBOR with spread ranging from 1% to 1.5%) per annum calculated on a daily utilization basis and payable quarterly. The unutilized balance at the end of the year was Rs. 350 million (2025: Rs. Nil). These arrangements are secured by pari passu hypothecation charge on stores and spares, stock-in-trade and trade debts.

## 29 DEFERRED TAXATION

| | 2026 | 2025 |
|---|---|---|
| | (Rupees) | |
| **Deductible temporary differences on:** | | |
| Provision for gratuity | (5,816,777) | (6,840,703) |
| Lease liability against right-of-use assets | (6,345,048) | (3,930,260) |
| Provision for Slow Moving Stores & Spares | (9,944,390) | (9,944,390) |
| Provision for Slow Moving Stock In Trade | (1,788,684) | (207,674) |
| Allowance for expectected credit loss | (16,001,372) | (14,117,406) |
| Provision for compensanted absances | (793,079) | (790,811) |
| Provision for Doubtful Advances | (7,981,059) | (1,160,000) |
| Unabsorbed tax depreciation and amortisation | (569,890,198) | (582,126,223) |
| | (618,560,605) | (619,117,467) |
| **Taxable temporary differences on:** | | |
| Accelerated tax depreciation | 189,159,912 | 186,263,194 |
| Revaluation surplus | 195,705,128 | 273,433,175 |
| | 384,865,040 | 459,696,369 |
| Sub total | (233,695,565) | (159,421,098) |
| Deferred tax asset not recognized | 233,695,565 | 159,421,098 |
| Total | - | - |

**29.1** As of the reporting date the Company has a net deferred tax asset of Rs. 233.696 million (2025: Rs. 159.421 million) which remain unrcognised as management expects that the Company will remain under minimum tax regime for forseeable future and will not have sufficient taxable profits to adjust the same.

## 30 CONTINGENCIES AND COMMITMENTS

**30.1** There were no contingencies and commitments as at June 30, 2026 (2025: None) except for the following:

**30.2** During the year the Board of Directors of the Company held an emergent meeting on October 30, 2025 and removed the previous Cheif Executive Officer of the Company owing to certain governance matters. The Company is currently assessing the possibility of initiating legal proceedings against the former CEO. At this stage, the matter remains subject to further evaluation and legal process, and the outcome cannot be determined with sufficient certainty.

## 31 REVENUE

| | 2026 | 2025 |
|---|---|---|
| | (Rupees) | |
| Gross sales | | |
| Local sales | 4,032,712,103 | 6,052,146,908 |
| Export sales | 30,094,772 | 160,943,220 |
| | 4,062,806,875 | 6,213,090,128 |
| Less: | | |
| Sales tax | (611,419,778) | (922,728,287) |
| Sales return | (24,515,778) | (9,429,220) |
| | (635,935,556) | (932,157,507) |
| | 3,426,871,319 | 5,280,932,621 |

**31.1 Disaggregation of revenue:**

In the following table, revenue is disaggregated by geographical markets:

| | | |
|---|---|---|
| Geographical market: | | |
| -Pakistan | 4,032,712,103 | 6,052,146,908 |
| -Kenya | 30,094,772 | 160,943,220 |
| | 4,062,806,875 | 6,213,090,128 |

## 32 COST OF SALES

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Materials consumed | 32.1 | 2,315,803,317 | 3,933,624,167 |
| Packing material consumed | 32.2 | 83,115,622 | 121,705,545 |
| Stores and spares consumed | | 189,320,709 | 233,102,611 |
| Salaries, wages and other benefits | 32.3 | 281,900,836 | 341,018,151 |
| Outsourced services | | 12,888,105 | 15,439,859 |
| Power and fuel | | 140,633,011 | 289,084,586 |
| Depreciation | 6.3 & 8 | 189,645,534 | 226,333,190 |
| Rent, rates and taxes | | 10,683,734 | 13,498,574 |
| Repairs and maintenance | | 37,104,235 | 178,431,186 |
| Vehicle running expenses | | 2,437,423 | 9,851,046 |
| Insurance | | 19,858,519 | 20,086,777 |
| Printing and stationery | | 9,519,626 | 5,315,555 |
| Communication charges | | 296,209 | 2,807,536 |
| Travelling and conveyance | | 2,359,737 | 3,575,803 |
| Fees and subscription | | 2,994,130 | 3,211,839 |
| Software license and implementation fee | | 18,105,466 | 17,031,325 |
| Other expenses | | 9,806,411 | 10,926,316 |
| Manufacturing cost | | 3,326,472,624 | 5,425,044,066 |
| Opening work-in-process | | 56,285,511 | 11,663,076 |
| Closing work-in-process | 12 | (40,361,846) | (56,285,511) |
| | | 15,923,665 | (44,622,435) |
| Cost of goods manufactured | | 3,342,396,289 | 5,380,421,631 |
| Opening stock of finished goods | | 78,317,159 | 7,561,416 |
| Closing stock of finished goods | 12 | (53,421,389) | (78,317,159) |
| | | 24,895,770 | (70,755,743) |
| | | 3,367,292,059 | 5,309,665,888 |

### 32.1 Material consumed

| | | | |
|---|---|---|---|
| Balance at the beginning of the year | | 377,645,451 | 414,297,303 |
| Purchases during the year | | 2,109,418,128 | 3,896,972,315 |
| Balance at the end of the year | 12 | (171,260,262) | (377,645,451) |
| | | 2,315,803,317 | 3,933,624,167 |

### 32.2 Packing material consumed

| | | | |
|---|---|---|---|
| Balance at the beginning of the year | | 34,119,995 | 20,267,005 |
| Purchases during the year | | 67,439,990 | 135,558,535 |
| Balance at the end of the year | 12 | (18,444,363) | (34,119,995) |
| | | 83,115,622 | 121,705,545 |

**32.3** Salaries and other benefits include Rs. 5.598 million (2025: Rs. 4.374 million) in respect of staff retirement benefits.

## 33 GENERAL AND ADMINISTRATIVE EXPENSES

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Salaries and other benefits | 33.1 | 108,491,753 | 119,444,895 |
| Depreciation | 6.3 | 8,286,152 | 6,658,954 |
| Amortisation | 9.1 | 60,928 | 91,382 |
| Rent, rates and taxes | | 788,417 | 5,277,674 |
| Repairs and maintenance | | 7,658,288 | 9,536,699 |
| Vehicle running expenses | | 2,650,194 | 11,981,746 |
| Insurance | | 5,443,068 | 3,930,014 |
| Printing and stationery | | 1,066,462 | 679,731 |
| Communication charges | | 858,559 | 7,308,754 |
| Travelling and conveyance | | 1,607,026 | 9,212,255 |
| Fees and subscription | | 2,607,414 | 1,645,390 |
| Software license and implementation fee | | 16,353,347 | 22,996,152 |
| Service fee to associated company | | - | 3,600,215 |
| Electricity charges | | 158,493 | 176,977 |
| Provison for doubtful advances | | 23,520,893 | - |
| Others | | 13,149,040 | 11,864,235 |
| | | 192,700,034 | 214,405,073 |

**33.1** Salaries and other benefits include Rs. 2.844 million (2025: Rs. 1.289 million) in respect of staff retirement benefits.

## 34 SELLING AND DISTRIBUTION EXPENSES

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Salaries and other benefits | 34.1 | 21,018,755 | 12,080,163 |
| Depreciation | 6.3 | 196,751 | 324,900 |
| Repairs and maintenance | | 296,398 | 151,950 |
| Vehicle running expenses | | 1,148,232 | 1,215,641 |
| Insurance | | 665,371 | 829,442 |
| Printing and stationery | | 241,500 | 35,672 |
| Communication charges | | 147,495 | 1,704,422 |
| Travelling and conveyance | | 1,839,287 | 163,786 |
| Software license and implementation fee | | 4,663,280 | 6,556,509 |
| Cartage outward | | 55,880,353 | 100,039,553 |
| Others | | 3,517,730 | 836,460 |
| | | 89,615,152 | 123,938,498 |

**34.1** Salaries and other benefits include Rs. 0.634 million (2025: Rs. 0.313 million) in respect of staff retirement benefits.

## 35 OTHER INCOME

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **Income from financial assets** | | | |
| Profit on saving accounts | | 2,315,688 | 1,262,665 |
| Exchange gain - net | | 3,282,260 | 6,260,160 |
| | | 5,597,948 | 7,522,825 |
| **Income from non - financial assets / liability** | | | |
| Scrap sales | | 48,819,099 | 20,281,031 |
| Gain on disposal of operating fixed assets | | 505,659,500 | - |
| Libility no longer payable | | 31,703,565 | - |
| | | 586,182,164 | 20,281,031 |
| | | 591,780,112 | 27,803,856 |

## 36 OTHER OPERATING EXPENSES

| | | |
|---|---|---|
| Legal and professional charges | 14,396,318 | 7,209,361 |
| Auditors' remuneration: | | |
| Statutory audit | 780,000 | 650,000 |
| Special reports and sundry services | 420,000 | 425,000 |
| Out-of-pocket expenses | 120,000 | 250,000 |
| | 1,320,000 | 1,325,000 |
| Director fees | 750,000 | 850,000 |
| Loss on disposal of operating fixed assets | 6,788,960 | 1,647,355 |
| Others | 491,154 | - |
| | 23,746,432 | 11,031,716 |

## 37 FINANCIAL CHARGES

| | | | |
|---|---|---|---|
| Mark-up / interest on: | | | |
| Sub-ordinated loan | 23.1 | 28,965,958 | 26,174,247 |
| Long-term financing | | 1,231,925 | 23,380,937 |
| Short-term borrowings | | 36,394,918 | 99,900,504 |
| Finance lease charges | | 30,212,664 | 31,438,021 |
| | | 96,805,465 | 180,893,709 |
| Bank charges and commission | | 401,721 | 2,171,649 |
| | | 97,207,186 | 183,065,358 |

## 38 LEVY

| | | | |
|---|---|---|---|
| Minimum tax differential | 38.1 | 48,196,020 | 66,297,470 |

**38.1** This represents portion of minimum tax paid under section 113 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

## 39 TAXATION

| | 2026 | 2025 |
|---|---|---|
| | (Rupees) | |
| Current tax | 69,762,468 | - |

## 40 LOSS PER SHARE - BASIC AND DILUTED

| | 2026 | 2025 |
|---|---|---|
| | (Rupees) | |
| Profit / (loss) for the year (Rupees) | 123,635,644 | (599,667,526) |
| Weighted average number of ordinary shares outstanding during the year (Number of shares) | 199,958,427 | 199,958,427 |
| Earnings / (loss) per share - basic and diluted (Rupees) | 0.62 | (3.00) |

## 41 RETIREMENT BENEFIT

### 41.1 Defined benefit plan

The scheme provides for terminal benefits for all its permanent employees who qualify for the scheme at varying percentages of last drawn basic salary. The percentage depends on the number of service years with the Company. Annual charge is based on actuarial valuation carried out as at June 30, 2026, using the Projected Unit Credit Actuarial Cost Method.

The Company faces the following risks on account of gratuity:

Salary Increase Risk - the risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Longevity Risks - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal Risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Investment Risks - The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

### 41.1.1 Asset / (liability) recognised in statement of financial position

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Fair value of plan assets | 41.1.2 | 84,898,402 | 91,621,962 |
| Present value of defined benefit obligation | 41.1.4 | (64,840,552) | (68,033,330) |
| Closing net asset | 16 | 20,057,850 | 23,588,632 |

### 41.1.2 Movement of the asset / (liability) recognized in the statement of financial position

| | | | |
|---|---|---|---|
| Opening net asset | | 23,588,632 | 17,683,612 |
| Charge for the year | 41.1.5 | (1,704,453) | (1,288,607) |
| Remeasurement (loss) / gain recognized in other comprehensive income | 41.1.6 | (1,826,329) | 7,193,627 |
| Closing net asset | | 20,057,850 | 23,588,632 |

### 41.1.3 Movement in the fair value of plan assets

| | | | |
|---|---|---|---|
| Balance as at July 01 | | 91,621,962 | 81,342,571 |
| Interest income on plan assets | 41.1.5 | 9,795,394 | 11,998,029 |
| Remeasurement - Actuarial gain / (loss) | 41.1.6 | 356,698 | (1,718,638) |
| Benefits paid | 41.1.4 | (16,513,811) | - |
| Benefits due but not paid | | (361,841) | - |
| Balance as at June 30 | | 84,898,402 | 91,621,962 |

### 41.1.4 Movement in the present value of defined benefit obligation

| | | | |
|---|---|---|---|
| Balance as at July 01 | | (68,033,330) | (63,658,959) |
| Current service cost | 41.1.5 | (4,497,375) | (3,896,940) |
| Interest cost | 41.1.5 | (7,002,472) | (9,389,696) |
| Remeasurement - Actuarial (loss) / gain | 41.1.6 | (2,183,027) | 8,912,265 |
| Benefits paid | 41.1.3 | 16,513,811 | - |
| Benefits due but not paid | | 361,841 | - |
| Balance as at June 30 | | (64,840,552) | (68,033,330) |

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **41.1.5 Expenses / (Income) recognised in statement of profit or loss** | | | |
| Current service cost | | 4,497,375 | 3,896,940 |
| Interest cost | | 7,002,472 | 9,389,696 |
| Interest income on plan assets | | (9,795,394) | (11,998,029) |
| Expense for the year | | 1,704,453 | 1,288,607 |
| | 41.1.2 | | |
| **41.1.6 Remeasurement (loss) / gain recognized in other comprehensive income** | | | |
| Remeasurement (loss) / gains on defined benefit obligation | | (2,183,027) | 8,912,265 |
| Remeasurement gain / (loss) on plan assets | | 356,698 | (1,718,638) |
| | 41.1.2 | (1,826,329) | 7,193,627 |

**41.1.7 Composition of the fair value of plan assets**

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | Rupees | Percentage | Rupees | Percentage |
| Debt | 9,760,978 | 11.50% | 14,224,682 | 15.53% |
| Equity and Mutual fund | 70,585,063 | 83.14% | 69,585,478 | 75.95% |
| Cash with banks | 314,201 | 0.37% | 1,663,457 | 1.82% |
| Others | 4,600,000 | 4.99% | 6,148,345 | 6.71% |
| | 84,898,402 | | 91,621,962 | |

**41.1.8 Principal actuarial assumptions Percentage**

| | 2026 | 2025 |
|---|---|---|
| | Percentage | |
| Following were the significant actuarial assumptions used in the valuation: | | |
| Valuation discount rate per annum | 11.75% | 11.75% |
| Valuation discount rate - Statement of profit and loss | 14.75% | 14.75% |
| Expected rate of return on plan assets per annum | 10.69% | 11.75% |
| Expected rate of increase in salary per annum (short term) | 11.75% | 11.75% |
| Expected rate of increase in salary per annum (long term) | 11.75% | 11.75% |
| **Mortality Rates** | SLIC 2001 - 2005 | SLIC 2001 - 2005 |
| Retirement Assumption | Age 60 | Age 60 |

**41.1.9 Sensitivity analysis**

| | 2026 | |
|---|---|---|
| | Rupees | Percentage |
| Current liability | 64,840,552 | |
| +1% discount rate | 61,323,774 | -5.424% |
| -1% discount rate | 68,786,787 | 6.086% |
| +1% salary increase rate | 68,798,304 | 6.104% |
| -1% salary increase rate | 61,250,120 | -5.537% |

**41.1.10 Maturity Profile**

| | Undiscounted payments |
|---|---|
| Year 2027 | 5,810,147 |
| Year 2028 | 11,096,265 |
| Year 2029 | 10,333,603 |
| Year 2030 | 6,814,398 |
| Year 2031 | 5,090,954 |
| Year 2032 | 11,235,245 |
| Year 2033 | 10,825,928 |
| Year 2034 | 15,792,292 |
| Year 2035 | 9,099,431 |
| Year 2036 | 7,508,810 |
| Year 2037 onwards | 414,201,718 |

The average duration of the defined benefit obligation is 6 years.

**41.1.11** The charge in respect of defined benefit plan for the year ending June 30, 2027 is estimated to be Rs. 1.573 million.

### 41.2 Defined contribution plan

The Company has contributory provident fund scheme for benefit of all its permanent employees under the title of "Merit Packaging Limited - Employees Contributory Provident Fund Trust". The fund is maintained by the Trustees and all decisions regarding investments and distribution of income etc. are made by the Trustees. According to the Trustees, investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules made thereunder.

## 42 CASH GENERATED FROM OPERATIONS

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Profit / (loss) before taxation | | 193,398,112 | (599,667,526) |
| Adjustment for non-cash items and other items: | | | |
| Gain on disposal of property, plant and equipment | | (505,659,500) | - |
| Loss disposal of property, plant and equipment | | 6,788,960 | 1,647,355 |
| Financial charges | | 97,207,186 | 183,065,358 |
| Depreciation | | 184,014,247 | 233,317,044 |
| Allowance for expected credit losses | | 6,496,436 | - |
| Provison for doubtful advances | | 23,520,893 | - |
| Amortisation | | 60,928 | 91,382 |
| Minimum tax differential | | 48,196,020 | 66,297,470 |
| | | (139,374,830) | 484,418,609 |
| (Loss) / profit before working capital changes | | 54,023,282 | (115,248,917) |
| Working capital changes | 42.1 | (28,744,944) | 426,880,704 |
| | | 25,278,338 | 311,631,787 |

### 42.1 Working capital changes

| | | |
|---|---|---|
| Decrease / (increase) in current assets: | | |
| Stores and spares | (13,493,129) | 16,975,869 |
| Stock-in-trade | 247,132,166 | (93,082,880) |
| Trade debts | 50,368,695 | 403,777,566 |
| Loans and advances | (19,516,517) | (10,910,105) |
| Advances, trade deposits and short-term prepayments | 9,488,227 | 15,295,449 |
| Other receivables | 2,459,555 | 1,266,003 |
| Tax refund due from Government | 62,401,296 | (55,617,829) |
| | 338,840,293 | 277,704,073 |
| (Decrease) / increase in current liabilities: | | |
| Trade and other payables | (367,585,237) | 149,176,631 |
| | (28,744,944) | 426,880,704 |

## 43. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

| Description | 2026 Liabilities | | | |
|---|---|---|---|---|
| | Sub ordinated Loan | Long Term Financing | Lease Liabilities | Total |
| | (Rupees) | | | |
| Balance as at July 1, 2025 | 250,000,000 | 46,823,699 | 139,404,155 | 436,227,854 |
| Impact of notional mark up | - | - | 30,212,664 | 30,212,664 |
| written off | - | - | - | - |
| Equity component on rescheduling | - | - | - | - |
| Repayment of long-term financing / Repayment of lease | - | (46,823,699) | (36,000,000) | (82,823,699) |
| Balance as at June 30, 2026 | 250,000,000 | - | 133,616,819 | 383,616,819 |

| Description | 2025 Liabilities | | | |
|---|---|---|---|---|
| | Sub ordinated Loan | Long Term Financing | Lease Liabilities | Total |
| | (Rupees) | | | |
| Balance as at July 1, 2024 | 143,634,453 | 140,471,101 | 147,062,733 | 431,168,287 |
| Impact of notional mark up | 7,564,637 | - | 31,438,021 | 39,002,658 |
| written off | - | - | (96,599) | (96,599) |
| Equity component on rescheduling | 98,800,910 | - | - | 98,800,910 |
| Repayment of long-term financing / Repayment of lease | - | (93,647,402) | (39,000,000) | (132,647,402) |
| Balance as at June 30, 2025 | 250,000,000 | 46,823,699 | 139,404,155 | 436,227,854 |

## 44. CASH AND CASH EQUIVALENTS

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Cash and bank balances | 19 | 10,347,804 | 2,657,049 |
| Short-term borrowings | 28 | (157,640,132) | (841,327,248) |
| | | (147,292,328) | (838,670,199) |

## 45. DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES.

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act, 2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024:

| | Note | 2026 | | |
|---|---|---|---|---|
| | | Conventional | Shariah Compliant | Total |
| | | (Rupees) | | |
| **Statement of financial position** | | | | |
| **Assets** | | | | |
| Loans and advances | 14 | - | 35,748,153 | 35,748,153 |
| Cash and bank | 19 | 3,737,128 | 6,090,966 | 9,828,094 |
| | | 3,737,128 | 6,090,966 | 9,828,094 |
| **Liabilities** | | | | |
| Sub-ordinated loan | 23 | 250,000,000 | - | 250,000,000 |
| Lease liability | 25 | 133,616,819 | - | 133,616,819 |
| Mark-up accrued | 27 | 1,502,805 | - | 1,502,805 |
| Short-term borrowings | 28 | 157,640,132 | - | 157,640,132 |
| | | 383,616,819 | - | 383,616,819 |
| **Statement of profit or loss** | | | | |
| Revenue | 31 | - | 3,426,871,319 | 3,426,871,319 |
| Finance cost | 37 | 81,211,470 | 15,995,716 | 97,207,186 |
| **Other income** | | | | |
| Profit on saving accounts | 35 | - | 2,315,688 | 2,315,688 |
| Scrap sales | 35 | - | 48,819,099 | 48,819,099 |
| Gain on disposal of operating fixed assets | 35 | - | 505,659,500 | 505,659,500 |
| | | - | 556,794,287 | 556,794,287 |

| | Note | 2025 | | |
|---|---|---|---|---|
| | | Conventional | Shariah Compliant | Total |
| | | (Rupees) | | |
| **Statement of financial position** | | | | |
| **Assets** | | | | |
| Loans and advances | 14 | - | 39,752,529 | 39,752,529 |
| Cash and bank | 19 | 484,440 | 915,214 | 1,399,654 |
| | | 484,440 | 915,214 | 1,399,654 |
| **Liabilities** | | | | |
| Sub-ordinated loan | 23 | 250,000,000 | - | 250,000,000 |
| Long-term financing | 24 | - | 46,823,699 | 46,823,699 |
| Lease liability | 25 | 139,404,155 | - | 139,404,155 |
| Mark-up accrued | 27 | 15,429,400 | 6,522,515 | 21,951,915 |
| Short-term borrowings | 28 | 491,327,248 | 350,000,000 | 841,327,248 |
| | | 896,160,803 | 403,346,214 | 1,299,507,016 |
| **Statement of profit or loss** | | | | |
| Revenue | 31 | - | 5,280,932,621 | 5,280,932,621 |
| Finance cost | 37 | 116,396,960 | 66,668,398 | 183,065,358 |
| **Other income** | | | | |
| Profit on saving accounts | 35 | - | 1,262,665 | 1,262,665 |
| Scrap sales | 35 | - | 20,281,031 | 20,281,031 |
| | | - | 21,543,696 | 21,543,696 |

**Relationship with Shariah–compliant financial institutions:**

The Company has relationships with banks, having Islamic window operations, in respect of availing borrowing facilities amounting to Rs 350 million (June 30, 2025: Rs 350 million).

## 46. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of related group companies, local associated companies, staff retirement funds, directors and key management personnel.

Transactions with related parties and remuneration and benefits to key management personnel under the terms of their employment are as follows:

| Nature of transaction | Nature of Relation | Basis of Relation | 2026 | 2025 |
|---|---|---|---|---|
| | | | (Rupees) | |
| **Sale of goods, services and reimbursement of expenses** | | | | |
| Colgate Palmolive Pakistan Limited | Associated company | Common Director | 525,142,694 | 2,192,331,312 |
| Century Paper & Board Mills Limited | Associated company | Common Director | 106,840,131 | 133,347,739 |
| Cyber Internet Services (Private) Limited | Associated company | Common Director | - | |
| Gam Corporation (Private) Limited | Associated company | Common Director | - | |
| Caraway (Private) Limited | Associated company | Common Director | 8,694,746 | 9,516,914 |
| SIZA Foods (Pvt) Ltd | Associated company | Common Director | - | 12,259,822 |
| **Purchase of goods, services and reimbursement of expenses** | | | | |
| Century Paper & Board Mills Limited | Associated company | Common Director | 2,367,511,278 | 2,620,529,605 |
| Century Insurance Company Limited | Associated company | Common Director | 25,966,958 | 24,846,232 |
| Princeton Travels (Private) Limited | Associated company | Common Director | 682,929 | 413,289 |
| Lakson Business Solutions Limited | Associated company | Common Director | - | 866,145 |
| SIZA Services (Private) Limited | Associated company | Common Director and 24.20% shares held | 41,440,104 | 45,805,170 |
| Cyber Internet Services (Private) Limited | Associated company | Common Director | 2,020,566 | 5,324,928 |
| Sybrid (Private) Limited | Associated company | Common Director | 590,043 | 1,750,098 |
| Premier Fashions | Associated company | Common Director | 5,793,193 | - |
| **Rent & other allied charges** | | | | |
| Hassanali & Gulbano Lakhani Foundation | Associated company | Trustee | 425,533 | 451,794 |

### 46.1 Year end balances

| | 2026 | 2025 |
|---|---|---|
| | (Rupees) | |
| Receivable from associated companies | 157,335,972 | 389,496,716 |
| Payable to associated companies | 868,892,372 | 862,738,651 |
| Sub-ordinated loan | 250,000,000 | 250,000,000 |

**46.2** There are no transactions with key management personnel other than under their terms of employment.

## 47. REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVES AND DIRECTORS

The aggregate amounts charged in the financial statements for remunerations, including all benefits to Chief Executive and Executives of the Company were as follows:

| | 2026 | | | |
|---|---|---|---|---|
| | Chief Executive | Executives | Non - Executives Directors | Total |
| | (Rupees) | | | |
| Managerial remuneration | 7,625,503 | 15,144,907 | - | 22,770,410 |
| House rent | 3,425,359 | 6,716,970 | - | 10,142,329 |
| Bonus | 1,808,590 | 2,594,307 | - | 4,402,897 |
| Retirement benefits | 746,640 | 1,132,195 | - | 1,878,835 |
| Motor vehicle expenses | 783,539 | 3,713,014 | - | 4,496,553 |
| Medical allowances | 761,188 | 1,492,653 | - | 2,253,841 |
| Directors fee | - | - | 750,000 | 750,000 |
| Total | 15,150,819 | 30,794,046 | 750,000 | 46,694,865 |
| Number of persons | 1 | 8 | 3 | 12 |

| | 2025 | | | |
|---|---|---|---|---|
| | Chief Executive | Executives | Non - Executives Directors | Total |
| | (Rupees) | | | |
| Managerial remuneration | 11,062,400 | 12,425,298 | - | 23,487,698 |
| House rent | 4,963,908 | 1,225,880 | - | 6,189,788 |
| Bonus | 1,907,087 | 2,136,498 | - | 4,043,585 |
| Retirement benefits | 993,292 | 904,896 | - | 1,898,188 |
| Motor vehicle expenses | 748,502 | 3,287,776 | - | 4,036,278 |
| Medical allowances | 1,103,092 | 1,225,880 | - | 2,328,972 |
| Directors fee | - | - | 850,000 | 850,000 |
| Total | 20,778,281 | 21,206,228 | 850,000 | 42,834,509 |
| Number of persons | 1 | 6 | 3 | 10 |

**47.1** The current and corresponding year figures include remunerations of Company's Executives whose basic salary exceeds twelve hundred thousand rupees in a financial year.

## 48. CAPACITY AND PRODUCTION

Printing is a service industry involving the processing of printing material on a mix of different size machines having 1 to 9 colour units. The paper and board used is dependent on the customers' requirements ranging from 215 gsm to 370 gsm of a large variety of products involving several processes during and post printing. Due to many variables and complexities involved, the capacity is not determinable.

## 49. FINANCIAL INSTRUMENTS BY CATEGORY

| | 2026 | 2025 |
|---|---|---|
| | (Rupees) | |
| **Financial assets as per statement of financial position** | | |
| **Amortized cost** | | |
| Long-term deposits | 12,249,187 | 12,249,187 |
| Trade debts | 742,281,940 | 792,650,635 |
| Short-term deposits | 62,120,725 | 1,458,000 |
| Other receivables | 21,216,112 | 23,674,972 |
| Cash and bank balances | 10,347,804 | 2,657,049 |
| | 848,215,768 | 832,689,843 |
| **Financial liabilities as per statement of financial position** | | |
| **Amortized cost** | | |
| Subordinated loan | 250,000,000 | 250,000,000 |
| Long term financing including current portion | - | 46,823,699 |
| Long term lease liability including current portion | 133,616,819 | 139,404,155 |
| Trade and other payables | 1,077,845,749 | 1,445,040,158 |
| Mark-up accrued | 1,502,805 | 21,951,915 |
| Short term borrowings | 157,640,132 | 841,327,248 |
| | 1,620,605,505 | 2,744,547,175 |

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### 50.1 Risk management policies

The Company's objective in managing risks is the creation and protection of share holders' value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to credit risk, liquidity risk and market risk (which includes interest rate risk and other price risk) arising from the financial instruments it holds.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

### 50.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted and arises principally from trade and other receivables. The Company's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulatory requirements.

**Exposure to credit risk**

The carrying amounts of the financial assets represent the maximum credit exposures before any credit enhancements. The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

| | 2026 | 2025 |
|---|---|---|
| | (Rupees) | |
| Trade debts | 742,281,940 | 792,650,635 |
| Other receivables | 21,216,112 | 23,675,667 |
| Bank balances | 9,828,094 | 1,399,654 |
| Long term deposit | 12,249,187 | 12,249,187 |
| | 785,575,333 | 829,975,143 |
| The aging of trade receivable at the reporting date is: | | |
| Not past due | 535,779,063 | 339,652,939 |
| Past due 1-30 days | 139,047,489 | 320,839,225 |
| Past due 31-60 days | 39,346,030 | 50,238,585 |
| Past due 61-90 days & above | 28,109,358 | 81,919,886 |
| | 742,281,940 | 792,650,635 |

All the trade debtors at statement of financial position date are domestic parties.

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties. Sales made to certain customers are secured through letters of credit.

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis. The ratings of banks ranges from A to AAA.

**Concentration of credit risk**

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

**Impaired assets**

Impairment on account of trade debts amounts to Rs. 55.18 (2025: Rs. 48.68).

**50.3 Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements, if any:

| | 2026 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Carrying Amount | Contractual Cash Flows | Six months or less | Six to Twelve months | One to two years | Two to five years | Over five years |
| | (Rupees) | | | | | | |
| Subordinated loan | 250,000,000 | 250,000,000 | - | - | - | 250,000,000 | - |
| Lease liability | 133,616,819 | 133,616,819 | 3,393,056 | 3,776,439 | 8,952,150 | 41,580,593 | 75,914,581 |
| Trade and other payables | 1,077,845,749 | 1,077,845,749 | 1,077,845,749 | - | - | - | - |
| Mark-up accrued | 1,502,805 | 1,502,805 | 1,502,805 | - | - | - | - |
| Short term borrowings | 157,640,132 | 157,640,132 | 157,640,132 | - | - | - | - |
| | 1,620,605,505 | 1,620,652,329 | 1,240,428,566 | 3,776,439 | 8,952,150 | 291,580,593 | 75,914,581 |

| | 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Carrying Amount | Contractual Cash Flows | Six months or less | Six to Twelve months | One to two years | Two to five years | Over five years |
| | (Rupees) | | | | | | |
| Subordinated loan | 250,000,000 | 250,000,000 | - | - | - | 250,000,000 | - |
| Long term financing | 46,823,699 | 46,823,699 | 46,823,699 | - | - | - | - |
| Lease liability | 139,404,155 | 139,404,155 | 2,738,886 | 3,048,449 | 7,169,494 | 33,515,370 | 92,931,956 |
| Trade and other payables | 1,445,040,158 | 1,445,040,158 | 1,445,040,158 | - | - | - | - |
| Mark-up accrued | 21,951,915 | 21,951,915 | 21,951,915 | - | - | - | - |
| Short term borrowings | 841,327,248 | 841,327,248 | 841,327,248 | - | - | - | - |
| | 2,744,547,175 | 2,744,547,175 | 2,357,881,906 | 3,048,449 | 7,169,494 | 283,515,370 | 92,931,956 |

## 50.4 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

### 50.4.1 Currency risk

Foreign currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company's exposure to foreign currency risk is as follows:

| | 2026 | 2025 |
|---|---|---|
| | (Rupees) | |
| Foreign bills receivable - USD | 1,188,135 | 8,672,032 |
| Foreign bills receivable - GBP | 236,171 | 67,478,027 |
| Net exposure | 1,424,306 | 76,150,059 |

The following significant exchange rates have been applied:

| | Average rate | | Reporting date rate | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | (Rupees) | | (Rupees) | |
| Rs per USD | 278.88 | 279.94 | 276.23 | 283.60 |
| Rs per GBP | 373.50 | 363.46 | 375.75 | 388.97 |

At reporting date, if the PKR had strengthened by 10% against the US Dollar and GBP with all other variables held constant, post-tax loss for the year would have been lower / higher by Rs. 118,814 and Rs. 23,617 (2025: Rs. 867,203 and 6,747,803) mainly as a result of net foreign exchange gain / loss on net foreign currency exposure at reporting date.

### 50.4.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from sub-ordinated loan, long term loans and short term borrowings. At the statement of financial position date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

| | 2026 | 2025 | 2026 | 2025 |
|---|---|---|---|---|
| Financial liabilities | Effective rate | | Carrying amount | |
| | (In percent) | | (Rupees) | |
| Variable rate instruments | | | | |
| Long term loans | - | - | - | 46,823,699 |
| Sub-ordinated loan | 11.59% | 12.68% | 250,000,000 | 250,000,000 |
| Short term borrowings | 23.09% | 13.17% | 157,640,132 | 841,327,248 |

**Cash flow sensitivity analysis for variable rate instruments**

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2025.

| | Profit and loss | |
|---|---|---|
| | 100 bp increase | 100 bp decrease |
| **As at June 30, 2026** | | |
| Cash flow sensitivity - | | |
| Variable rate financial liabilities | (4,076,401) | 4,076,401 |
| **As at June 30, 2025** | | |
| Cash flow sensitivity - | | |
| Variable rate financial liabilities | (11,381,509) | 11,381,509 |

The sensitivity analysis prepared is not necessarily indicative of the effects on (loss) / profit for the year and assets / liabilities of the Company.

## 51. CAPITAL RISK MANAGEMENT

The Company's objectives when maintaining capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders through the optimization of the debt and equity balance.

The Company sets the amount of capital it requires in proportion to risk. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares or adjust the amount of dividends paid to shareholders.

The Company management believes on maintaining appropriate mix of debt and equity capital and monitors capital on the basis of the net debt to equity ratio. The net debt is defined as long and short term borrowings offset by cash and bank balances. The equity includes ordinary share capital and reserves.

The Company is not subject to any externally imposed capital requirements.

The proportion of debt to equity at the year end is:

| | 2026 | 2025 |
|---|---|---|
| | (Rupees) | |
| Total long term loans - note 23 & 24 | 250,000,000 | 296,823,699 |
| Total equity | 2,393,874,649 | 2,272,065,333 |
| Total capital | 2,643,874,649 | 2,568,889,032 |
| Gearing ratio | 9.46% | 11.55% |

## 52. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset either directly that is, derived from prices.

- Level 3: Inputs for the asset or liability that are not based on observable market data ( that is unadjusted) inputs.

There are no transfers during the reporting date. (2025: None)

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

As of the reporting date , none of the financial instruments of the Company are carried at fair value.

The carrying values of all other financial assets and liabilities reflected in the financial statements approximate their fair values.

## 53. NUMBER OF EMPLOYEES

| | 2026 | 2025 |
|---|---|---|
| | No. of employees | |
| Number of employees as at June 30 | 137 | 170 |
| Average number of employees during the year | 144 | 176 |

## 54. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on September 29, 2026 by the Board of Directors of the Company.

## 55. CORRESPONDING FIGURES

These corresponding figures have been reclassified and rearranged where necessary to facilitate comparison, however there has been no significant reclassification in these financial statements.

## 56. GENERAL

Figures have been rounded off to the nearest rupee, unless otherwise stated.

**Sabir Imtiaz**
Chief Executive Officer

**Farrukh Shauket Ansari**
Director

**Umair Ahmed**
Chief Financial Officer

# PATTERN OF SHAREHOLDING

held by the shareholders as at June 30, 2026

Incorporation Number K-206/5831
CUIN Registration NO. 0007464

| Shareholding | | | | |
|---|---|---|---|---|
| No. of Shareholders | From | To | | Total Number of Shares held |
| 597 | 1 | 100 | Shares | 12,083 |
| 341 | 101 | 500 | Shares | 117,680 |
| 273 | 501 | 1,000 | Shares | 242,255 |
| 539 | 1,001 | 5,000 | Shares | 1,523,584 |
| 218 | 5,001 | 10,000 | Shares | 1,756,389 |
| 108 | 10,001 | 15,000 | Shares | 1,436,218 |
| 65 | 15,001 | 20,000 | Shares | 1,202,131 |
| 47 | 20,001 | 25,000 | Shares | 1,088,994 |
| 31 | 25,001 | 30,000 | Shares | 872,563 |
| 20 | 30,001 | 35,000 | Shares | 654,558 |
| 21 | 35,001 | 40,000 | Shares | 805,004 |
| 18 | 40,001 | 45,000 | Shares | 773,723 |
| 23 | 45,001 | 50,000 | Shares | 1,135,783 |
| 4 | 50,001 | 55,000 | Shares | 210,015 |
| 7 | 55,001 | 60,000 | Shares | 405,410 |
| 10 | 60,001 | 65,000 | Shares | 631,002 |
| 5 | 65,001 | 70,000 | Shares | 339,993 |
| 4 | 70,001 | 75,000 | Shares | 286,524 |
| 2 | 75,001 | 80,000 | Shares | 158,089 |
| 3 | 80,001 | 85,000 | Shares | 245,565 |
| 4 | 85,001 | 90,000 | Shares | 349,639 |
| 3 | 90,001 | 95,000 | Shares | 284,000 |
| 14 | 95,001 | 100,000 | Shares | 1,389,860 |
| 5 | 100,001 | 105,000 | Shares | 509,729 |
| 1 | 105,001 | 110,000 | Shares | 105,177 |
| 2 | 110,001 | 115,000 | Shares | 221,469 |
| 5 | 120,001 | 125,000 | Shares | 619,504 |
| 3 | 125,001 | 130,000 | Shares | 383,084 |
| 3 | 130,001 | 135,000 | Shares | 396,170 |
| 1 | 135,001 | 140,000 | Shares | 137,494 |
| 2 | 140,001 | 145,000 | Shares | 285,000 |
| 2 | 145,001 | 150,000 | Shares | 296,000 |
| 3 | 150,001 | 155,000 | Shares | 462,258 |
| 2 | 155,001 | 160,000 | Shares | 315,950 |
| 1 | 185,001 | 190,000 | Shares | 190,000 |
| 2 | 195,001 | 200,000 | Shares | 400,000 |
| 1 | 200,001 | 205,000 | Shares | 202,000 |
| 1 | 225,001 | 230,000 | Shares | 228,090 |
| 1 | 260,001 | 265,000 | Shares | 261,000 |
| 1 | 270,000 | 275,000 | Shares | 274,596 |
| 1 | 285,001 | 290,000 | Shares | 286,266 |
| 1 | 295,001 | 300,000 | Shares | 300,000 |
| 1 | 300,001 | 305,000 | Shares | 305,000 |
| 1 | 305,001 | 310,000 | Shares | 307,500 |

Incorporation Number K-206/5831
CUIN Registration NO. 0007464

| Shareholding | | | | |
|---|---|---|---|---|
| No. of Shareholders | From | To | | Total Number of Shares held |
| 2 | 330,001 | 335,000 | Shares | 664,277 |
| 1 | 340,001 | 345,000 | Shares | 343,000 |
| 1 | 350,001 | 355,000 | Shares | 353,601 |
| 1 | 370,001 | 375,000 | Shares | 372,450 |
| 1 | 400,001 | 405,000 | Shares | 400,048 |
| 1 | 405,001 | 410,000 | Shares | 408,961 |
| 1 | 485,001 | 490,000 | Shares | 487,401 |
| 3 | 495,001 | 500,000 | Shares | 1,500,000 |
| 1 | 500,001 | 505,000 | Shares | 501,093 |
| 1 | 520,001 | 525,000 | Shares | 522,500 |
| 1 | 570,001 | 575,000 | Shares | 574,588 |
| 1 | 640,001 | 645,000 | Shares | 640,656 |
| 1 | 685,001 | 690,000 | Shares | 687,503 |
| 1 | 820,001 | 825,000 | Shares | 822,536 |
| 1 | 825,001 | 830,000 | Shares | 829,000 |
| 1 | 1,195,001 | 1,200,000 | Shares | 1,200,000 |
| 1 | 4,205,001 | 4,210,000 | Shares | 4,209,464 |
| 1 | 22,465,001 | 22,470,000 | Shares | 22,466,260 |
| 1 | 42,385,001 | 42,390,000 | Shares | 42,386,185 |
| 1 | 48,390,001 | 48,395,000 | Shares | 48,391,907 |
| 1 | 49,785,001 | 49,790,000 | Shares | 49,789,648 |
| **2,421** | **Total** | | | **199,958,427** |

# CATEGORIES OF SHAREHOLDERS

| Categories of Shareholders | Shares Held | Percentage |
|---|---|---|
| Directors, Chief Executive Officer, and their spouse and minor children | 452,306 | 0.23 |
| Associated Companies, undertakings and related parties | 163,042,109 | 81.54 |
| NIT and ICP | 4,209,464 | 2.11 |
| Banks, Development Financial Institutions, Non Banking | 385 | 0.00 |
| **Financial Institutions** | | |
| Insurance Companies | NIL | - |
| Modarabas and Mutual Funds | 500,000 | 0.25 |
| Shareholders holding 10 % | 163,034,000 | 81.53 |
| General Public | | |
| a. Local | 30,906,989 | 15.45 |
| b. Foreign | NIL | - |
| Others | 847,174 | 0.42 |

**NOTE:** Some of the shareholders are reflected in more than one category

# DETAILS OF PATTERN OF SHAREHOLDING

For the Year Ended June 30, 2026

| Shareholders' category | | | Number of shares held |
|---|---|---|---|
| **i.** | **ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES** | | |
| | 1. SIZA (Private) Limited | | 49,789,648 |
| | 2. SIZA Services (Pvt.) Limited | | 48,391,907 |
| | 3. SIZA Commodities (Pvt.) Limited | | 22,466,260 |
| | 4. Premier Fashions (Pvt.) Limited | | 42,386,185 |
| | 5. Sultan Ali Lakhani | | 597 |
| | 6. Zulfiqar Ali Lakhani | | 100 |
| | 7. Shaista Sultan Ali Lakhani | | 334 |
| | 8. Fatima Lakhani | | 674 |
| | 9. Babar Ali Lakhani | | 2,710 |
| | 10. Bilal Ali Lakhani | | 580 |
| | 11. Danish Ali Lakhani | | 977 |
| | 12. Natasha Lakhani | | 2,137 |
| **ii.** | **MODARABAS AND MUTUAL FUNDS** | | |
| | 1. CDC – Trustee National Investment (Unit) Trust | | 4,209,464 |
| | 2. CDC – Trustee Golden Arrow Stock Fund | | 500,000 |
| **iii.** | **DIRECTORS, THEIR SPOUSES AND MINOR CHILDREN** | | |
| | 1. Iqbal Ali Lakhani | Director | 126,985 |
| | 2. Amin Mohammed Lakhani | Director | 126,142 |
| | 3. Anushka Lakhani | Director | 36,341 |
| | 4. Aftab Ahmad | Director | 124,000 |
| | 5. Farrukh Shauket Ansari | Director | 1,240 |
| | 6. Ahmed Munaf | Director | 35,971 |
| | 7. Sheikh Asim Rafiq | Director | 500 |
| | 8. Ronak Iqbal Lakhani W/o. Iqbal Ali Lakhani | | 443 |
| | 9. Saira Amin Lakhani W/o. Amin Mohammed Lakhani | | 684 |
| **iv.** | **EXECUTIVES** | | NIL |
| **v.** | **PUBLIC SECTOR COMPANIES AND CORPORATIONS** | | NIL |
| **vi.** | **BANKS, DEVELOPMENT FINANCE INSTITUTIONS,** NON-BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL MODARABAS AND PENSION FUNDS: | | 62,932 |
| **vii.** | **SHAREHOLDERS HOLDING 5% OR MORE** [Other than those reported at i(1), i(2), i(3) and i(4)] | | NIL |
| **viii.** | **INDIVIDUALS AND OTHER THAN** THOSE MENTIONED ABOVE | 31,291,616 | 199,958,427 |

***Note:*** Some of the shareholders are reflected in more than one Category.

# FORM OF PROXY

I/We _____

of _____

a member of MERIT PACKAGING LIMITED here by appoint _____

of _____

or failing him _____

of _____

to act as my/our proxy and to vote for me/us and on my/our behalf at the Annual General Meeting of the Shareholders of the Company to be held on October 28, 2026 and at any adjournment thereof.

Signed this _____ day of _____ 2026.

| Folio No. | CDC Participant ID No. | CDC Account/ Sub-Account No. | No. of shares held | |
|---|---|---|---|---|
| | | | | Signature |

**Witness 1**

Signature _____

Name _____

CNIC No. _____

Address _____

_____

**Witness 2**

Signature _____

Name _____

CNIC No. _____

Address _____

_____

***Notes:***

1. The Proxy must be a member of the Company.
2. The signature must tally with the specimen signature/s registered with the Company.
3. If a proxy is granted by a member who has deposited his/her shares into Central Depository Company of Pakistan Limited, the proxy must be accompanied with participant's ID number and account/sub-account number alongwith attested photocopies of Computerized National Identity Card (CNIC) or the Passport of the benefi cial owner. Representatives of corporate members should bring the usual documents required for such purpose.
4. The instrument of Proxy properly completed should be deposited at the Registered Office of the Company situated at Lakson Square, Building No. 2, Sarwar Shaheed Road, Karachi not less than 48 hours before the time of the meeting excluding holidays.

# پراکسی فارم

مختار نامہ (پراکسی فارم)

میں / ہم _____

ساکن _____

بحیثیت رکن (ممبر) میرٹ پیکیجنگ لمیٹڈ مقرر کرتا / کرتی ہوں / کرتے ہیں مسمّٰی / مسماہ _____

ساکن _____

کو یا ان کی غیر حاضری میں مسمّٰی / مسماۃ _____

ساکن _____

کو جو خود بھی میرٹ پیکیجنگ لمیٹڈ کا رکن ہے کہ وہ بطور میرا / ہمارا مختار نامہ (پراکسی) میرٹ پیکیجنگ لمیٹڈ کے سالانہ اجلاس عام میں جو 28 اکتوبر 2026 کو منعقد ہو رہا ہے یا اس کے کسی ملتوی شدہ اجلاس میں کرے اور وہ میری/ہماری جگہ میری / ہماری طرف سے حق رائے دہی استعمال کرے۔

مورخہ _____ 2026 کو میرے ہمارے دستخط سے جاری ہوا۔

| فولیو نمبر | سی ڈی سی کھاتہ نمبر | حصص کی تعداد |
|---|---|---|
| | | |

| |
|---|
| دستخط |

گواہ نمبر ۱

دستخط _____

نام _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____

پتہ _____

گواہ نمبر ۲

دستخط _____

نام _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____

پتہ _____

ہدایات:

۱۔ مختار (پراکسی) کا کمپنی کا رکن (ممبر) ہونا ضروری ہے۔

۲۔ ممبر (رکن) کے دستخط، نمونہ شدہ دستخط / اندارج شدہ دستخط سے مماثلت ہونا ضروری ہے۔

۳۔ سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو مختار نامہ (پراکسی فارم) کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نسلک کرنا ضروری ہے۔ کارپوریٹ ادارے کے نمائندوں کو معمول کے مطابق دستاویزات ساتھ لانا ضروری ہے۔

۴۔ مختار نامہ (پراکسی فارم) مکمل پُر شدہ کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقرر وقت سے کم از کم ۴۸ گھنٹے قبل جمع کرانا ضروری ہے چھٹیوں کے علاوہ۔

# MERIT PACKAGING LIMITED

**Registered Office:** Lakson Square, Building No. 2, Sarwar Shaheed Road, Karachi-74200

Ph: +92 21 3840 0000 | Fax No. +92 21 3568 3410 | **Email: chairman@meritpack.com** | **Website:** www.meritpack.com

## Ballot Paper for Voting Through Post

For poll to be held at the 46th Annual General Meeting of Merit Packaging Limited on Wednesday, October 28, 2026 at 3:00 p.m. at Dr. Shamshad Akhtar Auditorium, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi, as well as through electronic means/video-link facility.

**Contact Details of Chairman, where ballot paper may be sent:**

**Business Address:** The Chairman, Merit Packaging Limited, Lakson Square, Building No.2, Sarwar Shaheed Road Karachi-74200, Pakistan.
**Attention:** Company Secretary Designated email address: chairman@meritpack.com

| | |
|---|---|
| Name of shareholder/joint shareholders | |
| Registered address of shareholder(s) | |
| Number of shares held (October 20, 2026) | |
| Folio number / CDC Account | |
| CNIC No./Passport No. (in case of foreigner) (Copy to be attached) | |
| Additional information and enclosures<br>(Incase of representative of body corporate,<br>corporation and Federal Government.) | |

| **INSTRUCTION FOR POLL** |
|---|
| 1. Please indicate your Vote by ticking (✓) the relevant box. |
| 2. In case both the boxes are marked as (✓), your ballot paper shall be treated as "Rejected". |
| I/we hereby exercise my/our vote in respect of the below resolutions through ballot by conveying my/our assent or dissent to the resolution(s) by placing tick (✓) mark in the appropriate box below. |

| Special Business/Resolution | No. of Ordinary shares for which vote cast | I/We assent to the Special Resolution (FOR) | I/We dissent to the Special Resolution (AGAINST) |
|---|---|---|---|
| a) "**RESOLVED THAT** the transactions carried out in normal course of business with associated companies/related parties as disclosed in Note No. 46 of the audited financial statements for the year ended June 30, 2026 be and are hereby ratified and approved."<br>b) "**RESOLVED THAT** the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies/ related parties during the ensuing year ending June 30, 2027 and in this connection the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company." | | | |

| Signature of shareholder(s) | Place | Date | Stamp in case of Corporate Shareholder |
|---|---|---|---|

**NOTES/PROCEDURE FOR SUBMISSION OF BALLOT PAPER:**

1. Duly filled and signed original postal ballot should be sent to the Chairman, at above-mentioned postal or email address.
2. Copy of CNIC/Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Postal ballot forms should reach chairman of the meeting on or before October 27, 2026 during working hours (i.e. by 5:00 p.m.). Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match the signature on CNIC/Passport (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot papers will be rejected.
6. In case of representative of Body Corporate and Corporation, postal ballot must be accompanied with copy of CNIC of authorized person, along with a duly attested copy of Board Resolution, Power of Attorney, or Authorization Letter in accordance with Section(s) 138 or 139 of the Companies Act, 2017, as applicable, unless these have already been submitted alongwith the Proxy Form. In case of foreign body corporate, all documents must be attested from the Counsel General of Pakistan having jurisdiction over the member.
7. Ballot paper has also been placed on the website of the Company www.meritpack.com. Members may download the ballot paper from the website or use original/photocopy as published in newspapers.

# میرٹ پیکیجنگ لمیٹڈ

رجسٹرڈ آفس: لیکسن اسکوائر بلڈنگ نمبر 2، سرور شہید روڈ، کراچی-74200
رابطہ: 38400000 21 92+ ویب سائٹ: www.meritpack.com

## بیلٹ پیپر برائے ووٹنگ بذریعہ ڈاک

برائے ووٹنگ بابت انتخابات بموقع 46 واں سالانہ اجلاس عام برائے میرٹ پیکیجنگ لمیٹڈ جو کہ الیکٹرانک ذرائع / ویڈیو لنک سہولت کے ذریعہ بھی ہوگا۔ بروز بدھ، 28 اکتوبر 2026 کو بوقت سہ پہر 03:00 بجے بمقام ڈاکٹر شمشاد اختر آڈیٹوریم، پاکستان اسٹاک ایکسچینج بلڈنگ، اسٹاک ایکسچینج روڈ، کراچی، نیز الیکٹرانک ذرائع / ویڈیو لنک کی سہولت کے ذریعے۔

**چیئرمین کا متعلقہ ای میل ایڈریس جس پر باقاعدہ پُر شدہ بیلٹ پیپر بھیجے جاسکتے ہیں:**

بزنس ایڈریس: میرٹ پیکیجنگ لمیٹڈ، لیکسن اسکوائر بلڈنگ نمبر 2، سرور شہید روڈ، کراچی۔ 74200۔ پاکستان۔
برائے توجہ: کمپنی سیکریٹری
ای میل ایڈریس: chairman@meritpack.com

| | |
|---|---|
| شیئر ہولڈر / جوائنٹ شیئر ہولڈر کا نام | |
| شیئر ہولڈر (ز) کا رجسٹرڈ ایڈریس | |
| تحویل میں موجود شیئرز کی تعداد (بتاریخ 20 اکتوبر 2026) | |
| فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر | |
| CNIC/ پاسپورٹ نمبر (غیر ملکی ہونے کی صورت میں کاپی منسلک کی جائے) | |
| اضافی معلومات اور متعلقہ دستاویزات (باڈی کارپوریٹ، کارپوریشن یا فیڈرل گورنمنٹ کے نمائندے کی صورت میں) | |

| پول کے لیے ہدایات |
|---|
| 1. براہ کرم متعلقہ باکس پر (✓) کا نشان لگا کر اپنے ووٹ کی نشاندہی کریں۔ |
| 2. اگر دونوں خانوں پر (✓) کا نشان لگایا گیا ہے، تو آپ کے بیلٹ پیپر کو "مسترد" سمجھا جائے گا۔ |
| میں/ہم ذیل کی قراردادوں کے سلسلے میں اپنی رضامندی/ اختلاف کا اظہار بیلٹ پیپر کے متعلقہ خانے میں (✓) کا نشان لگا کر کرتے ہیں۔ |

| نمبر شمار | قرارداد کا عنوان اور متن | آرڈینیری شیئرز کی تعداد کہ جن کی بنیاد پر ووٹ ڈالا گیا | میں/ہم قرارداد کے حق میں ہیں (رضامند) | میں/ہم قرارداد کے حق میں نہیں ہیں (خلاف) |
|---|---|---|---|---|
| 1. | (الف) "قرار دیا جاتا ہے کہ منسلکہ کمپنیوں/ متعلقہ فریقوں کے ساتھ کاروبار کی معمول کی سرگرمیوں کے دوران کیے گئے لین دین، جیسا کہ 30 جون 2026 کو ختم ہونے والے مالی سال کے آڈٹ شدہ مالیاتی گوشواروں کے نوٹ نمبر 46 میں بیان کیا گیا ہے، کی توثیق اور منظوری دی جاتی ہے۔"<br>(ب) "قرار دیا جاتا ہے کہ کمپنی کے چیف ایگزیکٹو آفیسر کو اختیار دیا جاتا ہے کہ وہ منسلکہ کمپنیوں/ متعلقہ فریقوں کے ساتھ معمول کی کاروباری سرگرمیوں کے دوران کیے گئے اور کیے جانے والے تمام لین دین کو 30 جون 2027 کو ختم ہونے والے مالی سال تک منظور کریں، اور اس سلسلے میں چیف ایگزیکٹو آفیسر کو یہ بھی اختیار دیا جاتا ہے کہ وہ کمپنی کی جانب سے تمام ضروری اقدامات کریں اور ایسے تمام دستاویزات/ معاہدوں پر دستخط یا عمل درآمد کریں۔ " | | | |

دستخط شیئر ہولڈر ____ جگہ ____ تاریخ ____ کارپوریٹ شیئر ہولڈر ہونے کی صورت میں مہر ____

**نوٹس: بیلٹ پیپر جمع کرانے کا طریقہ کار**

1. باضابطہ طور پر مکمل کردہ، دستخط شدہ اوریجنل بیلٹ پیپر، چیئرمین کے اوپر دیے گئے پوسٹل یا ای میل ایڈریس پر بھیجنے ہونگے۔
2. بیلٹ پیپر فارم کے ساتھ CNIC/ پاسپورٹ (غیر ملکی ہونے کی صورت میں) کی کاپی منسلک کی جائیگی۔
3. پوسٹل بیلٹ فارم اجلاس کے چیئرمین کے پاس اوقات کار کے دوران 27 اکتوبر 2026 (شام 5:00 بجے تک) یا اس سے قبل پہنچ جانا چاہیئے۔ اس وقت اور تاریخ کے بعد موصول ہونے والے پوسٹل بیلٹ ووٹنگ کے لئے کارآمد نہیں ہونگے۔
4. پوسٹل بیلٹ پیپر پر موجود دستخط/ CNIC پاسپورٹ (غیر ملکی ہونے کی صورت میں) پر موجود دستخط جیسے ہونے چاہئیں۔
5. نامکمل، دستخط کے بغیر، غلط، خراب، پھٹے ہوئے، کٹے ہوئے یا مٹے ہوئے یا مٹا کر لکھے ہوئے بیلٹ پیپرز منسوخ سمجھے جائیں گے۔
6. باڈی کارپوریٹ یا کارپوریشن کے نمائندے کی صورت میں پوسٹل بیلٹ پیپر کے ساتھ مجاز شخص کے CNIC کی کاپی، بورڈ کی قرارداد کی تصدیق شدہ کاپی، پاور آف اٹارنی، مختار نامہ وغیرہ کی تصدیق شدہ کاپی (جیسی ضرورت ہو اس کے تحت) کمپنیز ایکٹ 2017 کے سیکشن 138 یا 139 کے تحت منسلک ہونا ضروری ہے۔ غیر ملکی کارپوریٹ باڈی ہونے کی صورت میں تمام دستاویزات ممبران کے قانونی اختیار کے دائرے میں آنے والے کونسل جنرل آف پاکستان سے تصدیق شدہ ہونا لازمی ہیں۔
7. بیلٹ پیپر کمپنی کی ویب سائٹ https//www.meritpack.com پر موجود ہیں۔ ممبران ویب سائٹ سے بیلٹ پیپر ڈاؤن لوڈ کر سکتے ہیں یا اخبارات میں شائع کردہ اصل یا اسکی فوٹو کاپی بھی استعمال کی جاسکتی ہے۔

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