

2025
Annual Report



Endurance Meets Innovation



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ENDURANCE MEETS INNOVATION

This year, Macpac Films celebrates a journey of endurance and innovation—captured on our cover with a glowing road leading to a digital skyline. The futuristic cityscape reflects our embrace of new technologies, while the illuminated pathway symbolizes our drive to push boundaries. By weaving digitalization and fresh ideas into our operations, we're not just keeping pace with change—we're shaping what's next: a resilient, innovative, and promising future for all our stakeholders.

COMPANY OVERVIEW

For over three decades, Macpac Films has led Pakistan's flexible packaging industry with strength and innovation, producing premium BOPP and CPP films for sectors from FMCG to pharmaceuticals. In 2025, we achieved a landmark with Pakistan's first advanced Thermal Extrusion Coating Machine, expanding our value-added portfolio and setting new quality benchmarks. Our global footprint grew with Macpac Films Middle East LLC, while full SAP S4HANA implementation strengthened efficiency and leadership. With sustainability at our core, we continue to pioneer eco-friendly packaging solutions—driven by cutting-edge facilities, skilled teams, and a vision of resilience, growth, and innovation.





Macpac Films has stood the test of time by demonstrating exceptional resilience amid global economic uncertainties and industry challenges. Since pioneering BOPP films in Pakistan, our agility in adapting to market fluctuations and disruptions has ensured steady growth. Strategic management, operational excellence, and a customer-centric approach have fortified our position, allowing us to endure and thrive where others may falter.

Our endurance is not merely about survival but thriving in the face of adversity, positioning Macpac Films as a trusted leader in the industry and a reliable partner for future endeavors.

A circular inset image showing a surfer riding a large, curling wave. The surfer is wearing a green top and dark shorts, and is positioned near the base of the wave's face. The water is dark blue, and the sky is overcast with grey clouds. The entire scene is framed by a white border within a larger dark blue circular graphic.

**ENDURANCE
IN ACTION**



Innovation drives every facet of Macpac Films. Macpac Films leads innovation through a collaborative approach across all departments, continually enhancing product quality and operational efficiency. From research and development to digital transformation, the Company embraces cutting-edge technologies such as SAP S4HANA and Salesforce CRM to streamline processes and better serve customers.

This culture fuels the creation of advanced, sustainable packaging solutions that meet evolving market demands. Macpac's commitment to research and continuous improvement positions it at the forefront of the flexible packaging industry.



**INNOVATION
AT WORK**



At Macpac Films, packaging is more than a product; it represents protection and preservation for the future. Committed to excellence, Macpac delivers high-performance films designed to extend the shelf life of products while minimizing environmental impact

The Company continuously invests in research and development to pioneer eco-friendly packaging solutions that fulfill global standards, ensuring customers receive reliable, durable, and sustainable films that contribute to a greener planet.

A large circular inset image showing two white trays of walnuts. The top tray contains whole walnuts, and the bottom tray contains walnut halves. The trays are set against a background of green vegetables, possibly bell peppers, which are also partially visible in the circular frame.

**PACKAGING
EXCELLENCE**



Sustainability is at the heart of Macpac Films' operations. We actively reduce our environmental footprint through optimized production processes, material innovation, and a strong ethical compass.

Our collaboration with partners and communities fosters a shared responsibility towards a sustainable future, reflecting our dedication to advancing eco-friendly packaging solutions without compromising on quality.



**DRIVING
SUSTAINABILITY**

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ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT

COMPANY INFORMATION

Board of Directors

Mr. Naeem Ali Muhammad Munshi – Chairman & Non-Executive Director
 Mr. Najmul Hassan – Chief Executive Officer
 Mr. Ehtesham Maqbool Elahi – Executive Director
 Mr. Shabbir Hamza Khandwala – Independent Director
 Ms. Hafsa Abbasy – Independent Director
 Mr. Shariq Maqbool Elahi – Non-Executive Director
 Mr. Fahad Munshi – Non-Executive Director

Board Audit Committee (BAC)

Mr. Shabbir Hamza Khandwala – Chairman
 Mr. Naeem Ali Muhammad Munshi – Member
 Mr. Shariq Maqbool Elahi – Member

Human Resource & Remuneration Committee (HR&RC)

Ms. Hafsa Abbasy – Chairperson
 Mr. Shariq Maqbool Elahi – Member
 Mr. Ehtesham Maqbool Elahi – Member

Management Team

Mr. Habib Elahi – Operations Director
 Mr. Shahzaib Tariq – Chief Financial Officer
 Mr. Aquil A. Khan – Company Secretary
 Mr. Mohammad Fahad – Head of Internal Audit
 Mr. Hafeez-ur-Rehman – Factory Manager
 Ms. Um-e-Farwa – Head of Digital Transformation
 Mr. Muhammad Atiq Khan - Head of Technical
 Ms. Mehreen Shah Khalid – Manager Human Resources

Management Team is also supported by

Ms. Muneeza Kassim – Group Chief Financial Officer
 Mr. Darrel Jacob – Group Chief Human Resources Officer

Auditors

KPMG Taseer Hadi & Co. Chartered Accountants

Legal Advisors

Mr. Abdul Ghaffar Khan
 Address: F-72/1, KDA Scheme 5, Kehkashan, Clifton, Karachi
 Ms. Nausheen Ahmad
 Address: 21C, Zamzama Commercial Lane 5, Phase V, DHA, Karachi

Shariah Advisor

M/s. Alhamd Shariah Advisory Services (Pvt). Ltd

Share Registrar

CDC Share Registrar Services Limited
 Address: CDC House, 99-B, Block 'B', S.M.C.H.S, Main Shahra-e-Faisal, Karachi 74400
 Customer Support Service: 0800-CDCPL (23275)
 Fax: +92 (21) 34326034
 Email: info@cdcpak.com
 Website: www.cdcpakistan.com

Bankers

Al Baraka Bank (Pakistan) Limited
 Bank Alfalah Limited
 Bank Al Habib Limited
 Dubai Islamic Bank (Pakistan) Limited
 Faysal Bank Limited
 Habib Bank Limited
 Habib Metropolitan Bank Limited
 JS Bank Limited
 MCB Bank Limited
 Meezan Bank Limited
 Standard Chartered Bank (Pakistan) Limited
 The Bank of Punjab
 United Bank Limited

Addresses

Registered/Head Office: Plot No. 44-C, Block-6, P.E.C.H.S., Main Razi Road, Karachi.
Factory Address: Plot No. EZ/1/P-10 Eastern Industrial Zone, Port Qasim Area, Karachi.
North Sales Office: Room #21, 2nd Floor, Lahore Center, Gulberg, Lahore-54660, Pakistan.

Contact Details

UAN: (+92-21) 111-MFL (635)-111 Phone: (+92-21) 34305810
 Email: info@macpacfilms.com , company.secretary@macpacfilms.com

Website

www.macpacfilms.com

VISION

To be the market leader recognized locally and internationally as a premium quality manufacturer of multilayered packaging materials.

MISSION

Gain the confidence of our stakeholders by earning a reputation of a responsible and progressive enterprise that is prepared to change for them.

Maintain the highest level of quality in the manufacture of our products, thereby adding value for all our stakeholders

Focus on the changing customers' needs and requirements and strive to improve and innovate the product line for the benefit of our customers.

Be ethical in practice and fulfill our social responsibilities by contributing towards the environment as good corporate citizens.

CORE VALUES

We uphold integrity through openness, sincerity, and clarity, always acting in the best interests of our stakeholders. Fueled by passion, we pursue excellence, take ownership of our actions, and honor our people by encouraging collaboration, confidence, and mutual respect.

Dedicated to delivering straightforward, meaningful, and top-quality solutions, we champion innovation by exploring, adapting, and applying world-class ideas and technologies.

01

INTEGRITY

We are open, honest, transparent, and committed to doing what's best for our stakeholders.



02

PASSION

We strive for perfection, go the extra mile and have fun in what we do.



03

ACCOUNTABILITY

We act with high sense of responsibility and hold ourselves accountable.



04

VALUE OUR PEOPLE

We treat all people with dignity and value the collective power of teamwork, trust and respect each other.



05

EXCELLENCE

We strive to deliver the highest quality and value possible through simple, easy, and relevant solutions.



06

INNOVATION

We develop and apply world-class technology, we listen, we learn and seek out the best ideas.



GEOGRAPHICAL PRESENCE

Sales Office: Room No. 21, 2nd Floor, Lahore, Center, Gulberg, Lahore, Pakistan.



Factory: Plot No. EZ/I/P-10, Eastern Industrial Zone, Port Qasim Authority, Karachi, Pakistan.

Registered Office and Principal place of Business: 44-C, Block-6, P.E.C.H.S., Main Razi Road, Karachi, Pakistan.



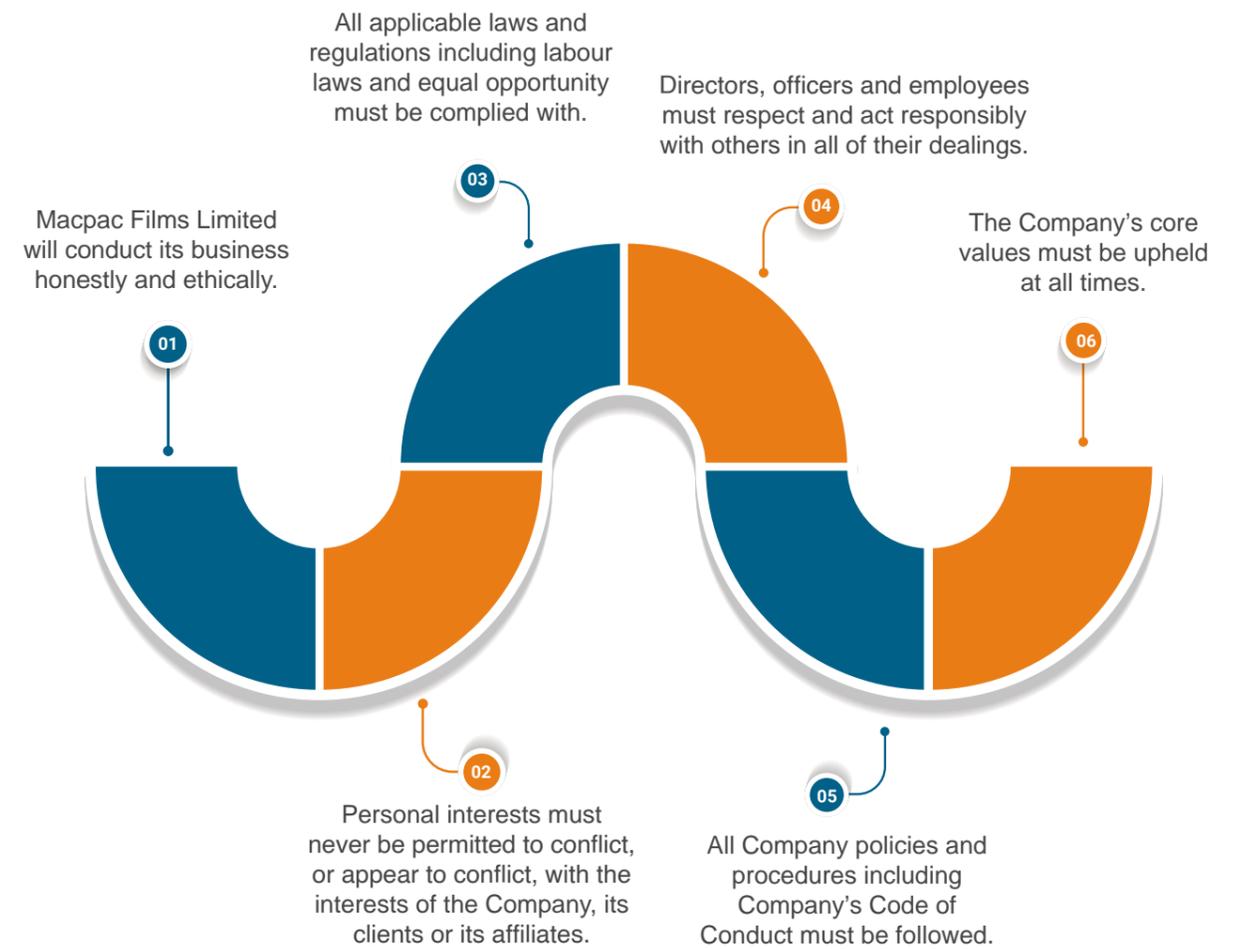
UAE Office: The Meydan Hotel, Grandstand, 6th Floor, Meydan Road, Nad Al Sheba, Dubai, U.A.E.



CODE OF BUSINESS CONDUCT & ETHICS

This code outlines the way we do business and conduct ourselves and its compliance is mandatory across the organization.

The Code of Conduct is equally applicable to the Board of Directors as well as all the employees of the Company. The salient features of the Code of Conduct are as follows:



KEY PRODUCTS

Macpac Films Limited offers a wide portfolio of premium BOPP and CPP films designed to cater to the evolving needs of diverse industries. Manufactured with precision using advanced technologies and in compliance with international standards, our films ensure exceptional performance across applications ranging from food packaging to specialty uses. Our newly introduced Thermal Lamination Films, are engineered to seamlessly bond with paper surfaces through heat and pressure, delivering a crystal-clear, durable finish that enhances printed materials with both visual appeal and a premium tactile experience.



EXTENSIVE FILM RANGE

BOPP, CPP, and Thermal Lamination films engineered for food, pharmaceutical, and industrial packaging needs.

UNMATCHED QUALITY

High tensile strength, strong sealing, and superior gloss with exceptional clarity for premium presentation.



PROTECTION & PERFORMANCE

Advanced barrier properties safeguard against moisture, UV rays, and odors to extend shelf life.

SUSTAINABILITY FOCUS

Recyclable and eco-friendly film options supporting greener packaging solutions.



WE PRESERVE WHAT MATTERS



BOPP FILMS

KEY FEATURES

Manufactured with advanced co-extrusion technology, the film combines multiple layers into one seamless structure, ensuring consistent quality, superior performance, and durability. Its biaxial orientation process further enhances mechanical strength, optical clarity, and dimensional stability delivering a film that not only meets rigorous technical standards but also adds a premium, high-performance finish to every application.



Plain Films:
High clarity and strength for versatile applications.

Sealable Films:
Strong seals with high heat resistance

Pearlized, White & Metalized Films
Enhanced visual appeal with superior barriers.



Overwrap Films:
Excellent optics and barrier protection for wrapping.

Matte Films:
Non-glossy, premium finish for upscale packaging.

Hologramable & Metallizable Films:
Security features with striking aesthetics.

KEY BENEFITS



OPTICAL EXCELLENCE
High gloss and crystal clarity.

BARRIER PROTECTION
Shields against moisture, gas, and odors

STRENGTH & DURABILITY
Strong tensile properties and puncture resistance.

SUSTAINABILITY
Fully recyclable, eco-friendly films.



CPP FILMS

KEY FEATURES

CPP Films are manufactured using advanced cast film technology, delivering excellent performance, high transparency, and ease of processing. With multi-layer options, they can be tailored to meet diverse packaging requirements, ensuring flexibility, durability, and superior sealing performance for a wide range of applications.



KEY BENEFITS

- STRENGTH**
Secure packaging to prevent contamination.
- SMOOTH SURFACE AND GLOSS**
Attractive appearance for retail shelves.
- MOISTURE & GREASE RESISTANCE**
Perfect for food applications.
- ANTI-STATIC PROPERTIES**
Easy handling during production.

- FOOD PACKAGING**
Ideal for candies, snacks, and perishable goods, ensuring freshness and strong seals in multilayer structures.
- SEALANT LAYER**
Delivers reliable, secure seals within multilayer packaging structures.
- LAMINATION AND WRAPPING**
Provides secure sealing and reliable performance in complex multilayer packaging.

PRODUCT RANGE

- TRANSPARENT FILMS:** High clarity and gloss, suitable for high-visibility packaging.
- OPAQUE/MILKY FILMS:** Strong barriers with a distinctive aesthetic appeal.
- METALIZED FILMS:** Enhanced barrier properties for premium protection.
- SPECIALIZED FILMS:** Custom grades with ultra-high barrier properties.



THERMAL LAMINATION FILM

MACPAC's Thermal Lamination Film is a premium-grade BOPP film engineered to provide superior protection and enhancement for printed materials. Designed to bond effortlessly to paper surfaces through the application of heat and pressure. It delivers a smooth, crystal-clear finish that not only safeguards prints from scratches, moisture, and handling damage but also significantly enriches their visual appeal.

The film creates a durable and refined surface that elevates colors, sharpens details, and adds a luxurious tactile feel, making it ideal for high-quality packaging, book covers, brochures, and promotional materials. With consistent performance, strong adhesion, and a flawless finish, MACPAC's Thermal Lamination Film ensures that every product stands out with a professional and premium presentation.



KEY FEATURES:

- Aesthetic Matte & Gloss Finishes – Enhances visual appeal.
- Strong Bonding – Fiber-tear strength for paper and paperboards.
- Durable Protection – Waterproof, scratch-resistant, and tear-proof.
- Versatile Compatibility – Works with UV coating, embossing, and foil stamping.

BENEFITS:

- Cost-Efficient – No adhesive mixing or drying required.
- Eco-Friendly – Non-toxic, pollution-free, and safe for use.
- Bubble-Free Application – Ensures smooth, professional results.
- Extended Shelf Life – Protects prints from moisture and wear.

APPLICATIONS:

- Books & Textbooks (covers, manuals)
- Marketing Materials (brochures, posters, magazines)
- Packaging (cartons, premium paperboards)
- Specialty Items (wedding cards, postcards, photo books)

SWOT ANALYSIS OF MACPAC FILMS Ltd.



OWNERSHIP, OPERATING STRUCTURE, AND RELATIONSHIP WITH GROUP COMPANIES

OWNERSHIP STRUCTURE

Macpac Films Limited is a publicly listed company with a transparent and robust ownership framework. The Company's shareholding is distributed among institutional investors, individual shareholders, and other stakeholders, reflecting broad-based investor confidence in its long-term growth and sustainability. Members of the Board of Directors and key executives also hold a significant number of shares, ensuring alignment between management decisions and shareholder interests.

OPERATING STRUCTURE

The Company operates through a well-defined organizational structure that balances centralized oversight with decentralized execution. Core business functions including manufacturing, finance, sales, and marketing are fully integrated to drive efficiency and strategic alignment. The Board of Directors provides strategic direction and governance oversight, while the executive management team is responsible for executing plans and delivering sustainable growth. This operating model enables Macpac Films Limited to remain agile, competitive, and focused on innovation and long-term value creation.

BENEFICIAL OWNERSHIP

As of the reporting date, Macpac Films Limited confirms that no individual qualifies as an ultimate beneficial owner holding, directly or indirectly, at least twenty-five percent (25%) of the Company's shares or voting rights, nor does any person exercise effective control over the Company under the definitions provided in applicable law. Accordingly, no beneficial ownership disclosures are required for the year under review.

The Company has ensured that its register of beneficial ownership remains fully compliant with the provisions of the Companies Act, 2017. There has been no default or contravention of these requirements during the reporting period. Any future changes in group structure or beneficial ownership, if applicable, will be duly disclosed in subsequent reports.

RELATIONSHIP WITH GROUP COMPANIES

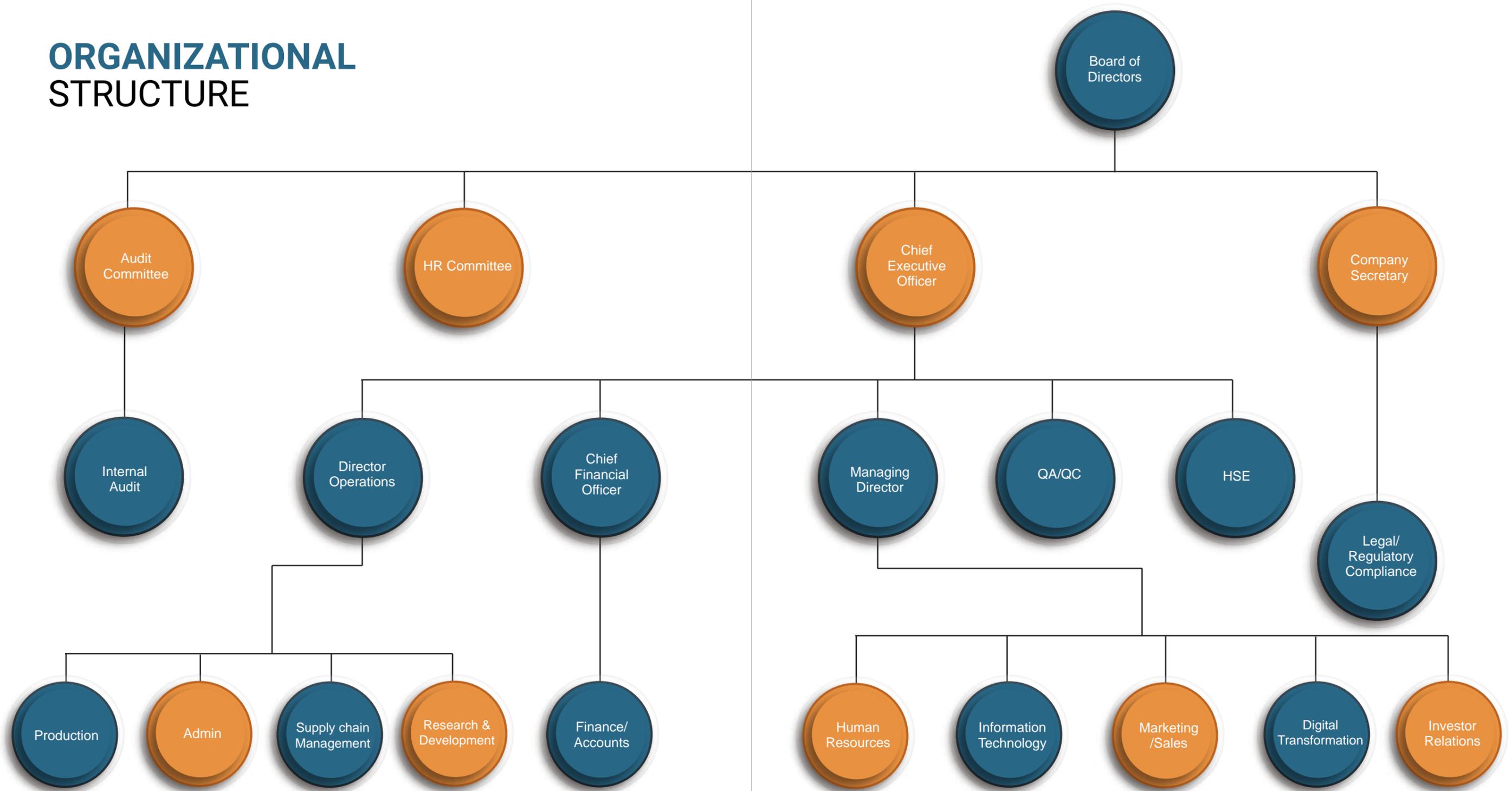
In January 2024, Macpac Films Limited established Macpac Films Middle East L.L.C-FZ in the UAE. This strategic expansion strengthens the Company's presence in international markets and enhances its global footprint.

Macpac Films Limited is part of the Mac Corp. Its related parties include Toyo Packaging (Private) Limited, MAC Business Solution (Private) Limited, TGA Sustainability (Private) Limited, Mac Properties (Private) Limited, and Ugao Agritech (Private) Limited. These associations provide opportunities for synergies, resource optimization, and diversification within the group.

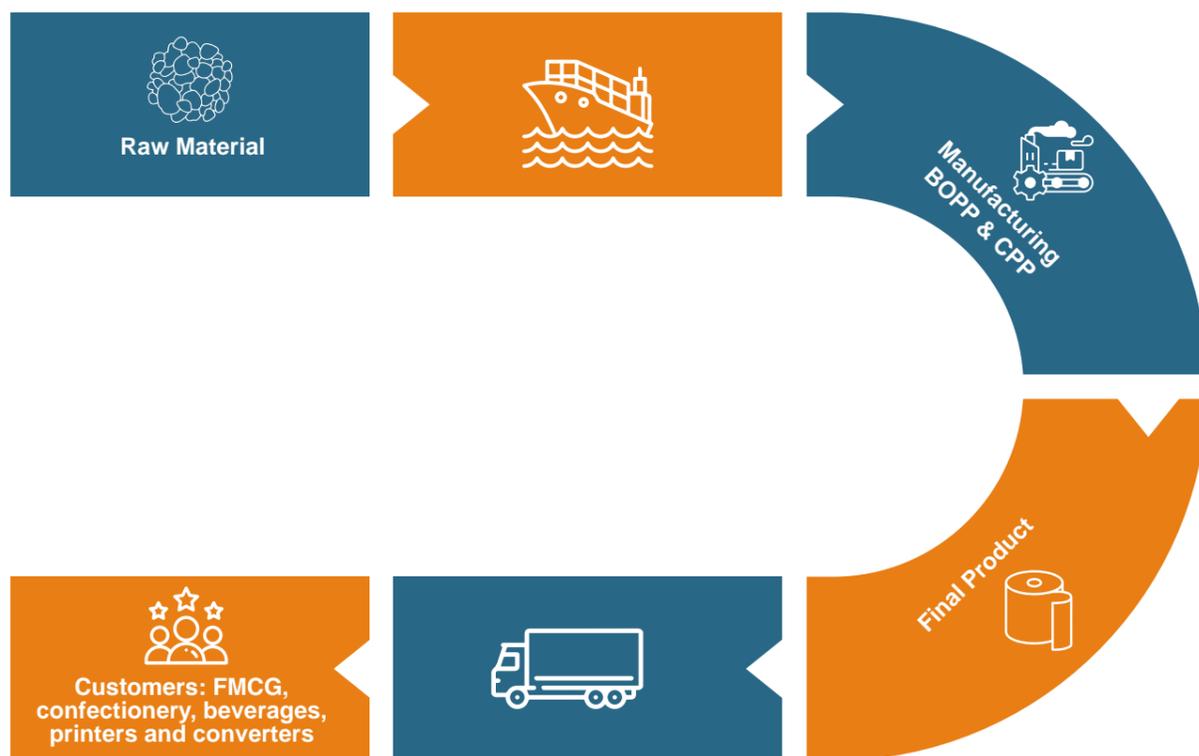


To learn more about Mac Corp, explore <https://themaccorp.com/>

ORGANIZATIONAL STRUCTURE



VALUE CHAIN



COMPETITIVE LANDSCAPE & MARKET POSITIONING



P

POLITICAL

Government policies, international diplomatic stability and political shifts directly affect business operations, trade, and regulatory compliance.

Macpac Films Limited is affected by Pakistan's evolving political stability and government policies, including potential trade reforms and incentives for manufacturers in 2025, which can impact its operational environment and strategic decisions. Additionally, exchange rate fluctuations influence import costs and financial planning, adding complexity to its business landscape.



E

ECONOMIC

High energy prices and interest rates continue to raise import costs and pressure margins, though easing inflation and policy reforms offer cautious optimism.

Pakistan's improving economic outlook in 2025, with easing inflation and lower interest rates, offers Macpac Films Limited reduced import costs and improved market demand. However, the Company navigates tighter margins from elevated energy mitigated by policy rate cuts and export incentives supporting stability and growth.



S

SOCIAL

Social factors reflect shifts in consumer preferences, cultural values, lifestyle changes and growing expectations for sustainability, ethical Labor practices and corporate responsibility across industries.

Macpac Films Limited promotes eco-friendly packaging, inclusive hiring and CSR programs that support education and women's empowerment, aligning with rising consumer expectations for sustainability, ethical practices and social responsibility. The Company also invests in human capital through training and development, enhancing workforce productivity and long-term organizational growth.



T

TECHNOLOGICAL

Technology boosts innovation, efficiency, and competitiveness through automation and digital tools, enabling businesses to adapt to market changes and meet customer needs.

Macpac's 2025 investment in a Thermal Extrusion Coating Machine and digital transformation aims to improve production efficiency, expand products, cut costs, and stay competitive while meeting packaging demands. The Company now uses solar energy and plans to increase reliance on renewables for sustainable operations.



E

ENVIRONMENTAL

Environmental factors push businesses to reduce pollution, manage waste, and adopt sustainable practices due to climate change, regulations, and consumer demands.

Macpac Films Ltd aligns with policies on plastic waste and sustainability, innovating in biodegradable materials and better recycling to comply with regulations, support UN goals, and promote eco-friendly packaging. Its factory focuses on plantations and lowering carbon emissions to enhance sustainability.



L

LEGAL

Legal factors involve compliance with laws, standards and regulations on labour, consumer rights and the environment, essential for ethical operations, risk management and long-term business sustainability.

Macpac Films Limited ensures compliance with corporate, tax and packaging laws, including the Companies Act 2017, Income Tax Ordinance 2001, SECP regulations and corporate governance guidelines, while meeting evolving rules on waste, labelling and trade to stay competitive.



OUR JOURNEY

1993

INCORPORATION

Macpac Films Limited was founded as a limited liability company in Pakistan.

2003

CPP FILMS

Launched commercial production of Cast Polypropylene (CPP) films.

1995

COMMERCIAL PRODUCTION

Commenced production of Biaxially Oriented Polypropylene (BOPP) films.

2005

INSTALLATION

Second BOPP Line Installed

2004

PSX LISTING

Listed in Pakistan Stock Exchange as a public listed company.

2015

METALIZER PLANT

Metalizer plant for BOPP films became commercially operational

2017

ISSUANCE OF RIGHT SHARES

– Right shares issued.

2019

CPP LINE REINSTALLATION

– Recommissioned CPP films manufacturing line, resuming commercial production.

2022

SUSTAINABILITY INITIATIVES

Stepped up focus on sustainable and eco-friendly packaging practices.

2024

DIGITAL TRANSFORMATION & EXPANSION

– Implemented Salesforce to strengthen customer relationship management.
– Adopted SAP S/4 HANA for advanced enterprise resource planning.
– Set up Macpac Films Middle East LLC FZ to broaden market reach in the region.

2025

THERMAL LAMINATION FILMS

Became the first in Pakistan to begin production of Thermal Lamination Films.

2023

FINANCIAL GROWTH

Achieved strong financial performance with notable growth in assets and equity.

A COMMITMENT TO INCLUSIVE GROWTH AND EMPLOYEE DEVELOPMENT

Macpac Films Limited is an equal opportunity employer that actively promotes diversity and inclusion within the workplace. The Company provides employment opportunities to young graduates, aiming to nurture a pool of future leaders. In addition, Macpac has a practice to hire young mothers who wish to rejoin the workforce after career break. These employees are provided with all necessary facilities to ensure their child are well cared for, along with flexible working hours to support work-life balance.

Macpac places great emphasis on maintaining the dignity and rights of its employees. Management has fostered a friendly and engaging work environment by offering recreational facilities options for employees after office hours, and nurturing a family-like culture focused on employee satisfaction and engagement. The Company ensures that employees are equipped with all the resources needed to perform at their highest potential.

TRAINING AND DEVELOPMENT

Training and development are integral components of Macpac's commitment to building people capability. In addition to on-the-job training, employees are encouraged to participate in seminars, workshops, short courses, and lectures to enhance both their professional skills and networks.

To support career growth and capacity building, the Company conducted the following training programs during the year:

- Data Analytics Training Program
- Industrial Automation Course
- Sales Force Management
- Certificate Course on Taxation
- HSE and Firefighting
- Competencies of an HR Leader
- Advanced Risk-Based Internal Auditing Training
- Competency Framework Development
- Dignity at the Workplace
- SAP Training for operational software use
- TimeTrax Application Training for HR and operations
- The Mac Corp Care Program
- BE Me (Employee Mental Health Care)
- Mentorship Program
- Employer Branding and Internship Programs

Every year, Macpac strengthens its brand presence among prospective employees by participating in university career fairs. The company runs a structured Internship Program designed to provide students with hands-on experience in their chosen fields.

WORKPLACE CULTURE AND EMPLOYEE ENGAGEMENT

Macpac continues to foster an inclusive and vibrant workplace culture through a variety of culturally diverse activities. The Company organizes seasonal events, Company-wide gatherings, and initiatives focused on environmental sustainability and social responsibility, such as tree plantation and blood donation drives.

Additionally, Macpac regularly recognizes employee milestones, reinforcing a culture that values collaboration, well-being, and community. A major highlight is the Company's annual event, which brings together employees from all locations—strengthening bonds and underscoring its commitment to unity and inclusivity.

2025



MACPAC FILMS LTD IMAGE GALLERY

Through this gallery, we capture the essence of MACPAC FILMS from state-of-the-art facilities to key milestones — underscoring our focus on excellence and sustainability



AWARDS AND RECOGNITIONS



Recognition at IBA Career Fair 2025: Token of Appreciation to Macpac Films

Macpac Films Participates in the 21st 3P Print Plas Pak Exhibition Lahore- 2024



Sales Force Recognized with Tech Champ Award 2023 for Outstanding Performance



IOBM Career Fair Participation Strengthens Macpac Films' Employer Brand Presence-2024

Macpac Films Honored for Excellence in Timetrax ERP CRM HCM Implementation



Recognition for Sustainability: Macpac Films Wins 22nd Environment Excellence Award-2025

Strengthening Employer Brand: Macpac Films Joins Sir Syed Career Fair- 2025





STRATEGY AND **KEY RESOURCE ALLOCATION**

STRATEGIC OBJECTIVES AND PLAN

SHORT-TERM:

 <p>Revenue Growth Initiatives Focused investment in marketing and sales expansion across key growth areas. Performance-based incentives for sales teams to boost revenue generation.</p>	 <p>Cost Optimization & Profitability Ongoing evaluation and reduction of operational inefficiencies. Targeted cost control initiatives to improve margins.</p>
 <p>Health, Safety & Talent Development Zero LTI (Lost Time Injury) target supported by robust training programs. Investment in staff upskilling, leadership training, and career development to nurture in-house talent.</p>	 <p>Waste & Environmental Management Implementation of effective waste management protocols and systems to reduce environmental impact.</p>

MEDIUM-TERM:

 <p>Innovation Through In-House R&D Dedicated funding to Research & Quality teams to develop sustainable and value-added solutions.</p>	 <p>Capital Investments Enhance our market presence by acquiring advanced machinery and equipment.</p>
 <p>Digital Transformation & Process Optimization Integration of automation in key processes to enhance efficiency, safety, and scalability. Process reengineering projects to optimize workflows across departments.</p>	 <p>Societal Commitment Continued investments in CSR initiatives and community engagement aligned with our ESG goals.</p>

LONG-TERM:

 <p>Market Expansion Strategic allocation of resources toward expanding our footprint in international markets while solidifying local market share.</p>	 <p>Consistent, Mission-Aligned Growth Investments are evaluated and prioritized to align with our Company's mission, vision, and corporate strategy.</p>
 <p>Shareholder Value Creation Focus on long-term profitability and value creation through sustainable practices and market differentiation.</p>	 <p>Industry-Leading Safety Standards Development of a predictive, data-driven safety system using advanced analytics and benchmarking against global standards.</p>

RESOURCE ALLOCATION PLANS

At Macpac Films Limited, resource allocation is a deliberate, strategy-driven process designed to support our short, medium, and long-term goals. We manage our resources through a six-capitals lens: financial, human, manufactured, intellectual, social & relationship, and natural to ensure sustainable growth and operational excellence.

- international standards with minimal waste.
- Process Optimization: Use of automation and data to reduce variability and improve throughput.

FINANCIAL CAPITAL

We strategically allocate financial resources to strengthen our manufacturing capabilities and digital infrastructure. Key investments include:

- Advanced Machinery & Equipment: Upgrades aimed at reducing downtime and enhancing production efficiency.
- Technology Integration: Machine integration with SAP for sustainable growth and operational excellence.
- Research & Development: Funding to explore innovative materials and sustainable packaging technologies.
- Cost Management: Initiatives to reduce operational costs and minimize waste without compromising quality.

HUMAN CAPITAL

Our people are the backbone of our innovation and performance. We continue to invest in:

- Training & Development: Skill-building programs on new machinery, safety protocols, and digital systems.
- Talent Acquisition: Recruitment strategies focused on attracting high-potential individuals aligned with our culture and vision.
- Employee Welfare: Initiatives promoting job satisfaction, career growth, and a safe working environment, contributing to our zero-LTI (Lost Time Injury) goal.

MANUFACTURED CAPITAL

We prioritize efficiency and quality in all production activities:

- Facility Upgrades: Ongoing upgradation of infrastructure and manufacturing lines.
- Quality Control: Enhanced systems to meet

INTELLECTUAL CAPITAL

Innovation is at the core of our competitive advantage. We harness our intellectual capital including proprietary knowledge, technical expertise, and patented processes to continuously enhance product quality and drive sustainability. Our R&D initiatives focus on developing advanced packaging materials and production methods that minimize environmental impact without compromising performance. By fostering a culture of innovation, we remain agile, future-ready, and committed to delivering eco-conscious solutions that meet evolving market demands.

SOCIAL & RELATIONSHIP CAPITAL

Strong stakeholder relationships are critical to our long-term success:

- Customer & Supplier Partnerships: Transparent, mutually beneficial engagements that strengthen our value chain.
- CSR & Community Engagement: Investment in education, health, and employment programs to build lasting social value.
- Sustainability Alliances: Collaboration with recyclers and NGOs to further circular economy goals.

NATURAL CAPITAL

Sustainability is embedded in our operations:

- 3R (Reduce, Reuse, Recycle) Strategy: Minimizing raw material waste and promoting efficient use of resources.
- Circular Economy Participation: Supporting closed-loop recycling systems and environmentally responsible sourcing.
- Energy & Water Conservation: Initiatives to reduce consumption and improve resource efficiency across operations.

VALUE CREATION

At Macpac Films Limited, value creation is driven by our commitment to skills development, community support, financial discipline, and product excellence. Our capabilities not only enhance our competitive advantage but also ensure corporate sustainability and positive impact across all stakeholders.



STAKEHOLDERS WE SERVE:

STAKEHOLDERS	FOCUS AREAS
Employees	Skills development, safety, career growth
Communities	CSR activities, education, employment
Government	Compliance, economic contribution
Shareholders	Financial returns, sustainable growth
Suppliers & Service Providers	Collaborative partnerships, sustainability
Financial Institutions	Transparent financial management
Customers	High-quality products

STRENGTHENING CAPABILITIES FOR COMPETITIVE ADVANTAGE & SUSTAINABLE GROWTH

During FY25, Macpac Films Limited maintained its commitment to delivering high-quality, sustainable packaging solutions while taking a more focused approach to international expansion. This year, the Company's export activity was concentrated in Canada, a market that values environmentally responsible and performance-driven packaging materials. Through the supply of advanced packaging solutions tailored to meet the specific regulatory and performance needs of Canadian customers, Macpac Films has begun laying the groundwork for deeper market penetration in North America.

While our export footprint was limited in FY25, we continued to invest in product innovation, sustainability, and operational efficiency to enhance our competitive edge. Our ongoing efforts in R&D, customer-focused technical support, and compliance with international standards position us well for future expansion into additional global markets.

Macpac remains committed to long-term, sustainable growth by aligning our capabilities with global packaging trends, customer expectations, and environmental responsibilities. This focused yet forward-looking strategy ensures we continue to strengthen our market position while creating long-term value for our stakeholders.

INNOVATIVE APPROACHES TO PRODUCT DEVELOPMENT

Market Development

Expand into emerging markets with growing demand for sustainable packaging.

Target diverse customer segments (e.g., food & beverage, personal care, pharmaceuticals).

Form strategic partnerships with local distributors and industry players to enhance market entry and expand reach.

Product Development

Develop sustainable packaging solutions such as biodegradable, recyclable, and compostable films.

Customize product features (size, thickness, functionality) based on client-specific packaging needs.

Invest continuously in R&D to create innovative technologies and materials compliant with environmental standards

Service Development

Adopt a customer-centric approach with personalized support and proactive communication.

Provide technical support and training to clients for optimal use of packaging products.

Implement feedback mechanisms to gather customer input and improve products and services.

FACTORS AFFECTING STRATEGY AND RESOURCE ALLOCATION

CATEGORY	DETAILS
TECHNOLOGICAL CHANGES	<ul style="list-style-type: none"> Investment in advanced machinery to improve efficiency, reduce costs, and maintain quality. Allocate resources to strengthen ERP integration for streamlined operations and long-term scalability. Invest in CRM enhancements to optimize customer engagement and data-driven decision-making. Dedicate resources to advanced analytics for actionable insights and performance measurement. Channel investments into AI initiatives to drive automation, innovation, and competitive advantage.
SUSTAINABILITY REPORTING AND CHALLENGES	<ul style="list-style-type: none"> Waste management and energy efficiency. Systems for monitoring regulatory compliance and emission control. Development of sustainability KPIs challenges in transparency. Recycling awareness programs for employees and partners. Technological barriers to tracking real-time sustainability data.
INITIATIVES PROMOTING INNOVATION	<ul style="list-style-type: none"> In-house R&D and Quality department driving innovation and sustainable product development. BMR investment to enhance machinery and productivity. Employee skill development through training programs. Strategic collaborations with experts and institutions to boost innovation leadership.
RESOURCE SHORTAGES	<ul style="list-style-type: none"> Proactive procurement strategies ensure consistent availability of key raw materials such as resin and co-polymers. Shortage of skilled labor—requiring recruitment and training. Efficient energy resource management to control operational costs and environmental impact.

FINANCIAL KPIs TO ASSESS PROFITABILITY AND GROWTH

STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATORS (KPIs)	RELEVANCE FOR THE FUTURE
Sustained Growth	Year-over-year (YoY) revenue growth percentage	Reflects the Company's ability to grow consistently and sustainably in the packaging sector.
Cost Management	<ul style="list-style-type: none"> Gross profit margin Cost of sales as a percentage of total revenue 	Essential for profitability, especially as the company expands and optimizes operations.
Enhanced Waste Management	<ul style="list-style-type: none"> % reduction in wastage Cost savings from improved waste management 	Key to reducing the carbon footprint and aligning with sustainability goals.
Enhanced Stakeholder Collaboration	<ul style="list-style-type: none"> Number of strategic partnerships formed Stakeholder satisfaction survey results 	Crucial for building strategic relationships and ensuring shared value creation.
Nurturing In-House Talent	<ul style="list-style-type: none"> Employee retention rate Employee satisfaction score Number of training & development programs 	Vital for workforce development and adapting to technological changes.
Timely Hiring of Key Resources	<ul style="list-style-type: none"> Time-to-fill key positions % of critical roles filled on time 	Ensures operational continuity and responsiveness to organizational needs.
Utilizing In-House Research and Quality Dept.	<ul style="list-style-type: none"> Number of new sustainable solutions developed Customer satisfaction with product quality 	Drives innovation and sustainability — critical for market leadership.
Market Presence Enhancement	<ul style="list-style-type: none"> Market share growth Number of new markets entered Investment in advanced machinery 	Expands brand footprint and modernizes production capacity.
Commitment to Societal Betterment	<ul style="list-style-type: none"> CSR project impact score % of revenue allocated to CSR initiatives 	Demonstrates corporate social responsibility and appeals to ethical consumers and investors.
Optimization of Management Processes	<ul style="list-style-type: none"> Number of process improvements Efficiency gains (e.g., time, cost, or resource savings) 	Sustains competitive advantage through operational excellence.
Zero Lost Time Injuries (LTI)	<ul style="list-style-type: none"> Number of LTI incidents % completion of safety training Number of safety audits by management 	Ensures a safe and compliant workplace — essential in manufacturing environments.
Growth Aligned with Mission and Vision	<ul style="list-style-type: none"> Achievement of strategic milestones Alignment score with mission/vision 	Ensures that growth is purpose-driven and aligned with long-term organizational values and direction.

OPERATIONAL EFFICIENCY AND PRODUCTIVITY KPIs

INDICATORS	TARGET	METRIC	SIGNIFICANCE
HUMAN CAPITAL	Focus on training & safety	<ul style="list-style-type: none"> • Training hours • Zero lost-time injuries, near misses, and unsafe acts 	Human resources are critical to achieving and sustaining the company's mission and operational goals.
MANUFACTURING CAPITAL	Emphasizing quality, maximizing equipment efficiency, and preserving market share.	<ul style="list-style-type: none"> • BOPP & CPP market share • Machine uptime and performance • Product quality vs. standards • Customer complaints and retention rates 	Operational efficiency is vital in a competitive industry and remains a key performance indicator.
INTELLECTUAL CAPITAL	New upgraded systems & innovation	<ul style="list-style-type: none"> • Deployment of IoT-based Overall Equipment Effectiveness (OEE) system • Real-time machine performance monitoring (Availability, Performance & Quality) via live dashboard • Elimination of manual data entry and human error • Identification of bottlenecks and underperforming assets • Increase in OEE leading to improved throughput, cost reduction, and margin expansion 	We continuously adopt new technologies to help the Company grow and improve how it operates. The IoT OEE system gives us real-time information that helps manage the factory more efficiently and supports our move towards smarter, more automated manufacturing.
NETWORKING CAPITAL	Customer focus; strong employee & supplier relations	<ul style="list-style-type: none"> • Product quality • On-time in full (OTIF) delivery • Customer feedback • Employee & supplier surveys 	Strengthening stakeholder relationships is a priority for sustained success.
ECOLOGICAL CAPITAL	Full adherence to environmental regulations	Compliance with all relevant environmental laws	Promotes a culture of ethics and environmental responsibility essential for corporate sustainability.

ALIGNMENT OF STRATEGIC OBJECTIVES WITH COMPANY'S MISSION AND VISION

Macpac Films Limited operates in a dynamic and continuously evolving business landscape. In response to emerging challenges and opportunities, the Company has developed and executed professionally crafted strategic objectives, ensuring long-term growth and sustainability while staying true to its core values.

To effectively adapt to changing market demands, Macpac Films has optimized internal management processes, explored new markets, and invested in alternative energy solutions. Key strategic initiatives also include modernization of production facilities and a strong focus on enhancing customer satisfaction and market penetration, which are critical drivers of the Company's growth agenda.

The Company's forward strategy emphasizes continuous improvement in operational efficiency, innovation, and process optimization to strengthen its competitive position and support sustainable growth.

Macpac Films remains firmly dedicated to upholding national and international standards of quality, integrity, and compliance. For all stakeholders, the Company prioritizes sustainable development, cost efficiency, and responsible growth. Continuous innovation, modernization, optimized capacity utilization, and efficient resource management are core to maintaining a competitive edge and delivering lasting value.

BOARD'S STATEMENT ON SIGNIFICANT PLANS AND DECISIONS

Macpac Films Limited ensures full compliance with the disclosure requirements of the Pakistan Stock Exchange (PSX) by promptly communicating all material information. These disclosures are critical, as they may materially affect the Company's share price and investor decision-making.

To safeguard the integrity and accuracy of this sensitive information, the Company follows a well-defined and rigorous process for documentation and timely reporting. This structured approach ensures that all disclosures are transparent, accurate, and accessible to relevant stakeholders.

By adhering to these procedures, Macpac Films upholds strong principles of corporate governance, reinforcing investor confidence and maintaining trust in the Company's leadership. Our ongoing commitment to transparency enables shareholders and potential investors to make informed decisions based on accurate and comprehensive information.

INFORMATION ON DEBTS

CAPITAL STRUCTURE

Macpac Films Limited maintains a strong and balanced capital structure, with an equity base of approximately PKR 2.24 billion. Of this, 32.6% represents free float, reflecting active market participation. As of FY 2025, the Company's long-term debt-to-equity ratio stands at 0.11, underscoring a conservative approach to leveraging debt. This low gearing level indicates that the Company predominantly relies on equity to finance its operations, providing enhanced financial stability and reduced risk exposure.

Looking ahead, the current capital structure is considered well-positioned to support the Company's future growth and operational strategies. The solid equity foundation, combined with minimal long-term debt, offers financial flexibility and readiness to capitalize on emerging market opportunities.

MATERIALITY APPROACH

The Company's approach to materiality is governed by the Code of Corporate Governance. Materiality is defined with reference to line items in the Statement of Profit or Loss and the Statement of Financial Position. Based on this framework, the Board has delegated authority to the Chief Executive Officer to manage day-to-day decisions. This delegation is supported by clear procedures and internal controls to ensure effective and responsible management of daily operations and transactions.

REPAYMENT OF DEBT

Although the Company increased its borrowings during the year, it retains substantial unused borrowing capacity. This ensures that Macpac Films remains well-prepared to meet future funding requirements, particularly for strategic initiatives. All debt obligations due in the reporting period were met in full and on time, with no defaults recorded. The Company's strong debt management underscores its commitment to maintaining financial discipline and operational resilience.

LIQUIDITY STRATEGY & FINANCING POSITION

Macpac Films Limited follows a proactive and well-structured liquidity strategy to ensure financial stability and smooth operational continuity. The Company maintains vigilant oversight of its operating working capital, with a strong focus on maintaining a healthy balance between liabilities and receivables. Adequate inventory levels are sustained to support uninterrupted production and timely fulfillment of customer orders, without putting strain on cash flows.

Daily monitoring of the fund position is conducted to enable timely decision-making and ensure the availability of liquidity for operational needs. This disciplined approach supports the Company's ability to make prompt payments to vendors, strengthening supplier relationships and maintaining the Company's credibility in the market.

The Company has established strong relationships with reputed banks and financial institutions, allowing it access to adequate short-term financing facilities for working capital requirements. In addition, long-term financing has been secured on attractive terms. Gearing levels are kept in check, reflecting a conservative approach to debt management.

All financial covenants have been fulfilled, underscoring Macpac Films' commitment to sound financial governance. This well-managed financing position ensures that the Company remains agile and resilient, with the flexibility to pursue growth opportunities and navigate changing market conditions effectively.

COMPANY'S CONTRIBUTION TO THE NATIONAL EXCHEQUER

Macpac Films Limited plays a vital role in supporting the national economy through a multifaceted approach that extends beyond core business operations. The Company is firmly committed to Corporate Social Responsibility (CSR), actively contributing to community welfare and the broader socio-economic development of the country. Participation in various government initiatives further reflects Macpac Films' dedication to national progress and public welfare.

As a major employer, the Company provides meaningful employment to hundreds of individuals, positively impacting household incomes and supporting local economic ecosystems. By creating job opportunities, Macpac Films contributes to reducing unemployment and promoting inclusive economic growth.

The Company also fulfills its financial obligations by regularly paying a wide range of government levies and taxes, including corporate and income taxes, which are critical for funding public services and infrastructure projects. Additionally, it pays customs duties that support international trade and economic activity.

During the current fiscal year, Macpac Films contributed approximately PKR 1.16 billion to the national exchequer, underscoring its role as a significant taxpayer and economic stakeholder. Furthermore, the Company's export operations generate valuable foreign exchange, supporting the country's external account and financial stability.

Together, these contributions reflect Macpac Films Limited's strong commitment to national development, responsible corporate citizenship, and long-term economic sustainability.



CORPORATE
SOCIAL
RESPONSIBILITY

BOARD'S STATEMENT ON CSR & SUSTAINABILITY

The Board of Directors of Macpac Films Limited reaffirms its unwavering commitment to Corporate Social Responsibility (CSR) and the adoption of global best practices in sustainability. We recognize that our responsibility extends beyond generating shareholder returns — it encompasses creating long-term shared value for our employees, customers, communities, and the environment.

Our strategy is anchored in embedding Environmental, Social, and Governance (ESG) principles across the organization. The Board provides active oversight of sustainability initiatives, ensuring that policies, resources, and leadership direction are aligned with our mission of responsible growth. By integrating CSR into our decision-making processes, we strengthen Macpac Films Limited's resilience and reinforce our position as a leader in sustainable packaging solutions in Pakistan.

The Board also acknowledges the direct link between sustainability and financial performance. Initiatives such as achieving renewable energy, investing in circular economy practices, and fostering inclusive workplaces not only reduce costs and operational risks but also enhance productivity, innovation, and brand reputation. These factors contribute to improved efficiency, customer loyalty, and long-term profitability.

As custodians of governance, we remain committed to transparency in sustainability reporting, aligning with global disclosure standards well ahead of regulatory timelines. Through continuous investment in sustainable practices, Macpac Films Limited is building a stronger, more competitive, and future-ready business that generates enduring value for all stakeholders.

BOARD OVERSIGHT OF SUSTAINABILITY

Building on this commitment, the Board has established a clear oversight framework to ensure sustainability principles are systematically embedded into Macpac Films Limited's strategy and operations.

COMMITTEE OVERSIGHT

The Board of Directors of Macpac Films Limited provides active oversight of the Company's sustainability and ESG agenda. Responsibility for monitoring and guiding sustainability matters has been formally entrusted to the Human Resource & Remuneration Committee (HR&RC), reflecting the Company's commitment to embedding sustainability into governance at the highest level. The HR&RC, which includes at least one female director, ensures that diverse perspectives are incorporated into decision-making. By linking ESG oversight with workforce policies, employee well-being, diversity, and organizational development, while coordinating on environmental and governance considerations across functions, the Board ensures that sustainability remains fully integrated into the Company's long-term strategy and operations.

REPORTING TO THE BOARD

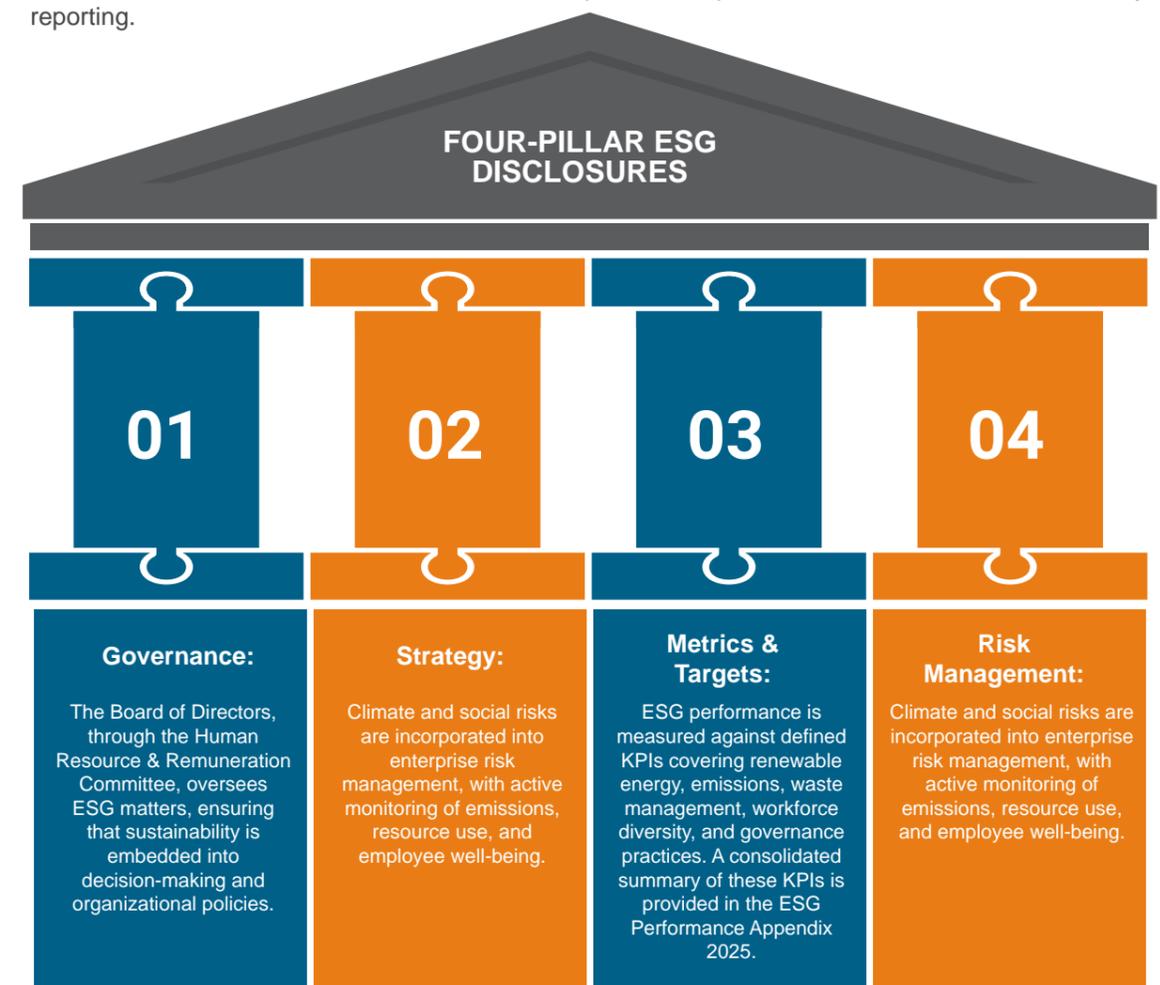
The HRRC reviews sustainability-related initiatives and submits a report to the full Board at least once a year. This report outlines the Company's progress in embedding sustainability principles into its operations and strategy.

Through this reporting and oversight process, the Board ensures that sustainability is not treated as a separate function but is fully embedded into the Company's governance and long-term value creation strategy.

SUSTAINABILITY GOVERNANCE, STRATEGY & PERFORMANCE

To explain this oversight into action, the Company aligns its sustainability disclosures and performance reporting with SECP guidelines and global standards, structured around a four-pillar framework.

Macpac Films Limited acknowledges the Securities and Exchange Commission of Pakistan's (SECP) ESG Disclosure Guidelines as a baseline for transparent, comparable, and accountable sustainability reporting.



Macpac Films Limited will continue aligning with SECP's evolving sustainability roadmap and global best practices to strengthen its long-term resilience, competitiveness, and stakeholder trust.



HIGHLIGHTS OF SUSTAINABILITY PERFORMANCE, POLICIES, INITIATIVES AND PLANS

These governance structures and strategic priorities are reflected in a wide range of initiatives and policies across social, environmental, technological, and resource management dimensions.

At Macpac Films Limited, sustainability is embedded in every aspect of our operations, policies, and future planning. The Company has adopted a forward-looking approach that balances financial growth with social responsibility, environmental stewardship, and technological advancement. Our commitment is to create shared value for stakeholders while ensuring responsible use of resources for future generations.



SOCIAL INITIATIVES

Macpac Films Limited recognizes its responsibility to foster inclusive growth, improve employee well-being, and positively impact communities.

Employment Generation & Inclusion:

The Company has doubled women's participation in its workforce, including representation at leadership levels, while also offering equal opportunities to underrepresented groups and persons with disabilities.



Employee Health & Safety:

Workplace safety standards are continuously upgraded, supported by dedicated wellness and relaxation zones, rooftop gym and prayer facilities, and safe transportation services.



Community Support:

Initiatives such as subsidized wheat and free ration distribution to workers reflect our focus on improving livelihoods.



Education & Childcare:

An on-site daycare facility enables employees to balance professional and family commitments, further supporting inclusive workplace culture.



ENVIRONMENTAL INITIATIVES

As pioneers in BOPP films in Pakistan, Macpac Films Limited is actively leading the transition towards sustainable manufacturing practices.

Climate Change Mitigation:

The Company is in process of transition to solar energy, reducing Scope 2 emissions, and initiated an ISO 14068-1 aligned carbon neutrality study covering Scope 1–3 emissions.



Circular Economy Practices:

Waste from non-recyclable multilayer plastics is repurposed into eco-bricks, at factory, thereby diverting waste from landfills.

Water Stewardship:

Safe, sustainable drinking water is provided through the in-house RO plant, supporting both employee health and responsible consumption.

Future Outlook:

Investments in renewable energy and continued innovation in circular economy solutions remain central to reducing the Company's environmental footprint.

TECHNOLOGICAL INNOVATION

Macpac Films integrates technological innovation into its sustainability roadmap, ensuring that environmental and social priorities go hand-in-hand with operational efficiency.

Product Innovation:

Focus on sustainable packaging solutions ensures that the Company remains competitive while addressing the evolving needs of environmentally conscious customers.

Energy Efficiency:

Adoption of renewable energy and advanced equipment reduces reliance on fossil fuels and mitigates emissions.

Digitalization for Governance:

Sustainability reporting to improve transparency, accuracy, and long-term monitoring.



RESOURCE CONSUMPTION & MANAGEMENT

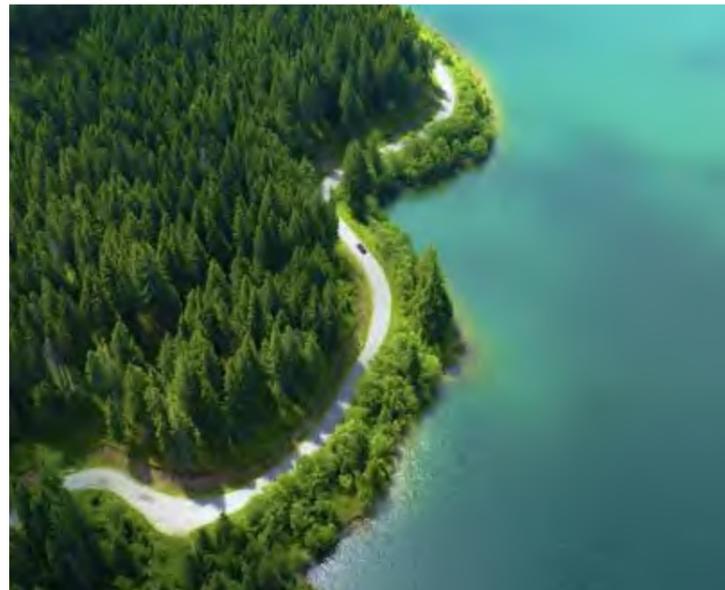
Macpac Films Limited monitors and optimizes its use of natural and energy resources to minimize depletion and environmental degradation.

WATER:

The Company's RO water system not only provides safe water to employees but also promotes sustainable water use.



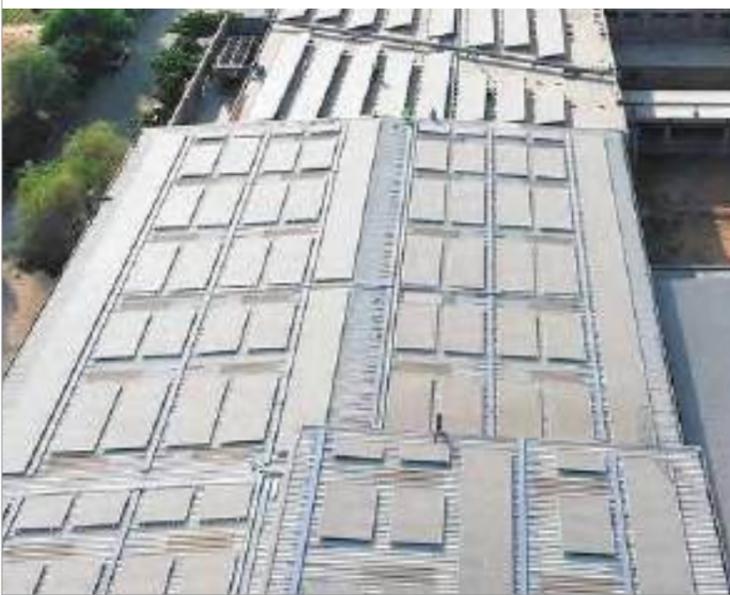
02



MATERIALS:

Recycling and reuse initiatives, including eco-bricks and waste diversion, reduce landfill contributions and promote a circular economy

03



ENERGY:

Transition to renewable solar energy has significantly reduced carbon emissions and enhanced energy resilience.

01

EMISSIONS & WASTE:

Reducing emissions and minimizing waste through continuous improvement.

04



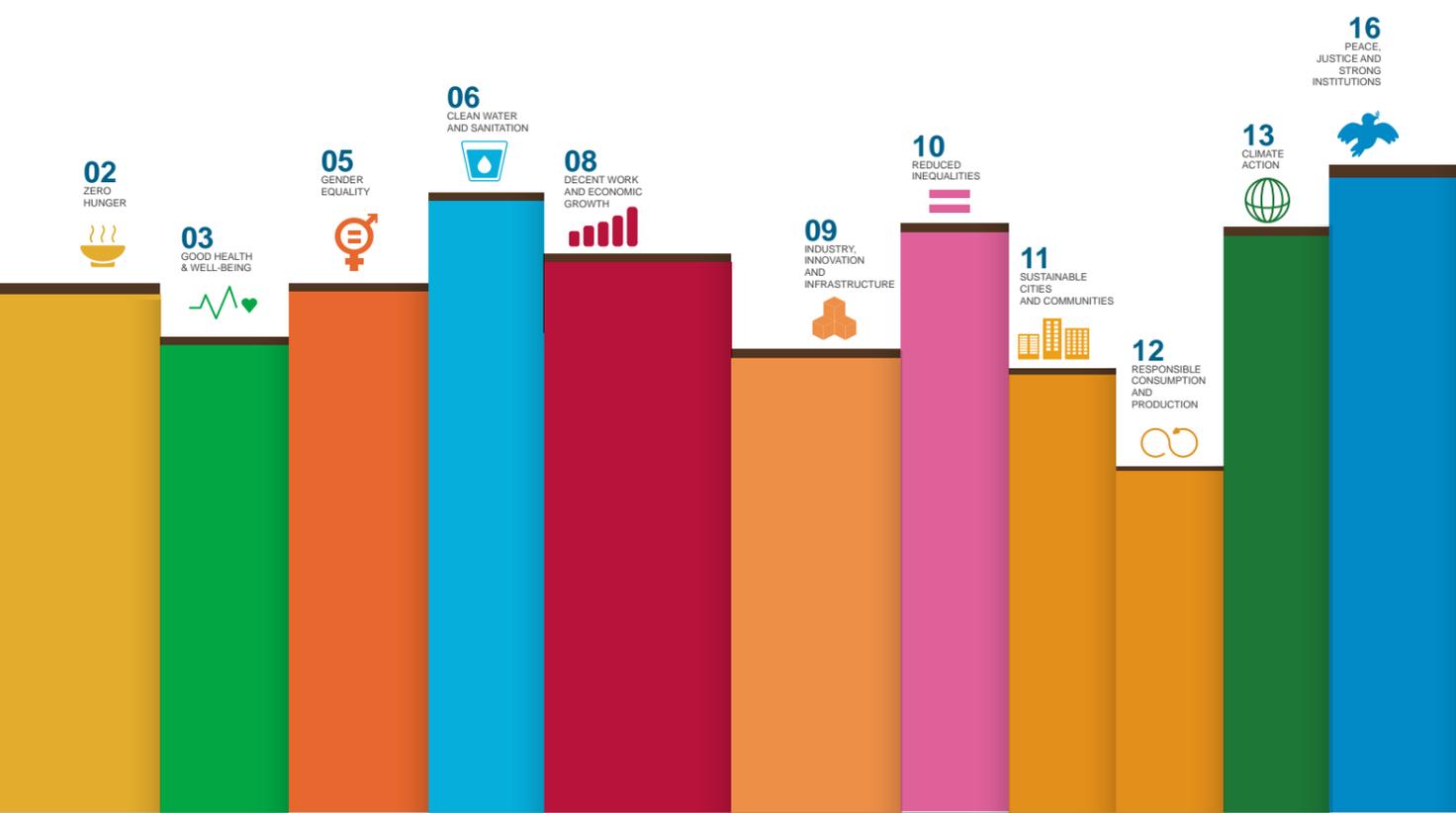
CSR & SUSTAINABILITY HIGHLIGHTS 2025

While these initiatives represent our ongoing commitment, the year 2025 also marked specific milestones that demonstrate measurable progress and impact.

In 2025, Macpac Films Limited delivered tangible results from its sustainability strategy. The year was marked by a complete transition to renewable energy, progress toward carbon neutrality, and expansion of employee well-being and inclusivity programs. Our initiatives not only strengthened operational resilience but also reinforced our position as an industry leader in sustainable packaging.

KEY HIGHLIGHTS:

- Initiated ISO 14068-1 aligned carbon neutrality study (Scopes 1–3).
- Expanded circular economy practices by repurposing plastics into eco-bricks.
- Enhanced employee well-being with daycare, wellness zones, and transport facilities.
- Increased female participation in the workforce, including leadership representation.
- Strengthened community support through food security and livelihood initiatives.
- Adopted Diversity, Equity & Inclusion (DE&I) policy and aligned with UN SDGs.



ESG PERFORMANCE APPENDIX 2025

PILLAR	KPI	2025 PERFORMANCE	FUTURE TARGET	RELEVANT SDGS
Environmental (E)	Renewable Energy Usage	Installation of Solar energy to reduce carbon emissions	Expand renewable integration in operations	SDG 7, 13
	Carbon Neutrality	ISO 14068-1 carbon neutrality study initiated (Scopes 1–3 mapped)	Achieve carbon neutrality certification	SDG 13
	Waste Management	Eco-bricks made from non-recyclable plastics repurposed at factory	Expand circular economy solutions to reduce landfill waste	SDG 12
	Water Stewardship	In-house RO plant providing safe drinking water to all employees	Reduce water footprint through recycling/reuse initiatives	SDG 6
Social (S)	Workforce Diversity	Women's participation increased since 2020; Board & Executive representation achieved	Improved women's participation in the overall structure by 2030	SDG 5, 10
	Employee Well-being	On-site daycare, gym, prayer & wellness facilities introduced	Expand wellness programs and employee healthcare coverage	SDG 3, 8
	Worker Support	Free rations and subsidized wheat	Broaden worker livelihood initiatives and expand family support programs	SDG 2, 8
	Accessibility	Communal employee transport provided to/from factory	Expand routes and improve green mobility solutions	SDG 11
Governance (G)	ESG Oversight	ESG integrated into Board agenda and decision-making	Enhance Board-level ESG training and stakeholder reporting	SDG 16
	Transparency & Reporting	Aligning the Company for the sustainability	Fully align with IFRS/ISSB S1 & S2 by 2027	SDG Accessibility 17
	Ethics & Compliance	Incorporating sustainability risk management into ERM	Expand ethical supply chain monitoring and ESG-linked procurement	SDG 9, 12

Only mention= Deaf Reach, AKU, KDSP, TCF, OTF, Akhuwat, Nust

HIGHLIGHTS OF CORPORATE SOCIAL RESPONSIBILITY

At Macpac Films Ltd, we believe success goes beyond profits—it’s about creating positive change. Driven by sustainability, compassion, and community empowerment, we proudly support initiatives in education, healthcare, and social welfare that leave a lasting impact on society.

SUPPORTING HEALTHCARE AND WELL-BEING



The Patient Behbood Society – AKU:

We extended our support to the Patient Behbood Society at the Aga Khan University Hospital, enabling them to continue their impactful work in patient care.

INVESTING IN EDUCATION AND YOUTH DEVELOPMENT



The Citizens Foundation (TCF):

Education is the foundation of progress. Through our support to TCF, we contributed to providing quality education to underprivileged children, helping bridge the education gap and empower communities.



NUST – Defining Futures Fundraiser:

In collaboration with the National University of Sciences and Technology and the Saturday Welfare Group, we supported the Annual Fundraiser 2025 in Karachi. Our contribution helped finance tuition for financially challenged students, reaffirming our commitment to transforming youth through education.



Orange Tree Foundation:

By supporting the Orange Tree Foundation, we contributed to educational programs for underprivileged children, enabling them to pursue brighter futures.

EMPOWERING MARGINALIZED COMMUNITIES



Karachi Down Syndrome Program (KDSP):

We are proud to support KDSP in its mission of fostering inclusivity and empowerment for individuals with Down syndrome, helping build a compassionate and equitable society.



Deaf Reach:

Our contribution to Deaf Reach reflects our belief in equal opportunities for differently-abled individuals, ensuring access to education and skill development.



Akhuwat:

By donating to Akhuwat, a leading microfinance and poverty alleviation institution, we played a role in enabling financial independence and dignity for marginalized communities.





CORPORATE GOVERNANCE



PROFILE OF THE BOARD OF DIRECTORS



MR. NAEEM ALI MUHAMMAD MUNSHI
CHAIRMAN – NON-EXECUTIVE DIRECTOR

Mr. Naeem Munshi has been serving as a Non-Executive Director at Macpac Films ever since its inception. He is the Chairman of Hilal Foods (Private) Limited, Hilal Care (Private) Limited, and Hilal Retail which is the master franchisee of Domino’s Pizza Pakistan. He is a graduate of Sindh University and has over forty-six (46) years of experience successfully managing one of the largest confectionery and baking businesses in Pakistan, giving Macpac Films Limited an integral insight deep into the customer demands and trends of the end users. He has also been serving as a member of the Audit Committee of the Board at Macpac Films Limited. Additionally, he is a director of Gulf Leasing Company Limited.



MR. NAJMUL HASSAN
Chief Executive Officer

A qualified CMA and having a master's degree from IBA, he is the CEO of Macpac Films Ltd. He has extensive executive level experience of over 30 years in different industries including manufacturing & financial sector and great decision-making skills. Being the backbone of the Company, with his timely decision, he has always led the Company to the forefront.



MR. EHTESHAM MAQBOOL ELAHI
Executive Director

A graduate of American University in Dubai and a certified director from PICG, having years of experience of senior level managerial positions, he is a highly organized, skilled and self-motivated managing director with a futuristic mindset to accomplish new levels of success. A mentor for the organization, a leader to follow. He is also a member of the HR and Remuneration Committee of the Board. He also holds directorships in:

- Din Textile Mills Limited; and
- MAC Business Solution (Private) Limited;
- MAC Properties (Private) Limited;
- Macpac Films Middle East L.L.C-FZ;
- TGA Sustainability (Private) Limited;
- Toyo Packaging (Private) Limited; and
- Ugao Agritech (Private) Limited;



MR. SHABBIR HAMZA KHANDWALA
Independent Director

Mr. Shabbir Hamza Khandwala is a fellow member of the Institute of Chartered Accountants of Pakistan and carries with him over 40 years of diversified experience of various sectors. He has been the Chief Financial Officer & Group Head Finance of Meezan Bank from March 2005 to September 2022 and was responsible for accounting and finance discipline of the Bank. He had a holistic role in the Bank and was actively involved in the strategy formulation of the Bank in the last 17 years as it has grown from a small bank to the sixth largest bank in Pakistan. Prior to joining Meezan Bank, he had worked at KASB Group for 10 years in various capacities and was CEO of KASB Securities, CEO at KASB Premier Fund and Executive Director at Khadim Ali Shah Bukhari & Co. Ltd. Mr. Shabbir has also worked with A.F. Ferguson & Co., Chartered Accountants for 9 years and with Attock Cement Pakistan Limited for 4 years. He is also an independent director at Lucky Cement Limited.



MS. HAFSA ABBASY
Independent Director

Ms. Hafsa Abbasy is an independent director. She is a seasoned HR Professional, having worked for some of the best-known names (Citi Bank, ABN AMRO, Standard Chartered). Hafsa holds Masters and Bachelors in Business Administration from IBA Karachi. She is also a Certified Leadership Coach and Diversity Advocate. She was appointed to the board of directors of Macpac Films Limited on September 20, 2022. She is also the Chairperson of Human Resources & Remuneration Committee (HR&RC).



MR. SHARIQ MAQBOOL ELAHI
Non-Executive Director

Mr. Shariq Maqbool Elahi is the technical mind of the Board pertaining to the packaging industry. Serving as a Non-Executive Director and a member of the Board Audit Committee and the HR & Remuneration Committee, he adds immense value to the Board by his understanding of the business from his first-hand experience of printing and packaging. He is also a director at:

- Mac Business Solution (Private) Limited;
- Mac Properties (Private) Limited;
- TGA Sustainability (Private) Limited;
- Toyo Packaging (Private) Limited; and
- Ugao Agritech (Private) Limited.



MR. FAHAD MUNSHI
Non-Executive Director

He is serving as a Non-Executive Director at Macpac Films Limited. He holds a Bachelor's degree from Bentley University in Waltham, Massachusetts, and the financial diploma from Harvard Business School. He joined Hilal Foods (Private) Limited as a Director and is currently serving as the Chief Executive Officer. He has over ten (10) years of experience as Head of Operations of Hilal Foods, which gives him the ability to devise the highest-level strategies for directing growth. He also holds directorships in:

- Hilal Care (Private) Limited;
- Hilal Foods (Private) Limited;
- Hilal Retail Brands; and
- Shalimar Food Products.

COMPANY MANAGEMENT



MR. HABIB ELAHI
Operations Director

Trained as a management professional with more than 10 years of experience in a leadership position, Habib Elahi is leading the Company's operations as Director Operations. He adds value to the organization by his out-of-the-box, visionary thinking who champions innovative solutions to elevate organizational performance, cutting costs, streamlining operations, new business development and increasing productivity. He is talented in developing partnerships, overseeing personnel and developing tactical plans to meet strategic goals.



MS. NAUSHEEN AHMAD
Legal Advisor

Ms. Nausheen Ahmad is a corporate and commercial lawyer with over two decades of experience. Having served as Head of Legal and Company Secretary of leading Pakistani corporates, she is now an independent practitioner and has been a Legal Consultant to Macpac Films Limited since August 2021. The Company is benefitting from her breadth of experience and legal knowledge.



MS. MUNEEZA KASSIM
Group Chief Financial Officer

Ms. Muneeza Kassim is the Group Chief Financial Officer at Mac Corp, previously she has served as the Group CFO at TCS Group of Companies. Muneeza joined the Engro group in 2011 after moving back to Pakistan and served as the CFO at Engro Vopak Terminals Limited and as Head of Internal Audit at Engro Polymer Chemical Limited. She started her career with Shell Pakistan Limited and then moved out to Shell Markets Middle East and Shell International on various global and regional assignments. She is a trusted member of the C-suite, and is known for providing sharp insights into financial trends, governance & controls and opportunities to drive profitability. She has successfully led M&A transactions and financial transformation projects and has experience of working in a highly disruptive environment. She is on the board of TPL Life as an Independent Director and is also Chairman of the Board Audit committee. She has an MBA in Finance & Marketing from Southeastern University, DC.



MR. AQUIL A. KHAN
Company Secretary

Mr. Aquil A Khan has over 40 years of experience in compliance, corporate governance, legal, company secretarial and finance in UBL, ICI, NIT and PACC. Aquil has done his masters in economics and law and is a fellow member of the Institute of Cost and Management Accountants of Pakistan. Aquil also holds a diploma in banking from the Institute of Bankers in Pakistan and a certification in director education from Pakistan Institute of Corporate Governance.



MR. SHAHZAIB TARIQ
Chief Financial Officer

Mr. Shahzaib Tariq is a Chartered Accountant with over a decade of experience in Finance and Audit, having worked with multiple reputable companies. He brings a wealth of knowledge and leadership to our organization. As the CFO, he will oversee financial strategy, ensure operational excellence, and work closely with our leadership team to drive the Company's vision forward.



MR. MOHAMMAD FAHAD
Head of Internal Audit

Mr. Fahad is a seasoned Chartered Accountant, having completed the mandatory professional training from KPMG Taseer Hadi & Co. He carries over fifteen years of an all-round industry experience (post qualification) including financial management, reporting & accounting, budgeting-cum-planning, taxation, costing, ERP implementations, managing audits and corporate secretarial matters. He has served at various middle-management and senior-management cadres at some big Corporates, viz. Jaffer Brothers (Pvt) Ltd., Crescent Steel & Allied Products Ltd., Master Motor Corporation (Pvt) Ltd., and Platinum Steel Mill (Pvt) Ltd.



MR. HAFEEZ UR REHMAN
Factory Manager

Mr.Hafeez ur Rehman brings with him over 20 years of experience in manufacturing chemicals, polyester, and plastic packaging films.

As a seasoned professional, he has led startups and commissioning of various projects, including chemical plants and packaging film lines, supplied by top-tier international machinery manufacturers.



MR. DARREL JACOB
Group Chief Human Resources Officer

Mr. Darrel Jacob holds an MBA in HR and a Diploma in Industrial Relations and Labor Law. He brings with him a wealth of experience in the field of Human Resources since 2008. He has worked with renowned companies such as K-Electric, IFCO Group, and Gerry Dnata. He is known for driving HR initiatives, fostering a positive work environment, and ensuring labor law compliance.



MR. ATIQ KHAN
Head of Technical

Mr. Atiq Khan has been graduated from NED University of Engineering & Technology in the year 2000 in the field of Electronics. He has a total 24 years of professional working (07 Years International and 17 Years Local) experience in diversified large-scaled different Industrial Projects. He is also expert in Installation, Erection & Commissioning of Plants and different High-Tech Industrial machineries /equipment in different industrial sectors. He also has Vast experience in the field of Operation & Maintenance of different Manufacturing plants including all kinds of Utilities. He worked in different management system like Siemens SAP Plant maintenance System, Total Productive Maintenance (TPM), Occupational Health & Safety (OHSAS 18001) Management System, Environmental Management systems (ISO 14001), Food Safety Management System (ISO 2200), Quality Management systems (ISO 9001) etc.



MS. UM-E-FARWA
Head of Digital Transformation

Ms. Um-e-Farwa is a qualified accountant and an associate member of the Institute of Cost & Management Accountants of Pakistan (ICMAP) with over 10 years of practical experience; she has evolved within the organization through a variety of roles. With a strong foundation in financial accountability and project management, she is now leading the Company's digital transformation efforts, driving innovation and technological advancements to enhance operational efficiency and growth.

CHAIRMAN REVIEW REPORT

Dear Valued Shareholders,

I am pleased to present the Chairman’s Review Report for the financial year ended June 30, 2025. This year’s theme, **“Endurance Meets Innovation”**, reflects the strategic direction and resilience demonstrated by Macpac Films Limited in a period marked by economic uncertainty, rising energy costs, and changing industry dynamics. Throughout the year, the Board of Directors remained actively engaged in guiding the Company toward its strategic objectives, with a strong focus on operational resilience, innovation, and long-term value creation.

The Board played a critical role in overseeing major decisions that directly contributed to the Company’s performance and future preparedness. Strategic guidance was provided on initiatives such as operational efficiency, investment in modern machinery, and product diversification to meet evolving customer demands. A remarkable capital expenditure plan was undertaken focusing on production modernization and innovation-led growth. There was no significant discontinuance of operations during the year, and all core functions continued to support our business strategy.

As Chairman, I remained focused on driving strategic leadership, ensuring financial stability, and further embedding environmental, social, and governance (ESG) principles into the Company’s operations. Our ESG initiatives gained momentum, particularly in the areas of energy efficiency, sustainable sourcing, and community engagement. Financially, we prioritized prudent capital allocation and liquidity management, while continuing to support business operations and stakeholder returns. These commitments reflect our belief that enduring success is built on both responsible governance and innovation.

The Board conducted its annual review of the internal control system and is satisfied that it remains adequate and effective in ensuring regulatory compliance, operational discipline, and financial integrity. Regular reviews were carried out by the Audit Committee, supported by internal audit functions, and improvements were implemented where necessary. The system continues to serve as a strong foundation for risk management and informed decision-making.

To safeguard business continuity, the Company has a Business Continuity Plan in place. This plan ensures responses to operational disruptions, data protection protocols, cyber security, and recovery strategies. Key functions, including supply chain, IT infrastructure, and employee safety, are covered under this plan.

Looking ahead, Macpac Films Limited remains committed to building a future-ready, sustainable, and innovative organization. On behalf of the Board, I would like to express sincere appreciation to our shareholders, employees, customers, and stakeholders for their continued confidence and support. With enduring values and a forward-looking mindset, we are well-positioned to flex the future with resilience and purpose.



NAEEM ALI MUHAMMAD MUNSHI
Chairman

Karachi
August 29, 2025



چیئر مین کی جائزہ رپورٹ

معزز شیئر ہولڈرز،

مجھے خوشی ہے کہ میں مالی سال جو 30 جون 2025 کو ختم ہوا، کے لیے چیئر مین جائزہ رپورٹ پیش کر رہا ہوں۔ اس سال کا موضوع **“Endurance Meets Innovation”** میک پیک فلمز لمیٹڈ کی اسٹریٹجک سمت اور لچک کی عکاسی کرتا ہے جو معاشی غیر یقینی صورتحال، بڑھتی ہوئی توانائی لاگت اور صنعت کے بدلتے رجحانات کے دور میں نمایاں رہی۔ پورے سال کے دوران بورڈ آف ڈائریکٹرز نے کمپنی کو اس کے اسٹریٹجک مقاصد کی طرف رہنمائی کرنے میں فعال کردار ادا کیا، اور آپریشنل استحکام، جدت اور طویل مدتی قدر میں اضافے پر مضبوط توجہ مرکوز رکھی۔

بورڈ نے ان بڑے فیصلوں کی نگرانی میں اہم کردار ادا کیا جنہوں نے براہ راست کمپنی کی کارکردگی اور مستقبل کی تیاری میں حصہ ڈالا۔ آپریشنل افادیت، جدید مشینری میں سرمایہ کاری، اور گاہکوں کی بدلتی ضروریات کو پورا کرنے کے لیے مصنوعات کی تنوع جیسے اقدامات پر اسٹریٹجک رہنمائی فراہم کی گئی۔ سرمایہ جاتی اخراجات کا ایک قابل ذکر منصوبہ اختیار کیا گیا جس کا محور پیداواری جدیدیت اور جدت پر مبنی ترقی تھا۔ سال کے دوران آپریشنز میں کوئی بڑی بندش واقع نہیں ہوئی، اور تمام بنیادی افعال نے ہماری کاروباری حکمت عملی کی حمایت جاری رکھی

بطور چیئر مین، میں نے اسٹریٹجک قیادت کو آگے بڑھانے، مالی استحکام یقینی بنانے، اور کمپنی کے آپریشنز میں ماحولیاتی، سماجی اور گورننس (ESG) اصولوں کو مزید راسخ کرنے پر توجہ مرکوز رکھی۔ ہماری ESG اقدامات نے خاص طور پر توانائی کی کارکردگی، پائیدار خریداری، اور کمیونٹی شمولیت کے شعبوں میں رفتار حاصل کی۔ مالی لحاظ سے، ہم نے محتاط سرمایہ مختص کرنے اور لیکویڈیٹی مینجمنٹ کو ترجیح دی، جبکہ کاروباری سرگرمیوں اور فریق کار کی واپسیوں کی حمایت جاری رکھی۔ یہ عہد اس یقین کی عکاسی کرتے ہیں کہ پائیدار کامیابی ذمہ دار گورننس اور اختراع دونوں پر استوار ہوتی ہے۔

بورڈ نے داخلی کنٹرول سسٹم کا سالانہ جائزہ لیا اور مطمئن ہے کہ یہ ضوابط کی پابندی، عملی نظم و ضبط، اور مالی دیانت کو یقینی بنانے میں مناسب اور مؤثر ہے۔ آڈٹ کمیٹی نے باقاعدہ جائزے کیے، جنہیں اندرونی آڈٹ کے افعال کی حمایت حاصل تھی، اور جہاں ضروری ہوا بہتریاں نافذ کی گئیں۔ یہ نظام رسک مینجمنٹ اور معلومات پر مبنی فیصلے سازی کے لیے مضبوط بنیاد کے طور پر کام کرتا رہتا ہے۔

کاروباری تسلسل کو محفوظ رکھنے کے لیے، کمپنی کے پاس ایک کاروباری تسلسل کا منصوبہ موجود ہے۔ یہ منصوبہ عملی رکاوٹوں کے جواب، ڈیٹا تحفظ کے پروٹوکولز، سائبر سیورٹی، اور بحالی کی حکمت عملیوں کو یقینی بناتا ہے۔ سپلائی چین، آئی ٹی انفراسٹرکچر، اور ملازمین کی حفاظت سمیت کلیدی افعال اس منصوبے کے تحت شامل ہیں۔

آگے دیکھتے ہوئے، میک پیک فلمز لمیٹڈ ایک مستقبل کے لیے تیار، پائیدار اور اختراع ادارہ تعمیر کرنے کے لیے پُر عزم ہے۔ بورڈ کی طرف سے، میں اپنے شیئر ہولڈرز، ملازمین، صارفین اور اسٹیک ہولڈرز کا ان کے مسلسل اعتماد اور تعاون پر دلی شکر یہ ادا کرنا چاہتا ہوں۔ دیرپا اقدار اور آگے کی سوچ رکھنے والے طرز فکر کے ساتھ، ہم لچک اور مقصد کے ساتھ مستقبل کو تشکیل دینے کے لیے مضبوط پوزیشن میں ہیں۔



نعیم علی محمد منشی
چیئر مین

کراچی

29 اگست، 2025

MESSAGE OF THE CHIEF EXECUTIVE OFFICER (CEO)

Dear Shareholders,

It is with great pride that I present to you the performance review of Macpac Films Limited for the financial year ended June 30, 2025. This year's theme, "Endurance Meets Innovation", embodies our journey through a challenging economic environment while continuing to invest in innovation, efficiency, and long-term sustainability.

Despite facing a complex operating landscape marked by raw material price volatility, rising energy costs, and shifting market demands, we have navigated these headwinds with resilience and strategic agility. Our ability to adapt quickly, innovate product lines, and optimize operational processes has allowed us to protect margins, maintain customer trust, and position ourselves for future growth.

During the year, we took significant steps to strengthen our product portfolio by introducing value-added products and upgrading machinery to enhance quality and efficiency. A key milestone was our strategic investment in an advanced thermal extrusion coating machine. This state-of-the-art equipment will enable us to offer value-added thermal coated products, diversify our portfolio, and replace certain existing products with high-margin laminated and coated films, reinforcing our commitment to innovation and market leadership.

During the year, Macpac Films Limited faced liquidity challenges arising from tight business conditions, currency fluctuations, and operational cost pressures. In response, we adopted a multi-pronged approach centered on disciplined working capital management, renegotiation of credit terms, cost optimization, and engagement with financial partners to secure more favorable financing facilities. At the same time, we sharpened our focus on high-value speciality films, and diversified customer segments to strengthen revenue streams. These actions have helped preserve financial stability, ensure operational continuity, and are beginning to yield positive results, with a more balanced and resilient revenue mix emerging.

Looking forward, our strategic priorities remain clear: to innovate relentlessly, operate efficiently, and grow sustainably. We will continue investing in technology, expanding into new markets, and building stronger partnerships with our customers. A key focus will be on reducing energy costs and progressively increasing our reliance on renewable energy sources, reinforcing both our competitiveness and our commitment to sustainability. The road ahead will not be without challenges, but with the dedication of our employees, the trust of our stakeholders, and our culture of adaptability, I am confident in our ability to deliver long-term value.

I would like to extend my sincere appreciation to our shareholders for their unwavering confidence, to our customers for their loyalty, and to our employees for their commitment and hard work. Together, we will continue to build a stronger future, where endurance meets innovation.



NAJMUL HASSAN

CHIEF EXECUTIVE OFFICER

KARACHI

AUGUST 29, 2025



ROLES & RESPONSIBILITIES

Clear description of roles and responsibilities is a cornerstone of strong corporate governance at Macpac Films Limited. By defining the authority and accountability of the Chairman and the Chief Executive Officer (CEO), the Company ensures effective leadership, transparent decision-making, and alignment with the long-term interests of shareholders and stakeholders.

CHAIRMAN

The Chairman leads the Board of Directors, ensuring it functions effectively in fulfilling its oversight role. The Chairman's primary responsibility is to create the framework that enables directors to contribute effectively toward the Company's strategic direction.

Key responsibilities include:

- Leading the Board on matters of strategic and material importance.
- Ensuring appropriate delegation of authority to the CEO while retaining oversight.
- Setting the Board's agenda with emphasis on strategy, performance, and accountability.
- Promoting effective risk management discussions at the Board level.
- Facilitating active participation and open communication among directors.
- Overseeing induction of new directors and annual Board performance evaluations.
- Ensuring directors receive accurate and timely information for decision-making.
- Presiding over all Board and general meetings of the Company.

CHIEF EXECUTIVE OFFICER (CEO)

The Chief Executive Officer is responsible for the overall leadership and management of Macpac Films Limited. The CEO translates the strategic vision approved by the Board into operational plans and ensures their effective execution.

Key responsibilities include:

- Developing and executing short and long-term business strategies.
- Managing overall operations and ensuring efficient use of resources.
- Negotiating and approving significant agreements and contracts.
- Serving as the Company's primary spokesperson with stakeholders and regulators.
- Identifying and managing business risks while pursuing new opportunities.
- Providing leadership to foster organizational alignment and performance.
- Communicating effectively with the Board on key developments.
- Monitoring, evaluating, and reporting on performance against strategic goals.

Through these defined roles and responsibilities, Macpac Films Limited ensures a balanced governance structure that promotes accountability, efficiency, and sustainable value creation.

EVALUATION OF BOARD PERFORMANCE

As part of its governance framework, Macpac Films Limited carried out a comprehensive internal board evaluation. This assessment focused on key areas such as strategic oversight, decision-making processes, governance structures, and director engagement.

The evaluation included a detailed review of the Board's composition, structure, and operational effectiveness. Directors participated in a confidential survey designed to gather feedback on board dynamics, strategic decision-making, and overall performance. This proactive approach highlights Macpac Films Limited's dedication to fostering a high-performing Board that is equipped to address industry challenges and drive long-term success.

Macpac Films Limited is also exploring the options to engage an outside body for the external evaluation of its Board.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Members,

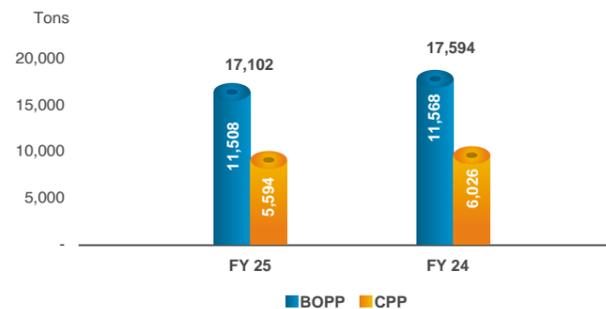
The Directors of your Company are pleased to present their Report and Audited Financial Statements of the Company for the year ended June 30, 2025.

Economic Overview

During the year under review, Pakistan's macroeconomic indicators reflected signs of stability, supported by fiscal discipline and external financing receipts. Inflation declined to 3.2% in June 2025, leading the State Bank of Pakistan to maintain the policy rate at 11%, although recent adjustments in energy tariffs have added some inflationary pressure. Record remittances of USD 38 billion contributed to a current account surplus exceeding USD 2 billion, while the overall balance of payments recorded a surplus of USD 3.7 billion. Continued IMF engagement and improved foreign exchange reserves led to a credit rating upgrade with a stable outlook, despite ongoing global and domestic challenges.

Operating and Financial Performance

Production



Production

During the year under review, the Company's production stood at 11,508 metric tons for BOPP and 5,594 metric tons for CPP, compared to 11,568 metric tons and 6,026 metric tons respectively in the previous year.

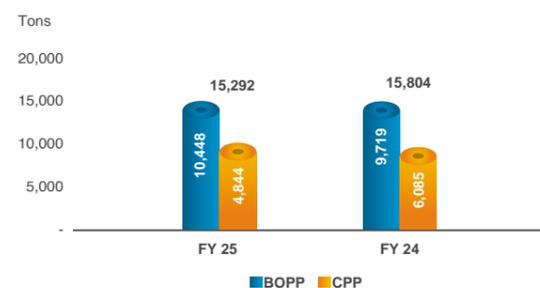
The overall production volume saw a marginal decline of 2.8%, primarily due to planned maintenance activities aimed at ensuring long-term operational efficiency, along with an increased focus on value added products. The Company maintained a strong capacity utilization of 77.7%, as against 80% in FY 2024.

Sales Performance

Despite a challenging economic environment, the Company successfully retained its market share through consistent product quality, strong customer relationships, and timely fulfillment of orders, leading to relatively stable sales volumes.

The Company achieved sales of 15,292 metric tons during the year ended June 30, 2025, as compared to 15,804 metric tons in the previous year.

Sales



The gross profit of the Company stood at Rs. 690.7 million during the year, compared to Rs. 926.3 million in the previous year, reflecting a decline of 25.4%. This reduction was primarily driven by lower production volumes, elevated energy costs, and the inflationary impact. The decrease in production resulted from temporary downtime caused by essential maintenance activities, which were undertaken to support long-term operational efficiency and sustainability.

Nevertheless, strategic initiatives to optimize energy efficiency and control input costs are underway to safeguard profitability. Additionally, the thermal coating machine commissioned in the last quarter of FY25 is expected to contribute positively to the Company's future performance.

Net profit after tax for the year stood at Rs. 85.3 million, compared to Rs. 257.7 million in FY 2024.

Comparative Financial Results

Broad comparative financial results for two years are given hereunder. Key performance indicators for the last six years are also annexed to the report.

	FY 25		FY 24	
	Rs. Mn	% of Sales	Rs. Mn	% of Sales
Sales (net)	5,994.6		5,619.4	
Gross Profit	690.7	11.5%	926.3	16.5%
Profit before tax and levy	115.6	1.9%	418.6	7.4%
Profit after tax	85.3	1.4%	257.7	4.6%
EPS (Rs.)	1.44		4.35	

Earnings per Share

The earnings per share for the current year is Rs. 1.44 as compared to Rs. 4.35 last year.

Dividend

Despite the challenging economic environment, your Company is committed to providing a sustainable return to its shareholders over a longer term, and therefore, the Directors of the Company have proposed a dividend of Rs. 0.5 per share for the year ended June 30, 2025.

Future Outlook

The year ahead presents a blend of opportunities and challenges for the packaging industry. While macroeconomic indicators in Pakistan have shown signs of improvement, driven by fiscal consolidation and external inflows, uncertainties persist around energy pricing, input costs, and global market dynamics.

In response to this evolving landscape, Macpac Films Limited is actively advancing its transformation agenda with a focus on specialized, value-added products tailored to meet changing customer needs. The successful commissioning of our new thermal extrusion coating facility marks a significant strategic milestone, enabling us to diversify into advanced lamination solutions where domestic competition remains limited. This development strengthens our product portfolio and enhances our ability to respond swiftly to shifting market demands.

Operational excellence remains a cornerstone of our strategy. We continue to prioritize cost efficiency, process optimization, and effective energy management to drive sustainable performance. As part of our broader sustainability agenda, we are also exploring cleaner and more efficient energy sources to gradually improve our energy mix. These initiatives not only support our environmental commitments but also reinforce our long-term operational resilience.

Building on this strong operational foundation, management is proactively pursuing product diversification opportunities aligned with emerging industry trends and evolving customer expectations. This strategic direction reflects our commitment to continuous innovation and reinforces our competitive positioning in the market.

Looking ahead, our focus remains on innovation, agility, and disciplined execution. Through targeted investments and ongoing improvements, we aim to unlock new avenues of growth while maintaining a sharp focus on long-term shareholder value. We remain confident that these initiatives will position Macpac Films Limited for sustained growth and long-term success.

Principal Activity

The principal activity of the Company is to manufacture, produce, buy and sell plastic packaging films.

Change in the Nature of Business

No significant changes have occurred during the financial year in the nature of the businesses of the Company.

Principal risks and uncertainties:

The principal risks and uncertainties include the risk of currency devaluation, increase in cost of energy and its availability, and changes in fiscal policies.

Geographical location and address of business:

- The registered office of the Company is located at 44-C, Block-6, PECHS, main Razi Road, Karachi.
- The production plant is located at Eastern Industrial Zone, Port Qasim, Karachi.
- North Sales office is situated at Lahore Center, Gulberg Lahore Pakistan.

Major Capital Expenditure

For details on additions in property, plant and equipment please refer to note 9 to the financial statements.

Composition of Board of Directors

1. The total number of Directors as on June 30, 2025 were as follows:

- a. Male: 6
- b. Female: 1

2. The composition of board as on June 30, 2025 is as follows:

Category	Name
a) Independent Director	1. Ms. Hafsa Abbasy 2. Mr. Shabbir Hamza Khandwala
b) Non-Executive Director	1. Mr. Naeem Ali Muhammad Munshi 2. Mr. Shariq Maqbool Elahi 3. Mr. Fahad Munshi
c) Executive Director	1. Mr. Najmul Hassan 2. Mr. Ehtesham Maqbool Elahi

Names of persons who, at any time during the financial year, were directors of the Company

S. No.	Name	Title
1	Mr. Naeem Ali Muhammad Munshi	Chairman
2	Mr. Najmul Hassan	Chief Executive Officer
3	Mr. Ehtesham Maqbool Elahi	Executive director
4	Mr. Shariq Maqbool Elahi	Non-Executive director
5	Mr. Fahad Munshi	Non-Executive director
6	Ms. Hafsa Abbasy	Independent director
7	Mr. Shabbir Hamza Khandwala	Independent director

Audit Committee of the Board

S. No.	Name	Title
1	Mr. Shabbir Hamza Khandwala	Chairman
2	Mr. Naeem Ali Muhammad Munshi	Member
3	Mr. Shariq Maqbool Elahi	Member

HR & Remuneration Committee

S. No.	Name	Title
1	Ms. Hafsa Abbasy	Chairperson
2	Mr. Shariq Maqbool Elahi	Member
3	Mr. Ehtesham Maqbool Elahi	Member

Directors' Remuneration

As per current remuneration policy approved by the Board, non-executive and independent directors are paid Rs. 120,000 for attending both Board and Committee meetings.

Appropriate disclosure of the remuneration paid during the year to Directors and the Chief Executive has been provided in Note 38 of the Financial Statements.

Auditor

The existing Auditors, M/s. KPMG Taseer Hadi & Co., Chartered Accountants retired and have offered themselves for re-appointment for the year ending June 30, 2026. The reappointment has also been recommended by the Audit Committee of the Board.

Compliance with the Code of Corporate Governance

The Statement of Compliance with the Code of Corporate Governance is annexed.

Statement of Ethics and Business Practices

The Company follows a Code of Conduct as approved by the Board which has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

Compliance With the Code of Corporate Governance Statement on Corporate and Financial Reporting Framework

- The financial statements prepared by the Management of the Company present fairly its state of affairs, the results of its operations, cash flows, and changes in equity.
- Proper books of account have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act), and provisions of and directives under the Act, have been followed in the preparation of financial statements.
- The Company has an in-house internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- All members of the Audit Committee are independent/ non-executive Directors.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the Listing Regulations.
- The key operating & finance data for the last 6 years are annexed to the Annual Report.

During the year, the Board of Directors held 6 meetings and the attendance of the Directors was as follows:

S. No.	Name of Directors	Meetings Attended
1	Mr. Naeem Ali Muhammad Munshi	4
2	Mr. Najmul Hassan	6
3	Mr. Ehtesham Maqbool Elahi	6
4	Mr. Shabbir Hamza Khandwala	6
5	Ms. Hafsa Abbasy	6
6	Mr. Shariq Maqbool Elahi	6
7	Mr. Fahad Munshi	4

During the year, the Audit Committee held 4 meetings and the attendance of the Directors was as follows:

S. No.	Name of Directors	Meetings Attended
1	Mr. Shabbir Hamza Khandwala	4
2	Mr. Naeem Ali Muhammad Munshi	2
3	Mr. Shariq Maqbool Elahi	4

During the year, the Human Resource and Remuneration Committee (HRRC) held 2 meetings and attendance of the Directors was as follows:

S. No.	Name of Directors	Meetings Attended
1	Ms. Hafsa Abbasy	2
2	Mr. Shariq Maqbool Elahi	2
3	Mr. Ehtesham Maqbool Elahi	2

Leave of absence was granted to Directors who could not attend any/some of the Board and/or Committee meetings.

Audit Committee and Internal Control System

The Management of your Company believes in good corporate governance, implemented through a well-defined and efficiently applied system of checks and balances and the provision of transparent, accurate, and timely financial information. The Board of Directors has established a system of sound internal control including effective financial controls which are implemented at all levels within the Company.

The Board has formed an Audit Committee which comprises three (3) members; all of whom are non-executive directors including the Chairman of the Committee, who is an independent director. The Committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

HR and Remuneration Committee (HR&RC)

The Board has formed an HR and Remuneration Committee. It comprises of three (3) members, including one independent director, one non-executive director, and one executive director. The Chairperson of the Committee is an independent director.

Environment, Social and Governance (ESG)

During the year, Macpac Films Limited remained committed to integrating sustainability into its core business strategy, with meaningful progress across environmental, social, and governance dimensions. On the environmental front, the Company continued to implement energy efficiency and renewable energy initiatives aimed at reducing reliance on conventional power sources. Water conservation efforts continued across operations, while waste reduction initiatives, including the re-use of non-recyclable materials, contributed to resource circularity.

Social responsibility remained a key focus area. The Company enhanced employee well-being and inclusion through the development of dedicated wellness spaces, support systems for working parents, and initiatives that foster equal opportunities across the organization. The Company also extended its community engagement through contributions to hospitals, educational initiatives, and organizations supporting children with Down syndrome, reflecting a continued commitment to social impact beyond the workplace. From a governance standpoint, Macpac Films upholds responsible management practices and ethical standards in its operations.

Details on this are included in relevant sections of the Annual Report.

Human Capital and Employee Relations

Macpac Films Limited recognizes that its people are its most valuable asset. The Company remains committed to attracting, developing, and retaining a skilled, diverse, and engaged workforce. During the year, significant focus was placed on fostering a positive work environment that promotes learning, inclusion, and employee well-being.

Training and development remained a key area, with employees being provided opportunities to enhance their technical and leadership capabilities through structured learning programs. The Company also continued to invest in initiatives that support work-life balance and mental wellness, including the development of wellness spaces and support facilities for working parents.

Open communication, mutual respect, and compliance with fair labor practices form the foundation of our employee relations strategy. We strive to maintain a workplace culture built on trust, collaboration, and shared values, which in turn drives performance and long-term organizational success.

Details on these important initiatives are included in the relevant sections of the Annual Report.

Related Party Transactions

The Company has a policy on Related Party Transactions. All transactions with related parties have been carried out in the ordinary course of business on an arm's length basis and have been disclosed in the financial statements under relevant notes. These are reviewed regularly by the Audit Committee and the Board.

Pattern of Shareholding

The pattern of shareholding as on June 30, 2025, along with necessary disclosures as required under the Code of Corporate Governance, is disclosed in the later part of this Annual Report.

Subsequent or Post Balance Sheet Events

There are no material changes or commitments affecting the financial position of the Company during the period from the end of the financial year and the date of this report.

Acknowledgment

The Board of Directors conveys its sincere appreciation to all stakeholders who have contributed to the Company's progress during the year. We are thankful to our regulatory bodies, particularly the Securities and Exchange Commission of Pakistan, for their continued guidance and oversight.

Our gratitude also goes to our shareholders for their enduring confidence, to our business partners and financial institutions for their collaboration, and to our customers for their loyalty and trust in our offerings.

Above all, we recognize the unwavering dedication and professionalism of our employees across all levels. Their resilience, innovation, and teamwork remain the driving force behind the Company's performance and strategic achievements.

For and on behalf of the Board



NAJMUL HASSAN
Chief Executive Officer



EHTESHAM MAQBOOL ELAHI
Director

Karachi
August 29, 2025

تنظیموں کو عطیات شامل ہیں، جو کہ کام کی جگہ سے باہر سماجی اثرات کے لیے مسلسل عزم کی عکاسی کرتے ہیں۔ گورننس کے نقطہ نظر سے، میک پیک فلمز اپنے کاموں میں ذمہ دارانہ انتظامی طریقوں اور اخلاقی معیارات کو برقرار رکھتی ہے۔

اس کی تفصیلات سالانہ رپورٹ کے متعلقہ حصوں میں شامل ہیں۔

بعد از پبلنٹ شیٹ کے واقعات

مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت پر اثر انداز ہونے والی کوئی اہم تبدیلی یا وعدہ نہیں ہوا۔

انتہاء تحقیر

بورڈ آف ڈائریکٹرز ان تمام اسٹیک ہولڈرز کو تہہ دل سے خراج تحسین پیش کرتے ہیں جنہوں نے سال کے دوران کمپنی کی ترقی میں اپنا حصہ ڈالا ہے۔ ہم اپنے ریگولیشن اور اداروں، خاص طور پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مشکور ہیں، ان کی مسلسل رہنمائی اور نگرانی کے لیے۔

ہمارا شکریہ ہمارے حصص داران کا ان کے پائیدار اعتماد کے لیے، ہمارے کاروباری شراکت داروں اور مالیاتی اداروں کا ان کے تعاون کے لیے، اور ہمارے صارفین کا ہماری پیشکشوں پر ان کی وفاداری اور اعتماد کے لیے ہے۔

ڈائریکٹرز کمپنی کے باصلاحیت عملے کی محنت، لگن اور انمول خدمات کو بھی دل کی گہرائیوں سے سراہتے ہیں۔ ان کی بہترین کارکردگی ہماری مسلسل کامیابی میں کلیدی کردار ادا کر رہی ہے۔

منجانب بورڈ



استشام مقبول الہی
ڈائریکٹر



محمد الحسن
چیف ایگزیکٹو آفیسر

کراچی

29 اگست 2025

انسانی سرمایہ اور ملازمین کے تعلقات

میک پیک فلمز لمیٹڈ اس بات کو تسلیم کرتی ہے کہ اس کے لوگ اس کاسب سے قیمتی اثاثہ ہیں۔ کمپنی ماہر، متنوع اور پر عزم افرادی قوت کو متوجہ کرنے، ترقی دینے اور برقرار رکھنے کے لیے پر عزم ہے۔ سال کے دوران، ایک مثبت کام کے ماحول کو فروغ دینے پر خاص توجہ دی گئی جو سیکھنے، شمولیت اور ملازمین کی فلاح و بہبود کو فروغ دیتا ہے۔

تربیت اور ترقی ایک کلیدی شعبہ رہی، جس میں ملازمین کو منظم تعلیمی پروگراموں کے ذریعے اپنی تکنیکی اور قائدانہ صلاحیتوں کو بڑھانے کے مواقع فراہم کیے گئے۔ کمپنی نے کام اور ذاتی زندگی میں توازن اور ذہنی صحت کے فروغ کے لیے بھی اقدامات میں سرمایہ کاری جاری رکھی، جن میں فلاحی جگہوں کی ترقی اور کام کرنے والے والدین کے لیے معاون سہولیات شامل ہیں۔

کھلا رابطہ، باہمی احترام اور مزدوری کے منصفانہ طریقوں کی پاسداری ہماری ملازمین کے تعلقات کی حکمت عملی کی بنیاد ہیں۔ ہم ایک ایسے کام کی جگہ کا ماحول برقرار رکھنے کی کوشش کرتے ہیں جو اعتماد، تعاون اور مشترکہ اقدار پر مبنی ہو، جو کارکردگی اور طویل مدتی تنظیمی کامیابی کو آگے بڑھاتا ہے۔

ان اہم اقدامات کی تفصیلات سالانہ رپورٹ کے متعلقہ حصوں میں شامل ہیں۔

متعلقہ فریقین کے ساتھ لین دین

کمپنی کی متعلقہ فریقین کے ساتھ لین دین پر ایک پالیسی موجود ہے۔ تمام لین دین متعلقہ فریقین کے ساتھ معمول کے کاروبار کے مطابق اور بازاری نرخوں پر کی گئی ہیں اور مالیاتی بیانات میں متعلقہ نوٹس کے تحت ظاہر کی گئی ہیں۔ ان کا آڈٹ کمپنی اور بورڈ باقاعدگی سے جائزہ لیتے ہیں۔

شیر ہولڈنگ کا نمونہ

30 جون 2025 تک شیر ہولڈنگ کا نمونہ، کارپوریٹ گورننس کے ضابطے کے تحت، اس سالانہ رپورٹ کے آخری حصے میں ظاہر کیے گئے ہیں۔

کارپوریٹ گورننس کے ضابطہ کی تعمیل اور کارپوریٹ و مالیاتی رپورٹنگ فریم ورک کا بیان

- کمپنی کے انتظامیہ کی جانب سے تیار کردہ مالیاتی بیانات اس کے مالی حالات، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو درست طور پر ظاہر کرتے ہیں۔
- حساب کتاب کی مناسب دیکھ بھال کی گئی ہے۔
- معقول اور دانشمندانہ فیصلے پر مبنی مالیاتی گوشواروں اور اکاؤنٹنگ تخمینوں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے۔
- بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) جو انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز بورڈ (IASB) نے جاری کیے ہیں، جیسا کہ کمپنیز ایکٹ 2017 (ایکٹ) کے تحت مطلع کیا گیا ہے، اور ایکٹ کے تحت فراہم کردہ ہدایات اور دفعات کو مالیاتی بیانات کی تیاری میں ملحوظ رکھا گیا ہے۔
- کمپنی کے پاس اندرونی آڈٹ کا نظام موجود ہے جو اس مقصد کے لیے موزوں طور پر اہل اور تجربہ کار سمجھا جاتا ہے اور کمپنی کی پالیسیوں اور طریقہ کار سے واقف ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
- آڈٹ کمیٹی کے تمام ممبران خود مختار/انان ایگزیکٹو ڈائریکٹر ہیں۔
- کمپنی کا کاروبار جاری رکھنے کی صلاحیت پر کوئی اہم شبہات نہیں ہیں۔
- کارپوریٹ گورننس کی بہترین روایات سے کوئی اہم انحراف نہیں ہوا، جیسا کہ لسٹنگ ریگولیشنز میں تفصیل سے بتایا گیا ہے۔
- گزشتہ 6 سالوں کے کلیدی آپریشننگ اور مالیاتی ڈیٹا سالانہ رپورٹ کے ساتھ منسلک ہیں۔

سال کے دوران، ہیومن ریسورس اور معاوضہ کمیٹی (HR&RC) نے 2 اجلاس منعقد کیے اور ڈائریکٹرز کی حاضری حسب ذیل تھی:

سیریل نمبر	ڈائریکٹرز کے نام	اجلاس میں شرکت کی تعداد
1.	محترمہ حفصہ عباسی	2
2.	جناب شارق مقبول الہی	2
3.	جناب احتشام مقبول الہی	2

ان ڈائریکٹرز کو رخصت دی گئی جنہوں نے بورڈ اور/یا کمیٹی کی کسی یا بعض میٹنگز میں شرکت نہیں کی۔

آڈٹ کمیٹی اور اندرونی کنٹرول سسٹم

آپ کی کمپنی کی انتظامیہ اچھے کارپوریٹ گورننس پریکٹس پر یقین رکھتی ہے، جو ایک واضح طور پر متعین اور مؤثر طریقے سے نافذ کردہ چیکنس اینڈ سیلنسز کے نظام کو شفاف، درست اور بروقت مالی معلومات کی فراہمی کے ذریعے عملی جامہ پہنایا جاتا ہے۔ بورڈ آف ڈائریکٹرز نے ایک مضبوط داخلی کنٹرول کا نظام قائم کیا ہے، جس میں مؤثر مالی کنٹرولز شامل ہیں جو کمپنی کے تمام سطحوں پر نافذ کیے جاتے ہیں۔

بورڈ نے ایک آڈٹ کمیٹی تشکیل دی ہے جس میں تین (3) اراکین شامل ہیں؛ جن میں سے تمام نان ایگزیکٹو ڈائریکٹرز ہیں، بشمول کمیٹی چیئر مین کے، جو ایک آزاد ڈائریکٹر ہیں۔ کمیٹی کے اپنے قواعد و ضوابط ہیں جو بورڈ آف ڈائریکٹرز نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں فراہم کردہ رہنما اصولوں کے مطابق طے کیے ہیں۔

ہیومن ریسورس اور معاوضہ کمیٹی (HR&RC)

بورڈ نے ایک ہیومن ریسورس اور معاوضہ کمیٹی (HR&RC) تشکیل دی ہے۔ اس میں تین (3) اراکین شامل ہیں، جن میں ایک آزاد ڈائریکٹر، ایک نان ایگزیکٹو ڈائریکٹر، اور ایک ایگزیکٹو ڈائریکٹر شامل ہیں۔ کمیٹی کی چیئر پرسن ایک آزاد ڈائریکٹر ہیں۔

ماحولیاتی، سماجی ذمہ داری اور گورننس (ای ایس جی)

سال کے دوران، میک پیک فلز لمیٹڈ نے اپنی بنیادی کاروباری حکمت عملی میں پائیداری کو شامل کرنے کے عزم کو برقرار رکھا، اور ماحولیات، سماجی اور حکومتی شعبوں میں نمایاں پیش رفت حاصل کی۔ ماحولیاتی پہلو پر، کمپنی نے توانائی کی بچت اور قابل تجدید توانائی کے اقدامات جاری رکھے جن کا مقصد روایتی توانائی کے ذرائع پر انحصار کم کرنا ہے۔ آپریشنز میں پانی کی بچت کی کوششیں جاری رہیں، جبکہ پچھلے سال کے اقدامات، جن میں ناقابل ری سائیکل مواد کا دوبارہ استعمال بھی شامل ہے، وسائل کے سرکولر استعمال میں معاون ثابت ہوئے۔

سماجی ذمہ داری ایک اہم توجہ کا مرکز رہی کمپنی نے فلاح و بہبود کے لیے وقف جگہوں، کام کرنے والے والدین کے لیے سپورٹ سسٹم، اور پوری تنظیم میں یکساں مواقع کو فروغ دینے والے اقدامات کے ذریعے ملازمین کی فلاح و بہبود اور شمولیت کو بڑھایا۔ کمپنی نے کمیونٹی کی شمولیت کو بھی وسعت دی، جس میں اسپتالوں، تعلیمی اقدامات، اور ڈاؤن سنڈروم کے بچوں کی مدد کرنے والی

سال کے دوران آڈٹ کمیٹی نے 14 اجلاس منعقد کیے اور ڈائریکٹرز کی حاضری حسب ذیل تھی:

سیریل نمبر	ڈائریکٹرز کے نام	اجلاس میں شرکت کی تعداد
1.	جناب شبیر حمزہ کھانڈ والا	4
2.	جناب نعیم علی محمد منشی	2
3.	جناب شارق مقبول الہی	4

جنرالیٹی عمل وقوع اور کاروبار کا پتہ:

- کمپنی کار جسٹریٹ دفتر 44-سی، بلاک 6، پی ای سی ایچ ایس، مرکزی رازی روڈ، کراچی میں واقع ہے۔
- پیداواری پلانٹ البٹرن انڈسٹریل زون، پورٹ قاسم، کراچی میں واقع ہے۔
- نار تھ بیلز آفس لاہور سینٹر، گلبرگ لاہور پاکستان میں واقع ہے۔

اہم سرمایہ جاتی اخراجات

جائیداد، پلانٹ اور مشینری میں اضافے کی تفصیلات کے لیے براہ کرم مالیاتی بیانات کے نوٹ نمبر 9 سے رجوع کریں۔

بورڈ آف ڈائریکٹرز کی تشکیل

1. 30 جون 2025 تک ڈائریکٹرز کی کل تعداد حسب ذیل تھی:
 - a. مرد: 6
 - b. خاتون: 1
2. 30 جون 2025 کو بورڈ کی تشکیل حسب ذیل ہے:

سیریل نمبر	زمرہ	نام
(a)	آزاد ڈائریکٹر	1. محترمہ حفصہ عباسی 2. جناب شبیر حمزہ کھانڈ والا
(b)	نان ایگزیکٹو ڈائریکٹر	1. جناب نعیم علی محمد منشی 2. جناب شارق مقبول الہی 3. جناب فہد منشی
(c)	ایگزیکٹو ڈائریکٹر	1. جناب نجم الحسن 2. جناب احتشام مقبول الہی

ان افراد کے نام جو مالی سال کے دوران کمپنی کے ڈائریکٹر تھے۔

سیریل نمبر	نام	عہدہ
1.	جناب نعیم علی محمد منشی	چیئر مین
2.	جناب نجم الحسن	چیف ایگزیکٹو آفیسر
3.	جناب احتشام مقبول الہی	ایگزیکٹو ڈائریکٹر
4.	جناب شارق مقبول الہی	نان ایگزیکٹو ڈائریکٹر
5.	جناب فہد منشی	نان ایگزیکٹو ڈائریکٹر
6.	محترمہ حفصہ عباسی	آزاد ڈائریکٹر
7.	جناب شبیر حمزہ کھانڈ والا	آزاد ڈائریکٹر

بورڈ کی آڈٹ کمیٹی

سیریل نمبر	نام	عہدہ
1.	جناب شبیر حمزہ کھانڈ والا	چیئر مین
2.	جناب نعیم علی محمد منشی	ممبر
3.	جناب شارق مقبول الہی	ممبر

ہیومن ریسورس اور معاوضہ کمیٹی (HR&RC)

سیریل نمبر	نام	عہدہ
1.	محترمہ حفصہ عباسی	چیئر پرسن
2.	جناب شارق مقبول الہی	ممبر
3.	جناب احتشام مقبول الہی	ممبر

ڈائریکٹرز کا معاوضہ

بورڈ کی طرف سے منظور شدہ موجودہ معاوضے کی پالیسی کے مطابق، نان ایگزیکٹو اور آزاد ڈائریکٹرز کو بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لیے 120,000 روپے ادا کیے جاتے ہیں۔ ڈائریکٹرز اور چیف ایگزیکٹو کو سال کے دوران ادا کی گئی معاوضہ کی مناسب تفصیل مالیاتی بیانات کے نوٹ 38 میں فراہم کی گئی ہے۔

آڈیٹر

موجودہ آڈیٹر، میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور انہوں نے 30 جون 2026 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کی پیشکش کی ہے۔ آڈٹ کمیٹی نے بھی دوبارہ تقرری کی سفارش کی ہے۔

کارپوریٹ گورننس کے ضابطہ کی تعمیل

کوڈ آف کارپوریٹ گورننس کے ساتھ تعمیل کا بیان منسلک ہے۔

اخلاقیات اور کاروباری طریقہ کار کا بیان

کمپنی بورڈ کے منظور کردہ ضابطہ اخلاق کی پیروی کرتی ہے جس نے اس بات کو یقینی بنایا ہے کہ اس کی معاون پالیسیوں اور طریقہ کار کے ساتھ پوری کمپنی میں اس پر عمل کے لیے مناسب اقدامات کیے گئے ہیں۔

فی شیئر آمدنی

موجودہ سال کی فی شیئر آمدنی 1.44 روپے ہے جبکہ گزشتہ سال 4.35 روپے تھی۔

ڈیویڈنڈ

مشکل معاشی حالات کے باوجود، آپ کی کمپنی اپنے حصص داران کو طویل مدت میں پائیدار منافع فراہم کرنے کے لیے پرعزم ہے، لہذا کمپنی کے ڈائریکٹرز نے مالی سال 30 جون 2025 کو ختم ہونے والے سال کے لیے فی شیئر 0.5 روپے ڈیویڈنڈ دینے کی تجویز دی ہے۔

مستقبل کا نقطہ نظر

آنے والا سال بیکیچنگ انڈسٹری کے لیے مواقع اور چیلنجز کا امتزاج پیش کرتا ہے۔ اگرچہ پاکستان میں معاشی اشاریے بہتری کی علامات دکھا رہے ہیں جو مالیاتی استحکام اور بیرونی آمدنی کے باعث ہیں تاہم توانائی کی قیمتوں، خام مال کی لاگت اور عالمی مارکیٹ کی حرکیات کے حوالے سے غیر یقینی صورتحال برقرار ہے۔

اس بدلتے ہوئے منظر نامے کے جواب میں، میک پیک فلمز لمیٹڈ اپنی تبدیلی کی حکمت عملی کو فعال طور پر آگے بڑھا رہا ہے، جس میں خصوصی، ویلیو ایڈڈ مصنوعات پر توجہ مرکوز کی گئی ہے جو صارفین کی بدلتی ضروریات کو پورا کرتی ہیں۔ ہماری نئی تھرمل ایکسٹروژن کوٹنگ سہولت کی کامیاب تنصیب ایک اہم اسٹریٹجک سنگ میل ہے، جو ہمیں جدید لیمنیشن سلوشنز میں متنوع ہونے کے قابل بناتی ہے جہاں مقامی مقابلہ محدود ہے۔ یہ پیش رفت ہمارے مصنوعات کے پورٹ فولیو کو مضبوط بناتی ہے اور مارکیٹ کی بدلتی ضروریات کا فوری جواب دینے کی ہماری صلاحیت کو بہتر بناتی ہے۔

اس مضبوط عملی بنیاد پر تعمیر کرتے ہوئے، انتظامیہ ابھرتے ہوئے صنعت کے رجحانات اور بدلتی ہوئی صارف توقعات کے مطابق مصنوعات کی تنوع کے مواقع کو فعال طور پر تلاش کر رہی ہے۔ یہ حکمت عملی ہماری مسلسل جدت طرازی کے عزم کی عکاسی کرتی ہے اور مارکیٹ میں ہماری مسابقتی پوزیشن کو مضبوط بناتی ہے۔

آگے دیکھتے ہوئے، ہماری توجہ جدت، چستی اور منظم عمل درآمد پر مرکوز ہے۔ بدنی سرمایہ کاریوں اور جاری بہتریوں کے ذریعے، ہمارا مقصد طویل مدتی حصص دار کی قدر پر تیز توجہ برقرار رکھتے ہوئے ترقی کی نئی راہیں کھولنا ہے۔ ہمیں یقین ہے کہ یہ اقدامات میک پیک فلمز لمیٹڈ کو پائیدار ترقی اور طویل مدتی کامیابی کے لیے تیار کریں گے۔

بنیادی سرگرمی

کمپنی کی بنیادی سرگرمی پلاسٹک بیکیچنگ فلموں کی تیاری، پیداوار، خرید و فروخت ہے۔

کاروبار کی نوعیت میں تبدیلی

مالی سال کے دوران کمپنی کے کاروبار کی نوعیت میں کوئی نمایاں تبدیلی واقع نہیں ہوئی۔

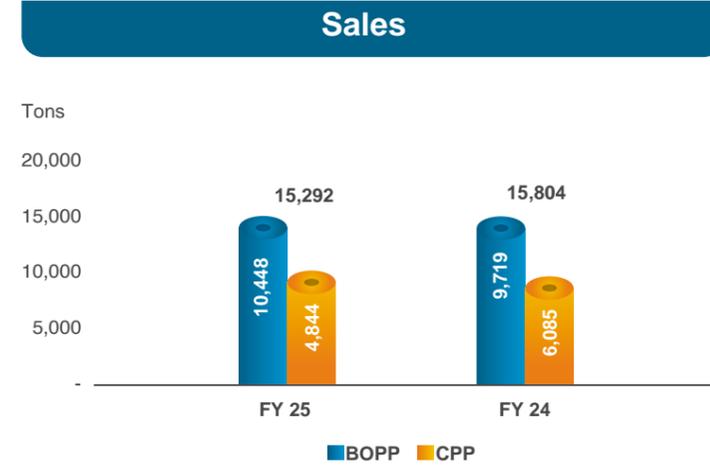
بنیادی خطرات اور غیر یقینی صورتحال:

بنیادی خطرات اور غیر یقینی صورتحال میں کرنسی کی قدر میں کمی کا خطرہ، توانائی کی قیمت میں اضافہ، اس کی دستیابی اور مالیاتی پالیسیوں میں تبدیلیاں شامل ہیں۔

فروخت کی کارکردگی

مشکل معاشی حالات کے باوجود، کمپنی نے مسلسل مصنوعات کے معیار، مضبوط صارف تعلقات اور بروقت آرڈرز کی تکمیل کے ذریعے اپنی مارکیٹ شیئر کو کامیابی سے برقرار رکھا، جس کے نتیجے میں فروخت کا حجم نسبتاً مستحکم رہا۔

کمپنی نے 30 جون 2025 کو ختم ہونے والے سال کے دوران 15,292 میٹرک ٹن کی فروخت حاصل کی، جبکہ گزشتہ سال یہ مقدار 15,804 میٹرک ٹن تھی۔



سال کے دوران کمپنی کا خام منافع 690.7 ملین روپے رہا، جبکہ گزشتہ سال یہ 926.3 ملین روپے تھا۔ جو کہ 25.4 فیصد کمی کو ظاہر کرتا ہے۔ اس کمی کی بنیادی وجہ پیداوار میں کمی، توانائی کی بڑھتی ہوئی لاگتیں اور مہنگائی کے اثرات تھے۔ پیداوار میں کمی عارضی بندش کی وجہ سے ہوئی، جو کہ لازمی مرمت کے کاموں کے باعث تھی، تاکہ طویل مدتی آپریشنل کارکردگی اور پائیداری کو یقینی بنایا جاسکے۔

اس کے باوجود، منافع کو محفوظ بنانے کے لیے توانائی کی کارکردگی کو بہتر بنانے اور اس مد میں ہونے والی لاگتوں پر کنٹرول کے لیے اسٹریٹجک اقدامات جاری ہیں۔ مزید برآں، مالی سال 25 کی آخری سہ ماہی میں نصب کی جانے والی تھرمل کوٹنگ مشین مستقبل میں کمپنی کی کارکردگی پر مثبت اثر ڈالنے کی توقع ہے۔

سال کے دوران خالص منافع (ٹیکس کے بعد) 85.3 ملین روپے رہا، جبکہ مالی سال 2024 میں یہ 257.7 ملین روپے تھا۔

تفیلی مالیاتی نتائج

دو سالوں کے وسیع موازنہ مالی نتائج ذیل میں دیے گئے ہیں۔ گزشتہ چھ سالوں کے کلیدی کارکردگی کے اشاریے بھی رپورٹ کے ساتھ منسلک کیے گئے ہیں۔

فروخت (خاص)	مالی سال 24		مالی سال 25	
	فروخت کا فیصد	روپے ملین	فروخت کا فیصد	روپے ملین
خام منافع	16.5%	926.3	11.5%	690.7
ٹیکس سے پہلے منافع	7.4%	418.6	1.9%	115.6
ٹیکس کے بعد منافع	4.6%	257.7	1.4%	85.3
فی شیئر آمدنی		4.35		1.44

حصص داران کو ڈائریکٹرز کی اطلاع

معزز ممبران،

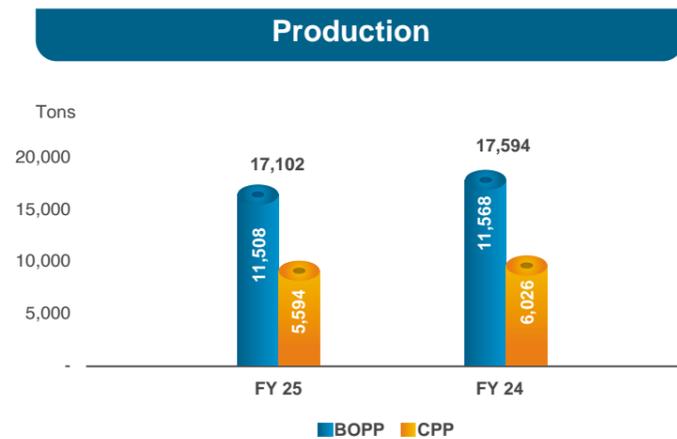
آپ کی کمپنی کے ڈائریکٹرز یہ رپورٹ اور کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشوارے برائے سال ختم شدہ ۲۰۲۵ء ۲۰۲۵ء پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

اقتصادی جائزہ

زیر نظر سال کے دوران، پاکستان کے معاشی اشاریے مالیاتی نظم و ضبط اور بیرونی مالی معاونت سے استحکام کے آثار کی عکاسی کرتے ہیں۔ جون 2025 میں مہنگائی کم ہو کر 3.2 فیصد ہوئی، جس کی وجہ سے اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو 11% پر برقرار رکھا، اگرچہ حالیہ توانائی کے نرخوں میں ردوبدل نے مہنگائی کے دباؤ میں کچھ اضافہ کیا ہے۔ 38 بلین امریکی ڈالر کی ریکارڈ ترسیلات نے کرنٹ اکاؤنٹ سرپلس میں 2 بلین امریکی ڈالر سے زائد کا حصہ ڈالا، جبکہ ادائیگیوں کے مجموعی توازن نے 3.7 ارب امریکی ڈالر کا سرپلس ریکارڈ کیا۔ آئی ایم ایف کے ساتھ مسلسل تعاون اور زر مبادلہ کے ذخائر میں بہتری کے باعث کریڈٹ ریٹنگ میں بہتری اور مستحکم نقطہ نظر حاصل ہوا، اگرچہ عالمی اور ملکی چیلنجز برقرار ہیں۔

آپریٹنگ اور مالیاتی کارکردگی

پیداوار



جائزہ سال کے دوران کمپنی کی پیداوار BOPP کے لیے 11,508 میٹرک ٹن اور CPP کے لیے 5,594 میٹرک ٹن رہی، جبکہ گزشتہ سال یہ بالترتیب 11,568 میٹرک ٹن اور 6,026 میٹرک ٹن تھی۔

مجموعی پیداوار میں 2.8 فیصد کمی معمولی کمی آئی، جو بنیادی طور پر طویل مدتی عملیاتی افادیت کو یقینی بنانے کے لیے منصوبہ بند دیکھ بھال کی سرگرمیوں اور قدر میں اضافہ کرنے والی مصنوعات پر بڑھتی ہوئی توجہ کے باعث ہوئی۔ کمپنی نے 77.7 فیصد کی مضبوط صلاحیت کے استعمال کو برقرار رکھا، جو مالی سال 2024 میں 80 فیصد تھا۔

SALIENT FEATURES OF BOARD COMMITTEES' TERMS OF REFERENCE (TOR)

Audit Committee

- Mr. Shabbir Hamza Khandwala (Committee Chairman)
- Mr. Shariq Maqbool Elahi (Member)
- Mr. Naeem Ali Muhammad Munshi (Member)

Purpose

To assist the Board of Directors in fulfilling its oversight responsibilities for the:

- Integrity of the Company's financial statements
- Company's compliance with legal and regulatory requirements
- Independent auditor's qualifications and independence
- Performance of the Company's Internal audit function and independent auditors

Authority

The Audit Committee has the authority to conduct or authorize investigations into any matter within its scope of responsibility. It is empowered to:

- Recommend to the Board the appointment of external auditors, their removal, audit fees, the provision by external auditors of any service to the Company in addition to audit of the financial statements.
- Resolve any disagreements between management and the external auditors regarding financial reporting
- Meet with Company officers, external auditors, or outside counsel, as necessary
- Seek any information it requires from any employee (and all employees are directed to cc)
- Obtain outside legal or other professional advice.

Meetings

The Audit Committee shall meet at least once every quarter of the financial year. The provisions of the Code of Corporate Governance 2019 shall be complied with in this regard.

Responsibilities

In the absence of strong grounds to proceed otherwise, the Board of Directors acts in accordance with the recommendations of the Audit Committee in the following matters:

- Determination of appropriate measures to safeguard the Company's assets
- Review of preliminary announcements of results prior to publication
- Review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on:

- Major judgmental areas
- Significant adjustments resulting from the audit
- The going concern assumption
- Any change in accounting policies and practices
- Compliance with applicable accounting standards
- Compliance with listing regulations and other statutory and regulatory requirements
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary)
- Review of Management Letter issued by external auditors and management's response thereto
- Ensuring coordination between the internal and external auditors of the Company
- Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company
- Consideration of major findings of internal investigations and management's response thereto
- Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective
- Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors
- Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body
- Determination of compliance with relevant statutory requirements
- Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof

Presence of the Chairman of the Audit Committee at the Annual General Meeting

The Chairman of the Audit Committee attends the Annual General Meeting (AGM). Macpac Films Limited strives for maximum attendance of the Board of directors at the AGM. This practice aims to instill confidence and trust among the shareholders by providing them with the opportunity to engage directly with the company's leadership.

HR & Remuneration Committee

1. Ms. Hafsa Abbasy (committee Chairperson)
2. Mr. Ehtesham Maqbool Elahi (Member)
3. Mr. Shariq Maqbool Elahi (Member)

Purpose

The HR & Remuneration Committee is appointed by the Board to assist the Board in fulfilling its responsibilities relating to leadership development and compensation of the Company's directors, executive officers and other key management personnel.

Composition

The HR & Remuneration Committee shall have at least three members comprising a majority of non-executive directors.

Responsibilities

The HR & Remuneration Committee has the following responsibilities:

- Recommend significant human resource management policies to the Board
- Recommend to the Board, the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO
- Recommend to the Board, the selection, evaluation, compensation (including retirement benefits) of CEO, CFO, Company Secretary and Head of Internal Audit
- Consider and approve, on recommendation of the CEO, matters regarding key management positions which report directly to the CEO
- Consider and approve recommendations of the HR Executive Committee
- Report regularly to the Board following meetings of the Committee

Meetings

The Committee shall meet on a need basis or when directed by the Board. The Secretary sets the agenda, time, date and venue of the meeting in consultation with the Chairman of the Committee. The Secretary of the Committee shall submit the minutes of the meeting duly signed by its Chairman to the Company Secretary. These minutes are then circulated within the Board.

COMPLIANCE AND REGULATORY DISCLOSURES

Legislative and Regulatory Environment

Macpac Films Limited operates within a robust legislative and regulatory framework that ensures transparency, accountability, and sustainable business practices. The Company's operations are primarily governed by the Companies Act, 2017, which provides a comprehensive structure for corporate governance, financial reporting, and stakeholder protection. Compliance with this Act requires regular financial disclosures, independent audits, and adherence to prescribed governance standards.

Beyond the Companies Act, Macpac Films Limited complies with a wide range of regulatory requirements and industry-specific frameworks, including:

- Listed Companies (Code of Corporate Governance) Regulations, 2019
- The Securities Act, 2015
- Pakistan Stock Exchange (PSX) Regulations
- Central Depository Company (CDC) Regulations
- The Pakistan Environmental Protection Act, 1997
- International Financial Reporting Standards (IFRS)
- Integrated Framework & BCR reporting criteria of ICAP/ICMAP
- Global Reporting Initiative (GRI) Standards 2021
- United Nations Sustainable Development Goals (UNSDG) Reporting Initiative
- SROs, circulars, and notifications issued by regulatory authorities from time to time

Through diligent compliance with these laws and frameworks, the Company ensures that its governance practices remain effective, its financial reporting transparent, and its operations aligned with both national and international standards.

DISCLOSURE REGARDING GOVERNMENT OF PAKISTAN POLICIES

Macpac Films Limited continuously monitors government policies relevant to the packaging and film production sector, including taxation measures, import/export regulations, and industrial policies.

During the financial year 2025, the Government of Pakistan's policies did not present any significant challenges or adverse impacts on the Company's operations. No policy changes negatively affected Macpac Films Limited's financial performance, operational continuity, or market position. The Company remains fully aligned with regulatory requirements and vigilant in monitoring future developments to mitigate potential risks.

BOARD MEETINGS HELD OUTSIDE PAKISTAN

All Board meetings of Macpac Films Limited are presently conducted within Pakistan, and no meetings have been held outside the country. The Company remains committed to complying with any future regulatory requirements or governance needs should these circumstances change.

SECURITY CLEARANCE OF FOREIGN DIRECTORS

Macpac Films Limited currently does not have any foreign directors on its Board. Accordingly, the requirement for security clearance of foreign directors is not applicable at this time.

BOARD OPERATIONS AND OVERSIGHT



DIRECTOR DEVELOPMENT AND TRAINING

Macpac Films Limited is committed to equipping its Board of Directors with the knowledge, skills, and insights necessary to perform their roles effectively and uphold the highest standards of corporate governance. This commitment is fulfilled through orientation sessions for new directors and compliance with the Directors' Training Program (DTP) requirements under the Code of Corporate Governance, 2019.

ORIENTATION AND CONTINUOUS LEARNING

New members of the Board undergo orientation sessions designed to familiarize them with the operations of Macpac Films Limited, industry dynamics, and regulatory environment. These sessions cover areas such as corporate strategy, financial performance, industry trends, legal obligations, and sustainability objectives. Directors are also introduced to Macpac Films Limited's business model, major projects, and key stakeholders, enabling them to contribute meaningfully from the outset of their tenure.

DIRECTORS' TRAINING PROGRAM

All members of the Board have successfully completed the Directors' Training Program (DTP), as mandated by the Code of Corporate Governance, 2019. Accordingly, no director was required to undergo training in 2025. Additionally, one director has been granted an exemption from the program based on extensive qualifications and professional experience, in accordance with regulatory provisions.

Through orientation, training, and continuous learning, Macpac Films Limited demonstrates its dedication to building a high-performing Board capable of guiding the Company strategically while maintaining strong governance practices.

RELATED PARTY TRANSACTIONS

Macpac Films Limited has in place a formally approved Policy Governing Contracts/Transactions with Related Parties (“Policy”), adopted by the Board of Directors. The Policy has been designed in line with the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Related Party Transactions and Maintenance of Related Records Regulations, 2018. It provides a comprehensive framework to ensure that all related party transactions are undertaken in a transparent manner, at arm’s length, and in compliance with applicable laws and governance standards.

Approved Policy:

The Policy governs the review, approval, disclosure, and reporting of related party transactions. It specifies pricing methods, approval authorities, and the process for maintaining complete records. The Policy also requires directors with a personal interest to abstain from participating in deliberations and decisions on related transactions.

Disclosure of Transactions:

All related party transactions during the year were placed before the Audit Committee and subsequently reviewed and approved by the Board of Directors. The details of these transactions are comprehensively disclosed in Note 8 of the audited financial statements forming part of this Annual Report.

Arm’s Length Basis and Justifications:

All contracts and arrangements with related parties were conducted in the ordinary course of business and on an arm’s length basis, consistent with the Company’s Policy. No contract or arrangement outside the ordinary course of business or not at arm’s length was entered into during the year.

Directors’ Interests:

Disclosures of interests in related party transactions by directors, key managerial personnel, and their relatives have been obtained in compliance with statutory requirements. Directors having a material personal interest in any transaction abstained from discussion and voting in line with the Company’s Policy and applicable laws.

Conflict Management:

Potential conflicts of interest are addressed through the governance framework defined in the Policy, including prior approvals, abstention requirements, segregation of duties, and oversight by the Audit Committee and the Board. The Board remains committed to ensuring that related party transactions are managed in a manner that protects the interests of the Company and its shareholders.

BOARD STRATEGY ON SIGNIFICANT MATTERS

Macpac Films Limited has adopted a comprehensive set of policies to uphold the highest standards of corporate governance, accountability, and transparency. These policies guide the Company’s strategic direction, operational conduct, and stakeholder engagement, ensuring that governance practices remain aligned with evolving business and regulatory requirements. The Board actively monitors and reviews these policies, delegating responsibilities where appropriate, while retaining overall oversight of significant matters.

GOVERNANCE, RISK, AND INTERNAL CONTROLS

- Risk and Internal Control Framework**

The Board places strong emphasis on effective risk management and internal controls to safeguard assets, ensure operational continuity, and protect shareholder value. The Audit Committee regularly reviews the risk framework and internal controls, ensuring the Company is well-prepared to manage financial, operational, and compliance risks.

- Directors’ Interest in Significant Contracts**

The Board ensures transparency in disclosing any potential conflicts of interest involving directors. Where such interests exist, they are declared, and appropriate steps are taken to ensure that they do not conflict with the Company’s objectives or governance principles.

- Remuneration of Non-Executive and Independent Directors**

The remuneration of non-executive and independent directors is determined and approved by the Board. Compensation is aligned with industry standards and reflects their contributions to Board and Committee responsibilities.

- Retention of Board Fees by Executive Directors**

Any fees earned by executive directors for serving on other boards as non-executive directors are handled in accordance with the Company’s remuneration practices.

HUMAN RESOURCE MANAGEMENT AND EMPLOYEE WELFARE

Human Resource Oversight

The Board oversees policies that attract, retain, and develop talent. Key focus areas include:

- Succession Planning for continuity in leadership roles;
- Merit-Based Recruitment ensuring equal opportunity;
- Performance-Based Appraisal System linking rewards to measurable results;
- Promotion, Reward, and Motivation Programs fostering employee engagement;
- Training and Development initiatives to build employee capability;
- Diversity, Equity & Inclusion (DE&I) Policy promoting equal opportunity at the workplace;
- Employee Engagement & Feedback Mechanisms to strengthen organizational culture.

Employee Health, Safety, and Protection

Employee well-being is a top priority. The Health, Safety, and Environmental (HSE) Policy safeguards employees' health and workplace safety, ensuring compliance with occupational safety standards and promoting employee well-being.

Whistleblowing Policy

A confidential whistleblowing mechanism is in place for employees to report unethical conduct, fraud, or other concerns. The Audit Committee oversees the process and ensures whistleblowers are protected against retaliation.

Anti-Harassment Policy

The Company enforces a strict zero-tolerance policy on harassment, including sexual harassment, bullying, and discrimination. Clear reporting, investigation, and redressal mechanisms are established to safeguard the dignity and rights of all employees.

SOCIAL, ENVIRONMENTAL, AND STAKEHOLDER RESPONSIBILITY

Social and Environmental Responsibility

The Board oversees initiatives in procurement, waste management, and emissions reduction, ensuring sustainable and responsible business practices. Transparent reporting mechanisms reinforce accountability to stakeholders.

Communication with Stakeholders

The Board emphasizes clear, consistent communication with shareholders, employees, customers, regulators, and other stakeholders to build trust and transparency.

Dividend Policy

The dividend policy ensures that decisions are taken in the best interest of shareholders while balancing business growth, financial stability, and future investment needs.

Investor Relations and Grievance Handling

The Company maintains a dedicated investor relations platform on its website to provide timely updates and information. The Board ensures investor concerns are addressed promptly and transparently to build shareholder confidence.

RECORDS AND INFORMATION SECURITY

Safety of Company Records

The Board ensures robust measures are in place to safeguard both physical and digital records of the Company, protecting confidentiality, integrity, and accessibility of information from unauthorized use.



GENDER PAY GAP STATEMENT 2025

Macpac Films Limited is committed to fostering a workplace that values fairness, equality, and transparency. In line with our principles of merit-based recruitment and performance-driven growth, the Company ensures that compensation practices are free from gender-based disparities.

The Company operates under a structured grading system with standardized pay scales that apply equally to all employees. At the time of induction, candidates, regardless of gender, are assessed and selected solely on the basis of their qualifications, professional experience, skills, and competencies relevant to the role. Once onboarded, employees are placed within the grading system, ensuring consistent and equitable pay practices across the organization.

Beyond equitable compensation, the Company also emphasizes equal opportunities for career progression, training, and leadership development. By integrating diversity and inclusion into its human resource policies, Macpac Films Limited ensures that all employees are supported in achieving their full potential, thereby contributing to the Company's long-term success.

This ongoing commitment to fairness in pay and opportunity reflects our core values of integrity, accountability, and respect, and underscores our dedication to building a workplace where all individuals are valued equally.

On behalf of the Board of Directors

NAJMUL HASSAN
Chief Executive Officer

Karachi
August 29, 2025



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 37131900, Fax +92 (21) 35685095

INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

To the Board of Directors of MACPAC Films Limited

Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) – External Shariah Audit of **MACPAC Films Limited** (‘the Company’) for assessing compliance of the Company’s financial arrangements, contracts, and transactions having Shariah implications with Shariah principles for the year ended 30 June 2025. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholar.

Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended 30 June 2025) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations, and reproduced as under:

- i) legal and regulatory framework administered by the Commission;
- ii) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by the Commission;
- iii) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;
- iv) guidance and recommendations of the Shariah advisory committee, as notified by the Commission; and
- v) approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution, in line with (i) to (iv) above.

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

Management’s Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shariah implications, entered into by the Company with its customers, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles. The management



KPMG Taseer Hadi & Co.

is also responsible for the design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

Our Independence and Quality Control

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

The firm applies International Standard on Quality Management 1 ‘Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements’ and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility and summary of the work performed

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

The procedures selected by us for the engagement depended on our judgment, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal controls relevant to the Company’s compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

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



KPMG Taseer Hadi & Co.

Conclusion

Based on our reasonable assurance engagement, we report that in our opinion the Company's financial arrangements, contracts and transactions for the year ended 30 June 2025 are in compliance with the Shariah principles (criteria specified in the paragraph 2 above), in all material respects.

Date: 25 September 2025

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants



ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

Annual Shari'ah Review Report

For the period ended on June 30, 2025

We have conducted the *Shari'ah* review of **Macpac Films Ltd** (the company) for the period ended on 30th June 2025 in accordance with the provisions of *Shariah Governance Regulations, 2023* and in our opinion:

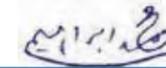
- We have reviewed the provided documents and procedures, confirming that they align with Shariah principles. However, this is an ongoing process, and we will continue to review the relevant documents, SOPs, and policies, providing suggestions to the relevant departments as needed.
- Generally, the business affairs have been conducted in accordance with the rules and principles of Shariah.
- Furthermore, there is no non-Shariah Compliant income received during the period.

Conclusion:

Based on the Review of Company's operations, transactions, related documentation, and management's representation, in our opinion, the affairs of the company have been carried out in accordance with the rules and principles of Shariah, and therefore, we are of the view that Macpac Films Ltd is a Shariah Compliant Company.

In the end, we pray to Allah Almighty to grant us success and help us at every step, keep us away from every hindrance and difficulty, and give financial success to Macpac Films Ltd.

For and on behalf of Alhamd Shariah Advisory Services (Pvt.) Ltd



Mufti Ibrahim Essa
Chief Executive Officer

Dated: 6th Aug 2025



Mufti Ubaid Ur Rehman Zubairi
Director





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Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of MACPAC Films Limited

Review Report on the Statement of Compliance with 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 MACPAC Films Limited ("the Company") for the year ended 30 June 2025 in accordance with the requirements of Regulation 36 of the Regulations.

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

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Director's 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 requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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

Date: 24 September 2025

Karachi

UDIN: CR202510106hQaiwvJt5


KPMG Taseer Hadi & Co.
Chartered Accountants

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG global organization of independent member firms affiliated with KPMG Network Limited, a private English company limited by guarantee.

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of the Company: MACPAC FILMS LIMITED
Year ended: June 30, 2025

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

1. The total number of Directors are seven (07) as per the following:

Male: 6
Female: 1

2. The composition of Board is as follows:

- i. Independent Directors
 - a) Mr. Shabbir Hamza Khandwala
 - b) Ms. Hafsa Abbasy
- ii. Non-Executive Directors
 - a) Mr. Naeem Ali Muhammad Munshi
 - b) Mr. Shariq Maqbool Elahi
 - c) Mr. Fahad Munshi
- iii. Executive Directors
 - a) Mr. Najmul Hassan
 - b) Mr. Ehtesham Maqbool Elahi
- iv. Female Director
 - a) Ms. Hafsa Abbasy

Note: For the purposes of the rounding up of fraction, the Company has not rounded up the fraction as one since as it currently stands, the Board has adequate independent directors. If we compare the number of Non-Executive and Independent directors i.e., 5 directors as compared to Executive directors i.e., 2 directors, the Company is of the view that the Board under the current composition is adequately independent.

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

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Majority of the Directors along with the Company Secretary have either completed the Director's Certification from authorized institutions or have the prescribed qualification and experience pursuant to Regulation 19 of the CCG. All of the Directors are highly qualified and possess the requisite experience and knowledge required to perform their duties;
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:
 - (a) Audit Committee of the Board:
 - i. Mr. Shabbir Hamza Khandwala – Chairman
 - ii. Mr. Shariq Maqbool Elahi – Member
 - iii. Mr. Naeem Ali Muhammad Munshi – Member
 - (b) HR & Remuneration committee:
 - i. Ms. Hafsa Abbasy – Chairperson
 - ii. Mr. Shariq Maqbool Elahi – Member
 - iii. Mr. Ehtesham Maqbool Elahi – Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:
 - (a) **Audit Committee;**

Four (04) meetings were held during the year. The meetings of the Audit Committee are held on a quarterly basis.
 - (b) **HR & Remuneration committee;**

Two (02) meetings were held during the year. The meeting of the HR and Remuneration Committee is held at least once in a year;

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non- dependent children) of the Chief Executive Officer, Chief Financial Officer, head of internal audit, company secretary or director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is below:
 - a) **Regulation 10A:**

The Board in its meeting held on June 23, 2025 discussed in detail the sustainability related directives issued by the SECP's notification SRO 920(I)/2024 dated June 12, 2024, inserting Regulation 10A into the Listed Companies (Code of Corporate Governance) Regulations, 2019, and it was decided that this responsibility will be discharged by the Board's Human Resource & Remuneration Committee (HR&RC).
 - b) **Regulation 29:**

Regulation 29 states that the Board may constitute a separate committee in the name of Nomination Committee, responsible for recommending to the Board the composition and chairmanship of the Board and the Board committees. As the constitution of nomination committee is not mandatory, the Board has opted to have these matters considered by the full Board.
 - c) **Regulation 30:**

Regulation 30 states that the Board may constitute a risk management committee. As the constitution of risk management committee is not mandatory, the Board has opted to have the matters relating risk and risk management to be considered by the Board Audit Committee and full Board.



NAEEM ALI MUHAMMAD MUNSHI
Chairman

Karachi
August 29, 2025



NAJMUL HASSAN
Chief Executive Officer

AUDIT COMMITTEE REPORT

Composition of the Committee

The Audit Committee comprises following three members who all are Non-Executive directors, with one being an Independent director as well; thus ensuring that the Committee operates with high levels of objectivity and independence. Chairman of the Audit Committee, Mr. Shabbir Hamza Khandwala, is a Fellow member of the Institute of Chartered Accountants of Pakistan (ICAP) and provides valuable financial expertise. The Committee members are:

S. No.	Member's Name	Position	Status
1	Mr. Shabbir Hamza Khandwala	Chairman	Independent & Non-Executive
2	Mr. Naeem Ali Muhammad Munshi	Member	Non-Executive
3	Mr. Shariq Maqbool Elahi	Member	Non-executive

Financial Reporting

While the CEO and the CFO are responsible for accuracy & integrity of financial statements/ reporting of the Company; the Audit Committee provides the Board with an additional assurance in fulfilling its oversight responsibility vis-à-vis published quarterly, half-yearly, and annual financial statements.

During the financial year, the Committee ensured that financial statements provided an accurate reflection of the Company's financial performance and were in compliance with applicable laws and international reporting/accounting pronouncements. Audit Committee also met the external audit Engagement Partner, in respect of half-yearly and annual financial statements of the Company. The Committee identified and addressed significant issues related to financial disclosures, ensuring that the statements were fair, transparent, and free from any material misstatements.

Risk Management and Internal Control

The Committee takes a proactive approach to risk management and internal controls, overseeing the Company's governance and operational risk frameworks. By regularly reviewing risk management strategies and assessing internal control processes, the Committee ensures the Company's operations are well-protected from internal and external risks. The Company has deployed a strong Internal Audit function across the organization; which assists the Board's Audit Committee in its oversight role.

Role of Internal Audit in Risk Management

By Statute, Head of Internal Audit is reportable to the following:

- Functionally to the Audit Committee.
- Administratively to the Chief Executive Officer.

Head of Internal Audit establishes a risk-based annual audit plan that is approved by the CEO, and the Audit Committee. Risks that can and will affect the achievement of Operating, Reporting (financial & non-financial), and Compliance objectives are prioritized according to their impact-cum-likelihood, and remedial actions are devised accordingly. Based thereon, during the year, internal audit reports made recommendations to improve internal controls, together with agreed management action plans to resolve the issues raised. Internal audit followed up on the implementation of such recommendations, and reported progress to the Executive Management and to the Committee. The Committee has reviewed aforesaid findings completed during the year and brought the reportable matters to the Board's attention, whenever required.

Internal Audit thus provides assurance as to the exposure of identified risks, assesses the adequacy of emplaced internal controls, and supports in enhancing the level of controls needed to mitigate and/or manage such risks. Consequently, this structured reporting helps in an ongoing risk management and also minimizes impact of risks on the Company's performance.

Effectiveness of the External Audit Process

The effectiveness of the external audit process was rigorously evaluated during the year. This involved reviewing the external auditor's independence, objectivity, and performance. The Committee worked closely with the external auditors to ensure that their audits were thorough and effective. The external audit process was deemed effective in providing assurance on the integrity of the financial statements.

Reappointment of External Auditors

The Committee recommended re-appointment of the existing external auditors (KPMG Taseer Hadi) for financial year ending on 30 June 2026, based on their performance and effectiveness during prior years.



Shabbir Hamza Khandwala
Chairman Board Audit Committee

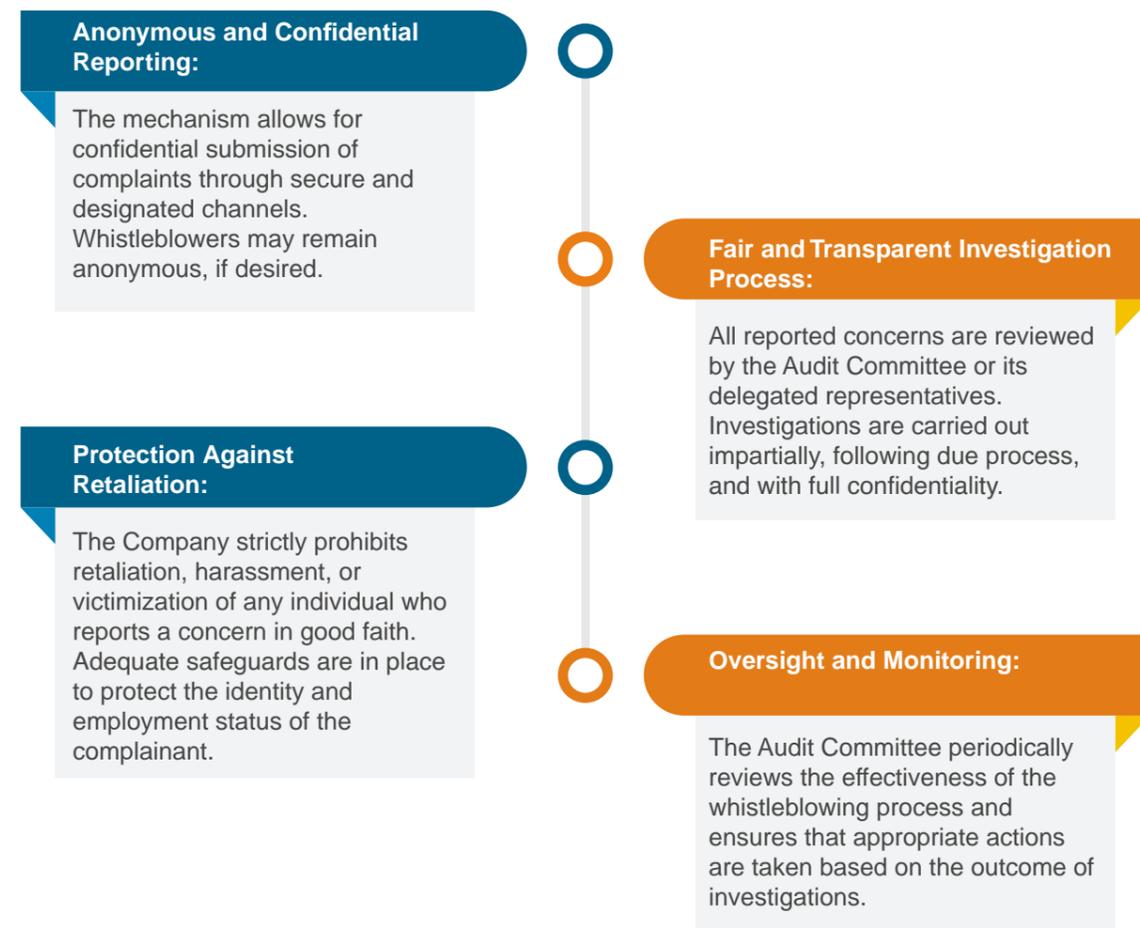
Karachi August 29, 2025

DISCLOSURE OF WHISTLEBLOWING MECHANISM

The Audit Committee of Macpac Films Limited is fully committed to upholding the highest standards of transparency, accountability, and ethical conduct across all levels of the organization.

In line with the Listed Companies (Code of Corporate Governance) Regulations, 2019, Macpac Films Limited has established a robust Whistleblowing Mechanism to enable employees and stakeholders to report concerns regarding unethical behavior, actual or suspected fraud, violations of laws, or breach of the Macpac Films Limited's code of conduct.

Key features of the whistle-blowing mechanism include:



Macpac Films Limited encourages a culture of openness and integrity and believes that a well-functioning whistleblowing system is a key element of effective governance and risk management.

Whistleblowing Policy

The Company has a whistleblowing mechanism in place to ensure that any concerns raised by employees regarding unethical behavior, fraud, or other wrongdoings are addressed confidentially and transparently. The Audit Committee is responsible for overseeing the policy, ensuring protection for whistleblowers against retaliation or victimization

Through this mechanism, Macpac Films Limited strengthens its governance framework and reinforces stakeholder confidence by ensuring that concerns are addressed promptly, fairly, and with complete transparency.



RISKS AND
OPPORTUNITIES

RISKS AND OPPORTUNITIES

Key Risks (Internal & External)

- Raw Material Availability:** The availability of imported raw materials remains a key external risk. This is mitigated through timely procurement strategies and maintaining adequate buffer stocks, ensuring uninterrupted supply to meet customer requirements.
- High Cost of Imported Raw Material:** Macpac Films Limited relies on imported inputs, making it sensitive to price volatility. To manage this, we negotiate long-term contracts with key suppliers to obtain favorable pricing while ensuring consistent quality.
- Gas Availability and Energy Constraints:** Production operations are dependent on Sui gas and RLNG, both of which have experienced fluctuations in pressure and quality. This can lead to production interruptions and reliance on costly diesel generators. The Company mitigates this risk through continuous monitoring of gas quality, maintaining diesel-powered backup systems and transitioning and exploring sustainable alternate energy sources.
- Changes in Tariff / Dumping Practices:** A surge in import duties on raw materials and dumping of finished films at below-market prices adversely affect local competitiveness. The Company closely monitors tariff structures, engages with government agencies through professional consultants, and contests any unfair or unconstitutional impositions to protect stakeholder value.
- Cybersecurity Threats:** There is an increasing threat of data breaches and cyberattacks. To mitigate this, we maintain updated firewalls and antivirus systems, conduct regular vulnerability assessments, and follow robust data security protocols to safeguard critical information.
- Machine Breakdown / Operational Hazards:** Unexpected machine downtime poses operational risks. This is mitigated through a preventive maintenance program aimed at reducing unplanned outages and ensuring timely delivery to customers.
- Exchange Rate Volatility:** As a large portion of raw materials are imported, the Company remains exposed to fluctuations in foreign exchange rates. The management regularly monitors currency movements and works to pass on any adverse impacts to customers where feasible, maintaining margin stability.
- Credit Risk:** Customer default risk is mitigated through a disciplined credit control mechanism. Credit limits are continuously reviewed to ensure they remain within approved thresholds, minimizing the risk of bad debts.
- Rising Policy Rates and Financing Costs:** An increase in policy rates leads to higher borrowing costs, impacting the bottom line. To mitigate this, the Company implements efficient working capital strategies, ensures timely collections, and negotiates competitive financing terms with lenders.

Opportunities (Internal & External)

01 PRODUCT DIVERSIFICATION AND MARKET EXPANSION

Macpac Films Limited seeks to maximize volume by leveraging its production capacity to diversify its product offerings. The Company is exploring new markets, both domestic and international, and continues to invest in enhancing its export footprint.

02 COST OPTIMIZATION THROUGH ADVANCED TECHNOLOGY

The Company continues to invest in automation and advanced technologies to enhance operational efficiency and improve overall productivity. These strategic upgrades are expected to strengthen long-term cost management and support sustainable growth as the business scales.

03 ENTRY INTO LOCAL AND GLOBAL MARKETS

Macpac Films Limited continues to leverage its expertise in high-quality packaging solutions to maintain and grow its presence in both local and international markets. The Company remains focused on strengthening relationships in existing markets while actively exploring new opportunities to drive future revenue growth.

04 TRANSITION TO SPECIALIZED FILMS AND OPERATIONAL EFFICIENCY

Macpac Films Limited has made significant progress in its strategic shift towards specialized films, investing in research and development to create products with enhanced properties such as improved strength and thermal resistance. The thermal coating machine, commissioned in the last quarter of FY25, is expected to positively impact the Company's future performance. In addition, the Company is proactively pursuing opportunities to optimize energy efficiency and manage input costs. These initiatives are aimed at enhancing profitability and supporting sustainable growth in a competitive market.

BOARD OVERVIEW ON RISK OVERSIGHT

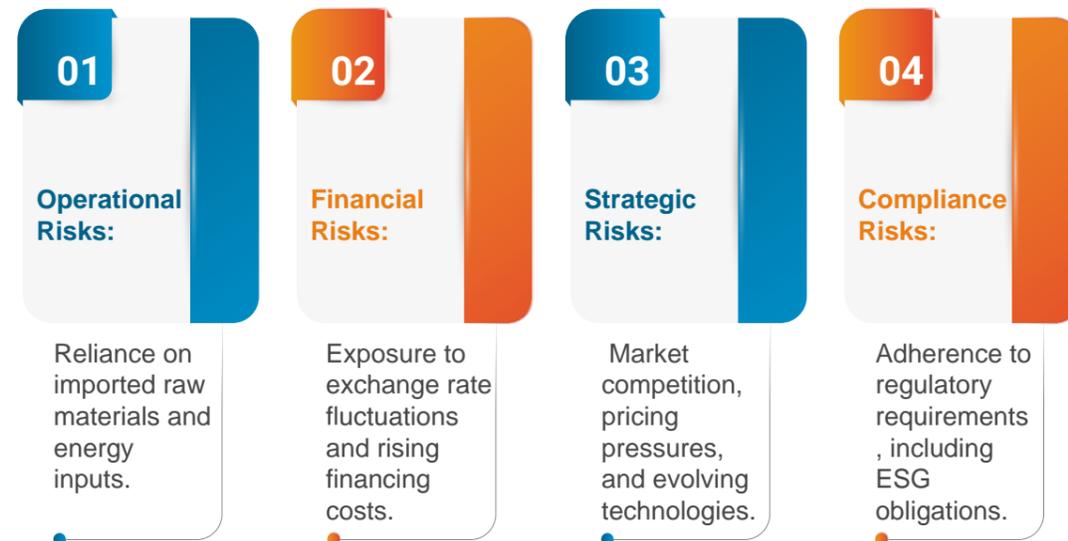
(a) Company's Risk Tolerance and Risk Management Policies

The Board of Directors of Macpac Films Limited is committed to maintaining strong corporate governance and financial transparency. A robust system of internal controls is implemented across all organizational levels to effectively manage financial and operational risks. The Company's risk tolerance is regularly reviewed to ensure alignment with its long-term strategic objectives and shareholder expectations.

To oversee risk management, the Board has established an Audit Committee comprising three non-executive directors, including an independent Chairman. The Committee's terms of reference, as approved by the Board, comply with the guidelines set forth in the Listing Regulations, thereby formalizing the Company's risk management policies.

(b) Robust Assessment of Principal Risks

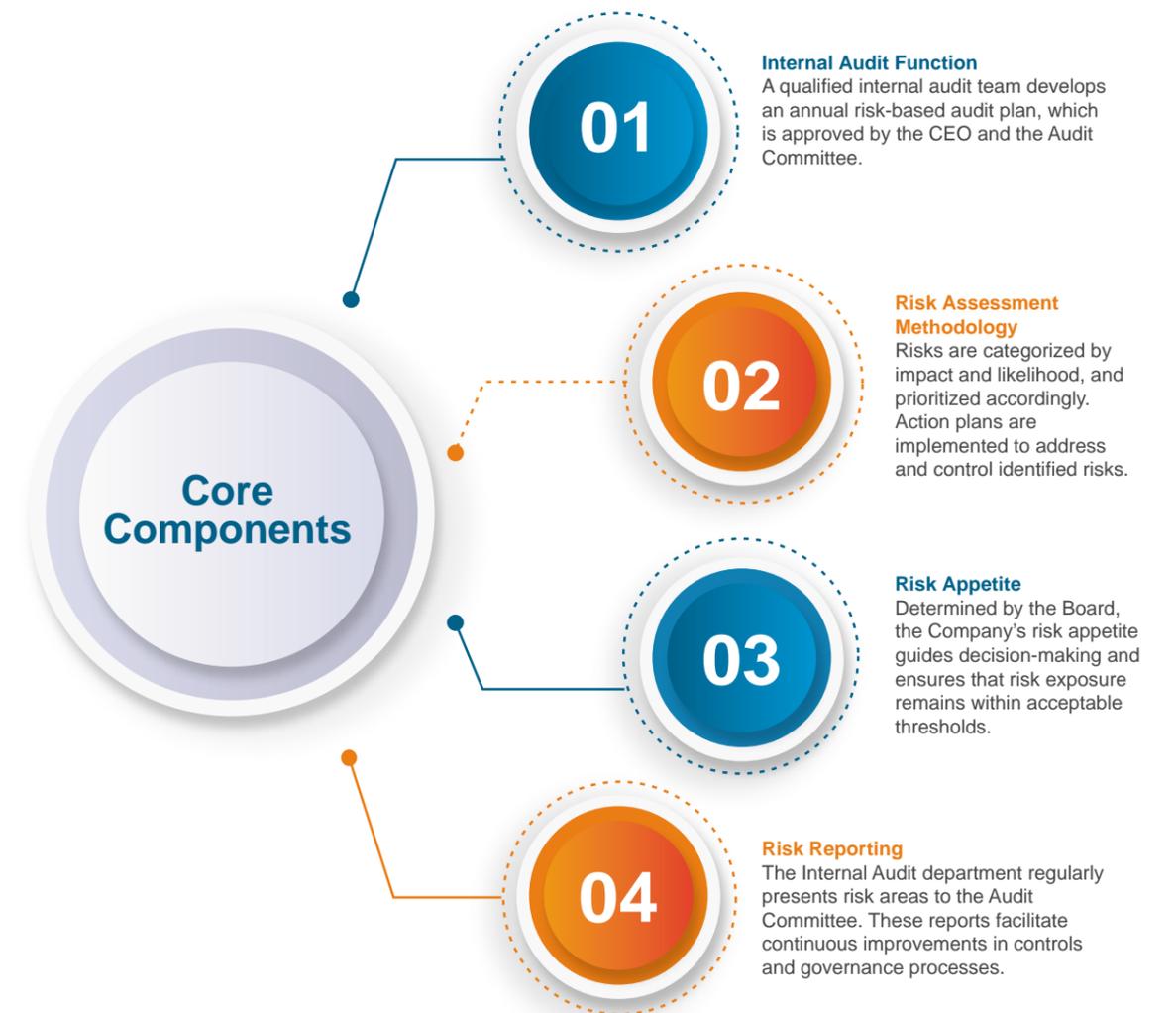
The Board conducts regular reviews of risks that could impact the Company's performance, solvency, and liquidity. Key risk categories include:



The Audit Committee provides diligent oversight to ensure these risks are actively managed through structured frameworks and controls.

RISK MANAGEMENT FRAMEWORK

Macpac Films Limited operates a comprehensive risk management framework designed to identify, assess, and mitigate business risks effectively.



STEPS TO MITIGATE KEY RISKS

To ensure effective risk management, the Company undertakes the following actions:



This structured and proactive approach underpins business continuity, fosters stakeholder confidence, and strengthens long-term organizational resilience.

SUPPLY CHAIN DISRUPTION DUE TO ESG INCIDENTS

Macpac Films Limited recognizes the potential for supply chain disruptions arising from Environmental, Social, or Governance (ESG) issues and has implemented targeted mitigation strategies:



To enhance resilience, the Company has diversified its supplier base and cultivated strong, long-term partnerships. These measures help ensure continuity amid geopolitical unrest, environmental disruptions, or regulatory changes.



FINANCIAL PERFORMANCE AND POSITION

YEAR AT A GLANCE

RESILIENCE AND RESPONSE

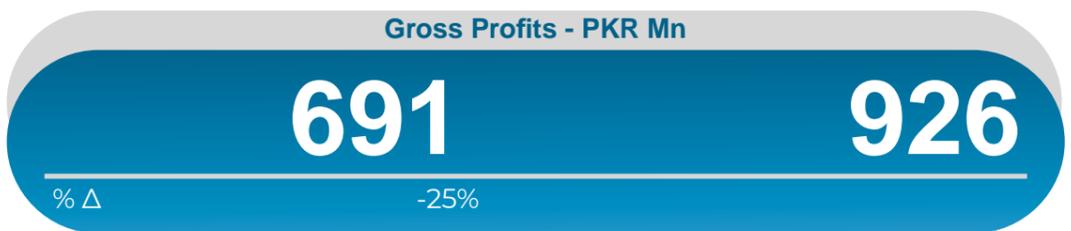
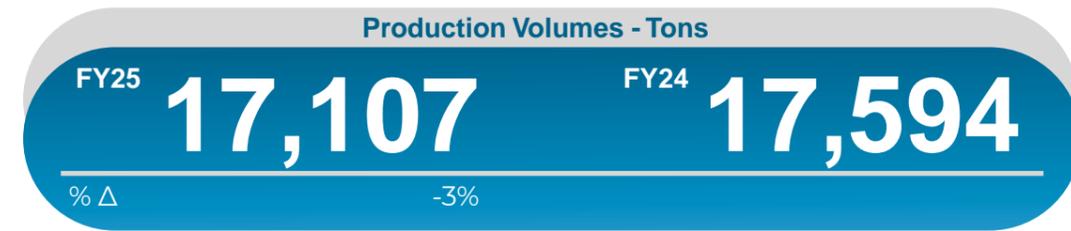
In the face of a complex and evolving business landscape, the Company demonstrated resilience and strategic adaptability throughout the year. Total production stood at 11,508 metric tons of BOPP and 5,594 metric tons of CPP, compared to 11,568 metric tons and 6,026 metric tons respectively in the same period last year (SPLY). This marginal decline of 2.8% in total production volume was primarily due to planned maintenance activities aimed at securing long-term operational efficiency. Despite the temporary production dip, the Company maintained a robust capacity utilization of 77.7%, only slightly below 80% in FY 2024.

Sales volume for the year reached 15,292 metric tons, compared to 15,804 metric tons in the prior year. Notwithstanding the slight drop, the Company successfully safeguarded its market share in a challenging macroeconomic environment through consistent product quality, strong customer relationships, and reliable order fulfillment. A comprehensive analysis of the Company's comparative performance is available in the relevant sections of this Annual Report.

The management remained committed to its disciplined approach to planning and performance monitoring. Detailed annual budgets were prepared, and actual results were closely tracked against targets. Variances were assessed and categorized as either controllable or uncontrollable, with swift corrective actions taken where possible. Uncontrollable factors, including inflationary pressures, increased energy costs, and a temporary reduction in output due to essential plant maintenance, impacted profitability.



ANALYSIS OF FINANCIAL STATEMENTS



ANALYSIS OF FINANCIAL STATEMENTS

Statement of Financial Position

	2025	2024	2023	2022	2021	2020
Figures in PKR						
Property, Plant and Equipment	2,358,472,441	2,234,636,499	1,884,453,068	1,948,072,161	1,913,023,144	1,935,662,870
Intangible assets	13,501,671	17,668,898	836,118	408,566	510,708	638,385
Other non-current assets	29,516,490	29,516,490	12,776,285	20,026,285	15,095,485	11,537,730
Deferred tax asset - net	-	-	-	-	-	1,318,676
Current assets	2,867,487,069	2,523,839,414	2,719,918,944	2,078,322,205	1,282,503,689	1,024,794,484
Total assets	5,268,977,670	4,805,661,300	4,617,984,415	4,046,829,217	3,211,133,026	2,973,952,145
Share capital	593,011,500	593,011,500	593,011,500	593,011,500	593,011,500	593,011,500
Reserves	173,566,620	173,566,620	173,566,620	173,566,620	173,566,620	173,566,620
Unappropriated profits / (losses)	654,990,615	647,353,151	503,635,441	186,920,457	5,443,251	(177,791,039)
Surplus on revaluation of PPE	823,040,000	823,040,000	623,040,000	623,040,000	623,040,000	623,040,000
Non-current liabilities	536,514,973	357,062,078	365,951,699	258,034,006	394,234,183	421,226,007
Current liabilities	2,487,853,963	2,211,627,952	2,358,779,155	2,212,256,635	1,421,837,472	1,340,899,057
Total equity and liabilities	5,268,977,670	4,805,661,300	4,617,984,415	4,046,829,217	3,211,133,026	2,973,952,145

	Percentage					
Property, Plant and Equipment	44.8	46.5	40.8	48.1	59.6	65.1
Intangible assets	0.3	0.4	0.0	0.0	0.0	0.0
Other non-current assets	0.6	0.6	0.3	0.5	0.5	0.4
Deferred tax asset - net	-	-	-	-	-	0.0
Current assets	54.4	52.5	58.9	51.4	39.9	34.5
Total assets	100.0	100.0	100.0	100.0	100.0	100.0
Share capital	11.3	12.3	12.8	14.7	18.5	19.9
Reserves	3.3	3.6	3.8	4.3	5.4	5.8
Unappropriated profits / (losses)	12.4	13.5	10.9	4.6	0.2	(6.0)
Surplus on revaluation of PPE	15.6	17.1	13.5	15.4	19.4	20.9
Non-current liabilities	10.2	7.4	7.9	6.4	12.3	14.2
Current liabilities	47.2	46.0	51.1	54.7	44.3	45.1
Total equity and liabilities	100.0	100.0	100.0	100.0	100.0	100.0

	Percentage					
Property, Plant and Equipment	5.5	18.6	(3.3)	1.8	(1.2)	36.7
Intangible assets	(23.6)	2,013.2	104.6	(20.0)	(20.0)	(20.0)
Other non-current assets	(0.0)	131.0	(36.2)	32.7	30.8	80.2
Deferred tax asset - net	-	-	-	-	(100.0)	100.0
Current assets	13.6	(7.2)	30.9	62.1	25.1	(4.5)
Total assets	9.6	4.1	14.1	26.0	8.0	19.1
Share capital	-	-	-	-	-	-
Reserves	-	-	-	-	-	-
Unappropriated profits / (losses)	1.2	28.5	169.4	3,334.0	103.1	(56.0)
Surplus on revaluation of PPE	-	32.1	-	-	-	100.0
Non-current liabilities	50.3	(2.4)	41.8	(34.5)	(6.4)	(5.8)
Current liabilities	12.5	(6.2)	6.6	55.6	6.0	(4.0)
Total equity and liabilities	9.6	4.1	14.1	26.0	8.0	19.1

Statement of Profit or Loss

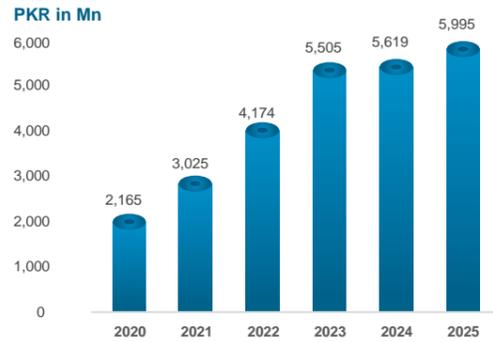
	2025	2024	2023	2022	2021	2020
Figures in PKR						
Net sales	5,994,617,391	5,619,408,233	5,505,462,439	4,174,142,183	3,025,322,805	2,164,953,856
Cost of sales	(5,303,887,314)	(4,693,065,958)	(4,194,009,701)	(3,563,376,080)	(2,530,517,212)	(2,107,605,178)
Gross profit	690,730,077	926,342,275	1,311,452,738	610,766,103	494,805,593	57,348,678
Marketing and selling expenses	(175,704,844)	(156,583,388)	(101,646,032)	(69,243,641)	(62,955,826)	(26,941,488)
Administrative expenses	(370,371,539)	(302,619,397)	(200,259,269)	(139,397,353)	(113,564,094)	(88,211,804)
Operating profit / (loss)	144,653,694	467,139,490	1,009,547,437	402,125,109	318,285,673	(57,804,614)
Finance Costs	(109,624,271)	(135,118,869)	(133,742,264)	(93,909,807)	(91,710,220)	(157,005,124)
Other income	87,433,603	118,084,462	114,966,850	79,074,644	62,059,520	203,348,947
Other expenses	(6,886,148)	(31,461,687)	(290,106,836)	(124,651,152)	(14,622,408)	(149,947,663)
Profit / (loss) before taxation	115,576,878	418,643,396	700,665,187	262,638,794	274,012,564	(161,408,454)
Taxation	(30,293,044)	(160,923,087)	(321,451,673)	(78,390,417)	(87,347,510)	98,553,356
Net profit / (loss) for the year	85,283,834	257,720,309	379,213,514	184,248,377	186,665,054	(62,855,098)

	Percentage					
Net sales	100.0	100.0	100.0	100.0	100.0	100.0
Cost of sales	(88.5)	(83.5)	(76.2)	(85.4)	(83.6)	(97.4)
Gross profit	11.5	16.5	23.8	14.6	16.4	2.6
Marketing and selling expenses	(2.9)	(2.8)	(1.8)	(1.7)	(2.1)	(1.2)
Administrative expenses	(6.2)	(5.4)	(3.6)	(3.3)	(3.8)	(4.1)
Operating profit / (loss)	2.4	8.3	18.3	9.6	10.5	(2.7)
Finance Costs	(1.8)	(2.4)	(2.4)	(2.2)	(3.0)	(7.3)
Other income	1.5	2.1	2.1	1.9	2.1	9.4
Other expenses	(0.1)	(0.6)	(5.3)	(3.0)	(0.5)	(6.9)
Profit / (loss) before taxation	1.9	7.4	12.7	6.3	9.1	(7.5)
Taxation	(0.5)	(2.9)	(5.8)	(1.9)	(2.9)	4.6
Net profit / (loss) for the year	1.4	4.6	6.9	4.4	6.2	(2.9)

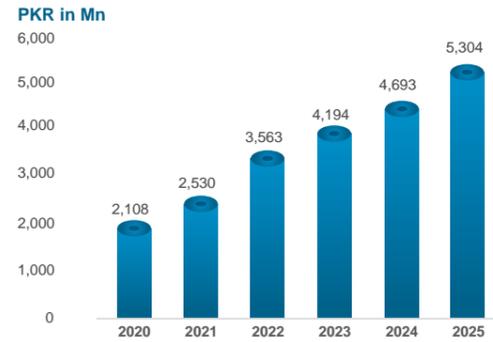
	Percentage					
Net sales	6.7	2.1	31.9	38.0	39.7	(10.4)
Cost of sales	13.0	11.9	17.7	40.8	20.1	(8.8)
Gross profit	(25.4)	(29.4)	114.7	23.4	762.8	(44.5)
Marketing and selling expenses	12.2	54.0	46.8	10.0	133.7	(9.0)
Administrative expenses	22.4	51.1	43.7	22.7	28.7	(0.9)
Operating profit / (loss)	(69.0)	(53.7)	151.1	26.3	650.6	(280.4)
Finance Costs	(18.9)	1.0	42.4	2.4	(41.6)	77.0
Other income	(26.0)	2.7	45.4	27.4	(69.5)	915.7
Other expenses	(78.1)	(89.2)	132.7	752.5	(90.2)	28.4
Profit / (loss) before taxation	(72.4)	(40.3)	166.8	(4.2)	269.8	19.6
Taxation	(81.2)	(49.9)	310.1	(10.3)	(188.6)	396.4
Net profit / (loss) for the year	(66.9)	(32.0)	105.8	(1.3)	397.0	73.1

GRAPHICAL PRESENTATION

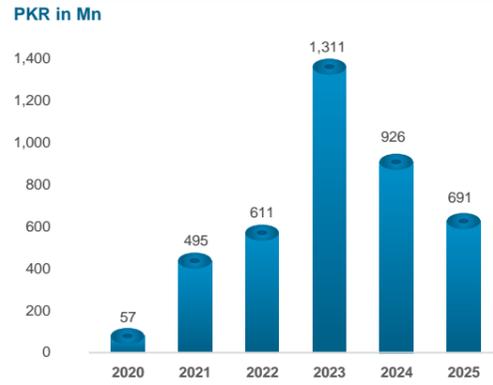
Revenue



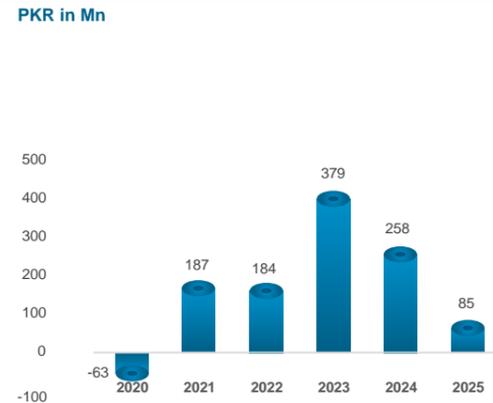
Cost of Sales



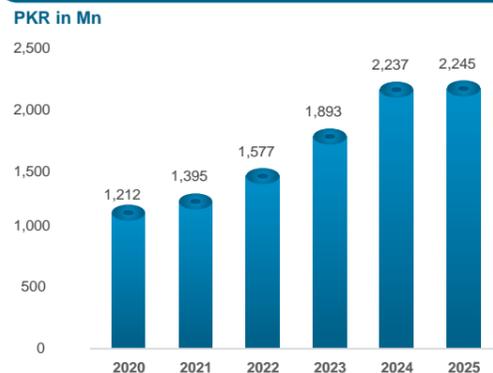
Gross Profit



Net Profit



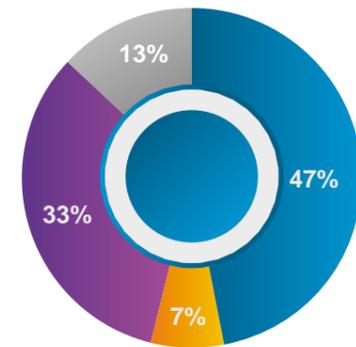
Equity



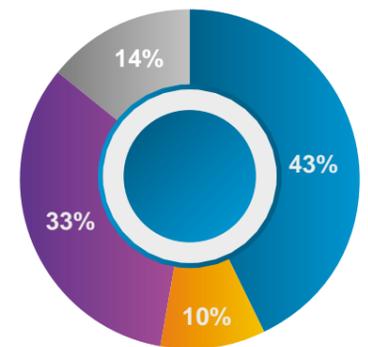
Total Assets



Total Equity and Liabilities - FY 2025

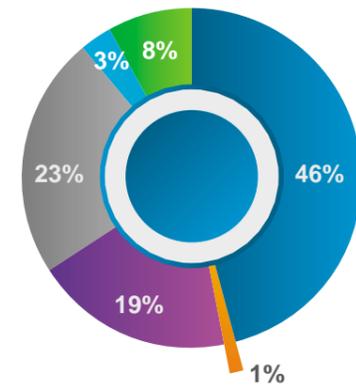


Total Equity and Liabilities - FY 2024

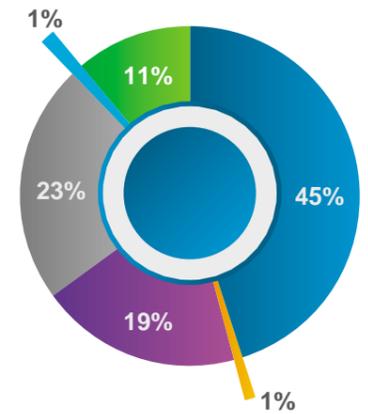


Share Capital and Reserves Non-current liabilities Trade Payables & Others Other Current Liabilities

Total Assets-FY 2025



Total Assets-FY 2024

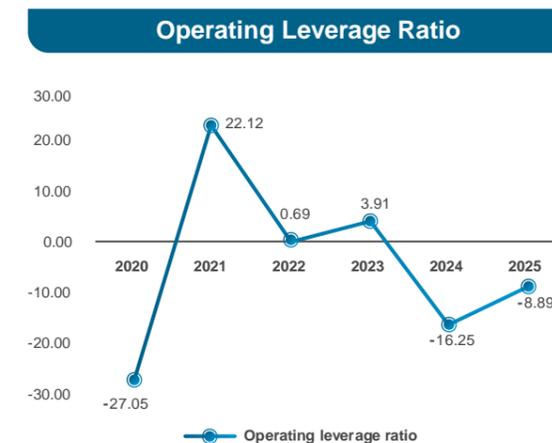
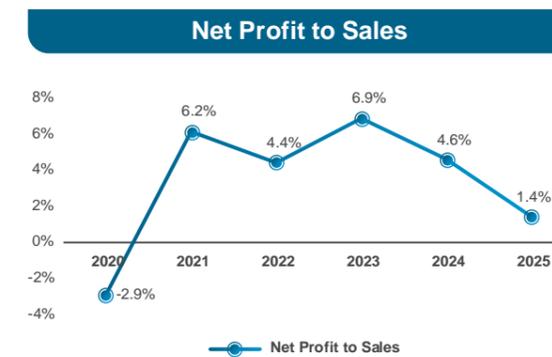


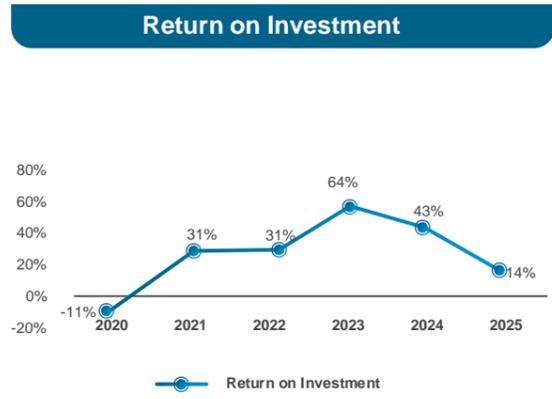
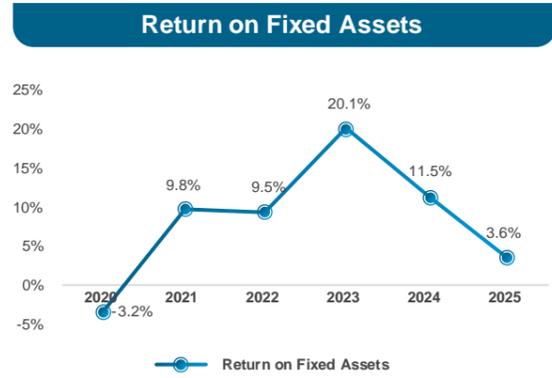
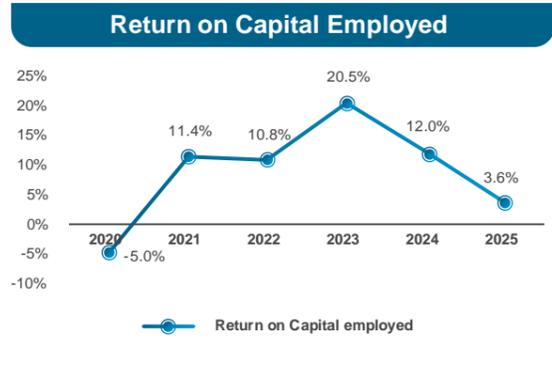
Property, Plant and Equipment Long Term Deposits Trade Debts
Stock-in-Trade Cash and Bank Balances Other Assets

ANALYSIS OF FINANCIAL STATEMENTS

	UoM	2025	2024	2023	2022	2021	2020
Profitability Ratios							
Gross Profit to Sales	%	11.5%	16.5%	23.8%	14.6%	16.4%	2.6%
Operating Profit to Sales	%	2.3%	7.8%	13.1%	9.6%	10.5%	-2.7%
Net Profit to Sales	%	1.4%	4.6%	6.9%	4.4%	6.2%	-2.9%
EBITDA Margin to Sales	%	6.4%	12.4%	15.4%	12.5%	14.7%	3.5%
Operating leverage ratio	times	(8.89)	(16.25)	3.91	0.69	22.12	(27.05)
Return on Equity / Shareholders' Funds	%	3.8%	11.5%	20.0%	11.7%	13.4%	-5.2%
Return on Capital employed	%	3.6%	12.0%	20.5%	10.8%	11.4%	-5.0%
Return on Investment	%	14%	43%	64%	31%	31%	-11%
Total Shareholder Return	%	182.5%	23.9%	6.5%	-31.7%	-0.7%	69.8%
Return on Fixed Assets	%	3.6%	11.5%	20.1%	9.5%	9.8%	-3.2%
Shareholders' Funds Ratio	%	42.6%	46.5%	41%	39%	43.4%	40.7%
Liquidity Ratios							
Current ratio	times	1.15	1.14	1.15	0.94	0.90	0.76
Quick ratio	times	0.66	0.63	0.66	0.46	0.47	0.52
Cash to Current Liabilities	times	0.03	0.07	0.11	0.04	0.01	0.01
Cash to Current Assets	times	0.02	0.06	0.10	0.04	0.01	0.02
Cash flow from Operations to Sales	times	0.07	0.10	0.12	0.13	0.10	0.09
Cash flow to capital expenditures	times	1.64	0.59	4.81	0.45	0.16	1.24
Cash flow coverage ratio	times	0.07	0.22	1.38	0.71	0.40	0.23
Activity/Turnover							
Inventory turnover ratio	times	4.48	4.09	3.76	4.26	5.48	5.99
No. of Days in Inventory	days	81	89	97	86	67	61
Debtor turnover ratio	times	5.87	5.92	6.81	7.25	8.06	5.74
No. of Days in Receivables	days	62	62	54	50	45	64
Creditor turnover ratio	times	3.12	2.57	2.51	3.36	4.03	2.86
No. of Days in Creditors	days	117	142	145	109	91	128
Operating Cycle	days	144	151	151	136	112	125
Cash conversion Cycle	days	27	9	5	27	21	-3
Total Assets turnover ratio	times	1.14	1.17	1.19	1.03	0.94	0.73
Fixed Assets turnover ratio	times	2.54	2.51	2.92	2.14	1.58	1.12
Market Ratios							
Market Value Per Share - at year end	Rs.	49.38	17.92	15.67	15.65	22.93	23.09
Market Value Per Share - high during the year	Rs.	49.38	24.24	17.39	28.36	28.17	23.76
Market Value Per Share - low during the year	Rs.	13.33	15.97	14.15	13.97	17.25	8.3
Cash Dividend per share	Rs.	0.5	1.25	1.50	1.00	0.00	0.00
Dividend Payout ratio	%	34.77%	28.76%	23.46%	32.19%	0.00%	0.00%
Dividend Yield ratio	%	1.01%	6.98%	9.57%	6.39%	0.00%	0.00%
Earnings per share (EPS)	Rs.	1.44	4.35	6.39	3.11	3.15	-1.06
Price Earnings ratio	times	34.34	4.12	2.45	5.04	7.28	-21.78
Price to Book ratio	times	0.56	0.22	0.20	0.23	0.42	0.46
Break-up value per share	Rs.	37.85	37.72	31.93	26.59	23.53	20.44
Break-up value per share - without surplus on revaluation	Rs.	23.97	23.84	21.42	16.08	13.02	9.93
Capital Structure Ratios							
Interest Cover/Time Interest earned ratio	times	2.86	6.35	8.54	6.27	10.98	-0.61
Weighted average cost of debt	%	13.3%	15.6%	16.0%	8.7%	4.6%	5.8%
Net Assets per share	Rs.	37.85	37.72	31.93	26.59	23.53	20.44
Financial leverage ratio	times	0.23	0.15	0.16	0.25	0.36	0.50
Debt to Equity ratio - as per book value	times	0.11	0.03	0.05	0.09	0.22	0.31
Debt to Equity ratio - as per market value	times	0.08	0.06	0.10	0.14	0.22	0.27
Non-Financial Ratios							
% of Plant Availability	%	77.7%	80.0%	81.1%	82.4%	71.4%	46.6%
Production per Employee	tons	40.62	43.23	51.39	51.94	47.01	36.51
Revenue per Employee (in millions)	Rs.	14.24	13.81	15.87	11.96	9.06	7.70
Staff turnover ratio	times	0.13	0.04	0.06	0.09	0.07	0.10
Spares Inventory as % of Assets Cost	%	2.3%	1.3%	1.0%	0.0%	0.0%	0.0%
Maintenance Cost as % of Operating Expenses	%	0.6%	3.6%	6.9%	6.4%	5.6%	3.9%
Customer Retention Ratio	%	100%	100%	100%	100%	100%	100%

PROFITABILITY RATIOS

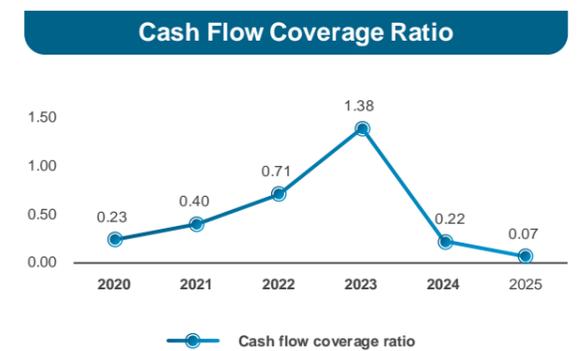
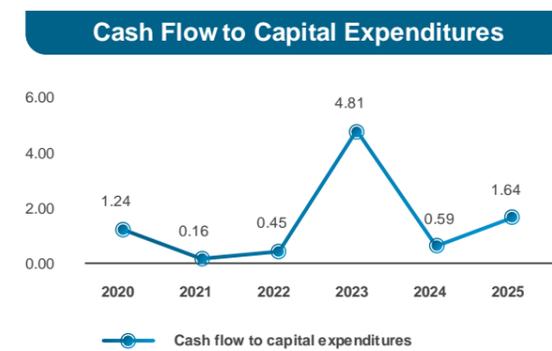
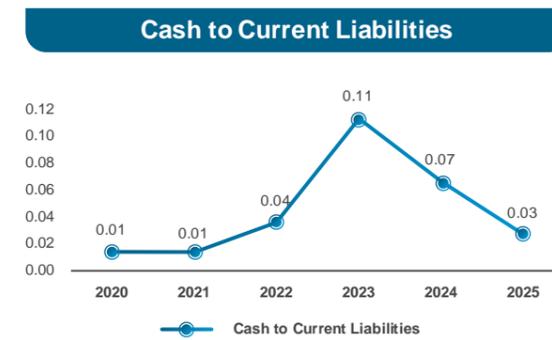
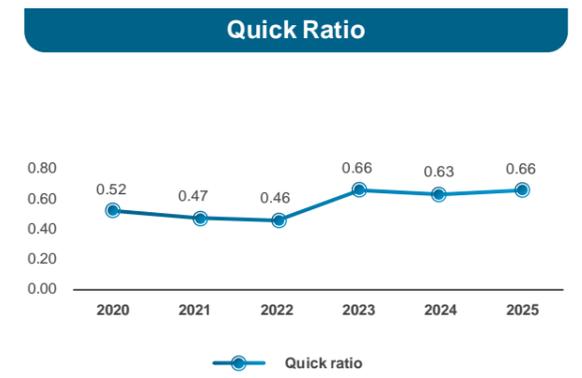
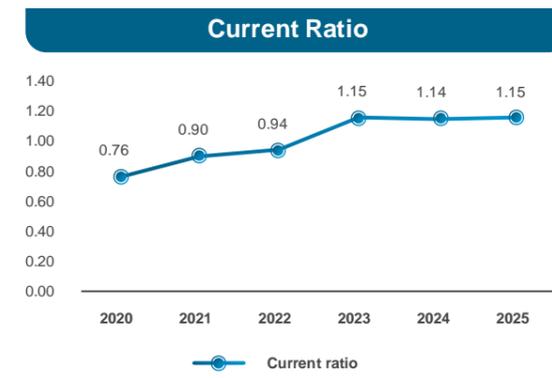




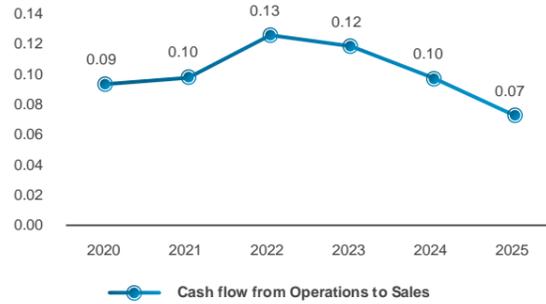
COMMENTS

Overall, the financial performance in 2025 reflects a challenging position in both profitability and operational efficiency compared to 2024, with the notable exception of Total Shareholder Return, which showed improvement. This is largely attributed to the significant rise in energy cost and increased inflationary pressures.

LIQUIDITY RATIOS



Cash Flow from Operations to Sales



COMMENTS

The liquidity ratios shows a sustained cash position to meet short-term liabilities in 2025 relative to 2024. The management regularly reviews the liquidity analysis proactively and takes measures to mitigate any adverse impacts. This proactive approach helps ensure the Company's financial stability and operational efficiency.

MARKET RATIOS

Market Value

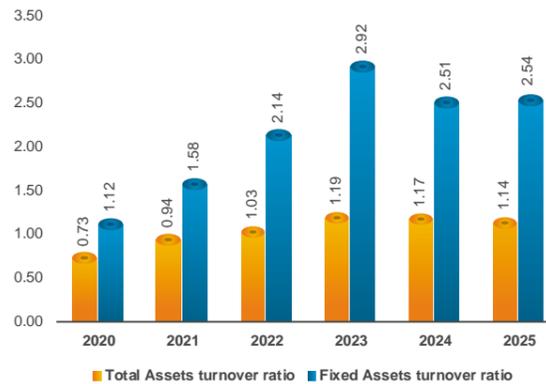


Earnings Ratio

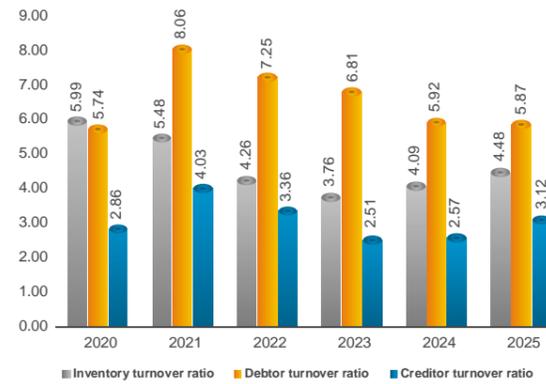


ACTIVITY/TRUNOVER RATIOS

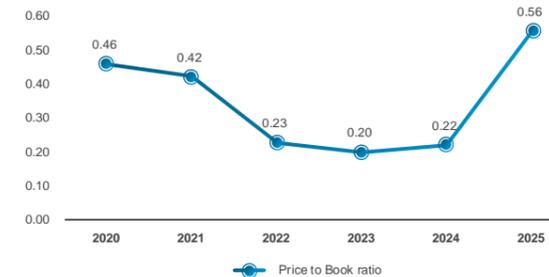
Turnover Ratios (in Times)



Working Capital Ratios (in Times)



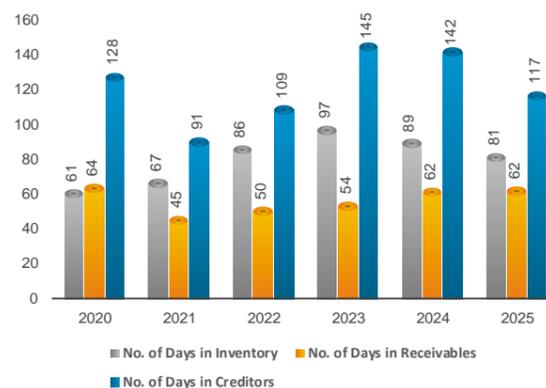
Price to Book ratio



EPS VS DPS



Working Capital Ratios (in Days)



COMMENTS

The Company has shown steady improvement in asset utilization, with the total assets turnover ratio rising from 0.73 in 2020 to 1.14 in 2025. Similarly, fixed assets turnover has more than doubled over the same period, indicating enhanced operational efficiency and better returns on capital investments.

Dividend Ratio



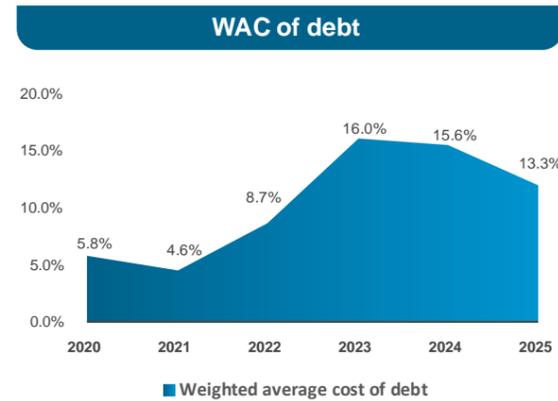
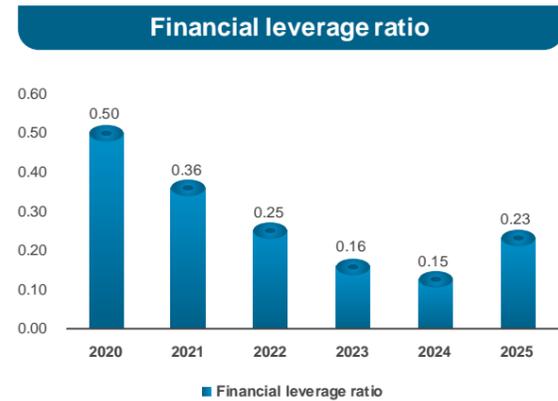
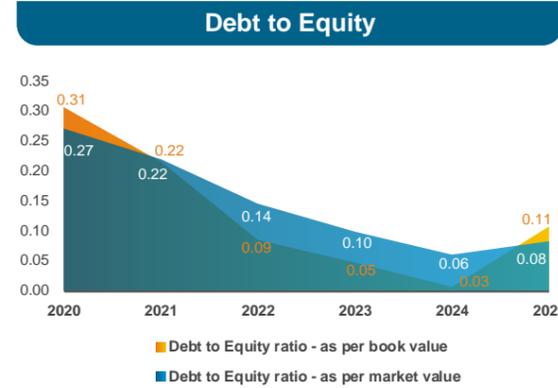
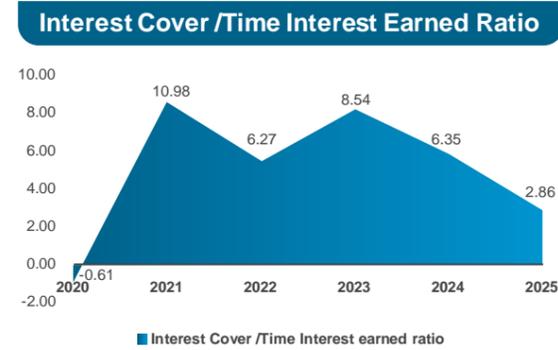
Break-up Value per Share



COMMENTS

In FY 2025, the Company's share price strengthened to Rs. 49.38. Rising P/E and P/B ratios indicate growing investor confidence and positive market sentiment. The decline in dividend yield is attributed to the substantial increase in share price during the year.

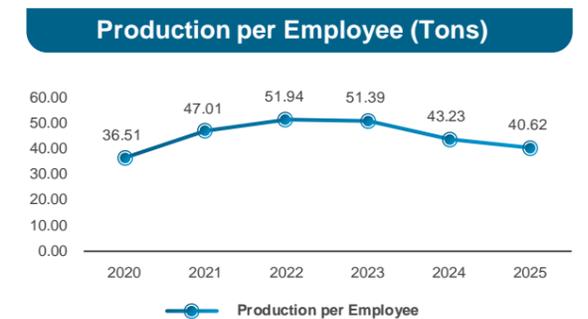
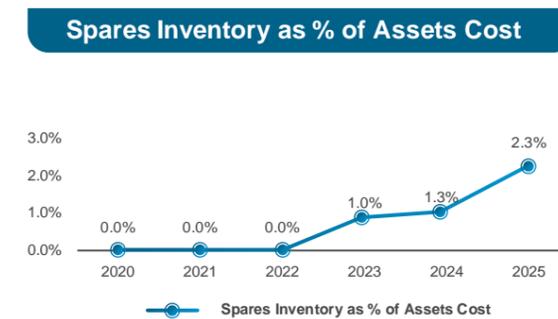
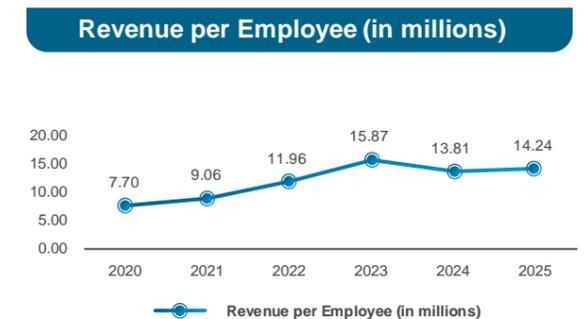
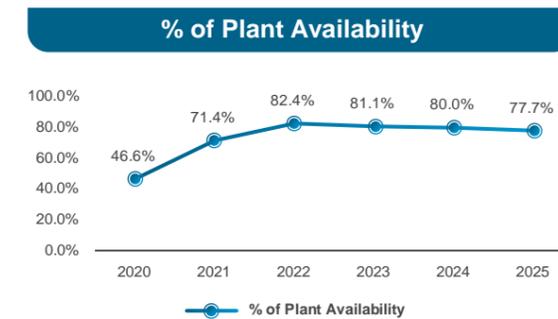
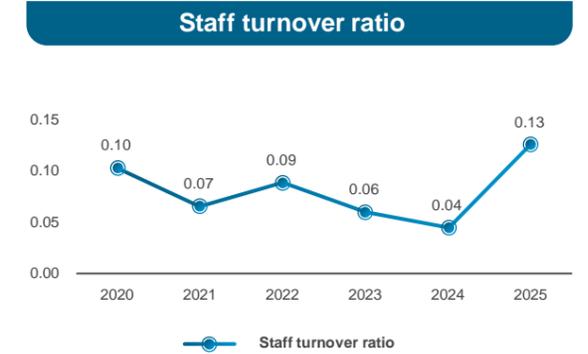
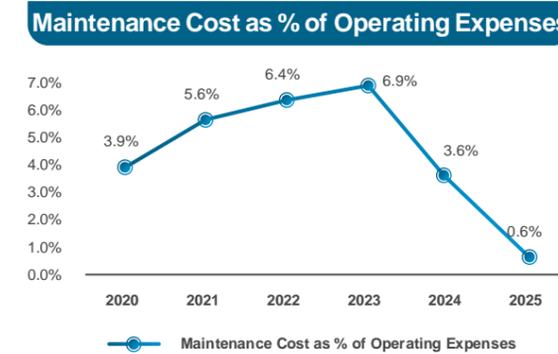
CAPITAL STRUCTURE RATIOS



COMMENTS

The Company has maintained a strong capital structure with consistently low debt-to-equity ratios and a declining financial leverage ratio, indicating prudent financial management. Net assets per share have steadily increased, reflecting enhanced shareholder value over the years

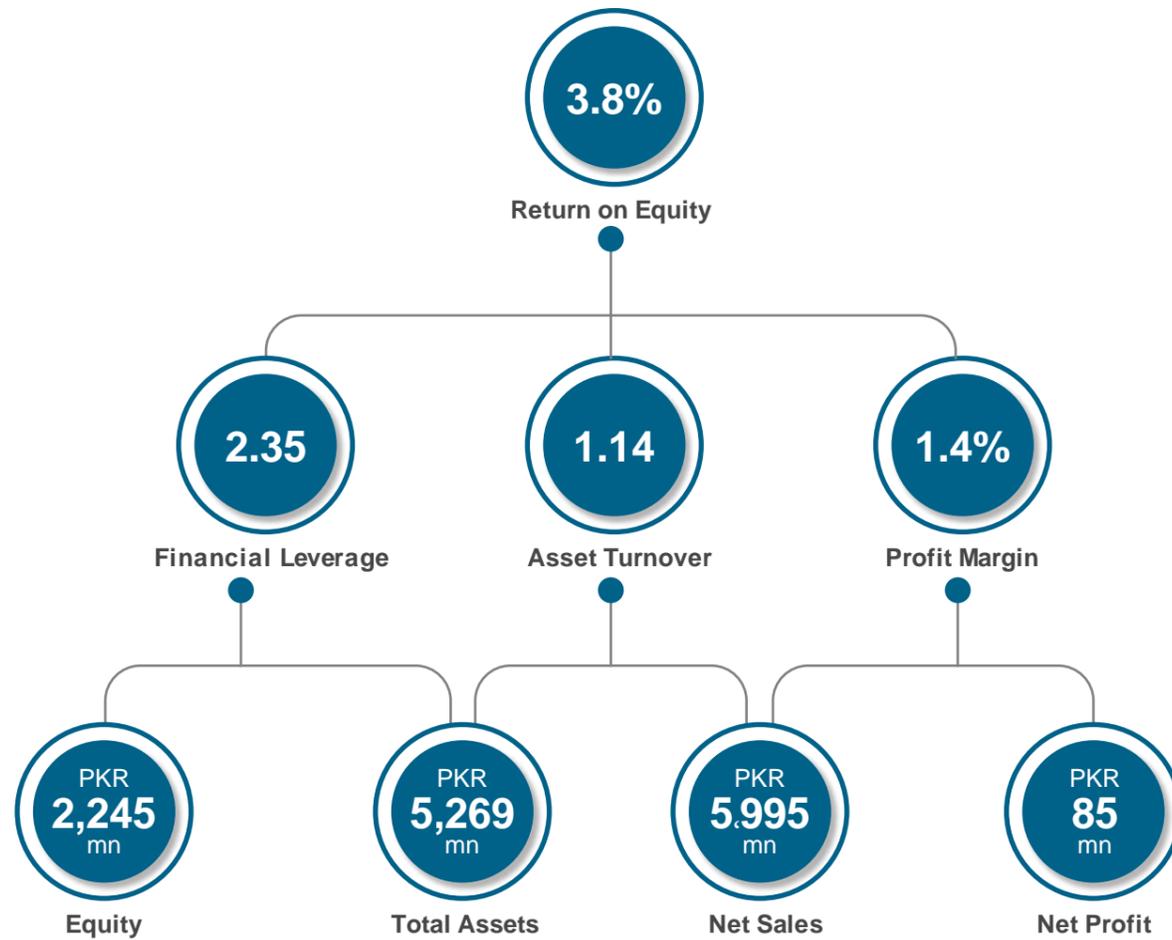
NON FINANCIAL RATIOS



COMMENTS

Operational efficiency remains strong, with consistent customer retention at 100% and rising revenue per employee, which reached Rs 14.24 million in 2025. Although plant availability saw a slight decline, staff turnover remains low.

DUPONT ANALYSIS



Year	Profit Margin	Assets Turnover	Financial Leverage	ROE
	(Net Profit/ Turnover)	(Turnover/ Total Assets)	(Total Assets/ Total Equity)	
	A	B	C	
2025	1.42%	1.14	2.35	3.8%
2024	4.59%	1.17	2.15	11.5%

FREE CASH FLOW

	2025	2024
Cash Flows From Operating Activities	120,405,814	271,249,950
Finance cost	103,141,397	124,683,430
Tax impact on Finance cost	(29,911,005)	(46,132,869)
	73,230,392	78,550,561
Capital Expenditures	(77,790,472)	(247,050,466)
Free Cash flow	<u>115,845,734</u>	<u>102,750,046</u>

ECONOMIC VALUE ADDED

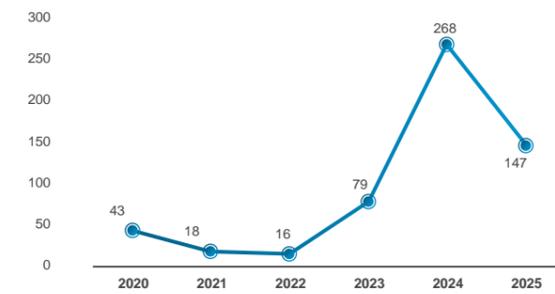
	2025	2024
	Figures in PKR Mn	
Net Income	85.3	257.7
Profit on islamic mode of financing	78.7	87.2
Net Operating Profit After Tax	164.0	344.9
Less: Cost of Capital		
WACC	12.11%	19.57%
Total Invested Capital	2,922.0	2,590.3
	(353.8)	(507.0)
Economic Value Added	<u>(189.8)</u>	<u>(162.7)</u>

Invested Capital		
Equity	2,244.6	2,237.0
LT Debt	204.8	16.7
ST Debt	472.6	336.6
Total Invested Capital	<u>2,922.0</u>	<u>2,590.3</u>

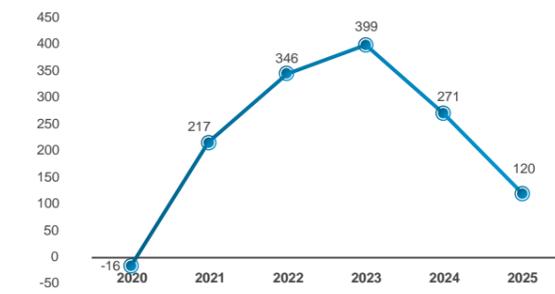
SUMMARY OF CASH FLOW

	2025	2024	2023	2022	2021	2020
Rupees						
Cash & cash equivalents - Opening	146,593,352	267,862,572	78,694,417	15,687,101	18,194,200	42,995,225
Net cash flows from Operating activities	120,405,814	271,249,950	399,484,291	346,294,426	216,928,343	(16,490,770)
Net cash flows (used in) Investing activities	(77,790,472)	(247,050,466)	(66,223,311)	(173,365,856)	(96,508,554)	(14,636,362)
Net cash flows (used in) / generated from Financing activities	(124,117,457)	(145,468,704)	(144,092,825)	(109,921,253)	(122,926,888)	6,326,109
Changes in cash & cash equivalents	(81,502,115)	(121,269,220)	189,168,155	63,007,316	(2,507,099)	(24,801,023)
Cash & cash equivalents - Closing	65,091,237	146,593,352	267,862,572	78,694,417	15,687,101	18,194,200

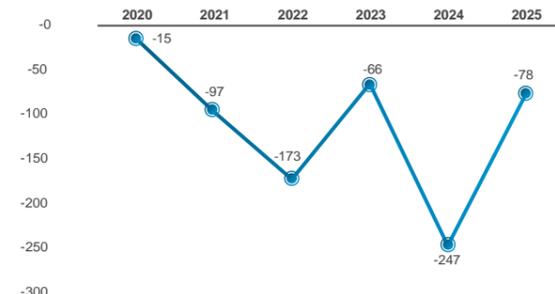
Opening Cash Flow (in millions)



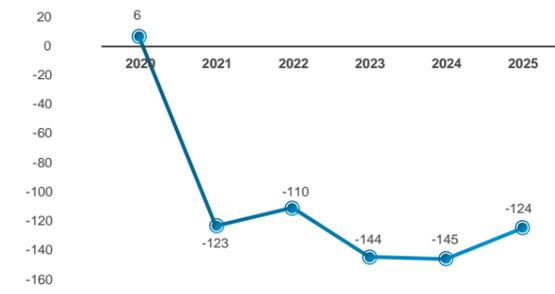
Net Operating Cash Flow (in millions)



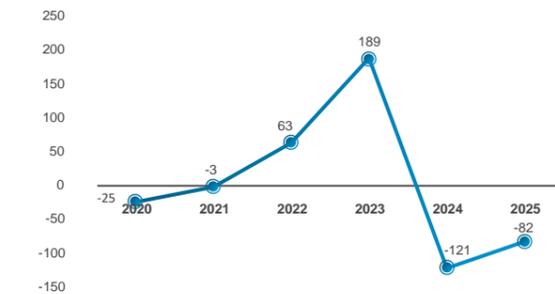
Net Investing Cash Flow (in millions)



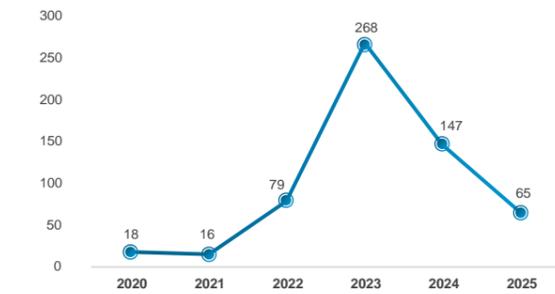
Net Financing Cash Flow (in millions)



Changes in Cash and Cash Equivalents (in millions)



Closing Cash Flow (in millions)



STATEMENT OF CASH FLOWS DIRECT METHOD

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from customers	6,997,523,487	6,612,862,298
Cash paid for materials	(3,062,970,015)	(3,090,081,610)
Cash paid for stores & spares	(185,021,779)	(237,336,174)
Cash paid to employees	(705,869,320)	(372,744,569)
Cash paid for utilities	(917,195,802)	(767,638,547)
Cash paid for transportation, travelling	(164,847,057)	(171,828,334)
Cash paid for license fee	(63,153,021)	(51,132,049)
Finance costs paid	(110,959,023)	(91,187,498)
Income and sales tax paid	(1,283,215,453)	(1,262,567,014)
Others	(383,886,204)	(297,096,553)
Net cash generated from operating activities	120,405,814	271,249,950
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed assets expenditure	(67,837,364)	(233,461,707)
Proceeds from disposal of fixed assets	28,046,892	6,411,241
Investment in term deposit receipts	(38,000,000)	-
Additions in intangibles	-	(20,000,000)
Net cash used in investing activities	(77,790,472)	(247,050,466)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of diminishing musharika	(31,545,878)	(41,652,565)
Payment of lease liabilities	(18,805,041)	(15,220,492)
Dividend paid	(73,766,538)	(88,595,647)
Net cash used in financing activities	(124,117,457)	(145,468,704)
Net decrease in cash and cash equivalents	(81,502,115)	(121,269,220)
Cash and cash equivalents at the beginning of the year	146,593,352	267,862,572
Cash and cash equivalents at the end of the year	65,091,237	146,593,352

SEGMENTAL REVIEW OF PERFORMANCE

The Company operates as a single, integrated business unit, with all operations being closely interrelated and managed centrally. As such, there are no separate business divisions or geographical segments that operate independently or require distinct financial reporting.

Given the unified nature of the Company's operations, a segmental analysis of revenue, results, profit before tax, or segment-specific assets and liabilities has not been presented. All activities contribute collectively to the Company's overall performance, and management monitors the business as one cohesive entity.

LOCAL VERSUS IMPORTED MATERIAL AND SENSITIVITY ANALYSIS

Macpac Films Ltd. produces BOPP and CPP films using a combination of locally sourced and imported raw materials. The key input in the production process is imported polypropylene resin, which is procured from international suppliers.

During the current financial year, imported raw materials accounted for approximately 57.1% of the total cost of goods sold. A fluctuation of PKR 100 per ton in the price of polypropylene resin has a corresponding impact of PKR 57.1 per ton on the Company's overall production cost.

As a result, the Company's cost of sales is sensitive to foreign currency movements. A 10% fluctuation in exchange rates would lead to an estimated 5.71% change in cost of sales, while a 20% fluctuation would result in an approximate 11.41% impact.

Macpac Films Ltd. is therefore moderately sensitive to foreign currency fluctuations. Management continuously monitors international resin prices and exchange rate trends and takes timely measures to mitigate adverse effects on cost and profitability.

SHARE PRICE SENSITIVITY ANALYSIS

SHARE PRICE SENSITIVITY GRAPH



MACPAC FILMS LIMITED SHARES SYMBOL: (MACFL) are traded on Pakistan Stock Exchanges, with a free float of 32.6% and market capitalization at the end of the fiscal year of PKR 2,928 million. There are many factors that might positively or adversely affect the share price of the Company, a few of which are listed below:

STOCK MARKET: The share price depends on overall market performance, investor confidence and the fundamentals of the economy. Positive sentiments and news flows prevailing in the market may result in an appreciation of the share price of the Company.

COMMODITY PRICES: The Company's performance is mainly dependent upon the availability of raw material and any fluctuation in major input price (raw material tariffs, power and overhead) can positively or negatively affect the margins and the EPS, which in turn can drive the market share price upwards or downwards.

REGULATIONS AND GOVERNMENT POLICIES: The share price is also sensitive to any changes in policies by the government and regulatory authorities. Policies, specific to the packaging sector and overall business activities, may affect the market share price either positively or negatively, depending on whether the policy is in favor of or against the industry.

EXCHANGE RATE: The volatility in currency exchange rates can also affect the market share price as the Company is involved in both exports and imports (exports of BOPP and imports of raw materials). The margins can be affected positively or adversely.

POLITICAL STABILITY: A stable political situation in the Country improves the industry and investor confidence and encourages foreigners to invest in local companies, which may have a positive impact on share price and vice versa.

MARKET SHARE OF MACFL

Macpac Films Ltd. (MACFL) holds a notable position in the local flexible packaging industry, specifically in the production of BOPP (Biaxially Oriented Polypropylene) and CPP (Cast Polypropylene) films.

During the year, the Company achieved a market share of approximately 6.2% in BOPP films and 12.8% in CPP films, based on total estimated industry capacity. The Company continues to focus on strengthening its market presence through operational efficiency, consistent product quality, and customer-centric service.

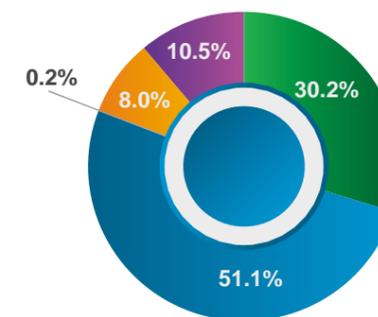
CEO VIDEO MESSAGE

CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook is available on <https://macpacfilms.net/ceo-video-message/>

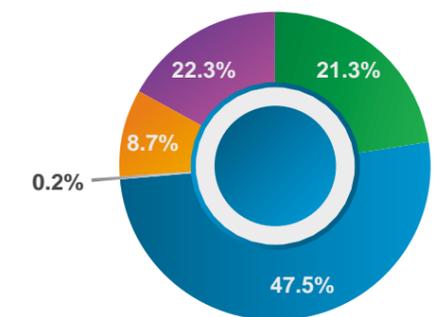
STATEMENT OF VALUE ADDED

	2025 PKR In '000'	%	2024 PKR In '000'	%
WEALTH GENERATED				
Gross Sales/ Revenues	7,122,861		6,652,443	
Bought-in-material and services	(4,839,454)		(4,074,058)	
	2,283,407	100.0%	2,578,385	100.0%
WEALTH DISTRIBUTION				
To Employees				
Salaries, benefits and other costs	688,823	30.2%	548,306	21.3%
To Government				
Income tax, sales tax, excise duty and others	1,167,103	51.1%	1,225,270	47.5%
To Society				
Donation towards education, health and environment	3,980	0.2%	4,630	0.2%
To Providers of Capital				
Dividend to shareholders	74,126	3.2%	88,952	3.4%
Markup / Interest expenses on borrowed funds	109,624	4.8%	135,119	5.2%
To Company				
Depreciation, amortization, retained profit & surplus	239,750	10.5%	576,108	22.3%
	2,283,407	100.0%	2,578,385	100.0%

WEALTH DISTRIBUTION - 2025
(PERCENTAGE)



WEALTH DISTRIBUTION - 2024
(PERCENTAGE)



■ To Employees ■ To Government ■ To Society ■ To Providers of Capital ■ To Company



BUSINESS MODEL

DESCRIPTION OF BUSINESS MODEL 2025

Inputs:

Macpac Films Limited, a manufacturer of Biaxially Oriented Polypropylene (BOPP) films & Cast Polypropylene (CPP) in Pakistan, relies on several key inputs to deliver high-quality products to its customers:

- 

Raw Materials:
The primary raw materials include polypropylene resin and other additives. These raw materials are sourced mainly from international suppliers to maintain high product quality and consistency.

01
- 

Human Resources:
A skilled workforce comprising engineers, machine operators, quality control experts, and administrative staff is essential for smooth operations.

02
- 

Technology & Machinery:
Macpac Films Ltd uses advanced machinery and technologies, including film stretching and extrusion systems, essential for BOPP and CPP film production. The addition of thermal extrusion coating and metallization capabilities has expanded its value-added product line, placing the Company in a blue ocean with minimal competition. The implementation of SAP S/4 HANA has enhanced operational efficiency, financial reporting, inventory control, cost management, and supply chain performance, while offering a scalable platform for future growth.

03
- 

Energy:
Reliable energy sources are vital to our manufacturing operations. To mitigate energy dependence and environmental impact, the Company has invested in a solar power plant at production facility and head office, ensuring energy self-sufficiency, reducing carbon emissions and optimizing operational efficiency.

04
- 

Financial Capital:
Focus on sufficient working capital, investments in new technologies, and maintaining adequate liquidity to fund operations, innovation, and expansion.

05

Business Activities:

Macpac Films Limited undertakes the following core business activities:

- 

Procurement & Supply Chain Management:
Raw materials are procured from a global network of suppliers to ensure consistency and quality in production. The supply chain team manages logistics and inventory to avoid disruptions in the production process.

01
- 

Production:
Using high-end machinery, the polypropylene resin undergoes a process of extrusion, stretching, and coating to produce BOPP & CPP films with varied thickness, clarity, and tensile strength, depending on customer requirements.

02
- 

Research & Development (R&D):
Continuous R&D initiatives focus on developing new film types, improving product quality, and enhancing production efficiency. This includes innovation in eco-friendly films, which align with global trends toward sustainability.

03
- 

Quality Control:
Rigorous quality control measures are followed at every stage of production to meet international standards, ensuring the films meet the strict specifications of clients across various industries, such as food packaging, labeling, and industrial packaging.

04
- 

Sales & Marketing:
Macpac Films Ltd's sales team is responsible for building and maintaining strong relationships with customers across Pakistan and internationally. Marketing efforts emphasize product value, innovation, and sustainability to strengthen brand reputation and customer loyalty. To support regional outreach and responsiveness, the Company has also established dedicated sales offices for the North region.

05
- 

Distribution & Logistics:
The finished products are seamlessly distributed to customers via well-established logistic networks. Exporting products also requires compliance with international trade regulations and packaging standards.

06

Outputs:

The primary outputs of Macpac Films Limited include:

Biaxially Oriented Polypropylene (BOPP) & Cast Polypropylene (CPP) Films:
These are the Company's main products and are offered in various grades, including transparent, opaque, and metalized films. These films are used for packaging, labeling, and lamination across different industries, including FMCG (fast-moving consumer goods), pharmaceuticals, and more.

01

Custom Films:
Macpac Films Ltd offers specialized films tailored to customer needs, including high-barrier options for food packaging and eco-friendly solutions. The addition of thermal extrusion coating enhances customization, enabling advanced lamination, improved barrier properties, and greater design flexibility.

02

Outcomes

The business outcomes reflect the overall success and impact of the business model, which include:

Revenue Growth:
The production and sale of high-quality BOPP films continue to drive steady revenue growth for Macpac Films Limited in both domestic and international markets. The Company is optimizing its revenue and product mix by focusing on value-added films, including those enhanced through thermal extrusion and metallization, to improve margins and strengthen its market position.

01

Customer Satisfaction:
High-quality, customized products, timely delivery, and strong customer service have helped in building long-term relationships with key clients, enhancing the Company's reputation.

02

Market Expansion:
Continuous investment in product innovation and market research has allowed Macpac Films Limited to expand its footprint into international markets, diversifying revenue streams.

03

Sustainability:
With growing awareness around sustainability, Macpac Films Limited is exploring opportunities and eco-friendly packaging films. This not only aligns with global trends but also opens up new markets and customer segments.

04

Operational Efficiency:
Ongoing investments in technology, automation, and process optimization have reduced production costs and improved overall operational efficiency, contributing to higher profitability.

05

MATERIAL CHANGES IN BUSINESS MODEL 2025

Several material changes in Macpac Films Limited's business model occurred during the fiscal year 2025, reflecting strategic adaptation and market alignment:

Investment in Thermal Extrusion and Metallization Technologies
In 2025, Macpac Films Limited began commercial production using Pakistan's first advanced thermal extrusion coating machine, significantly expanding its value-added product portfolio. This technology enables enhanced lamination, barrier properties, and design flexibility, placing the Company in a "blue ocean" market with minimal direct competition.

01

Integration of AI and Machine Learning
The Company is leveraging AI and machine learning to optimize internal processes. These technologies support predictive analytics, reduce waste, and enhance operational efficiency.

02

Sustainability and ESG Commitment
Macpac Films Limited supports recycling initiatives for post-industrial and post-consumer plastic waste. This aligns with its broader ESG goals and the United Nations Sustainable Development Goals (UNSDGs), particularly around responsible consumption and production.

03



DISCLOSURES ON
**IT GOVERNANCE
& CYBERSECURITY**

BOARD'S COMMITMENT TO INTERNAL AND IT CONTROLS

The Board of Directors of Macpac Films Limited acknowledges its overall responsibility for ensuring that the Company maintains a sound system of internal controls, including IT and digital controls, to safeguard shareholder interests and protect the Company's assets.

The system of internal controls is designed to provide reasonable assurance regarding the achievement of strategic, operational, financial reporting, and compliance objectives. These controls include:

- **Financial and Operational Controls:** Policies and procedures ensuring accuracy, completeness, and reliability of financial and operational reporting.
- **Compliance Controls:** Mechanisms to ensure adherence to applicable laws, regulations, codes of corporate governance, and internal policies.
- **Risk Management Controls:** Frameworks to identify, evaluate, and mitigate risks across business and technology domains.
- **IT Controls:** Including system access management, segregation of duties, data security and disaster recovery measures.

The Board reaffirms its commitment to continuously enhancing the Company's control environment to meet evolving risks and technological advancements.

BOARD'S STATEMENT ON IT GOVERNANCE, CYBER SECURITY, AND ARTIFICIAL INTELLIGENCE (AI) STRATEGY

The Board of Directors recognizes the critical importance of IT governance, cybersecurity, and Artificial Intelligence (AI) in driving sustainable business growth and protecting stakeholder interests.

Policies & Controls:

Macpac Films Limited has implemented IT frameworks covering system access controls, data encryption, network security and secure software development. These policies are periodically reviewed and updated to remain responsive to evolving cyber threats and industry-specific requirements.

Data Privacy & Compliance:

The Company remains fully compliant with requirements relating to data privacy, cyber laws, and the responsible use of AI.

Incident Response & Engagement:

In the event of a data breach or cyber incident, the management promptly addresses the situation and will timely inform the Board.

IT GOVERNANCE AND CYBER SECURITY

Macpac Films Limited recognizes that robust IT governance and cybersecurity are critical to sustaining business continuity, maintaining stakeholder trust, and ensuring compliance with evolving regulatory and industry requirements. The Company has therefore developed a framework of programs, policies, and procedures designed to manage digital risks effectively and to strengthen its resilience against cyber threats.

CONTINUOUS IMPROVEMENT AND STRATEGY

- o The Company conducts periodic employee awareness and training programs to instill a culture of cyber vigilance.
- o Emerging technologies, including Artificial Intelligence (AI) and data analytics, are evaluated to ensure their adoption supports business growth while maintaining security and ethical standards.

ADVANCEMENTS IN DIGITAL TRANSFORMATION AND INDUSTRY 4.0 ADOPTION

In alignment with the Fourth Industrial Revolution (Industry 4.0), Macpac Films Limited has embraced a digital transformation journey that leverages technologies to drive innovation, transparency, and sustainable value creation. The Company has strategically deployed Artificial Intelligence (AI), Data Analytics, and Cloud Computing across key functions, enabling smarter decision-making, greater efficiency.

These digital advancements not only strengthen operational performance but also reinforce corporate governance and transparency, ensuring stakeholders receive timely, accurate, and reliable information.

CYBERSECURITY EDUCATION AND TRAINING INITIATIVES

Macpac Films Limited places emphasis on educating and through awareness campaigns and trainings to mitigate cybersecurity risks, recognizing that employees are the first line of defense against cyber threats.

Through these efforts, Macpac Films Limited ensures that cybersecurity awareness becomes an integral part of organizational culture.

ENTERPRISE RESOURCE PLANNING (ERP) IMPLEMENTATION AND OVERSIGHT

The Board of Directors of Macpac Films Limited recognizes the pivotal role of technology in driving operational excellence and governance. In this regard, the Company has successfully adopted the SAP Enterprise Resource Planning (ERP) system, a strategic initiative aimed at modernizing and integrating its core business processes.

a) Integration of Core Business Processes

The SAP ERP system has been carefully designed to unify and manage key functions — including Finance, Human Resources, Procurement, Supply Chain, Production, Sales, and Inventory Management — within a single integrated platform. This consolidated structure ensures real-time visibility, streamlined workflows, and cross-functional coordination, thereby enhancing operational efficiency and data accuracy across the organization.

b) Board and Management Oversight

The implementation and continuous optimization of the ERP system are fully supported by the Board of Directors and senior management, who provide oversight to ensure alignment with the Company's strategic objectives. Regular updates and enhancements are pursued to incorporate automation, digital best practices, and evolving business needs.

c) User Training and Adoption

Recognizing that user adoption is key to ERP success, Macpac Films Limited has invested in comprehensive training programs for employees across all relevant departments. Training includes structured onboarding sessions, refresher courses, and continuous learning initiatives designed to equip staff with the skills to fully utilize new functionalities. This approach fosters efficiency, adaptability, and effective change management.

d) Risk Management and Internal Controls

To safeguard against risks associated with ERP implementation and operation, the Company has instituted a robust governance framework. This includes regular audits, risk assessments, and embedded internal controls that ensure process integrity, compliance with applicable regulations, and continuity of operations. The governance framework ensures that risk factors are proactively identified, mitigated, and reported.

e) Security, Data Privacy, and Segregation of Duties

Macpac Films Limited places the highest importance on system security and data protection. The ERP platform incorporates role-based access controls, user authorization protocols, and segregation of duties to safeguard sensitive information and prevent unauthorized or conflicting transactions. Access rights are subject to continuous monitoring and periodic review, ensuring strict compliance with both internal policies and industry standards.

Through this ERP framework, Macpac Films Limited reinforces its commitment to transparency, operational excellence, and governance, ensuring that the ERP system remains a resilient and value-adding tool in the Company's journey toward digital transformation.

BOARD'S STATEMENT ON BUSINESS CONTINUITY AND DISASTER RECOVERY

Business continuity plan is a process of creating systems and strategies to ensure that an organization can continue critical operations during and after disruptions such as disasters, cyber attacks or system failures. Macpac Films Limited is committed to ensuring uninterrupted operations and long-term resilience in the face of unforeseen disruptions. To this end, the Company has instituted a Business Continuity and Disaster Recovery Plan.





FUTURE
OUTLOOK

FORWARD-LOOKING STATEMENT

Macpac Films Limited remains dedicated to strengthening its market position through innovation, operational efficiency, and strategic investments in value-added products. Despite ongoing challenges including elevated energy costs and inflationary pressures, the Company is focused on diversifying its product portfolio and enhancing sustainability initiatives, such as improving energy efficiency and exploring cleaner energy sources.

The successful commissioning of the new thermal extrusion coating facility in the last quarter of FY 2025 marks a significant milestone, enabling entry into advanced lamination solutions with limited competition domestically. This strategic asset is expected to enhance our product offering and support future growth.

The Company anticipates that macroeconomic stability in Pakistan, supported by fiscal discipline and strong foreign exchange reserves, will create a conducive environment for business. Nevertheless, uncertainties related to energy pricing and global market dynamics will require continued vigilance and agility.

Macpac Films Limited's management remains confident that focused investments in human capital, technology, and operational excellence will unlock sustainable growth opportunities and create long-term value for shareholders.

PERFORMANCE OF THE COMPANY COMPARED TO LAST YEAR'S DISCLOSURES

Macpac Films Limited projected a sustained focus on value-added products, operational efficiencies, and strategic investments to mitigate the impact of a challenging macroeconomic environment. These challenges included persistent inflationary pressures and rising energy costs, which were expected to weigh on the Company's profitability and cost structures.

During FY 2025, the Company's actual performance remained largely in alignment with these projections. As anticipated, Macpac continued its strategic shift toward value-added products, which was exemplified by the successful commissioning of the thermal extrusion coating facility in the final quarter of FY 2025. This development directly corresponds with the previously disclosed plan to invest in advanced manufacturing capabilities, aimed at strengthening the product portfolio and enhancing market competitiveness.

The Company also demonstrated its ability to maintain market presence and foster strong customer relationships, which were outlined as objectives in the prior year's disclosures. Sales volumes remained stable at 15,292 metric tons, only marginally lower than the 15,804 metric tons recorded in FY 2024. This performance reflects the Company's focus on customer retention and consistent service quality, which enabled it to uphold its market position.

Overall, the actual outcomes of FY 2025 indicate that Macpac Films Limited delivered in accordance with the strategic direction outlined in its prior year's forward-looking statements. The alignment between projected and realized performance, particularly in terms of strategic investments, product focus, and market retention, highlights the Company's disciplined execution and resilience in navigating a complex and volatile business environment.

STATUS OF PROJECTS

The commissioning of the thermal extrusion coating machine, was successfully completed and became operational in the last quarter of FY 2025. This project represents a strategic investment that expands Macpac Films Limited's product capabilities, particularly in advanced lamination solutions. Ongoing initiatives to improve energy efficiency and reduce costs are in progress, including exploring renewable energy options, which align with the Company's commitment to sustainability and long-term operational resilience.

Other routine maintenance activities were undertaken during the year to enhance operational efficiency and equipment reliability, which temporarily impacted production volumes but are expected to benefit long-term performance.

SOURCES OF INFORMATION / ASSUMPTIONS

The information and assumptions presented are based on the current economic and business environment, as well as the Company's internal risk assessments. Data is sourced from a combination of internal departments, including manufacturing, technical, and supply chain, and external advisors such as legal, technical, and financial consultants. This information is regularly reviewed to ensure timely and informed decision-making. Additionally, the Company maintains ongoing monitoring of both domestic and global economic trends and actively engages with suppliers, customers, and industry experts to continuously refine its strategies and forecasts.

AI AND THE INTELLIGENT ENTERPRISE

At Macpac Films Limited, we view technology as a driver of growth and resilience. Following our achievement of implementing RISE with SAP S/4HANA, we are now preparing for the next frontier of our digital journey: Artificial Intelligence (AI) and Machine Learning (ML).

Over the past year, Macpac has strengthened its digital backbone, creating a solid foundation for the integration of Artificial Intelligence (AI) across operations, intelligence, and customer engagement.

Our AI roadmap is designed to unlock new levels of operational excellence, quality assurance, and business agility.

Manufacturing Excellence: AI-powered visual inspection and machine learning algorithms are being deployed to detect defects earlier, optimize production parameters, and predict equipment maintenance needs before downtime occurs. These initiatives are translating into higher yields, reduced waste, and enhanced customer satisfaction.

Business Intelligence: We are advancing towards AI-enabled forecasting, predictive cost modeling, and dynamic scenario planning to support smarter, data-driven decision-making.

Customer Experience: Through AI-driven insights, we are developing the ability to deliver more tailored solutions, build stronger partnerships, and respond proactively to the evolving needs of our customers and industry.

Looking ahead, AI will be a cornerstone of Macpac’s long-term strategy. By embedding machine learning into the way we operate and innovate, we are not only reinforcing our leadership in cost efficiency and quality but also positioning Macpac Films as a pioneer in intelligent, sustainable packaging solutions.

The team is committed to future-proofing our business and creating enduring value for our shareholders, customers, and communities through the responsible and innovative use of technology.

RESEARCH & DEVELOPMENT INITIATIVES

Macpac Films Ltd continues to place strong emphasis on research and development (R&D) to foster innovation and strengthen its position in the flexible packaging industry, with a particular focus on Biaxially Oriented Polypropylene (BOPP), Cast Polypropylene (CPP), and now Thermal Lamination Films.

The Research & Development department at Macpac Films consistently explores materials and film technologies to meet the dynamic needs of the packaging sector. This year, a major breakthrough was achieved with the introduction of Thermal Lamination Films, the first of its kind produced in Pakistan, designed to provide a protective layer on printed materials thus enhancing their shelf lives and providing a luxurious aesthetic appeal for its end users. These include Gloss, Matt and Metallized finishes that can be laminated on other film and paper products. Another addition to MFL’s BOPP product portfolio is the Heat Resistive Film which can withstand higher temperature ranges without losing its structural integrity or performance.





**STRENGTH IN EVERY
FILM, INNOVATION IN
EVERY LAYER**



**STAKEHOLDER
RELATIONSHIP &
ENGAGEMENT**

STAKEHOLDER ENGAGEMENT POLICY, PROCESS AND FREQUENCY

At Macpac Films Limited, we recognize the importance of maintaining strong relationships with our stakeholders. Our approach to stakeholder engagement is guided by our stakeholder engagement policy, which ensures transparency, accountability, and long-term value creation. This policy outlines how we identify stakeholders, engage with them, and integrate their insights into business decisions.

Identification of Stakeholders

Stakeholders are identified based on their influence, interest, and impact on the Company's operations. Key groups include:

- o Employees
- o Shareholders and Investors
- o Customers
- o Suppliers and Business Partners
- o Regulators and Government Bodies
- o Communities

Engagement Approach and Practices

Macpac Films Limited adopts a proactive approach to stakeholder engagement, ensuring that their views, concerns, and expectations are considered in decision-making. Our engagement practices include:

- Employees: Regular meetings, surveys, and open forums fostering inclusivity and collaboration.
- Shareholders: Annual general meetings, financial reports, investor briefings, and corporate updates.
- Customers: Feedback surveys and direct communication to enhance products and services.
- Suppliers: Ongoing collaboration for sustainable and ethical business practices.
- Regulators and Government Bodies: Consultations and industry forums ensuring regulatory compliance.
- Communities: Social and environmental initiatives supporting local development.

Engagement Frequency

Macpac Films Limited held two (02) corporate briefing sessions during the year, providing stakeholders with updates on business performance, strategy, and governance.

Impact on Performance and Value

Our stakeholder relationships directly influence the Company's ability to deliver sustainable growth. Regular engagement enhances employee morale, improves customer loyalty, secures reliable supplier partnerships, and fosters community goodwill. For shareholders, transparent communication builds trust and ensures confidence in governance practices. Moreover, strong regulatory compliance minimizes risks and reinforces our reputation in the industry.

Ongoing Commitment

Macpac Films Limited remains committed to continuously strengthening its stakeholder engagement processes. By prioritizing open communication and long-term collaboration, we ensure that stakeholder trust remains a cornerstone of our business, ultimately driving performance, resilience, and sustainable value creation.

BOARD OVERSIGHT OF STAKEHOLDER ENGAGEMENT

The Board of Directors of Macpac Films Limited actively oversees stakeholder engagement to ensure that the Company's strategies and operations reflect stakeholder interests. During the year, the Board facilitated two corporate briefing sessions, held on November 13, 2024, and February 27, 2025, inviting investors and analysts through PUCARS, the Company website, and social media platforms. These sessions provided a forum for transparent communication on business performance, strategic initiatives, and governance matters, enabling the Board to directly understand stakeholder perspectives.

Following each session, the Investor Relations team prepared detailed summaries capturing key questions, feedback, and insights from analysts. These summaries were reviewed by senior management and escalated to the Board, allowing directors to gauge market perceptions, investor concerns, and stakeholder expectations, and to make informed strategic decisions.

Investors' Relations and Digital Access

To ensure ongoing transparency and timely communication, the Company maintains a dedicated Investors' Relations section on its corporate website. This platform provides stakeholders with easy access to key information, including notices, announcements, shareholder queries, complaints, and audited annual reports, supporting informed decision-making and engagement throughout the year. Through these initiatives, the Board ensures continuous engagement, fosters trust, and strengthens alignment between the Company's strategic decisions and stakeholder expectations.

CORPORATE BRIEFING SESSIONS SUMMARIES

During the year under review, Macpac Films Limited conducted two corporate analyst briefing sessions on November 13, 2024, and February 27, 2025. These sessions were organized to provide analysts, investors, and stakeholders with a clear understanding of the Company’s financial performance, operational achievements, and future outlook.

Key Highlights Presented:

- A review of the Company’s financial results, including revenue trends, profitability, and cash flow management.
- Updates on operational performance, covering production efficiency, supply chain resilience, and cost optimization measures.
- Discussion of the business outlook, including market demand, industry challenges, and opportunities for growth.
- Insights into ongoing strategic initiatives, such as sustainability efforts, digital transformation, governance enhancements, and investment in capacity building.

Stakeholder Feedback and Discussions:

Participants sought further clarity on revenue growth drivers, cost management strategies, raw material pricing trends, and long-term expansion plans. Queries were also raised on the Company’s approach toward risk management, sustainability commitments, and its focus on enhancing shareholder value. Management provided comprehensive responses, reaffirming Macpac Films Limited’s commitment to transparency, resilience, and sustainable growth.

STRATEGIES TO ENCOURAGE MINORITY SHAREHOLDERS TO ATTEND THE ANNUAL GENERAL MEETING (AGM)

Macpac Films Limited is dedicated to fostering an inclusive and participatory environment for all shareholders, including minority shareholders. We recognize the importance of their involvement in the decision-making process and have implemented several measures to encourage their attendance at general meetings

1. Timely and Transparent Communication

Macpac Films Limited provides early and detailed notice of the general meeting, including the date, time, location (or virtual platform), and agenda items to be discussed. This gives shareholders adequate time to plan their participation. Macpac Films Limited sends notices via multiple channels such as email, postal mail, the Company’s website, and public announcements to ensure all minority shareholders receive the information.

2. Accessible Meeting Locations

General meetings are held at accessible locations to facilitate easy attendance for all shareholders. Macpac Films Limited also provides clear directions and logistical support to ensure that minority shareholders can attend without any inconvenience.

3. Virtual Attendance Options

To accommodate shareholders who may not be able to attend in person, we offer virtual attendance options. Shareholders can participate in the meetings through video conferencing and postal balloting.

4. Shareholder Engagement Programs

Macpac Films Limited distributes relevant materials (e.g., annual reports, financial statements, agenda items, and resolutions) in advance so that minority shareholders can review them and prepare for discussions or votes.

5. Simplified Voting Procedures

Macpac Films Limited has streamlined its voting procedures to make it easier for minority shareholders to cast their votes. Proxy voting options are available, allowing shareholders to appoint a representative to vote on their behalf if they are unable to attend the meeting.

6. Encouraging Feedback and Suggestions

Macpac Films Limited actively encourages minority shareholders to provide feedback and suggestions on how we can improve their experience and participation in general meetings.

7. Post-Meeting Engagement

After the meeting, Macpac Films Limited shares the extracts of the minutes, resolutions passed, and key decisions with shareholders through multiple channels as prescribed by PSX and SECP to keep them informed.

Issues Raised in Last Annual General Meeting (AGM)

During the Annual General Meeting (AGM) of Macpac Films Limited held on October 24, 2024, no major issues were raised by the shareholders. However, general questions related to the Company's financial accounts were asked. The management responded to those queries appropriately.

STAKEHOLDER EXPECTATIONS AND EMERGING INDUSTRY TRENDS

At Macpac Films Limited, we recognize that our stakeholders have diverse yet legitimate needs and interests, which guide our decision-making and long-term strategy. Addressing these expectations not only enhances trust but also positions the Company to remain resilient in a rapidly evolving industry landscape.

- **Employees**

Our employees seek fair compensation, career development opportunities, and a safe, inclusive workplace. They also value transparent communication and continuous training that enable them to contribute meaningfully to the Company's success. Meeting these needs ensures high morale, stronger retention, and a more engaged workforce.

- **Shareholders and Investors**

Shareholders and investors prioritize consistent financial performance, attractive returns, and sustainable value creation. Their interests also include transparent disclosures, strong governance practices, and a clear long-term strategy that demonstrates effective risk management and commitment to sustainability. By fulfilling these expectations, we reinforce investor confidence and maintain access to capital.

- **Customers**

Customers expect reliable, high-quality, and cost-effective packaging solutions. In recent years, they have also placed increasing emphasis on environmentally responsible products, driving demand for recyclable and eco-friendly films. Timely delivery, responsive service, and business continuity remain critical to maintaining customer loyalty and long-term partnerships.

- **Suppliers and Business Partners**

Suppliers and business partners value fair and transparent dealings, timely payments, and opportunities for long-term collaboration. They are increasingly focused on shared commitments to sustainability and compliance with ethical standards. By nurturing mutually beneficial relationships, Macpac Films Limited strengthens its supply chain resilience and fosters innovation.

- **Regulators and Government Bodies**

Regulators and government bodies require strict compliance with laws, industry standards, and reporting obligations. They also expect businesses to contribute to national economic growth, tax compliance, and constructive engagement in policy dialogues. Macpac Films Limited's adherence to these requirements not only ensures uninterrupted operations but also enhances its credibility and reputation in the market.

- **Communities**

Communities look to the Company to play a responsible role in social and environmental development. Their expectations include employment opportunities, skill development, and initiatives that minimize environmental impacts while promoting local socio-economic growth. By engaging meaningfully with communities, we foster goodwill and strengthen our social license to operate.

Industry Trends

The films and packaging industry is undergoing rapid transformation, shaped by key trends that directly affect stakeholder interests. There is growing global emphasis on sustainability and the circular economy, with rising demand for recyclable and biodegradable packaging. Technological advancements, including automation and digitalization, are redefining operational efficiencies and product quality standards. At the same time, fluctuating raw material prices continue to pressure margins and highlight the importance of supply chain resilience. Regulators are also tightening environmental and corporate governance requirements, while global competition compels companies to innovate and differentiate through quality and sustainability.

Macpac Films Limited remains responsive to these evolving trends by investing in sustainable product development, enhancing digital and operational capabilities, and maintaining transparent engagement with all stakeholders. By aligning our strategies with legitimate stakeholder needs and industry dynamics, we strengthen resilience, foster long-term partnerships, and create sustainable value for all stakeholders.

IMPACT OF STAKEHOLDER RELATIONSHIPS ON PERFORMANCE AND VALUE

Strong stakeholder relationships are crucial to Macpac Films Limited's success. Positive relationships with our stakeholders can:

- Enhance our reputation: A positive reputation can attract investors, customers, and talent.
- Improve access to capital: Strong relationships with lenders and investors can facilitate access to financing.
- Strengthens our supply chain: Positive relationships with suppliers can ensure a reliable and efficient supply chain.
- Foster innovation: Collaboration with stakeholders can lead to new ideas and products.
- Mitigate risks: Open communication with stakeholders can help us identify and address potential risks.
- Business Continuity: Adherence to regulations ensures uninterrupted operations and avoids penalties or shutdowns.
- Credibility & Market Access: Positive engagement with regulators enhances trust, easing approvals and access to new markets.

To manage these relationships effectively, Macpac Films Limited employ the following strategies:

- Regular communication: We maintain regular communication channels with our stakeholders to keep them informed about our activities and performance.
- Feedback mechanisms: We actively seek feedback from stakeholders to understand their perspectives and address their concerns.
- Stakeholder engagement initiatives: We organize various stakeholder engagement initiatives, such as investor conferences, community events, and media briefings.

Redressal of Investors' Complaints

Macpac Films Limited is committed to safeguarding the interests of its investors by ensuring timely resolution of complaints and queries. The Company has established a dedicated Investor Relations function, supported by an online Investors' Relations section on the corporate website, where stakeholders can lodge complaints, submit queries, and access relevant updates, including notices, announcements, and audited financial reports.

During the year under review, the Company effectively addressed all investor complaints received, ensuring their resolution in a timely manner in line with applicable regulatory requirements and the Company's internal grievance-handling procedures. The efficient redressal process reflects Macpac Films Limited's commitment to transparency, accountability, and maintaining the trust and confidence of its investors.

Shareholder Value and Returns

Macpac Films Limited is dedicated to maximizing shareholder value across all its operations. Over the past three years, we have consistently distributed regular dividends, demonstrating our commitment to rewarding our shareholders. Our Earnings Per Share (EPS) reflects our strong financial performance. Our strategic policy balances immediate gains for shareholders with the retention of a portion of our income to build reserves, ensuring sustainable growth and future expansion.



EXCELLENCE
IN CORPORATE
REPORTING

STRIVING FOR EXCELLENCE IN CORPORATE REPORTING

Overview of Reporting Frameworks and Compliance

This Annual Report of Macpac Films Limited has been prepared in accordance with the following frameworks and standards applicable in Pakistan:

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

Where the provisions and directives under the Companies Act differ from IFRS standards, the Company has followed the applicable statutory requirements.

In addition, this report complies with the regulations of the Listed Companies Code of Corporate Governance, 2019, and the Rule Book of the Pakistan Stock Exchange (PSX), as well as best practices on corporate reporting promoted by the Joint Committee of ICAP and the Institute of Cost and Management Accountants of Pakistan (ICMAP).

Adoption of the International Integrated Reporting Framework

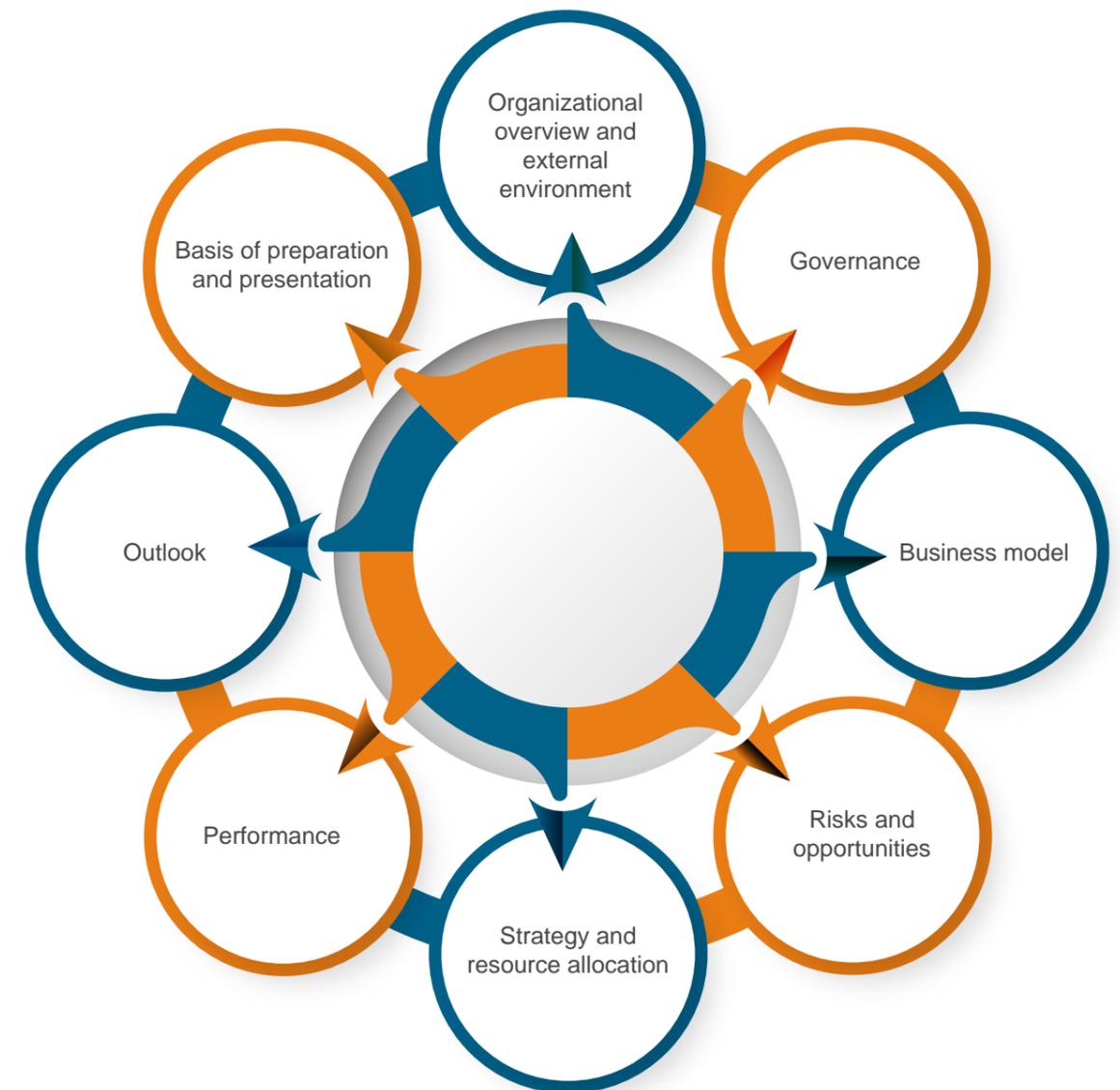
Macpac Films Limited is committed to the principles of the International Integrated Reporting Framework (IIRF) issued by the International Integrated Reporting Council (IIRC). This framework guides the preparation of this integrated Annual Report, providing a comprehensive overview of how the Company creates sustainable value over time.

The report highlights the Company's strategy, governance, business model, and performance, demonstrating the effective use and stewardship of multiple capitals — financial, manufactured, intellectual, human, social and relationship, and natural — which underpin long-term value creation.

In preparing this report, we have applied the fundamental concepts and guiding principles of the Integrated Reporting Framework, including:

- Strategic focus and future orientation;
- Connectivity of information across financial and non-financial aspects;
- Maintaining strong stakeholder relationships;
- Focusing on material issues critical to value creation;
- Ensuring conciseness, reliability, completeness, and consistency; and
- Enabling comparability over time and across the industry.

The report is structured around the core content elements of the framework:



Reporting Period

This Annual Report covers the period from July 1, 2024, to June 30, 2025. Macpac Films Limited regards corporate reporting as a key channel to engage with its stakeholders, providing transparent and insightful disclosures on the Company's governance, strategy, operational performance, and future outlook.



FINANCIAL STATEMENTS



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Chartered Accountants
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Karachi 75530 Pakistan
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INDEPENDENT AUDITOR'S REPORT

To the members of MACPAC Films Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **MACPAC Films Limited** ("the Company"), which comprise the statement of financial position as at 30 June 2025, 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 30 June 2025 and of the profit and the 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 the Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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



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Following are the Key audit matters:

S. No.	Key audit matters	How the matters were addressed in our audit
1.	<p>Revenue Recognition</p> <p>Refer notes 7, 14 & 29 to the financial statements.</p> <p>The Company's revenue for the year ended 30 June 2025 is Rs. 5,995 million.</p> <p>The Company generates revenue from sale of plastic packaging films.</p> <p>We identified revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company, large number of revenue transactions, inherent risk that revenue could be recorded in an incorrect period or subject to manipulation in order to achieve financial targets and expectations.</p>	<p>Our audit procedures amongst others, included the following:</p> <ul style="list-style-type: none"> Obtaining an understanding of the process relating to the recognition of revenue; Assessing the design, implementation, and operating effectiveness of the key internal controls over revenue recognition; Inspecting revenue contracts with customers on sample basis to understand and assess the terms and conditions therein which may affect the revenue recognition; Performing verification on a sample basis of revenue transactions recorded during the year with underlying documentation including sales invoices, delivery orders, bill of lading and other relevant documents; Comparing a sample of revenue transactions recorded just before and after the year end with sales invoices, delivery orders, bill of lading and other relevant documents to assess whether the revenue has been recognized in the appropriate accounting period; and Evaluating the appropriateness of disclosure presented in the financial statements in accordance with the requirement of IFRS 15.
2.	<p>Valuation of Stock-in-Trade</p> <p>Refer notes 7, 4 & 12 to the financial statements.</p> <p>As at 30 June 2025, the Company's stock-in-trade amounting to Rs. 1,236 million.</p>	<p>Our audit procedures amongst others, included the following:</p> <ul style="list-style-type: none"> Obtaining an understanding of policies and procedures followed by the Company with respect to valuation of stock-in-trade;



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S. No.	Key audit matters	How the matters were addressed in our audit
	<p>Stock-in-trade comprise of raw materials, work in process and finished goods which are stated at lower of cost and estimated net realisable value.</p> <p>We have identified the valuation of stock-in-trade as a key audit matter as determination of an appropriate write-down to net realisable value involves considerable management judgment and estimation which are subjective in nature.</p>	<ul style="list-style-type: none"> • Assessing the design, implementation, and operating effectiveness of the key internal controls over valuation of stock-in-trade; • Assessing appropriateness of the Company's accounting policies for valuation of stock-in-trade and compliance of those policy with the accounting and reporting standards as applicable in Pakistan; • Attending management's inventory counts and observed the process, including the process implemented by the management to identify and monitor obsolete stock; • Comparing the net realizable values, to the cost of finished goods to assess whether any adjustments are required to value inventory in accordance with IAS-2; and • Assessing the adequacy of the related disclosures in the notes to the financial statements.

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. We were provided with the Directors' Report to the Shareholders and Chairman's Review Report prior to the date of this Auditor's Report and the remaining parts of the Annual Report are expected to be made available to us after that date.

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 on the other information that we obtained prior to the date of this Auditor's Report, 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.



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Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Board of Directors 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



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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) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.



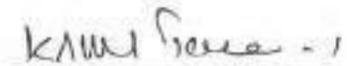
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The engagement partner on the audit resulting in this independent auditor's report is Muhammad Taufiq.

Date: 25 September 2025

Karachi

UDIN: AR202510106G1nyNgvFC


KPMG Taseer Hadi & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

	Note	2025 (Rupees)	2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	2,358,472,441	2,234,636,499
Intangible assets	10	13,501,671	17,668,898
Long-term deposits	11	29,516,490	29,516,490
		2,401,490,602	2,281,821,887
CURRENT ASSETS			
Inventories	12	1,235,718,099	1,131,640,060
Stores and spares		120,313,493	61,475,107
Trade receivables - net	13	1,025,180,289	899,842,277
Loans and advances	14	35,718,329	47,299,910
Short-term deposits, prepayments and other receivables	15	152,820,721	151,789,824
Taxation - net	16	184,120,839	74,674,822
Short term investment	17	48,524,062	10,524,062
Cash and bank balances	18	65,091,237	146,593,352
		2,867,487,069	2,523,839,414
TOTAL ASSETS		5,268,977,671	4,805,661,301
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 70,000,000 (2024: 70,000,000) ordinary shares of Rs.10/- each		700,000,000	700,000,000
Issued, subscribed and paid-up capital	19	593,011,500	593,011,500
Share premium	20	173,566,620	173,566,620
Revenue reserves	20	654,990,615	647,353,151
Surplus on revaluation of property, plant and equipment	20	823,040,000	823,040,000
		2,244,608,735	2,236,971,271
NON-CURRENT LIABILITIES			
Diminishing musharika arrangement	21	204,769,570	16,721,796
Lease liabilities	22	36,878,962	47,262,164
Deferred tax liability	23	111,109,528	152,528,133
Employee benefits obligations	24	183,756,913	140,549,985
		536,514,973	357,062,078
CURRENT LIABILITIES			
Trade and other payables	26	1,728,699,958	1,606,718,847
Short-term borrowings - secured	27	472,647,025	336,573,001
Unclaimed dividend		1,569,189	1,209,289
Current portion of liabilities	21,22 & 25	284,937,791	267,126,815
		2,487,853,963	2,211,627,952
CONTINGENCIES AND COMMITMENTS			
	28		
TOTAL EQUITY AND LIABILITIES		5,268,977,671	4,805,661,301

The annexed notes 1 to 51 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2025

	Note	2025 (Rupees)	2024
Revenue from contract with customers - net	29	5,994,617,391	5,619,408,233
Cost of sales	30	(5,303,887,314)	(4,693,065,958)
Gross profit		690,730,077	926,342,275
Administrative expenses	31	(370,371,539)	(302,619,397)
Marketing and distribution expenses	32	(175,704,844)	(156,583,388)
Other operating expenses	34	(28,021,717)	(31,311,707)
Impairment reversal / (charge) on trade receivables	13.2	21,135,569	(149,980)
Operating profit		137,767,546	435,677,803
Finance costs	33	(109,624,271)	(135,118,869)
Other income	35	87,433,603	118,084,462
Profit before income taxes and levy		115,576,878	418,643,396
Taxation - levy	36	(48,754,100)	(1,029,422)
Profit before income tax		66,822,778	417,613,974
Taxation - income tax	36	18,461,056	(159,893,665)
Profit after taxation		85,283,834	257,720,309
Earning per share - basic and diluted	37	1.44	4.35

The annexed notes 1 to 51 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2025

	Note	2025 (Rupees)	2024
Profit after taxation		85,283,834	257,720,309
Other comprehensive (loss) / income			
Item that will not be subsequently reclassified to profit or loss			
Surplus on revaluation of property, plant and equipment	9.1	-	200,000,000
Re-measurement loss on defined benefit obligation	24.2	(5,543,202)	(39,763,292)
Related tax		2,023,269	14,712,418
		(3,519,933)	(25,050,874)
Other comprehensive (loss) / income for the year		(3,519,933)	174,949,126
Total comprehensive income for the year		81,763,901	432,669,435

The annexed notes 1 to 51 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2025

	Issued, subscribed and paid - up capital	Reserves			Total equity	
		Capital reserves	Revenue reserve	Total		
	Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit	Total reserves		
(Rupees)						
Balance as at July 01, 2023	593,011,500	173,566,620	623,040,000	503,635,441	1,300,242,061	1,893,253,561
Profit for the year	-	-	-	257,720,309	257,720,309	257,720,309
Other comprehensive income for the year	-	-	200,000,000	(25,050,874)	174,949,126	174,949,126
	-	-	200,000,000	232,669,435	432,669,435	432,669,435
Transaction with owners:						
Final cash dividend for the year ended June 30, 2023 at the rate of Rs. 1.5 per share	-	-	-	(88,951,725)	(88,951,725)	(88,951,725)
Balance as at June 30, 2024	593,011,500	173,566,620	823,040,000	647,353,151	1,643,959,771	2,236,971,271
Balance as at July 01, 2024	593,011,500	173,566,620	823,040,000	647,353,151	1,643,959,771	2,236,971,271
Profit for the year	-	-	-	85,283,834	85,283,834	85,283,834
Other comprehensive loss for the year	-	-	-	(3,519,933)	(3,519,933)	(3,519,933)
	-	-	-	81,763,901	81,763,901	81,763,901
Transaction with owners:						
Final cash dividend for the year ended June 30, 2024 at the rate of Rs. 1.25 per share	-	-	-	(74,126,437)	(74,126,437)	(74,126,437)
Balance as at June 30, 2025	593,011,500	173,566,620	823,040,000	654,990,615	1,651,597,235	2,244,608,735

The annexed notes 1 to 51 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer


Chief Executive Officer


Director


Chief Financial Officer

STATEMENT OF CASH FLOWS

For the year ended June 30, 2025

	Note	2025 (Rupees)	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operating activities	40	434,677,661	546,171,328
Long term deposit paid		-	(4,125,000)
Taxes paid		(213,998,659)	(170,528,419)
Gratuity paid	24.2	(16,424,686)	(11,409,936)
Finance costs paid		(83,848,502)	(88,858,023)
		(314,271,847)	(274,921,378)
Net cash generated from operating activities		120,405,814	271,249,950
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed assets expenditure		(67,837,364)	(233,461,707)
Proceeds from disposal of fixed assets		28,046,892	6,411,241
Investment in term deposit receipts		(38,000,000)	-
Additions in intangibles		-	(20,000,000)
Net cash used in investing activities		(77,790,472)	(247,050,466)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of diminishing musharika		(31,545,878)	(41,652,565)
Payment of lease liabilities	22.1	(18,805,041)	(15,220,492)
Dividend paid		(73,766,538)	(88,595,647)
Net cash used in financing activities		(124,117,457)	(145,468,704)
Net decrease in cash and cash equivalents		(81,502,115)	(121,269,220)
Cash and cash equivalents at the beginning of the year		146,593,352	267,862,572
Cash and cash equivalents at the end of the year	48	65,091,237	146,593,352

The annexed notes 1 to 51 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

1 LEGAL STATUS AND OPERATIONS

1.1 Macpac Films Limited (the Company) was incorporated on August 19, 1993, in Pakistan as a limited liability company under the repealed Companies Ordinance, 1984 [now Companies act, 2017 (the Act)] and is listed on the Pakistan Stock Exchange Limited on February 24, 2004. The principal activity of the Company is to manufacture, produce, buy and sell plastic packaging films. The registered office of the Company is situated at Plot no. 44-C, P.E.C.H.S, Block 6, Main Razi Road, Karachi.

2 GEOGRAPHICAL LOCATION AND ADDRESS OF BUSINESS UNIT/PLANT IS AS FOLLOWS:

Address	Location	Purpose
44-C, P.E.C.H.S, Block 6, Main Razi Road	Karachi	Head Office
Plot # Ez/1/P-10 East Industrial Zone	Karachi	Production Plant
Room # 21, Second floor, Gulberg Centre	Lahore	North Sales Office

3 STATEMENT OF COMPLIANCE

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

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

Where the provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IFRS standards or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

4 BASIS OF PREPARATION

4.1 Basis of Measurement

These financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit obligation (gratuity) that is determined based on the present value of defined benefit obligation less fair value of plan assets and leasehold land stated at its fair value as determined by an independent actuary and valuator, respectively.

4.2 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of rupees, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

5 NEW OR AMENDMENTS / INTERPRETATIONS TO EXISTING STANDARDS, INTERPRETATIONS

There are new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on July 01, 2024 but are considered not to be relevant or do not have any significant effect on the Company's operations and are therefore not detailed in these financial statements.

5.1 Standards, amendments and improvements to the approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2025:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted.
- Lack of Exchangeability (amendments to IAS 21) clarify:
 - when a currency is exchangeable into another currency; and
 - how a company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.
- The amendments apply for annual reporting periods beginning on or after January 01, 2025. Earlier application is permitted.
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures:
 - Financial Assets with ESG-Linked features:
- Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.
- Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

- The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.
- The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:
 - not related directly to a change in basic lending risks or costs; and
 - are not measured at fair value through profit or loss.
- The amendments apply for reporting periods beginning on or after January 01, 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.
 - Recognition / Derecognition requirements of Financial Assets / liabilities by Electronic Payments:
- The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognized and derecognized and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognize their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the Company to derecognize its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:
 - no practical ability to withdraw, stop or cancel the payment instruction;
 - no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
 - the settlement risk associated with the electronic payment system is insignificant.

The amendments apply for reporting periods beginning on or after January 01, 2026. Earlier application is permitted.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are critical to these financial statements:

- (a) determining the impairment, residual values, revaluation of land, useful lives, method of depreciation of property, plant and equipment and intangible assets (notes 7.1, 9.1 & 10.1);
- (b) provision for expected credit loss of certain financial assets (note 7.10 & 13.2);
- (c) recognition of staff retirement benefits (note 7.9 & 24);

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

- (d) recognition of taxation, levy and deferred tax (notes 7.6, 16 & 23);
- (e) estimation of net realizable value of inventory (note 7.4 & 12);
- (f) contingencies (note 7.21 & 28.1).
- (g) lease liabilities and right-of-use assets (note 7.19 & 22).
- (h) provisions (note 7.16)

7 MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. Furthermore, accounting policies related to material class of accounts does not necessarily means it is material. These policies have been consistently applied to all the years presented.

7.1 Property, plant and equipment

Operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for leasehold land, which is stated at revalued amount less accumulated impairment losses, if any.

Depreciation is charged to statement of profit or loss on all operating assets using the reducing balance method other than leasehold improvement which is depreciated using straight line method at the rates specified in note 9.1 to the financial statements.

Depreciation on additions is charged from the day the asset is available for use and no depreciation is charged from the day of disposal.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Assets' residual values, useful lives and method of depreciation are reviewed and adjusted prospectively, if appropriate at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of operating fixed assets is derecognized upon disposal or when no future economic benefit are expected to arise from continued use of asset. Gain or loss on disposal or retirement of an asset represent the difference between the sale proceed and the carrying amount is charged to statement of profit or loss.

Capital work-in-progress

Capital work-in progress is stated at cost less impairment loss, if any. It consists of expenditure incurred and advances made in respect of fixed assets in the course of their erection, acquisition and installation. The assets are transferred to relevant category of operating fixed assets or intangible assets when they are available for use.

7.2 Surplus on revaluation of property, plant and equipment

Leasehold land is measured at fair value less accumulated impairment losses recognised after the date of revaluation, if any. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

A revaluation surplus is recorded in OCI and credited to the surplus on revaluation of property, plant and equipment in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in the statement of profit or loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the surplus on revaluation of property, plant and equipment.

Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

7.3 Intangible assets

Intangible assets are measured on initial recognition at cost. Costs that are directly associated with identifiable software products controlled by the Company and have probable economic benefit beyond one year are recognized as intangible assets. Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Amortization is charged to statement of profit or loss using the reducing balance method at the rates specified in note 10.2 to the financial statements.

Amortization on additions is charged from the day the asset is available for use and no amortization is charged from the day of disposal.

Assets' residual values, useful lives and method of amortization are reviewed and adjusted prospectively, if appropriate at each reporting date.

7.4 Inventories

These are valued at the lower of net realizable value (NRV) or cost of the stock-in-trade which is determined using weighted average cost method.

Weighted average cost in relation to work in process and finished goods constitute average manufacturing cost including direct material, labor and proportionate share of related direct overheads.

NRV signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date.

Scraps are valued at estimated realisable value.

7.5 Stores and spares

These are valued at weighted average cost except for items in transit which are stated at invoice value plus other charges incurred thereon till the reporting date. Provision for obsolete and slow moving stores, spare parts and loose tools is determined based on management's estimate regarding their future usability.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

7.6 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss account, except to the extent that it relates to items recognized directly in the other comprehensive income or in equity, in which case it is recognized in the other comprehensive income or equity respectively.

Current tax

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

Deferred tax

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

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

Levy

Tax charged under the Income Tax Ordinance, 2001, which is not based on taxable income, and minimum tax on turnover that exceeds the income tax calculated at the enacted rate, are classified as levies in the statement of profit or loss and other comprehensive income, as these fall under the scope of IFRIC 12/ IAS 37.

7.7 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and current and deposit accounts held with banks, which are subject to insignificant risk of change in value.

7.8 Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less cost to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("the cash-generating unit, or CGU").

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

7.9 Employee benefits obligations

Defined benefit plan - staff gratuity scheme

The Company operates a defined benefit gratuity scheme for management and non-management staff which are unfunded. The gratuity plans are final salary plans. The contributions to the unfunded gratuity scheme are made in accordance with the independent actuarial valuation. The Company recognizes expense in accordance with IAS 19 "Employee Benefits".

An actuarial valuation of defined benefit scheme is conducted every year. The valuation uses the Projected Unit Credit method. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income.

All past service costs are recognized at the earlier of when the amendment or curtailment occurs and when the Company has recognized related restructuring or termination benefits.

7.10 Financial instruments

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

7.10.1 Financial assets

a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- i) Financial assets at amortised cost (debt instruments);
- ii) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- iii) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- iv) Financial assets at fair value through profit or loss.

i) Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

ii) Financial assets designated at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

The Company does not have any debt instruments at fair value through OCI investments during the current and last year and as of reporting date.

iii) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not have any equity instruments at fair value through OCI investments during the current and last year and as of reporting date.

iv) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatory required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

d) Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and other receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

7.10.2 Financial liabilities

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include long term financing, short term borrowings, due to related parties, accrued mark-up and trade and other payables.

i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

ii) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

b) Derecognition

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

7.10.3 Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position when there is a currently enforceable legal right to offset the recognised amounts, and there is an intention either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

7.11 Short term investment

Investments in Term Deposit Receipts are classified at amortized cost and are initially measured at fair value. Transaction costs directly attributable to the acquisition are included in the carrying amount.

7.12 Trade receivables-net

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

7.13 Trade and other payables

Liabilities for trade and other payables are recognized at the fair value of the consideration to be paid for goods and services received plus significant directly attributable costs and these are subsequently measured at amortized cost.

7.14 Revenue from contract with customers

The Company is in the business of manufacturing packing products. The revenue is recognized on delivery of the products to the customers. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods or services to a customer. Revenue is measured at the fair value of the consideration received or receivable.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

The Company recognises revenue when performance obligation is satisfied, at a point in time, when control of goods have been transferred to a customer. Control, depending on contractual terms, is considered to be transferred either when the product is directly uplifted by customer from the Company premises, or when it is delivered by the Company at customer premises as per the contract, for local and exports sale.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the rendering of services, the Company considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company satisfies the performance obligation under the contract (i.e., transfers control of the related goods to the customer).

7.15 Other income

Other income is recognised to the extent it is probable that economic benefit will flow to the Company and the amount can be measured reliably. Other income is measured at fair value of the consideration received or receivable and recognised on following basis:

- Income from Islamic bank deposits is recognized on time proportion basis taking into account the amount outstanding and rates applicable thereon.
- Dividend income is recognized when the Company's right to receive the payment is established.
- Income from sale of scrap is recorded on delivery of scrap to the customer.
- Income from foreign currency exchange is described in note 7.17 of these financial statements.

7.16 Provisions

Provisions are recognized when the Company has present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of reporting date. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

7.17 Foreign currency transactions

Transactions in foreign currencies are accounted for in Pakistani Rupees at the rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are reported using the exchange rate as of the reporting date. Exchange gains and losses on transactions are included in statement of profit or loss in the year in which it occurs.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

7.18 Dividends

Dividend distribution to the Company's shareholders is recognized as a liability in the period in which the dividends are declared / approved. However, if these are approved after the reporting period but before the financial statements are authorized for issue, disclosure is made in the financial statements.

7.19 Leases

The Company assess at contract inception whether a contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company acts as a lessee and applies a single recognition and measurement approach for all the leases except for short-term leases of 12 months or less and leases of low value assets (if any). The Company recognises lease liability to make lease payments and right-of-use assets (ROU assets) representing the right to use the underlying assets.

i) Right-of-use assets (ROU assets)

The Company recognises ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred (if any), and lease payments made at or before the commencement date less lease incentives received (if any). Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. ROU assets are subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option (if any) reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

The Company has the option, under its lease arrangements to lease the assets for additional terms. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). Any change is accounted for change in estimate and applied prospectively with corresponding change in ROU assets and lease liabilities.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

7.20 Earning per share

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

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

7.21 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, at 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 can not be measured with sufficient reliability.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

8 DETAILS OF RELATED PARTIES OF THE COMPANY

Details of related parties with whom the Company has entered into transactions with or has arrangements / agreements in place during the year are as follows:

Name of related party	Basis of relationship
Hilal Foods (Private) Limited	Common Directorship
Shalimar Foods Products	Common Directorship
Toyo Packaging (Private) Limited	Common Directorship
Mac Business Solution (Private) Limited	Common Directorship
TGA Sustainability (Private) Limited	Common Directorship
Mr. Najmul Hassan (Chief Executive Officer)	Key management personnel
Mr. Ehtesham Maqbool Elahi (Executive Director)	Key management personnel
Mr. Habib Elahi (Director Operations)	Key management personnel
Mr. Shariq Maqbool Elahi (Non - Executive Director)	Key management personnel
Mr. Naeem Ali Muhammad Munshi (Non - Executive Director)	Key management personnel
Mr. Fahad Munshi (Non - Executive Director)	Key management personnel
Mr. Shabbir Hamza Khandwala (Independent Director)	Key management personnel
Ms. Hafsa Abbasy (Independent Director)	Key management personnel
Ms. Muneeza Kassim (Group CFO)	Key management personnel
Mr. Shahzaib Tariq (CFO)	Key management personnel
Mr. Faisal Panawala (Ex. CFO)	Key management personnel
Mr. Aquil A. Khan (Company Secretary)	Key management personnel
Ms. Um-e-Farwa (Head of IT)	Key management personnel
Mr. Mohammad Fahad (Head of Internal Audit)	Key management personnel

Note	2025	2024
	(Rupees)	

9 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	9.1	2,283,415,030	2,073,196,043
Right-of-use assets	9.7	36,684,686	49,217,902
Capital work-in-progress	9.9	38,372,725	112,222,554
		2,358,472,441	2,234,636,499

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

2025												
OWNED												
	Leasehold land	Buildings on leasehold land	Leasehold Improvement	Plant and machinery	Furniture and fixtures	Electric installations	Refrigeration and air conditioning	Generators & solar	Office equipment	Computers	Motor vehicles	Total
	840,000,000	153,392,349	22,753,307	816,024,913	19,151,657	19,984,770	18,667,322	112,191,424	15,013,349	10,622,977	45,393,975	2,073,196,043
	-	7,457,571	7,756,744	265,909,296	5,325,347	9,854,204	1,757,608	37,448,352	1,729,910	3,977,990	51,333,244	392,250,266
	-	(7,651,022)	(6,806,169)	(88,724,313)	(2,219,060)	(2,529,859)	(1,951,453)	(11,716,131)	(1,594,547)	(3,204,914)	(1,860,370)	(40,746,086)
	840,000,000	153,998,898	23,703,882	993,209,896	22,257,944	27,009,115	18,473,477	99,099,853	15,148,712	11,334,129	80,179,124	2,283,415,030
	840,000,000	235,409,695	31,895,008	2,301,637,748	31,148,338	33,729,199	25,321,429	113,416,957	26,387,849	19,304,436	148,614,873	3,806,865,532
	-	(82,410,797)	(8,191,126)	(1,308,427,852)	(8,890,394)	(6,720,084)	(6,847,952)	(14,317,104)	(11,239,137)	(7,970,307)	(68,435,749)	(1,523,450,502)
	840,000,000	152,998,898	23,703,882	993,209,896	22,257,944	27,009,115	18,473,477	99,099,853	15,148,712	11,334,129	80,179,124	2,283,415,030
		5%	20%	10%	10%	10%	10%	10%	10%	25%	20%	

2024												
OWNED												
	Leasehold land	Buildings on leasehold land	Leasehold Improvement	Plant and machinery	Furniture and fixtures	Electric installations	Refrigeration and air conditioning	Generators & solar	Office equipment	Computers	Motor vehicles	Total
	640,000,000	154,270,686	-	848,503,339	5,750,790	9,984,302	10,838,097	136,274,430	12,278,623	4,116,275	40,757,033	1,862,853,575
	-	7,098,933	24,138,264	56,612,171	14,579,049	11,469,898	9,749,991	663,723	4,214,242	9,022,033	13,528,152	151,067,466
	200,000,000	-	-	-	-	-	(360,575)	(11,564,623)	-	(40,121)	(31,681)	200,000,000
	-	(7,978,270)	(1,384,957)	(89,090,597)	(1,178,182)	(1,439,430)	(1,560,191)	(13,182,106)	(1,579,516)	(2,475,210)	(8,859,529)	(11,997,000)
	840,000,000	153,392,349	22,753,307	816,024,913	19,151,657	19,984,770	18,667,322	112,191,424	15,013,349	10,622,977	45,393,975	2,073,196,043
	840,000,000	227,952,124	24,138,264	2,035,728,452	25,822,991	24,174,995	23,653,821	151,183,577	24,857,939	15,404,666	105,731,318	3,488,558,147
	-	(74,559,775)	(1,384,957)	(1,219,703,539)	(6,671,334)	(4,190,225)	(4,896,499)	(8,992,153)	(9,644,500)	(4,781,689)	(60,337,943)	(1,425,162,104)
	840,000,000	153,392,349	22,753,307	816,024,913	19,151,657	19,984,770	18,667,322	112,191,424	15,013,349	10,622,977	45,393,975	2,073,196,043
		5%	20%	10%	10%	10%	10%	10%	10%	25%	20%	

Net carrying value basis
 Opening net book value (NBV) as at July 01, 2024
 Additions/ transfers (at cost)
 Disposals (at NBV)
 Depreciation charge (Note 9.4)
Net book value (NBV) as at June 30, 2025

Gross carrying value basis
 Cost / revalued amount
 Accumulated depreciation
Net book value (NBV) as at June 30, 2025

Rate of depreciation

Net carrying value basis
 Opening net book value (NBV) as at July 01, 2024
 Additions/ transfers (at cost)
 Revaluation
 Disposals (at NBV)
 Depreciation charge (Note 9.4)
Net book value (NBV) as at June 30, 2024

Gross carrying value basis
 Cost / revalued amount
 Accumulated depreciation
Net book value (NBV) as at June 30, 2024

Rate of depreciation

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

9.2 The Company revalued its leasehold land using the market comparable method. The valuation was carried out by an independent valuer, based on proprietary databases of transaction prices for properties of a similar nature, location, and condition. The revaluation of leasehold land was performed on June 30, 2024, by Chadils Valuations (Private) Limited, an accredited independent valuer certified by the Pakistan Bankers' Association, with experience in valuing similar assets. A net gain from the revaluation of the leasehold land, amounting to Rs. 200 million, was recognised in Other Comprehensive Income (OCI) in 2024, resulting in a total revaluation gain of Rs. 823 million, which has been recognised as a revaluation surplus in the statement of financial position. Fair value measurement disclosures for the revalued leasehold land are provided in Note 43 to these financial statements.

Had there been no revaluation, the carrying value of the leasehold land would be as follows:

	2025 (Rupees)	2024
Leasehold land	16,960,000	16,960,000

Leasehold land

9.2.1 Forced sales value of leasehold land is Rs. 672 million.

9.3 Details of operating fixed assets disposal having net book value in excess of Rs. 500,000/- are as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceed	Loss	Mode of disposal	Particulars of buyer	Relationship with buyer
(Rupees)								
Waukesh Genset	75,214,973	36,391,181	38,823,792	19,000,000	(19,823,792)	By negotiation	Generator Corner	Third party

9.4 Allocation of depreciation expense

	Note	2025 (Rupees)	2024
Cost of sales	30	118,171,846	117,680,698
Administrative expenses	31	20,966,231	9,031,254
Marketing and selling expenses	32	2,147,116	2,016,036
		141,285,193	128,727,988

9.4 Allocation of depreciation expense

	Note	2025 (Rupees)	2024
Cost of sales	30	118,171,846	117,680,698
Administrative expenses	31	20,966,231	9,031,254
Marketing and selling expenses	32	2,147,116	2,016,036
		141,285,193	128,727,988

9.5 The details of immovable assets (i.e. land and building) of the Company as at June 30, 2025 are as follows:

Location	Address	Usage	Covered Area (sq. ft)
Karachi	Plot # Ez/1/P-10 East Industrial Zone, Karachi	Total facility	<u>697,017.00</u>
Karachi	Plot # Ez/1/P-10 East Industrial Zone, Karachi	Production facility	<u>181,387.97</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

9.6 Plant and machinery are subject to charges against various financing facilities obtained from banks, as disclosed in Notes 21 and 27 to these financial statements.

9.7 Right-of-use assets

The carrying amounts of right-of-use assets recognised and the movements during the year are as follows:

	Note	2025 (Rupees)	2024
Opening balance		49,217,902	1,360,691
Additions		-	59,400,420
Depreciation expense	22.2 & 9.8	(12,533,216)	(11,543,209)
Closing balance		36,684,686	49,217,902

9.7.1 Right of use asset is depreciated over lease term.

9.8 Allocation of depreciation expense

	Note	2025 (Rupees)	2024
Administrative expenses	31	11,880,084	10,890,077
Marketing and selling expenses	32	653,132	653,132
		12,533,216	11,543,209

9.9 Capital work-in-progress

	Balance as at July 01, 2024	Additions	Transfers	Balance as at June 30, 2025
		----- (Rupees) -----		
Buildings on leasehold land	2,043,253	6,040,829	(7,457,571)	626,511
Leasehold Improvement	6,803,170	953,574	(7,756,744)	-
Plant and machinery	30,524,371	240,126,220	(265,909,296)	4,741,295
Furniture and fixtures	4,566,224	759,123	(5,325,347)	-
Electric installations	5,279,723	4,964,479	(9,554,204)	689,998
Refrigeration and air conditioning	1,757,608	-	(1,757,608)	-
Generators & Solars	61,248,205	8,515,069	(37,448,353)	32,314,921
Office equipment	-	1,729,910	(1,729,910)	-
Computers	-	3,977,990	(3,977,990)	-
Motor vehicles	-	51,333,243	(51,333,243)	-
	112,222,554	318,400,437	(392,250,266)	38,372,725

	Balance as at July 01, 2023	Additions	Transfers	Balance as at June 30, 2024
		----- (Rupees) -----		
Buildings on leasehold land	6,498,323	2,644,863	(7,099,933)	2,043,253
Leasehold Improvement	-	30,941,434	(24,138,264)	6,803,170
Plant and machinery	13,740,479	73,396,062	(56,612,170)	30,524,371
Furniture and fixtures	-	19,145,273	(14,579,049)	4,566,224
Electric installations	-	16,739,622	(11,459,899)	5,279,723
Refrigeration and air conditioning	-	11,507,598	(9,749,990)	1,757,608
Generators & Solars	-	61,911,928	(663,723)	61,248,205
Office equipment	-	4,214,241	(4,214,241)	-
Computers	-	9,022,033	(9,022,033)	-
Motor vehicles	-	13,528,153	(13,528,153)	-
	20,238,802	243,051,207	(151,067,455)	112,222,554

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

10 INTANGIBLE ASSETS

Computer software

10.1 Computer software

Net carrying value basis

	Note	2025 (Rupees)	2024
Opening balance		17,668,898	836,118
Additions		-	20,000,000
Amortization	10.2	(4,167,227)	(3,167,220)
Closing balance		13,501,671	17,668,898

Gross carrying value basis

	Note	2025 (Rupees)	2024
Cost		22,541,294	2,541,294
Additions		-	20,000,000
Accumulated amortization		(9,039,623)	(4,872,396)
Net carrying value		13,501,671	17,668,898

10.2 Amortization charge for the year at the rate of 20% and 25% per annum has been allocated to administrative expenses (Note 31).

11 LONG-TERM DEPOSITS

Security deposits

	Note	2025 (Rupees)	2024
Sui southern gas company		12,576,930	12,576,930
Other deposits		16,939,560	16,939,560
		29,516,490	29,516,490

12 INVENTORIES

Raw material:

	Note	2025 (Rupees)	2024
- In hand	12.1 & 30	190,256,076	372,278,547
- In transit		382,637,580	220,228,749
- In bonded warehouse		402,845,292	188,935,924
		975,738,948	781,443,220

Work in process

	Note	2025 (Rupees)	2024
Finished goods	30	243,857,815	269,044,165

	Note	2025 (Rupees)	2024
	30	16,121,336	81,152,675
		259,979,151	350,196,840
		1,235,718,099	1,131,640,060

12.1 This includes packing material amounting to Rs. 14.8 million (2024: Rs. 10.6 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	Note	2025 (Rupees)	2024
13 TRADE RECEIVABLES-NET			
Considered good			
- Related parties	13.3 & 13.4	349,579,879	233,562,390
- Other parties	13.1	675,600,410	666,279,887
		1,025,180,289	899,842,277
Considered doubtful			
	13.5	47,462,669	68,598,238
		1,072,642,958	968,440,515
Less: Allowance for expected credit loss	13.2	(47,462,669)	(68,598,238)
		1,025,180,289	899,842,277

13.1 This includes receivables from export customers amounting to Rs. Nil (2024: 10.6 million).

	2025 (Rupees)	2024
13.2 Allowance for expected credit loss		
Opening balance	68,598,238	68,448,258
Impairment (reversal) / charge on trade receivables	(21,135,569)	149,980
Closing balance	47,462,669	68,598,238

13.2.1 The expected credit loss balance pertains to related party amounting to Rs. 0.183 million (2024: Rs. 0.002 million).

	2025 (Rupees)	2024
13.3 Represents balances due from related parties which are as follows:		
Description		
Hilal Foods (Private) Limited	11,738,374	8,837,192
Shalimar Foods Products	16,155,466	8,115,856
Toyo Packaging (Private) Limited	113,327,006	114,275,686
Mac Business Solution (Private) Limited	72,817,650	44,072,972
TGA Sustainability (Private) Limited	135,541,383	58,260,684
	349,579,879	233,562,390

13.4 The related parties from whom the maximum amount outstanding at any time during the year calculated by reference to month-end balances are as under:

	2025 (Rupees)	2024
Hilal Foods (Private) Limited	11,738,374	8,837,192
Shalimar Foods Products	16,155,466	8,115,855
Toyo Packaging (Private) Limited	113,327,006	114,275,686
Mac Business Solution (Private) Limited	72,817,650	44,072,972
TGA Sustainability (Private) Limited	135,541,383	58,260,684

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

13.5 Aging of trade receivables as at the reporting date is as under:

	Total	Neither past due nor impaired	Past due but not impaired					
			> 30 days upto 60 Days	> 60 days upto 90 days	>90 days upto 180 Days	>180 days upto 270 Days	>270 days upto 360 Days	>360 days
Related parties								
Hilal Foods (Private) Limited	11,738,374	6,154,677	4,872,629	711,068	-	-	-	-
Shalimar Foods Products	16,155,466	2,227,032	3,753,098	3,589,705	6,585,631	-	-	-
Mac Business Solution (Private) Limited	72,817,650	43,330,762	29,486,888	-	-	-	-	-
TGA Sustainability (Private) Limited	135,541,383	39,530,877	16,739,168	8,679,416	43,879,674	24,585,091	2,127,157	-
Toyo Packaging (Private) Limited	113,327,006	36,396,831	26,386,379	25,034,405	25,509,391	-	-	-
	349,579,879	127,640,179	81,238,162	38,014,594	75,974,696	24,585,091	2,127,157	-
Other than related parties	723,063,079	579,938,069	50,365,122	12,088,846	16,003,662	14,194,767	3,355,847	47,116,766
2025	1,072,642,958	707,578,248	131,603,284	50,103,440	91,978,358	38,779,858	5,483,004	47,116,766

	Total	Neither past due nor impaired	Past due but not impaired					
			> 30 days upto 60 Days	> 60 days upto 90 days	>90 days upto 180 Days	>180 days upto 270 Days	>270 days upto 360 Days	>360 days
Related parties								
Hilal Foods (Private) Limited	8,837,192	8,837,192	-	-	-	-	-	-
Shalimar Foods Products	8,115,856	5,623,024	679,253	1,813,579	-	-	-	-
Mac Business Solution (Private) Limited	44,072,972	44,072,972	-	-	-	-	-	-
TGA Sustainability (Private) Limited	58,260,684	26,155,349	13,363,331	11,898,931	6,843,073	-	-	-
Toyo Packaging (Private) Limited	114,275,686	83,752,034	12,284,935	18,238,717	-	-	-	-
	233,562,390	168,440,571	26,327,519	31,951,227	6,843,073	-	-	-
Other than related parties	734,878,125	482,344,781	77,359,226	69,623,172	12,628,157	21,741,317	2,877,426	68,304,046
2024	968,440,515	650,785,352	103,686,745	101,574,399	19,471,230	21,741,317	2,877,426	68,304,046

	Note	2025 (Rupees)	2024
14 LOANS AND ADVANCES			
Unsecured, considered good			
Loans			
- Employees	14.1	1,019,756	1,731,625
Advances			
- Suppliers and contractors		25,751,391	11,580,688
- Employees	14.2	-	50,000
- Others		8,947,182	33,937,597
		34,698,573	45,568,285
		35,718,329	47,299,910

14.1 Represents interest free loans given to the employees in accordance with the Company's policy.

14.2 Represents advances given to employees for business expenses and are settled as and when the expenses are incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	Note	2025 (Rupees)	2024
15			
SHORT TERM DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Short term deposits - unsecured, considered good			
- Containers		586,350	586,350
- Nazir high court	28.1.1	9,525,757	9,525,757
- Margin against letter of credit	15.1	25,240,000	120,641,652
- Others		696,000	629,130
		36,048,107	131,382,889
Short-term prepayments	15.2	14,474,888	17,184,719
Other receivables		102,297,726	3,222,216
		152,820,721	151,789,824

15.1 This represents LC margin kept with the conventional banks of Rs. 25.2 million (2024: 91 million) and islamic banks of Rs. Nil (2024: 29.6 million) in relation to import of specified items.

15.2 Represents prepayments made for the SAP, internet connection, mobile bills and fuel cards given to employees.

	2025 (Rupees)	2024
16		
TAXATION – NET		
Income tax refundable	184,120,839	39,810,560
Sales tax refundable	-	34,864,262
	184,120,839	74,674,822

17 SHORT TERM INVESTMENT

This comprise of Shariah compliant investment in (TDRs) amounting to Rs.48.524 million at a rate of 6.4% to 9.9% (2024: Rs. 10.524 million at a rate of 16% to 16.50%). These TDRs are submitted as bank guarantee to SSGC being a security deposit.

	Note	2025 (Rupees)	2024
18			
CASH AND BANK BALANCES			
Cash in hand		2,362,457	5,409,310
Cash at banks - current accounts	18.1	62,728,780	141,184,042
		65,091,237	146,593,352

18.1 This comprise of balance in islamic banking of Rs. 62.69 million (2024: Rs. 116.61 million) and balance in conventional banking of Rs. 0.04 million (2024: Rs. 22.56 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

19 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Authorised share capital

2025 (Number of Shares)	2024	2025 (Rupees)	2024
70,000,000	70,000,000	700,000,000	700,000,000

Ordinary shares of Rs. 10 each

Issued, subscribed and paid up share capital

2025 (Number of Shares)	2024	Fully paid ordinary shares of Rs. 10/- each	2025 (Rupees)	2024
25,986,000	25,986,000	- Issued for cash	259,860,000	259,860,000
12,900,000	12,900,000	- Issued as fully paid bonus shares	129,000,000	129,000,000
20,415,150	20,415,150	- Issued as right shares at a premium	204,151,500	204,151,500
59,301,150	59,301,150		593,011,500	593,011,500

19.1 The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of cash, bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction.

	Note	2025 (Rupees)	2024
20			
RESERVES			
Capital reserve		173,566,620	173,566,620
Share premium		823,040,000	823,040,000
Surplus on revaluation of property, plant and equipment			
Revenue reserve		654,990,615	647,353,151
Unappropriated profit		1,651,597,235	1,643,959,771
21			
DIMINISHING MUSHARIKA ARRANGEMENT			
Outstanding	21.1	244,386,968	41,665,695
Current portion	21.2	(39,617,398)	(24,943,899)
Long Term		204,769,570	16,721,796

21.1 During the year, the Company obtained an islamic mode diminishing musharika facility from a financial institution for plant and machinery aggregating to Rs. 129 million for a period of 4 years including grace period of 6 months. The rate of return used as the discounting factor is 1 year KIBOR plus 2.5%. Musharika units are to be purchased in 4 years in 14 quarterly instalments latest by May 2029 and are secured against the specific charge over plant and machinery.

During the year, the Company has also obtained an islamic mode diminishing musharika facility from a financial institution for solar aggregating to Rs. 70 million for a period of 5 years. The rate of return used as the discounting factor is 3 months KIBOR plus 2.5%. Musharika units are to be purchased in 5 years in 60 monthly instalments latest by February 2030 and are secured against the specific charge over solar.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

The Company also has an Islamic mode diminishing musharika facility from financial institutions for vehicles aggregating to Rs. 45 million for a period of 5 years. The rate of return used as the discounting factor is 1 year KIBOR plus spread of 2.25% to 2.5%.

21.2 The current portion also includes the balance of accrued markup.

22 LEASE LIABILITIES

22.1 The carrying amounts of lease liabilities and the movement during the year are as follows:

	Note	2025 (Rupees)	2024
Opening balance		56,776,640	1,362,269
Addition		-	59,400,420
Interest expense relating to lease liability	33	11,559,316	11,234,443
Payments		(18,805,041)	(15,220,492)
Closing balance		49,530,915	56,776,640
Current		12,651,953	9,514,476
Non-Current		36,878,962	47,262,164
		49,530,915	56,776,640

22.2 The Company also has leased assets with lease terms of 12 months or less. The Company applies the 'short-term' lease recognition exemption for such leases.

The following are the amounts recognised in statement of profit or loss:

	Note	2025 (Rupees)	2024
Depreciation expense of right-of-use assets	9.7	12,533,216	11,543,209
Interest expense on lease liabilities	33	11,559,316	11,234,443
Expense relating to short-term lease	31	1,755,000	7,359,138
		25,847,532	30,136,790

22.3 The amount of future lease payments together with the present value of the minimum lease payments and the periods during which they fall due are as follows:

	2025		2024	
	Minimum Lease Payments (MLP)	Present Value of MLP	Minimum Lease Payments (MLP)	Present Value of MLP
Within one year	22,233,750	12,651,953	21,073,791	9,514,476
Later one year but not later than five years	46,119,149	36,878,962	66,084,150	47,262,164
Total minimum lease payments	68,352,899	49,530,915	87,157,941	56,776,640
Less: Finance charges	(18,821,985)	-	(30,381,301)	-
Present value of minimum lease payments	49,530,914	49,530,915	56,776,640	56,776,640
Less: Current portion	(12,651,953)	(12,651,953)	(9,514,476)	(9,514,476)
	36,878,961	36,878,962	47,262,164	47,262,164

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	2025 (Rupees)	2024
23 DEFERRED TAX LIABILITY		
Taxable temporary differences arising due to:		
- accelerated tax depreciation	263,387,462	242,389,438
- right-of-use assets	13,389,910	17,877,023
	276,777,372	260,266,461
Deductible temporary differences arising due to:		
- lease liabilities	(18,078,784)	(20,622,522)
- provision for staff retirement benefits – gratuity	(67,071,273)	(51,320,357)
- provision for expected credit loss	(17,323,874)	(24,916,386)
- accelerated tax amortization	(522,872)	57,045
- provision for GIDC	(3,247,664)	(2,940,327)
- Workers' welfare fund	(860,930)	(2,383,612)
- Workers' profit participation fund	(6,971,972)	(3,080,365)
- unrealized exchange gain	(3,157,788)	(2,531,804)
- minimum tax	(48,432,687)	-
	(165,667,844)	(107,738,328)
	111,109,528	152,528,133

	Note	2025 (Rupees)	2024
24 EMPLOYEE BENEFITS OBLIGATIONS			
24.1 The amount recognized in the statement of financial position is as follows:			
Present value of defined benefit obligation	24.2	183,756,913	140,549,985
24.2 Changes in the present value of defined benefit obligation are as follows:			
Opening balance		140,549,985	80,878,191
Charge for the year	24.3	54,088,412	31,318,438
Re-measurement loss recognized in other comprehensive income		5,543,202	39,763,292
Benefits paid		(9,806,058)	(4,790,382)
Advances paid		(6,618,628)	(6,619,554)
Closing balance		183,756,913	140,549,985
24.3 Charge for the year recognized in the statement of profit or loss is as follows:			
Current service cost		34,359,056	19,453,789
Interest cost		19,729,356	11,864,649
		54,088,412	31,318,438
24.4 The charge for the year has been allocated as follows:			
Cost of sales	30.1	32,064,215	18,687,584
Administrative expenses	31.1	18,549,908	10,098,847
Marketing and selling expenses	32.1	3,474,289	2,532,007
		54,088,412	31,318,438

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

24.5 The principal assumptions used in the actuarial valuations carried out as of June 30, 2025 using the 'Projected Unit Credit' method are as follows:

	2025 (Rupees)	2024
Expected rate of increase in salary level	<u>13.0% p.a</u>	15.25% p.a
Discount rate	<u>11.75% p.a</u>	14.75% p.a

24.6 Impact of changes in assumption on present value of defined benefit scheme without payable is as follows:

Assumption	2025 1% increase (Rupees)	2024 1% increase
Discount rate	<u>213,575,090</u>	163,984,694
Salary	<u>242,218,873</u>	192,210,368

Assumption	2025 1% decrease (Rupees)	2024 1% decrease
Discount rate	<u>(241,413,452)</u>	(191,604,188)
Salary	<u>(212,612,567)</u>	(163,238,059)

24.7 Maturity profile of the defined benefit obligation:

	2025 (Years)	2024
Weighted average duration	<u>6.19</u>	8.00

24.8 Description of the risks to the Company

The defined benefit plan exposes the Company to the following risks:

Mortality risks – The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service/age distribution and the benefit.

Final salary risks – The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risks – The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service/age distribution and the benefit.

24.9 Comparison of five years:

As at June 30,	2025	2024	2023	2022	2021
	----- (Rupees) -----				
Present value of defined benefit obligation	<u>183,756,913</u>	140,549,985	80,878,191	61,936,775	48,502,400

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	Note	2025 (Rupees)	2024
25	PROVISION FOR GAS INFRASTRUCTURE DEVELOPMENT CESS		
	Gas infrastructure development cess	<u>232,668,440</u>	232,668,440
	Less: Current portion shown under current liabilities	<u>(232,668,440)</u>	(232,668,440)
		-	-
26	TRADE AND OTHER PAYABLES		
	Trade creditors - local	<u>184,108,803</u>	234,433,056
	Trade creditors - import	<u>919,800,890</u>	692,769,237
	Accrued liabilities	<u>30,309,648</u>	138,604,039
	Advances from customers - unsecured (contract liabilities)	<u>172,942,125</u>	214,873,292
	Workers' profits participation fund	26.1 <u>219,449,060</u>	216,384,616
	Workers' welfare fund	<u>38,140,398</u>	35,781,686
	Withholding tax payable	<u>129,511,706</u>	71,242,457
	Sales tax payable	<u>24,163,052</u>	-
	Others	<u>10,274,276</u>	2,630,464
		<u>1,728,699,958</u>	1,606,718,847
26.1	Workers' profits participation fund		
	Opening balance	<u>216,384,616</u>	207,903,949
	Charged for the year	34 <u>6,207,136</u>	22,128,854
	Interest on workers' profits participation fund	33 <u>12,894,156</u>	18,125,674
	Paid during the year	<u>(16,036,848)</u>	(31,773,861)
	Closing balance	<u>219,449,060</u>	216,384,616
27	SHORT-TERM BORROWING - SECURED		
	Istisna arrangement	27.1 <u>472,647,025</u>	336,573,001
		<u>472,647,025</u>	336,573,001
27.1	Represents Islamic financing facility of Rs. 464.9 million (2024: 325.2 million) utilized from Islamic banks which are payable within four months carrying markup of 6 months KIBOR plus spread of 2.5% and is secured against joint pari passu charge of Rs.1,001 million over current assets, joint pari passu charge of Rs. 660 million over plant and machinery of the Company and joint pari passu charge of Rs. 340 million over leasehold land and building of the Company.		
	This also includes the balance of accrued markup.		
28	CONTINGENCIES AND COMMITMENTS		
28.1	Contingencies		
28.1.1	In August 2015, Sui Southern Gas Company (SSGC) increased rates of natural gas on the basis of notification dated August 31, 2015 issued by Oil and Gas Regulatory Authority (OGRA) whereby prices for natural gas for industrial sector have increased from Rs. 488 to Rs. 600 per MMBTU whereas those		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

for the captive power sector have been increased from Rs. 573 to Rs. 600 per MMBTU and the Company falls in the category of captive power. The Company challenged the OGRA notification and filed writ petition in the HCS in Suit No. 2419 of 2015. Thereafter, High Court Sindh (HCS) vide its order dated May 18, 2016, decided the case in Company's favor and concluded that the OGRA notification lacks the sanctity of law and it cannot be validated in terms of Section 7 and 8 of the Oil and Gas Regulatory Authority Ordinance 2002. SSGC filed an appeal in the HCS which was dismissed on August 15, 2017. Subsequently, SSGC has taken the matter to the Supreme Court of Pakistan and filed petition to appeal against the order dated August 15, 2017.

Further, OGRA in suppression of its Notification No. SRO 876(1) 2015 dated August 31, 2015 notified the sale price and minimum charges, in respect of natural gas to industrial customers with effect from December 15, 2016 being flat rate of Rs.600 per MMBTU. The Company challenged the impugned notification dated December 30, 2016 before the HCS. HCS has passed ad-interim orders dated January 20, 2017 suggesting stay on the rates aforementioned, while ordering plaintiffs to deposit the differential amount in terms of impugned notification as security till further orders. Accordingly, the Company has deposited the security to Nazir of High Court as disclosed in note 15 to financial statements.

However, due to the inherent uncertainties involved in the matter, the management based on the opinion of their legal advisor, has not accounted for increase in tariff rate amounting to Rs. 9.525 million as of June 30, 2023 which includes Rs. 1.001 million for the year as the management is confident that the decision of the case will be in their favor.

28.1.2 The Deputy Commissioner Inland Revenue had passed an order under Section 11 of Sales Tax Act, 1990. An appeal against the above order has been filed before the Commissioner Inland Revenue - Appeals (CIRA) by the Company and an order was passed by the CIRA dated August 31, 2022 wherein tax demand of Rs. 17.03 million had been upheld and remaining tax demand of Rs 277.59 million has been remanded back by CIRA with specific directions. The Company had filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the demand upheld in aforesaid order of the CIRA. The appeal has been heard by the Appellate Tribunal Inland Revenue (ATIR) and remanded the case for de novo proceedings.

The Concerned Deputy Commissioner Inland Revenue had initiated the remand back proceeding and confirmed the demand as established earlier without following the direction of the CIRA through its Order-in-Original No.14/2022-2023 dated June 14, 2023. The Company also filed an appeal before CIRA against aforesaid remand back proceeding order which has been heard by CIRA. The CIRA through its order no. 26 dated November 17, 2023 deleted the demand of Rs. 254.91 million and remanded Rs 22.68 million to the assessing officer for readjudication. The Company has filed its reply dated June 13, 2025 on the notice issued by the Assessing Officer.

On the basis of factual and legal position in above pending appeals with the Commissioner Inland Revenue - Appeals II (CIRA) and the Appellate Tribunal Inland Revenue (ATIR), our tax consultant's anticipate a favorable outcome of such appeals in favor of the Company. Therefore, the Company based on aforesaid position has not made any provision in these financial statements.

28.1.3 The Deputy Commissioner Inland Revenue had issued demand of penalty of Rs.8,503,141/-and default surcharge of Rs.1,305,330. An appeal against the above order has been filed before the Commissioner Inland Revenue - Appeals (CIRA) by the Company and an order was passed by the Commissioner Inland Revenue - Appeals (CIRA) dated April 11, 2023 decided the appeal against such order and deleted the demand. The department had filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against appellate order of Commissioner Inland Revenue - Appeals. The hearing against aforesaid appeal has not been fixed by the Appellate Tribunal Inland Revenue as yet. Therefore, the Company based on advice of its tax consultants has not made any provision in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

28.1.4 In tax year 2023, the Notice for the payment of super tax has been issued by the Deputy Commissioner Inland Revenue, Karachi to the Company wherein super tax Rs. 71,500,082/- @ 10% of taxable income of Rs.715,000,821 has been computed on the basis of slab rates introduced rate through Finance Act, 2023, The Company had challenged the chargeability of super tax in the Islamabad High Court through writ petition No. 365/2024 and the Hon'ble Court in deciding aforesaid petition held that amended rate introduced through Finance Act, 2023 for super tax has no retrospective application for Tax Year 2023. The Company had already discharged a portion of the super tax liability amounting to Rs.28,600,033/- under the rate introduced through Finance, 2022 for the year 2022-2023 in compliance with the apex judgement passed in another case of similar nature.

As per the constitutional bench's directive, Supreme Court has ordered the transfer of all appeals related to the super tax that were previously pending before the Lahore High Court (LHC) and the Islamabad High Court (IHC). Therefore, the T.case No. 573 of 2025 is pending before the Honorable Supreme court of Pakistan. Therefore, the Company based on advice of its tax consultants has good arguable case on merit and is likely to be decided in favor of the Company and as such there is no likelihood of unfavourable outcome or any potential loss in account of above case.

28.1.5 In tax year 2020, The Income Tax Assessment under Section 120 of the Ordinance was subject to amendment in terms of Section 122(5A) and a show cause notice had been issued under Section 122(9) of the Ordinance. The Company submitted legal response to the show cause notice and made complete responses against the aforesaid show cause as well. However, amended assessment order under section 122(5A) dated January 29, 2024 has been passed by the Additional Commissioner. The Company had filed an appeal before the Commissioner Inland Revenue Appeal [CIRA] against the aforesaid Order who remanded the case to the ADC for de novo proceedings vide order dated May 30, 2024 under section 129 of the Ordinance.

However, while passing the order dated February 26, 2025, under section 122 (5A), the ADC not only disallowed the tax credit under section 65B of the ordinance for investment in plant and machinery but also reduced the tax refund to Rs 27,864,935. The Company has filed an appeal before the Commissioner - IR (Appeals) against the said order, which is pending adjudication.

28.1.6 In tax year 2021: The Income Tax Assessment under Section 120 of the Ordinance was subject to amendment in terms of Section 122(5A) and a showcause notice had been issued under Section 122(9) of the Ordinance. The Company submitted legal response to the showcause notice and made complete responses against the aforesaid show cause as well. However, amended assessment order under section 122(5A) dated January 30, 2025 passed by the Additional Commissioner whereby tax demand of Rs.9,277,532 has been established. The Company had filed an appeal before the Commissioner Inland Revenue Appeal [CIRA] against the aforesaid Order which is currently pending. Therefore, the Company based on advice of its tax consultants has not made any provision in these financial statements.

28.1.7 In tax year 2022: The Income Tax Assessment under Section 120 of the Ordinance is subject to amendment in terms of Section 122(5A) and a show cause notice had been issued under Section 122(9) of the Ordinance. The Company submitted legal response to the showcause notice and made complete responses against the aforesaid show cause as well. However, amended assessment order under section 122(5A) dated February 29, 2024 passed by the Additional Commissioner whereby tax demand of Rs.50,063,001/- has been established. The Company had filed an appeal before the Commissioner Inland Revenue Appeal [CIRA] against the aforesaid Order which is pending before CIRA. Therefore, the Company based on advice of its tax consultants has not made any provision in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

28.1.8 The Company filed a Constitutional petition No. 3407 of 2014 before the High Court of Sindh to restrain the Federal Government from coercing the Company to transfer 5% of its profits to the Workers' Profit Participation Fund. The High Court of Sindh granted an ad interim order in favour of the Company, which is still in operation. The petition is still pending before the High Court of Sindh and the Company has a reasonable probability of success in this petition. Therefore, the Company based on advice of its tax consultants has not made any provision in these financial statements.

28.1.9 The Company filed a Suit No. 798 of 2016 before the High Court of Sindh and impugned the insertion of Tariff Heading 9830.0000 in the Second Schedule to the Sindh Sales Tax on Services Act, 2011 through the Finance Act, 2013 and subsequent show cause notice dated December 03, 2015 issued by the Sindh Revenue Board on the basis of this tariff heading and said heading reads "Services provided in the matter of manufacturing or processing for others on toll basis. The High Court of Sindh granted an ad interim order in favour of the Company, which is still in operation. The suit is still pending before the High Court of Sindh and the Company has a reasonable probability of success in this suit. Therefore, the Company based on advice of its tax consultants has not made any provision in these financial statements.

28.1.10 The Company had filed five appeals before the Commissioner Appeal Sindh Revenue Board [CASRB], Karachi against four Orders dated November 16, 2023 in respect of the year 2017, 2021, 2022 and 2023 and one Order dated November 23, 2023 pertain to the year 2018 whereby SWWF demand of Rs.25,175,601/- had been established by the Deputy Commissioner-SRB, Karachi. All aforesaid five appeals are pending before the commissioner appeals SRB. The Company had made payment of 10% of demand in compliance with the appellate order passed by the Appellate Tribunal SRB to obtain stay against recovery of impugned demand of SWWF. Therefore, the Company based on advice of its tax consultant anticipates favorable outcome of aforesaid appeal in favour of the Company. Hence, no provision requires to be made in financial statement.

28.1.11 In the year 2017, sales tax audit for the tax year 2012-2014 of the Company was selected and an order was passed by the Deputy Commissioner Inland Revenue dated October 23, 2017 for a demand of Rs. 3,897,611/- against the Company. An appeal against the above order has been filed before the Commissioner Inland Revenue - Appeals II by the Company and during the year, the Commissioner Inland Revenue Authority (CIR-A) had set aside the issues pertaining to sales tax amounting to Rs. 766,794/- and CIR-A had deleted sales tax demand of Rs.898,818/- together with default surcharge and penalty and forward the same for further examination to Deputy Commissioner Inland Revenue while the Company had already paid the aforesaid demand of Rs.831,108/- together with related penalty of Rs.41,555/- into Government Treasury.

Since then, no sales tax demand stands payable as of today unless re-examined / reassessed by the DCIR as per the direction of CIR-A. Therefore, the Company based on advice of its tax consultants has not made any provision in these financial statements.

28.2 COMMITMENTS		Note	2025 (Rupees)	2024
28.2.1	Outstanding bank guarantees		<u>50,774,062</u>	<u>12,774,062</u>
28.2.2	Outstanding letters of credit	28.2.3	<u>894,560,890</u>	<u>572,127,586</u>
28.2.3	The aforesaid letters of credit are secured against lien over import documents.			
29 REVENUE FROM CONTRACT WITH CUSTOMERS			2025 (Rupees)	2024
Gross sales				
- Local			<u>7,090,720,224</u>	6,549,501,139
- Exports			<u>32,141,275</u>	102,942,174
			<u>7,122,861,499</u>	6,652,443,313
Less: Sales tax			<u>(1,128,244,108)</u>	(1,033,035,080)
			<u>5,994,617,391</u>	5,619,408,233

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

29.1 All sales revenue earned by the Company is Shariah compliant.

		Note	2025 (Rupees)	2024
30	COST OF SALES			
	Opening stock of raw material		<u>361,694,570</u>	539,102,630
	Purchases during the year		<u>3,167,048,054</u>	3,056,213,612
			<u>3,528,742,624</u>	3,595,316,242
	Closing stock of raw material	12	<u>(175,502,819)</u>	(361,694,570)
	Raw material consumed		<u>3,353,239,805</u>	3,233,621,672
	Manufacturing expenses			
	Salaries, wages and other benefits	30.1	<u>416,558,842</u>	347,228,319
	Oil and lubricants / diesel		<u>13,934,774</u>	18,164,781
	Packing material consumed		<u>123,480,752</u>	128,354,035
	Consumable stores		<u>94,502,987</u>	48,349,728
	Water charges		<u>1,140,023</u>	1,055,064
	Repairs and maintenance		<u>11,941,652</u>	57,363,130
	Vehicle running and maintenance		<u>14,680,518</u>	14,675,719
	Utilities		<u>954,748,711</u>	742,207,869
	SAP service charges		<u>25,614,542</u>	20,371,745
	Insurance		<u>16,315,977</u>	15,659,255
	Communication		<u>5,412,065</u>	6,172,502
	Consultancy charges		<u>4,800,000</u>	4,424,150
	Security charges		<u>4,529,918</u>	4,465,258
	Depreciation	9.4	<u>118,171,846</u>	117,680,698
	Transportation		<u>42,950,081</u>	51,452,649
	Rent and rates		<u>-</u>	5,182,099
	Traveling and accommodation		<u>8,030,217</u>	10,205,172
	Others		<u>3,616,915</u>	7,949,593
			<u>1,860,429,820</u>	1,600,961,766
			<u>5,213,669,625</u>	4,834,583,438
	Opening work-in-process		<u>269,044,165</u>	133,110,261
			<u>5,482,713,790</u>	4,967,693,699
	Closing work-in-process	12	<u>(243,857,815)</u>	(269,044,165)
	Cost of goods manufactured		<u>5,238,855,975</u>	4,698,649,534
	Finished goods			
	Opening stock		<u>81,152,675</u>	75,569,099
	Closing stock	12	<u>(16,121,336)</u>	(81,152,675)
			<u>65,031,339</u>	(5,583,576)
			<u>5,303,887,314</u>	4,693,065,958

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

30.1 Salaries, wages and other benefits includes staff retirement benefit amounting to Rs. 32.06 million (2024: Rs. 18.69 million).

	Note	2025 (Rupees)	2024
31 ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	31.1	156,040,005	109,431,081
Directors' remuneration		78,008,972	58,198,738
Vehicle maintenance		15,187,019	15,484,515
Legal and professional		3,133,275	9,593,643
Traveling and accommodation		11,259,687	21,223,667
Insurance		1,459,585	1,076,921
Fees and subscription		14,776,640	13,211,788
Rent and rates	31.2	1,755,000	7,359,138
Advertisement		121,800	739,322
Postage and stationery		2,296,349	1,186,233
Donation	31.3	3,980,000	4,630,000
SAP service charges		10,033,370	7,340,299
Communication		5,202,579	2,746,404
Newspaper and periodicals		-	5,255
Transportation		1,522,681	1,136,859
Amortization	10.1	4,167,227	3,167,220
Fuel and power		4,975,916	3,648,175
Auditors' remuneration	31.4	5,800,000	4,991,232
Depreciation	9.4 & 9.8	32,846,315	19,921,330
Repair and maintenance		9,372,409	4,568,820
Security		2,929,989	4,443,752
Water		-	379,590
Others		5,502,721	8,135,415
		370,371,539	302,619,397

31.1 Salaries, wages and other benefits includes staff retirement benefit amounting to Rs. 18.55 million (2024: Rs. 10.09 million).

31.2 This represents expense relating to short term lease.

31.3 Details of donations given to single party are as follows:

	2025 (Rupees)	2024
The citizen foundation	1,500,000	500,000
Orange Tree Foundation	700,000	-
Deaf Reach	500,000	-
Karachi institute of kidney diseases association	-	600,000
Kiran foundation	-	1,300,000

31.3.1 None of the directors of the Company had any interest in any of the donees to whom donations were made.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	Note	2025 (Rupees)	2024
31.4 Auditor's remuneration			
Audit fee		3,584,000	3,200,000
Fee for review of half yearly		672,000	600,000
Shariah Audit Fee		400,000	-
Fee for review of code of corporate governance		224,000	200,000
Other services		318,080	350,000
Out of pocket expenses		601,920	641,232
		5,800,000	4,991,232
32 MARKETING AND DISTRIBUTION EXPENSES			
Salaries, wages and other benefits	32.1	38,215,604	33,448,120
Vehicle running and maintenance		4,346,040	4,042,956
Travelling and accommodation		1,431,376	4,321,663
Cartage and Octroi		99,653,016	83,488,324
Postage and stationery		204,087	370,027
Telephone		457,875	311,205
SAP service charges		17,235,756	12,687,818
Power / electricity		238,735	168,574
Sales promotion		10,386,002	14,598,761
Depreciation	9.4 & 9.8	2,800,248	2,669,168
Insurance		375,172	284,764
Others		360,933	192,008
		175,704,844	156,583,388

32.1 Salaries, wages and other benefits includes staff retirement benefit amounting to Rs. 3.47 million (2024: Rs. 2.53 million).

33 FINANCE COSTS

Profit on Islamic mode of financing:

- diminishing musharika arrangements	12,652,585	12,265,938
- istisna arrangement	66,035,340	74,962,252
	78,687,925	87,228,190

Others:

- lease liabilities	22.1	11,559,316	11,234,443
- gas infrastructure development cess		-	8,095,124
- interest on workers' profits participation fund	26.1	12,894,156	18,125,674
- bank charges		6,482,874	10,435,438
		30,936,346	47,890,679
		109,624,271	135,118,869

33.1 Finance cost include amounting to Rs. 78.69 million (2024: Rs. 87.23 million) incurred under Islamic mode of financing.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	Note	2025 (Rupees)	2024
34 OTHER OPERATING EXPENSES			
Worker's profit participation fund	26.1	6,207,136	22,128,854
Workers welfare fund		2,358,712	9,182,853
Exchange loss - net	34.1	13,423,644	-
Others expenses		6,032,225	-
		28,021,717	31,311,707
34.1			
Exchange loss occurred from the actual currency.			
35 OTHER INCOME			
Income from Islamic banks	35.1	2,010,787	8,668,262
Scrap sales		17,450,896	14,111,475
Exchange gain - net	35.2	-	17,371,827
Loss on sale of operating fixed assets		(12,699,196)	(5,585,762)
Others		80,671,116	83,518,660
		87,433,603	118,084,462
35.1			
These represents profit earned from Shariah compliant bank deposits and bank balances.			
35.2			
Exchange gain earned from the actual currency.			
36 TAXATION			
Levy			
Minimum tax	36.1	48,754,100	-
Final tax	36.2	-	1,029,422
Income tax			
Current		26,098,265	176,412,755
Prior		(5,163,985)	11,761,062
Deferred		(39,395,336)	(28,280,152)
		(18,461,056)	159,893,665
		30,293,044	160,923,087
36.1			
This represents minimum tax under section 113 of the Income Tax Ordinance, 2001, to the extent of the excess over the amount of income tax calculated using the notified tax rate, as well as minimum tax under section 154 of the Income Tax Ordinance, 2001.			
36.2			
This represents final tax under section 154 of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.			
36.3			
The income tax return of the Company has been filed up to tax year 2024.			

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

36.4 Relationship between income tax expense and accounting profit:

	2025 (Rupees)	2024
Profit before income taxes and levy	115,576,878	418,643,396
Tax at the enacted tax rate 29% (2024: 29%)	33,517,295	122,137,474
Super tax under section 4C (2024: 8%)	-	33,409,118
Prior year tax	(5,163,985)	11,761,062
Effect of rate difference	1,939,734	(7,290,657)
Others	-	906,090
	30,293,044	160,923,087
Effective tax rate	26%	38%
Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:		
Current tax liability for the year as per applicable tax laws	74,852,365	177,442,177
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(26,098,265)	(176,412,755)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(48,754,100)	(1,029,422)
Difference	-	-
37 EARNING PER SHARE-BASIC AND DILUTED		
Profit attributable to ordinary shareholders	85,283,834	257,720,309
Weighted average number of ordinary shares outstanding during the year	59,301,150	59,301,150
Earnings per share - basic and diluted	1.44	4.35
There were no convertible dilutive potential ordinary shares outstanding as at June 30, 2025 and June 30, 2024.		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES

The aggregate amount charged in these financial statements for the period in respect of remuneration and benefits to the Chief Executive, Directors and Executives of the Company were as follows:

	Chief Executive		Director		Executives	
	2025	2024	2025	2024	2025	2024
	(Rupees)		(Rupees)		(Rupees)	
Remuneration	39,460,727	31,738,979	22,113,263	18,152,256	154,248,219	79,292,217
Medical allowance	4,680,000	3,900,000	1,284,869	1,187,502	7,051,535	4,820,559
Gratuity	2,340,000	1,950,000	1,406,497	1,172,081	10,758,659	7,235,877
Other perquisites (Motor vehicle maintenance etc.)	1,460,071	1,025,727	2,306,818	1,651,433	24,648,812	15,361,588
	47,940,798	38,614,706	27,111,447	22,163,272	196,707,225	106,710,241
Number of person(s)	1	1	1	1	34	21

Executives means employees other than chief executive and directors whose basic salary exceeds Rs. 1,200,000 per financial year.

In addition, the Chief Executive, Directors and certain executives are also provided with use of the Company's maintained cars and other benefits in accordance with their terms of employment for official use.

No remuneration has been paid to non executive directors during the year except as disclosed in note 38.1.

38.1 Aggregate amount charged in the financial statements for fees to non-executive director is Rs. 4.61 million (2024: Rs. 3.22 million) against attending the board meetings.

39 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of associated companies, major shareholders, directors, key management personnel. The Company in the normal course of business carries out transactions with various related parties as per agreed rates. All the transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company. The transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

	2025	2024
	(Rupees)	
Directors and Key Management Personnel		
Remuneration	120,330,301	94,910,930
Common Directorship		
Toyo Packaging (Private) Limited		
Sale of goods / processing charges	230,913,702	257,444,653
Receipts against sale of goods / processing charges	231,862,382	247,457,690
Hilal Foods (Private) Limited		
Sale of goods	50,366,735	43,174,062
Receipts against sale of goods	47,465,553	51,229,158

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	2025	2024
	(Rupees)	
Shalimar Food Products		
Sale of goods	23,108,762	26,241,396
Receipts against sale of goods	15,069,152	19,612,887
Mac Properties (Private) Limited		
Office rent charged	-	7,359,138
Office rent paid	-	7,029,138
Mac Business Solutions (Private) Limited		
Sale of goods	270,748,239	230,078,366
Receipts against sale of goods	242,003,561	215,698,780
TGA Sustainability (Private) Limited		
Sale of goods	171,884,563	133,464,664
Receipts against sale of goods	94,603,864	188,188,325
Receipts against utilities	2,113,615	4,828,560

39.1 The related parties status of outstanding receivables, if any, as at June 30, 2025 and June 30, 2024 are disclosed in respective notes to these financial statements.

	Note	2025	2024
		(Rupees)	
40 CASH GENERATED FROM OPERATING ACTIVITIES			
Profit before income taxes and levy		115,576,878	418,643,396
Adjustments for non-cash and other items:			
Depreciation	9.4 & 9.8	153,818,409	140,271,196
Amortization	10.1	4,167,227	3,167,220
Provision for gratuity	24.2	54,088,412	31,318,438
Finance costs	33	109,624,271	135,118,869
Impairment loss on trade receivables	13.2	(21,135,569)	149,980
Exchange loss / (gain) - unrealized	34	1,715,026	(6,970,404)
Loss / (gain) on disposal of operating fixed assets	35	12,699,196	5,585,762
		314,976,972	308,641,061
		430,553,850	727,284,457
Working capital changes	40.1	4,123,811	(181,113,129)
		434,677,661	546,171,328
40.1 Working capital changes			
(Increase) / Decrease in current assets			
Inventories		(104,078,039)	33,867,998
Stores and spares		(58,838,386)	(14,895,501)
Trade receivables-net		(101,565,583)	(39,581,015)
Loans and advances		11,581,581	22,912,898
Short trade deposits, prepayments and other receivables		(1,030,897)	101,012,620
Sales tax refundable / (payable)		-	(59,003,516)
		(253,931,324)	44,313,484
(Decrease) / Increase in current liabilities			
Short term borrowings		136,074,024	111,359,702
Trade and other payables		121,981,111	(336,786,315)
		4,123,811	(181,113,129)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

41 FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT

The main risks arising from the Company's financial instruments are market risks, credit risk and liquidity risk. The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments.

41.1 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentrations of credit risk arise when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The maximum exposure to credit risk at the reporting date is:

	Note	2025 (Rupees)	2024
Long-term deposits	11	29,516,490	16,815,042
Trade receivables	13	1,025,180,289	899,842,277
Loans and advances	14	35,718,329	47,299,910
Trade deposits and other receivables	15	138,345,833	147,306,553
Short term investment	17	48,524,062	10,524,062
Bank balances	18	62,728,780	141,184,042
		<u>1,340,013,783</u>	<u>1,262,971,886</u>

Quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or the historical information about counterparty default rates as shown below:

Trade Receivables

Trade debts are due from both local and foreign customers. The Company manages credit risk, inter alia, by setting credit limits for individual customers, obtaining advances against sales, and providing an impairment allowance for lifetime expected credit losses on trade debts. The Company has established an allowance for expected credit losses based on its estimate of expected losses, derived from actual credit loss experience over the past three years.

This allowance is then adjusted using a weighted average of macroeconomic factors under three developed scenarios: "Base," "Best," and "Worst," with assigned probability weightings of 60%, 10%, and 30%, respectively. The Company also conducted a sensitivity analysis, which showed that when the weight assigned to the "Worst" scenario was increased by 5%, the ECL provision rose by Rs. 0.032 million.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	2025 (Rupees)	2024
Bank balances		
A1+ (PACRA)	3,969,200	27,944,904
A-1+ (JCR VIS)	51,239,574	66,037,245
A-1 JCR VIS	7,515,778	47,197,665
A-2 (JCR VIS)	4,228	4,228
	<u>62,728,780</u>	<u>141,184,042</u>

41.2 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rate and foreign exchange rates. The objective of market risk management is to manage and control market risk exposures with an acceptable range.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk in respect of Company's short-term financing arrangements at floating interest rates to meet its business operations and working capital requirements.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Company's profit before tax (through impact on floating rate borrowings). This analysis excludes the impact of movement in market variables on non-financial assets and liabilities of the Company. Further, interest rate sensitivity does not have a symmetric impact on the Company's result.

		Increase / decrease in basis points	Effect on profit before tax (Rupees)
June 30, 2025	+	100	7,142,956
	-	100	(7,142,956)
June 30, 2024	+	100	3,891,648
	-	100	(3,891,648)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign currency exchange rates primarily relates to the Company's operating activities. The Company manages its currency risk by effective fund management and timely repayment of its current liabilities. The Company, however, has not hedged its foreign currency liabilities as the management has assessed that it will not be cost beneficial.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

The Company's exposure to foreign currency risk in major currencies at their gross values is as follows:

	2025 (US Dollar)	2024
Creditors	<u>3,184,975</u>	<u>2,283,487</u>
	(EURO)	
Creditors	<u>44,916</u>	<u>192,084</u>

Following is the demonstration of the sensitivity to a reasonably possible change in exchange rate of all currencies applied to assets and liabilities as at June 30, 2025 represented in foreign currencies, with all other variables held constant, of the Company's loss before tax.

	Change in exchange rate (%)	Effect on profit before tax (Rupees)
June 30, 2025	+10%	91,980,079
	-10%	(91,980,079)
June 30, 2024	+10%	69,276,923
	-10%	<u>(69,276,923)</u>

(iii) Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investment securities. As at the reporting date, the Company is not exposed to other price risk as the Company does not have any investment in equity shares.

41.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The management believes that it will be able to fulfill its financial obligations.

Table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments. Balances due within 12 months equals to their carrying balances as the impact of discounting is not significant:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	On demand	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
	(Rupees)					
June 30, 2025						
Lease liabilities	-	11,116,875	11,116,875	46,119,149	-	68,352,899
Diminishing musharika	-	19,808,699	19,808,699	204,769,570	-	244,386,968
Trade and other payables	-	1,728,699,958	-	-	-	1,728,699,958
Short-term borrowings	-	472,647,025	-	-	-	472,647,025
	-	<u>2,232,272,557</u>	<u>30,925,574</u>	<u>250,888,719</u>	-	<u>2,514,086,850</u>

June 30, 2024

Lease liabilities	-	10,536,896	10,536,896	66,084,150	-	87,157,942
Diminishing musharika	-	12,471,950	12,471,950	16,721,796	-	41,665,696
Trade and other payables	-	1,606,718,847	-	-	-	1,606,718,847
Short-term borrowings	-	336,573,001	-	-	-	336,573,001
	-	<u>1,966,300,694</u>	<u>23,008,846</u>	<u>82,805,946</u>	-	<u>2,072,115,486</u>

Effective interest / yield rates for the financial liabilities are mentioned in the respective notes to the financial statements.

42 DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

The Company has relationship with Meezan Bank Limited, Bank Alfalah Limited, Faysal Bank Limited, United Bank Limited, Dubai Islamic Bank Pakistan Limited, Al-Baraka Bank Pakistan Limited, Bank Alhabib Limited, Bank of Punjab being our Islamic banks which are fully disclosed in these financial statements.

43 FAIR VALUE 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants at in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and,

Level 3: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

As at June 30, 2025, all financial assets and financial liabilities are carried at amortized cost which is approximate to their fair value. Other than the financial asset as stated above, the Company has a lease hold land which is stated at fair value. The fair valuation of land is considered to represent a level 2 valuation based on the inputs to the valuation technique used.

44 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and reserves. The gearing ratio as at June 30, 2025 and June 30, 2024 are as follows:

	Note	2025 (Rupees)	2024
Lease liabilities	22	49,530,915	56,776,640
Diminishing musharika arrangement	21	244,386,968	41,665,695
Short-term borrowings	27	472,647,025	336,573,001
Total debts		766,564,908	435,015,336
Less: Cash and bank balances	18	(65,091,237)	(146,593,352)
Net debt		701,473,671	288,421,984
Share capital	19	593,011,500	593,011,500
Reserves		1,651,597,235	1,643,959,771
Total equity		2,244,608,735	2,236,971,271
Total capital		2,946,082,406	2,525,393,255
Gearing ratio		23.81%	11.42%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

45 OPERATING SEGMENTS

These financial statements have been prepared on the basis of single reportable segment.

	2025 (Number)	2024
46 NUMBER OF EMPLOYEES		
At year end	240	214
Average employees during the year	240	214

47 CAPACITY AND PRODUCTION

Operational capacity	2025		2024	
	Rated Capacity	Actual production	Rated Capacity	Actual production
	(Metric Tons)			
BOPP – Port Qasim Authority	15,000	11,508	15,000	11,568
CPP – Port Qasim Authority	7,000	5,594	7,000	6,026
Thermal - Port Qasim Authority	3,600	5	-	-

Actual production was below capacity due to low demand and therefore the plant capacity was utilized to the extent of orders received from customers.

	Note	2025 (Rupees)	2024
48 CASH AND CASH EQUIVALENTS			
Cash and bank balances	18	65,091,237	146,593,352

49 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever consider necessary, for the purpose of comparison, the effects of which are not material. The following major reclassification have been made during the period:

Description	Reclassified from	Reclassified to	June 30, 2024 Balance (Rupees)
Accrued markup	Accrued markup on short term borrowings	Short term borrowings	11,392,112
Accrued markup	Accrued markup on diminishing musharika	Current portion of diminishing musharika	1,049,232

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

50 SUBSEQUENT EVENTS

The Board of Directors of the Company in their meeting held on August 29, 2025 have recommended cash dividend of Rs. 0.5 per share (2024: Rs. 1.25 per share) amounting to Rs. 29.6 million (2024: Rs. 74.1 million) for the year ended June 30, 2025.

51 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on August 29, 2025 by the Board of Directors of the Company.

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Chief Executive Officer



Director



Chief Financial Officer



SHAREHOLDERS **INFORMATION**

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2025

# OF SHAREHOLDERS	SHAREHOLDINGS' SLAB			TOTAL SHARES HELD
384	1	to	100	7,491
457	101	to	500	197,828
201	501	to	1000	175,963
261	1001	to	5000	711,587
67	5001	to	10000	538,450
23	10001	to	15000	295,433
12	15001	to	20000	211,750
14	20001	to	25000	327,944
9	25001	to	30000	247,379
3	30001	to	35000	99,325
6	35001	to	40000	238,000
5	40001	to	45000	216,000
6	45001	to	50000	296,500
3	50001	to	55000	162,081
2	55001	to	60000	118,000
1	60001	to	65000	65,000
1	65001	to	70000	70,000
2	70001	to	75000	150,000
2	80001	to	85000	170,000
3	85001	to	90000	267,141
1	90001	to	95000	91,324
9	95001	to	100000	896,000
1	110001	to	115000	112,403
1	130001	to	135000	133,900
1	135001	to	140000	137,250
2	145001	to	150000	299,499
1	155001	to	160000	157,841
1	180001	to	185000	185,000
5	195001	to	200000	1,000,000
2	200001	to	205000	401,962
1	275001	to	280000	277,768
1	295001	to	300000	300,000
1	390001	to	395000	394,441
1	455001	to	460000	457,500
1	525001	to	530000	528,000
1	595001	to	600000	598,000
1	600001	to	605000	602,139

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2025

# OF SHAREHOLDERS	SHAREHOLDINGS' SLAB			TOTAL SHARES HELD
1	700001	to	705000	700,125
1	705001	to	710000	710,000
2	760001	to	765000	1,525,000
1	795001	to	800000	800,000
1	900001	to	905000	900,100
1	1045001	to	1050000	1,050,000
1	1105001	to	1110000	1,107,519
1	1165001	to	1170000	1,169,692
1	1195001	to	1200000	1,200,000
1	4665001	to	4670000	4,666,000
2	8400001	to	8405000	16,801,925
1	8425001	to	8430000	8,428,107
1	9100001	to	9105000	9,103,783
1508				59,301,150

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2025

CATEGORIES OF SHAREHOLDERS	SHAREHOLDERS	SHARES HELD	PERCENTAGE
Government of Pakistan			
EMPLOYEES OLD AGE BENEFITS INSTITUTION	1	4,666,000	7.87
Directors, Chief Executive Officer and their spouse(s) and minor children			
EHTESHAM MAQBOOL ELAHI	3	9,845,404	16.60
HABIB ELAHI	2	9,163,462	15.45
SHARIQ MAQBOOL ELAHI	3	9,163,375	15.45
NAEEM ALI MOHAMMAD MUNSHI	1	9,103,783	15.35
NAJMUL HASSAN	1	133,900	0.23
MAQBOOL ELAHI SHAIKH	1	89,212	0.15
SHABBIR HAMZA KHANDWALA	1	500	0.00
HAFSA ABBASY	1	500	0.00
FAHAD MUNSHI	1	500	0.00
Associated Companies, undertakings and related parties	-	-	-
NIT & ICP	-	-	-
Banks Development Financial Institutions, Non Banking Financial Financial Institutions.	2	534,500	0.90
Insurance Companies	0	-	-
Modarabas and Mutual Funds	2	101,500	0.17
General Public			
a. Local	1425	12,290,620	20.73
b. Foreign	39	126,176	0.21
OTHERS	25	4,081,718	6.88
Total	1508	59,301,150	100.00

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2025

SHARE HOLDERS HOLDING 10% OR MORE	SHARES HELD	PERCENTAGE
EHTESHAM MAQBOOL ELAHI	9,845,404	16.60
HABIB ELAHI	9,163,462	15.45
SHARIQ MAQBOOL ELAHI	9,163,375	15.45
NAEEM ALI MOHAMMAD MUNSHI	9,103,783	15.35

SHAREHOLDER INFORMATION

Registered Office	
Plot No. 44-C, Block-6, P.E.C.H.S., Main Razi Road, Karachi.	Shares of Macpac Films Limited are listed on Pakistan Stock Exchange
Email: info@macpacfilms.com	

Stock Code	Contact Info
The stock code for dealing in equity shares of Macpac Films Limited at PSX is 'MACFL'	Email: company.secretary@macpacfilms.com Tel: +92-21-111-MFL-111

Shares Registrar
CDC Share Registrar Services Limited CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275) Fax: (92-21) 34326034 Email: info@cdcpak.com Website: www.cdcpakistan.com

NOTICE OF 30TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirtieth (30th) Annual General Meeting ('AGM') of the Members of Macpac Films Limited will be held on Friday, October 24, 2025 at 10:00 A.M. at Habitt Auditorium, Ground Floor, Main Shahra-e-Faisal, Karachi as well as through video conferencing facility to transact the following businesses:

Ordinary Business

- To receive, consider, and adopt the audited financial statements of the Company for the year ended June 30, 2025, together with the Chairman's Review Report, Report of the Directors and the Auditor's Report thereon ('Annual Report 2025').

<https://www.macpacfilms.com>



- To consider and, if thought fit, approve as recommended by the Board of Directors, the final cash dividend at the rate of Rs 0.5 per share i.e., 5% for the year ended June 30, 2025.
- To appoint Auditors for the year 2025-26 and to fix their remuneration. The present auditors, M/s KPMG Taseer Hadi & Co., being eligible, have offered themselves for re-appointment.
- To transact any other business with the permission of the Chair.

By order of the Board

Aquil A. Khan
Company Secretary

Karachi: October 2, 2025

NOTES:

1. Notice of Book Closure

The share transfer books of the Company will remain closed from October 17, 2025 to October 24, 2025 (both days inclusive). Transfers received, in order, at the office of our Share Registrar M/s. CDC Share Registrar Services Limited, CDC House 99-B, Block 'B', S.M.C.H.S., main Shahrah-e-Faisal, Karachi-74000, by the close of business on October 16, 2025, will be considered in time for the determination of the entitlement of the shareholders to final cash dividend and to attend and vote at the AGM.

2. Participation in the AGM Proceedings via Video Link Facility

- In addition to in person attendance the Company shall also arrange for video link facility for remote attendance. The members/proxies interested to participate in the AGM through this facility, are requested to get themselves registered with the Company at cdcsr@cdcsrsl.com or WhatsApp Number: 0321-8200864 by providing the following details: –

Shareholder Name	Company Name	Folio/ CDC Number	CNIC Number	Cell Number	Registered Email Address
	Macpac Films Limited				

- Video-link and login credentials will be shared with the members/proxies whose emails containing all the above particulars are received at the given email address by the close of business on October 22, 2025.
- The members can also provide their comments and questions for the agenda items of the AGM on email: investors@macpacfilms.com.

3. Appointment of Proxy and participation in the AGM

- A member entitled to attend, speak, and vote at the AGM is entitled to appoint another member as his/her proxy to attend, speak and vote on his/her behalf. A proxy must be a member of the Company.
- The instrument appointing proxy must be deposited at the Registered Office of the Company duly signed, not later than 48 hours before the time of the AGM. A member cannot appoint more than one proxy. An attested copy of the shareholder's Computerized National Identity Card (CNIC) must be attached with the Proxy form. The instrument appointing Proxy is available on the Company's website (<https://www.macpacfilms.com>)
- Owners of the physical shares and of the shares registered in the name of Central Depository Company of Pakistan Ltd. (CDC) and / or their proxies are required to produce their original valid Computerized National Identity Card (CNIC) or Passport, for identification purposes, at the time of attending the meeting in person. In the case of a corporate entity, the Board of Directors' resolution/Power of Attorney, with specimen signature of the nominee, shall be produced at the time of the meeting (unless it has been provided earlier).

4. Dividend Mandate/Submission of CNIC/NTN Number (Mandatory)

- Members are requested to provide copy of valid CNIC/NTN Certificate to their respective Participant/CDC Investor Account Services in case of Book-Entry Form, or to Company's Share Registrar in case of Physical Form, duly quoting thereon Company's name and respective folio numbers.
- Shareholders are requested to notify the Company's Share Registrar if there is any change in their registered postal addresses.
- Pursuant to Section 242 of the Companies Act, 2017 and Regulation No. 4 & 6 of the Companies (Distribution of Dividend) Regulations, 2017, the Company shall be constrained to withhold the payment of dividend to shareholders, in case of non-availability of identification number (CNIC or National Tax Number) and/or bank account details of the shareholder or the authorized person.

- iv. Accordingly, the shareholders, who have not yet submitted a copy of their valid CNIC or NTN certificate, are once again requested to immediately submit the same to the Company's Share Registrar at CDC Share Registrar Services Limited, CDC House, 99-B, Block – B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi. Those shareholders who hold shares in dematerialized form are requested to submit the dividend bank mandate form duly filled to their participant/investor account services at the CDC. Corporate entities are requested to provide their National Tax Number (NTN) and Folio Number along with the authorized representative's CNIC copy.

5. Circulation / Transmission of Annual Report 2025 and Notice of Meeting

- i. In accordance with the provisions of Section 223 of the Companies Act, 2017, and the shareholders' approval obtained in the AGM held on October 16, 2023 pursuant to the SECP SRO 389(1)/2023 dated March 21, 2023, the audited financial statements of the Company for the year ended June 30, 2025, are available on the Company's website which can be accessed by the using the QR Code/weblink as mentioned above.
- ii. This notice of AGM is also being circulated through post/courier to the members in accordance with the provisions of the Companies Act, 2017. Annual Report 2025 is also being sent electronically to members via email whose email addresses are available with the CDC or the Share Registrar.
- iii. Any shareholder requiring a printed copy of the Annual Report 2025 shall be provided with a copy free of cost within seven working days of receipt of such request.

6. Conversion of Physical Shares into Book-Entry Form

- i. Pursuant to Section 72 of the Companies Act and the directive issued by SECP vide its letter No. CSD/ED/Misc./2016-639-640 dated 26 March 2021, all listed companies are required to pursue their shareholders who still hold shares in physical form, requiring them to convert their shares in Book-Entry-Form.
- ii. In view of the aforesaid requirement shareholders of the Company are requested to convert their physical shares into book-entry form as soon as possible. Conversion of shares into book-entry form would facilitate the shareholders i.e., readily available market for instant sale and purchase of shares, elimination of risk of loss and damage, easy and safe transfer and less formalities as compared to physical shares. Shareholders may contact the Share Registrar of the Company for assistance in the conversion of shares.

7. Mandatory Registration Details of Physical Shareholders

According to Section 119 of the Companies Act 2017 and Regulation 47 of the Companies Regulations, 2025, all physical shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile/telephone number, International Bank Account Number (IBAN), etc. to our Share Registrar, CDC Share Registrar Services Limited, CDC House, Main Shahr-e-Faisal, Karachi immediately, to avoid any non-compliance of law or any inconvenience in future.

8. Unclaimed Dividends / Shares

- i. Shareholder who by any reason could not claim their dividends/shares, if any, are advised to contact our Share Registrar, CDC Share Registrar Services Limited, CDC House, Main Shahrah-e-Faisal, Karachi.
- ii. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividends/shares remaining unclaimed for a period of three years or more, shall be deposited with the Federal Government/SECP.

9. Withholding tax on Dividend:

- i. In compliance with Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001, will be deducted for 'filer' and 'non-filer' shareholders at 15% and 30% respectively. A 'filer' is a taxpayer whose name appears in the Active Taxpayers List (ATL) issued by the FBR from time to time and a 'non-filer' is a person other than a filer. To enable the Company to withhold tax at 15% for filers, all members are advised to ensure that their names appear in the latest available ATL on FBR's website, otherwise tax on their cash dividend will be deducted at 30% for non-filers. Withholding tax exemption from the dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the Share Registrar / Transfer Agent CDC Share Registrar Services Limited (CDCSR), of the Company by the first day of book closure.
- ii. According to the clarification from the FBR, withholding tax in case of joint accounts will be determined separately based on the 'Filer/ Non-Filer' status of the principal member as well as the status of the joint holder(s) based on their shareholding proportions. Members that hold shares with joint shareholders are requested to provide the shareholding proportions of the principal member and the joint holder(s) in respect of shares held by them to our Share Registrar / Transfer Agent, CDC Share Registrar Services Limited (CDCSR), CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 in writing. In case the required information is not provided to our Registrar it will be assumed that the shares are held in equal proportion by the principal member and the joint holder(s).

10. Zakat Declaration (CZ-50):

Zakat will be deducted from the dividends at source under the Zakat & Usher Laws and will be deposited within the prescribed period with the relevant authority. Please submit your Zakat declarations under the Zakat and Usher Ordinance, 1980 & Rule 4 of the Zakat (Collection and Refund) Rules, 1981, in case you want to claim exemption, with your brokers or the Central Depository Company of Pakistan Limited (in case the shares are held in Book-Entry Form) or to Company's Share Registrar and Transfer Agent (in case the shares are held in Physical Form) at above mentioned address.

8. غیر دعویٰ شدہ ڈیویڈنڈ / شیئرز

- i. ایسے حصص داران جنہوں نے کسی وجہ سے اپنے ڈیویڈنڈ / شیئرز، اگر کوئی ہوں، دعویٰ نہیں کیے، انہیں مشورہ دیا جاتا ہے کہ وہ ہمارے شیئرز رجسٹرار، سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، مین شاہراہ فیصل، کراچی سے رابطہ کریں۔
- ii. کمپنیز ایکٹ، 2017 کی دفعہ 244 کے مطابق، مقررہ طریقہ کار مکمل کرنے کے بعد، تین سال یا اس سے زیادہ عرصے تک غیر دعویٰ شدہ رہنے والے تمام ڈیویڈنڈ / شیئرز وفاقی حکومت / SECP کے پاس جمع کرا دیے جائیں گے۔

9. منافع پر ود ہولڈنگ ٹیکس

- i. انکم ٹیکس آرڈیننس، 2001 کے پہلے شیڈول کے حصہ سوم کی ڈویژن I کے ساتھ پڑھی جانے والی دفعہ 150 کے مطابق، 'فائلر' اور 'ٹران فائلر' حصص داران کے لیے بااثریہ 15% اور 30% کی شرح سے ٹکونی کی جائے گی۔ 'فائلر' وہ ٹیکس ادا کنندہ ہے جس کا نام ایف بی آر کی وقتاً فوقتاً جاری کردہ ایکٹو ٹیکس ہیزرز لسٹ (ATL) میں شامل ہو، اور 'ٹران فائلر' فائلر کے علاوہ کوئی بھی شخص ہے۔ کمپنی کو فائلرز کے لیے 15% کی شرح سے ٹیکس روکنے کے قابل بنانے کے لیے تمام حصص داران کو مشورہ دیا جاتا ہے کہ ان کے نام ایف بی آر کی ویب سائٹ پر دستیاب تازہ ترین ATL میں موجود ہوں، بصورت دیگر ان کے کیش ڈیویڈنڈ پر نان فائلرز کے لیے 30% کی شرح سے ٹیکس کٹ جائے گا۔ منافع کی آمدنی پر ود ہولڈنگ ٹیکس سے استثناء صرف اسی صورت میں دیا جائے گا جب کتاب بندش کے پہلے دن تک کمپنی کے شیئرز رجسٹرار / ٹرانسفر ایجنٹ سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ (CDCSR) کو قابل عمل ٹیکس استثنائی سرٹیفکیٹ کی نقل فراہم کر دی جائے۔
- ii. ایف بی آر کی وضاحت کے مطابق، مشترکہ اکاؤنٹس کی صورت میں ود ہولڈنگ ٹیکس کا تعین علیحدہ طور پر کیا جائے گا، جو پرنسپل ممبر کے ساتھ ساتھ مشترکہ ہولڈر / ہولڈرز کی 'فائلر' / نان فائلر حیثیت اور ان کی حصص ملکیت کے تناسب کی بنیاد پر ہو گا۔ ایسے حصص داران جو مشترکہ حصص داران کے ساتھ حصص رکھتے ہیں سے گزارش ہے کہ وہ اپنے زیر ملکیت حصص کے حوالے سے پرنسپل ممبر اور مشترکہ ہولڈر / ہولڈرز کے حصص ملکیت کے تناسب تحریری طور پر ہمارے شیئرز رجسٹرار / ٹرانسفر ایجنٹ، سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ (CDCSR)، سی ڈی سی ہاؤس، بلاک 'B'، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی۔ 74400 کو فراہم کریں۔ اگر مطلوبہ معلومات ہمارے رجسٹرار کو فراہم نہ کی گئیں تو یہ سمجھا جائے گا کہ حصص پرنسپل ممبر اور مشترکہ ہولڈر / ہولڈرز کے درمیان برابر تناسب میں رکھے گئے ہیں۔

10. زکوٰۃ ڈیکلیریشن (50-CZ)

زکوٰۃ اور عشر کے قوانین کے تحت منافع (ڈیویڈنڈ) سے زکوٰۃ جمع پر ہی منہا کی جائے گی اور مقررہ مدت کے اندر متعلقہ اتھارٹی کے پاس جمع کرا دی جائے گی۔ اگر آپ استثنائی کا دعویٰ کرنا چاہتے ہیں تو براہ کرم اپنے زکوٰۃ ڈیکلیریشنز زکوٰۃ و عشر آرڈیننس 1980 اور زکوٰۃ (وصولی اور واپسی) قواعد 1981 کے قاعدہ 4 کے تحت اپنے بروکرز یا سنٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ (اگر حصص بک انٹری فارم میں ہوں) یا کمپنی کے شیئرز رجسٹرار و ٹرانسفر ایجنٹ (اگر حصص فزیکل فارم میں ہوں) کو مذکورہ بالا پتے پر جمع کرائیں۔

iv. چنانچہ جن حصص داران نے ابھی تک اپنے درست CNIC یا NTN سرٹیفکیٹ کی نقل جمع نہیں کرائی ہے، ان سے ایک بار پھر درخواست ہے کہ فوری طور پر وہی کمپنی کے شیئرز رجسٹرار، سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، بلاک 'B-99'، بلاک 'B'، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی پر جمع کرائیں۔ وہ حصص داران جن کے شیئرز غیر مادی (Dematerialized) صورت میں ہیں، سے درخواست ہے کہ ڈیویڈنڈ بینک مینڈیٹ فارم مکمل کر کے سی ڈی سی ڈی میں اپنے پارٹنیشن / انویسٹر اکاؤنٹ سروسز کے پاس جمع کرائیں۔ کارپوریٹ اداروں سے درخواست ہے کہ وہ اپنا نیشنل ٹیکس نمبر (NTN) اور فوئیو نمبر مجاز نمائندے کے CNIC کی نقل کے ساتھ فراہم کریں۔

5. سالانہ رپورٹ 2025 اور نوٹس آف میٹنگ کی ترمیم / نشر و اشاعت

- i. کمپنیز ایکٹ 2017 کی دفعہ 223 کی دفعات اور SECP کے 2023 (1)/389 SRO مؤرخہ 21 مارچ 2023 کے تحت 16 اکتوبر 2023 کو منعقدہ عام اجلاس میں حاصل کردہ حصص داران کی منظوری کے مطابق، کمپنی کے 30 جون 2025 کو ختم ہونے والے مالی سال کے آڈٹ شدہ مالی بیانات کمپنی کی ویب سائٹ پر دستیاب ہیں جن تک اوپر مذکورہ QR کوڈ / ویب لنک کے ذریعے رسائی حاصل کی جاسکتی ہے۔
- ii. یہ اے جی ایم نوٹس کمپنیز ایکٹ 2017 کی دفعات کے مطابق حصص داران کو بذریعہ ڈاک / کوریئر بھی بھیجا جا رہا ہے۔ سالانہ رپورٹ 2025 بھی ان حصص داران کو ای میل کے ذریعے الیکٹرانک طور پر ارسال کی جا رہی ہے جن کے ای میل پتے سی ڈی سی یا شیئرز رجسٹرار کے پاس موجود ہیں۔
- iii. جو بھی شیئرز ہولڈر سالانہ رپورٹ 2025 کی طباعتی نقل کا متقاضی ہو گا، اسے ایسی درخواست موصول ہونے کے ساتھ کاروباری دنوں کے اندر بلا معاوضہ ایک نقل فراہم کی جائے گی۔

6. فزیکل شیئرز کو بک - اینٹری فارم میں تبدیل کرنا

- i. کمپنیز ایکٹ کے دفعہ 72 اور SECP کے خط نمبر CSD/ED/Misc./2016-639-640 مؤرخہ 26 مارچ 2021 کے تحت جاری کردہ ہدایت کے مطابق، تمام فہرست شدہ کمپنیاں اپنے ان حصص داران کو، جو اب بھی فزیکل صورت میں شیئرز رکھتے ہیں، اس بات کی تلقین کرنے کی پابند ہیں کہ وہ اپنے شیئرز کو بک - اینٹری فارم میں تبدیل کریں۔
- ii. مذکورہ ضرورت کے پیش نظر کمپنی کے حصص داران سے درخواست ہے کہ وہ اپنے فزیکل شیئرز کو جلد از جلد بک - اینٹری فارم میں تبدیل کریں۔ شیئرز کو بک - اینٹری فارم میں تبدیل کرنے سے حصص داران کو سہولت ہوگی، مثلاً فوری خرید و فروخت کے لیے دستیاب مارکیٹ، ضیاع اور نقصان کے خدشے کا خاتمہ، آسان اور محفوظ منتقلی، اور فزیکل شیئرز کے مقابلے میں کم تکلفات۔ حصص داران شیئرز کی تبدیلی میں معاونت کے لیے کمپنی کے شیئرز رجسٹرار سے رابطہ کر سکتے ہیں۔

7. فزیکل حصص داران کی لازمی رجسٹریشن کی تفصیلات

کمپنیز ایکٹ 2017 کی دفعہ 119 اور کمپنیز ریگولیشنز 2025 کے ریگولیشن 47 کے مطابق، تمام فزیکل حصص داران کو مشورہ دیا جاتا ہے کہ وہ اپنی لازمی معلومات جیسے کہ شناختی کارڈ (CNIC) نمبر، پتہ، ای میل ایڈریس، رابطہ موبائل / ٹیلی فون نمبر، انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) وغیرہ ہماری شیئرز رجسٹرار، سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، مین شاہراہ فیصل، کراچی کو فوراً فراہم کریں، تاکہ قانون کی کسی عدم تعمیل یا مستقبل میں کسی بھی قسم کی پریشانی سے بچا جاسکے۔

2. ویڈیولنک سہولت کے ذریعے اے جی ایم کی کارروائی میں شرکت

i. بالمشافہ اجلاس کے علاوہ کمپنی دور دراز سے شرکت کے لیے ویڈیولنک سہولت بھی فراہم کرے گی۔ اس سہولت کے ذریعے اے جی ایم میں شرکت کے خواہشمند حصص داران / پراکسیز سے گزارش ہے کہ وہ درج ذیل تفصیلات فراہم کرتے ہوئے کمپنی کے ساتھ cdesr@cdcsrsl.com پر یا واٹس ایپ نمبر: 0321-8200864 پر خود کو رجسٹر کریں۔

حصہ دار کا نام	کمپنی کا نام	فولیو / CDC نمبر	شناختی کارڈ (CNIC) نمبر	موبائل نمبر	رجسٹرڈ ای میل پتہ
	میک بیک فلز لمیٹڈ				

ii. ویڈیولنک اور لاگ ان اسٹاڈن حصص داران / پراکسی کو شیئر کی جائیں گی جن کی ای میلز، جن میں بالاتمام معلومات شامل ہوں، کاروباری اوقات کے اختتام تک 122 اکتوبر 2025 کو دیے گئے ای میل پتے پر موصول ہو جائیں گی۔

iii. حصص داران AGM کے ایجنڈا آئٹمز کے لیے اپنی آراء اور سوالات ای میل investors@macpacfilms.com پر بھی بھیج سکتے ہیں۔

3. پراکسی کی تقرری اور AGM میں شرکت

i. وہ ممبر جو AGM میں شرکت، گفتگو اور ووٹ دینے کا حق رکھتا ہے، کسی دوسرے ممبر کو اپنی طرف سے شرکت، گفتگو اور ووٹ دینے کے لیے پراکسی مقرر کرنے کا حق رکھتا ہے۔ پراکسی کمپنی کا ممبر ہونا لازم ہے۔

ii. پراکسی مقرر کرنے کا آلہ، باقاعدہ دستخط شدہ صورت میں، AGM کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں جمع کرایا جانا چاہیے۔ ایک ممبر ایک سے زیادہ پراکسی مقرر نہیں کر سکتا۔ شیئر ہولڈر کے کمپیوٹر آئڈنٹیٹی کارڈ (CNIC) کی مصدقہ نقل پراکسی فارم کے ساتھ منسلک ہونا ضروری ہے۔ پراکسی مقرر کرنے کا آلہ کمپنی کی ویب سائٹ (<https://www.macpacfilms.com>) پر دستیاب ہے۔

iii. فزیکل حصص کے مالکان اور وہ حصص جو سنٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ (CDC) کے نام پر رجسٹرڈ ہیں اور / یا ان کے نمائندے، میٹنگ میں بذات خود شرکت کے وقت شناخت کے لیے اپنا اصل قابل اعتبار کمپیوٹر آئڈنٹیٹی کارڈ (CNIC) یا پاسپورٹ پیش کرنے کے پابند ہوں گے۔ کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / وکالت نامہ، نامزد شخص کے دستخطوں کے نمونے کے ساتھ، میٹنگ کے وقت پیش کرنا ہوں گے (جب تک کہ یہ پہلے سے فراہم نہ کیا گیا ہو)۔

4. ڈیوڈنڈ مینڈیٹ / سی این آئی سی / این ٹی این نمبر کی جمع آوری (لازمی)

i. حصص داران سے گزارش ہے کہ بک انٹری فارم کی صورت میں اپنے متعلقہ پارٹنیشن / CDC انویسٹر اکاؤنٹ سروسز کو، یا فزیکل فارم کی صورت میں کمپنی کے شیئر رجسٹرار کو، کمپنی کا نام اور متعلقہ فولیو نمبر درج کرتے ہوئے اپنے درست CNIC / NTN سرٹیفکیٹ کی نقل فراہم کریں۔

ii. حصص داران سے درخواست ہے کہ اگر ان کے رجسٹرڈ ڈاک کے پتے میں کوئی تبدیلی ہو تو کمپنی کے شیئر رجسٹرار کو مطلع کریں۔

iii. کمپنیز ایکٹ، 2017 کی دفعہ 242 اور کمپنیز (ڈسٹری بیوشن آف ڈیوڈنڈ) ریگولیشنز، 2017 کے ضابطہ نمبر 4 اور 6 کے تحت، اگر شیئر ہولڈر یا مجاز شخص کا شناختی نمبر (CNIC یا نیشنل ٹیکس نمبر) اور / یا بینک اکاؤنٹ کی تفصیلات دستیاب نہ ہوں تو کمپنی حصص داران کو ڈیوڈنڈ کی ادائیگی روکنے پر مجبور ہوگی۔

تیسواں (30واں) سالانہ عام اجلاس کا نوٹس

بذریعہ ہذا نوٹس اطلاع دی جاتی ہے کہ میک بیک فلز لمیٹڈ کے حصص داران کا تیسواں (30واں) سالانہ عام اجلاس (AGM) جمعہ، 24 اکتوبر 2025 کو صبح 10 بجے ویسٹ آڈیٹوریم، گراؤنڈ فلور، مین شارع فیصل، کراچی میں، نیز ویڈیو کانفرنسنگ سہولت کے ذریعے، درج ذیل امور پر غور و خوض کیا جائے گا:

عمومی امور

1. کمپنی کے مالی سال 30 جون 2025 کو ختم ہوا کے آڈٹ شدہ حسابات کے ساتھ چیئرمین کی جائزہ رپورٹ، ڈائریکٹرز کی رپورٹ اور آڈیٹرز کی رپورٹ (سالانہ رپورٹ 2025) وصول کرنا، غور کرنا اور منظور کرنا۔



<https://www.macpacfilms.com>

2. بورڈ آف ڈائریکٹرز کی تجویز کے مطابق، حتمی کیش ڈیوڈنڈ فی شیئر 0.5 روپے یعنی 5% برائے سال ختم شدہ 30 جون 2025 کو منظور کرنے پر غور کیا جائے اور اگر مناسب سمجھا جائے تو اسے منظور کیا جائے۔

3. سال 2025-26 کے لیے آڈیٹرز کی تقرری اور ان کا معاوضہ طے کرنا۔ موجودہ آڈیٹرز، میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، اہل ہونے کے ناطے، دوبارہ تقرری کے لیے خود کو پیش کر چکے ہیں۔

4. کسی بھی دیگر ایسے کاروبار کی انجام دہی جو سالانہ عام اجلاس (AGM) میں چیئرمین کی اجازت سے کیا جاسکتا ہو۔

بحکم بورڈ

عقیل اے۔ خان

کمپنی سیکریٹری

کراچی، 2 اکتوبر، 2025

نوٹس:

1. شیئر ٹرانسفر بکس کی بندش

کمپنی کی شیئر ٹرانسفر بکس 17 اکتوبر 2025 سے 24 اکتوبر 2025 تک (بشمول دونوں دن) بند رہیں گی۔ شیئر رجسٹرار میسرز CDC شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-B، بلاک 'B'، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی-74400 کے دفتر میں 16 اکتوبر 2025 کے کاروباری اوقات کے اختتام تک ترتیب کے مطابق موصول ہونے والی منتقلیاں، حصص داران کے حتمی نقد منافع کے استحقاق کے تعین اور اجلاس میں شرکت ووٹ دینے کے لیے بروقت تصور کی جائیں گی۔

PROXY FORM

MACPAC FILMS LIMITED
30TH Annual General Meeting

I/We, _____ of _____, being member (s) of Macpac Films Limited, holding _____ ordinary shares, hereby appoint _____ of _____ or failing him/her _____ of _____, who is/are also member(s) of Macpac Films Limited, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at 30th Annual General Meeting of the Company to be held at 10:00 AM on October 24, 2025 at Habitt Auditorium, Ground Floor, Main Shahra-e-Faisal, Karachi-Pakistan, and at any adjournment thereof.

Witness my/our hand (s) this _____ day of _____, 2025
Signed by the said _____

Witnesses:

1. Signature _____
Name _____
Address: _____
CNIC or Passport No. _____

2. Signature _____
Name _____
Address _____
CNIC or Passport No. _____

Folio/CDC Account No.

Signature on revenue
Stamp of Rs. 50/-

Note:

1. This Proxy Form must be deposited at the Company's share registrar office as soon as possible but not later than 48 hours before time of holding of meeting. Failing to do so would render the Proxy Form invalid.
2. No person shall act as a proxy unless he/she is a member of the Company.

پراکسی فارم

میک فیلمز لمیٹڈ
تیسواں (30واں) سالانہ عام اجلاس

میں / ہم، _____ ولد / دختر _____، جو میک فیلمز لمیٹڈ کے رکن / ارکان ہوں، اور _____ عام _____ حصص کا حامل / حاملان ہوں، اس کے ذریعے _____ ولد / دختر _____ یا ان کی عدم موجودگی میں _____ ولد / دختر _____، جو میک فیلمز لمیٹڈ کے رکن / ارکان بھی ہیں، کو اپنے / اپنی عدم موجودگی میں اپنا / اپنے پراکسی مقرر کرتا / کرتے ہیں تاکہ وہ میری / ہماری جانب سے کمپنی کے 30 ویں سالانہ عام اجلاس میں، جو 24 اکتوبر 2025 کو صبح 10 بجے، سہیٹ آڈیٹوریم، گراؤنڈ فلور، مین شارع فیصل، کراچی، پاکستان میں منعقد ہوگا، اور اس کی کسی بھی ملتی نشست میں شرکت کریں اور میری / ہماری جانب سے رائے دہی کریں۔

گواہ رہے کہ میں / ہم نے اس _____ دن _____، 2025 کو دستخط کیے

مندرجہ ذیل کے دستخط _____

گواہان:

1. دستخط _____ نام _____ پتہ _____ شناختی کارڈ یا پاسپورٹ نمبر _____

2. دستخط _____ نام _____ پتہ _____ شناختی کارڈ یا پاسپورٹ نمبر _____

ریونیورسٹی دستخط

50 روپے کا اسٹامپ

فولیو / سی ڈی سی اکاؤنٹ نمبر

نوٹ:

- یہ پراکسی فارم کمپنی کے شیئرز رجسٹر کے دفتر میں حتی الامکان جلد از جلد لیکن اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل جمع کرانا ضروری ہے۔ اس کی عدم تعمیل کی صورت میں پراکسی فارم کا عدم سمجھا جائے گا۔
- کسی غیر ممبر کو پراکسی کے طور پر نامزد نہیں کیا جاسکتا ہے۔



MACPAC FILMS LIMITED

Registrar:

Central Depository Company of Pakistan,
Share Registrar Department, CDC
House, 99-B, Block-B, S.M.C.H.S, Main
Shahra-e-Faisal, Karachi.

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	c) Disclosure of company's sustainability and DE&I related strategies, priorities and targets, the measures taken to promote in the company as well as performance against these targets are periodically reviewed and monitored.	
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	b) Details of all related party transactions, along with the basis of relationship describing common directorship and percentage of shareholding;	
	c) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement;	
	d) Disclosure of director's interest in related party transactions;	
	e) In case of conflict, disclosure of how conflicts are managed and monitored by the board.	

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5.12	Disclosure of Board's Policy on the following significant matters: a) Risk Management and internal control policies.	127			
	b) Disclosure of director's interest in significant contracts and arrangements.				
	c) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings.				
	d) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies.				
	e) Security clearance of foreign directors.				
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	5.13	g) Human resource management including: · Preparation of succession plan; · Merit based recruitment; · Performance based appraisal system; · Promotion, reward and motivation; · Training and development; · Diversity, Equity & Inclusion (DE&I) policy; and · Employee engagement /feedback.	128		
		h) Social and environmental responsibility including managing and reporting policies like procurement, waste and emissions.			
		i) Communication with stakeholders.			
		j) Dividend policy.			
		k) Investors' relationship and grievances.			
		l) Employee's health, safety and protection.			
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5.19	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include: a) Composition of the committee with at least one member qualified as “financially literate” and all members are non-executive / Independent directors including the Chairman of the Audit Committee. b) Committee’s overall role in discharging its responsibilities for the significant issues related to the financial statements, and how these issues were addressed. c) Committee’s overall approach to risk management and internal control, and its processes, outcomes and disclosure. d) Role of Internal Audit in risk management and internal control, and the approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor’s performance. e) Review of arrangements for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters, and recommended instituting remedial and mitigating measures. f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor; and if the external auditor provides non-audit services, an explanation as to how auditor’s objectivity and independence is safeguarded. g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported. h) The Audit Committee’s views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company’s position and performance, business model and strategy. i) Results of the self-evaluation of the Audit Committee carried out of its own performance. j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	140-141
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