Annual Report 2026

# VALUE THROUGH INNOVATION AND EXCELLENCE

SPEL

SPEL Limited

# Cover Story

## Value Through Innovation and Excellence

SPEL Limited continues its journey of creating sustainable value through innovation, operational excellence, and forward-thinking solutions. As the business landscape evolves, we remain committed to strengthening performance, embracing new opportunities, and delivering meaningful value to our stakeholders. This Annual Integrated Report reflects our progress, resilience, achievements, and continued commitment to building a smarter, stronger, and more sustainable future.

# About this Report

We are pleased to present the Annual Report for the year ended June 30, 2026. This report aims to provide our stakeholders with a fair, transparent, and comprehensive account of the significant developments, opportunities, and challenges encountered during the year. It is intended to be read alongside the audited financial statements for a complete understanding of the Company's performance and position.

## Scope and Limitation of this Report

This annual report is for the period from July 1, 2025 to June 30, 2026 and provides an account of the Company's operational, financial, social, economic and environmental performance as well as corporate governance.

## Annual Financial Statements

These financial statements are also available on our website (www.spelgroup.com) and provide a detailed insight into the financial position of the Company for the period under review.

## Forward-Looking Statements

This report contains certain 'forward-looking statements' which are related to the future. These statements include known and unknown risks and opportunities, uncertainties and important factors that could turn out to be materially different from current expectations following the publication of these results. These statements are as of the date of this document. The Company undertakes no obligation to update publicly or release any provisions pertaining to these forward-looking statements.

## Feedback

We value the feedback of our stakeholders and use it to continuously improve our reporting and to ensure that we are sharing information about matters relevant to them. Your emails are welcomed at corporate@spelgroup.com

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## MANAGEMENT REPORT



## FINANCIAL STATEMENTS



# Corporate Information

## BOARD OF DIRECTORS

**Mr. Almas Hyder**
Chairman/Non-Executive Director

**Mr. Zia Hyder Naqi**
Chief Executive Officer / Executive Director

**Mr. Haroon Sharif**
Independent Non-Executive Director

**Dr. Syed Sohail Hussain Naqvi**
Independent Non-Executive Director

**Mr. Ameen Ahsan**
Independent Non-Executive Director

**Dr. Nighat Arshad**
Non-Executive Director

**Mr. Abid Saleem Khan**
Chief Operating Officer / Executive Director

## CFO & COMPANY SECRETARY

**Mr. Khalil Ahmad Hashmi,** FCA

## AUDIT COMMITTEE

**Mr. Haroon Sharif**
Committee Chairman

**Mr. Almas Hyder**
Member

**Mr. Ameen Ahsan**
Member

**Dr. Nighat Arshad**
Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

**Mr. Ameen Ahsan**
Committee Chairman

**Mr. Almas Hyder**
Member

**Mr. Zia Hyder Naqi**
Member

**Dr. Syed Sohail Hussain Naqvi**
Member

**Mr. Abid Saleem Khan**
Member

## FINANCE COMMITTEE

**Mr. Almas Hyder**
Committee Chairman

**Mr. Haroon Sharif**
Member

**Mr. Zia Hyder Naqi**
Member

**Dr. Syed Sohail Hussain Naqvi**
Member

**Mr. Abid Saleem Khan**
Member

## RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

**Dr. Syed Sohail Hussain Naqvi**
Committee Chairman

**Mr. Zia Hyder Naqi**
Member

**Mr. Haroon Sharif**
Member

**Dr. Nighat Arshad**
Member

## NOMINATION COMMITTEE

**Mr. Almas Hyder**
Committee Chairman

**Mr. Zia Hyder Naqi**
Member

**Dr. Syed Sohail Hussain Naqvi**
Member

## REGISTERED OFFICE

127-S, Quaid-e-Azam
Industrial Estate, Township,
Kot Lakhpat, Lahore.
Ph: 042-111-005-005
Fax: 042-35118507

## FACTORIES

**Pandoki Plant**
4-KM, Off Ferozpur Road, Raiwind
Lilliani Link Road, Pandoki, Lahore.

**RYK Plant**
41 - Rahim Yar Khan
Industrial Estate, KLP Road,
Rahim Yar Khan.

**Karachi Plant**
12-A, Down Stream Industrial Unit,
Pakistan Steel, Karachi.

**Lahore Plant**
127-S, Quaid-e-Azam
Industrial Estate, Township,
Kot Lakhpat, Lahore.

## SHARE REGISTRAR

**THK Associates (Pvt) Limited**
32-C, Jami Commercial St# 2 DHA,
Phase VII, Karachi.

## STATUTORY AUDITORS

**KPMG Taseer Hadi and Co.**
Chartered Accountants

## HEAD OF INTERNAL AUDIT

**Mr. Abu Bakar,** FCA

## TAX CONSULTANTS

**A.F. Ferguson & Co.**
Chartered Accountants
(A member firm of the PWC network)

## LEGAL ADVISORS

**Cornelius, Lane and Mufti**
Advocates & Solicitors

## BANKERS

Allied Bank Limited
Askari Bank Limited
Bank Islami Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
United Bank Limited

## WEBSITE

www.spelgroup.com

## STOCK SYMBOL

SPEL

# Vision & Mission

## Vision

To become a premium player in the market by building a professional organization, having state-of-the-art technology and expanding product range. Become the most progressive and profitable company in the sector.

## Mission

At SPEL Group of Companies, our mission is to continuously strive for excellence in all aspects of our operations. We are committed to leveraging cutting-edge technology, fostering a culture of professionalism, and diversifying our product range to exceed customer expectations. Our aim is to emerge as the foremost leader in the industry, driving progress and profitability while maintaining our commitment to innovation and customer satisfaction.



# Organizational Overview and External Environment

## A BRIEF ABOUT THE COMPANY

SPEL is one of the leading manufacturers of technology-intensive engineering and plastic products in Pakistan. Established initially as a partnership firm in 1978, SPEL transitioned to a private limited company in 1982. Building on its growth, the company became a public limited entity in 2008 and listed its shares on the Pakistan Stock Exchange in 2015. On 13 March 2025, the Company's name was changed from Synthetic Products Enterprises Limited to SPEL Limited.

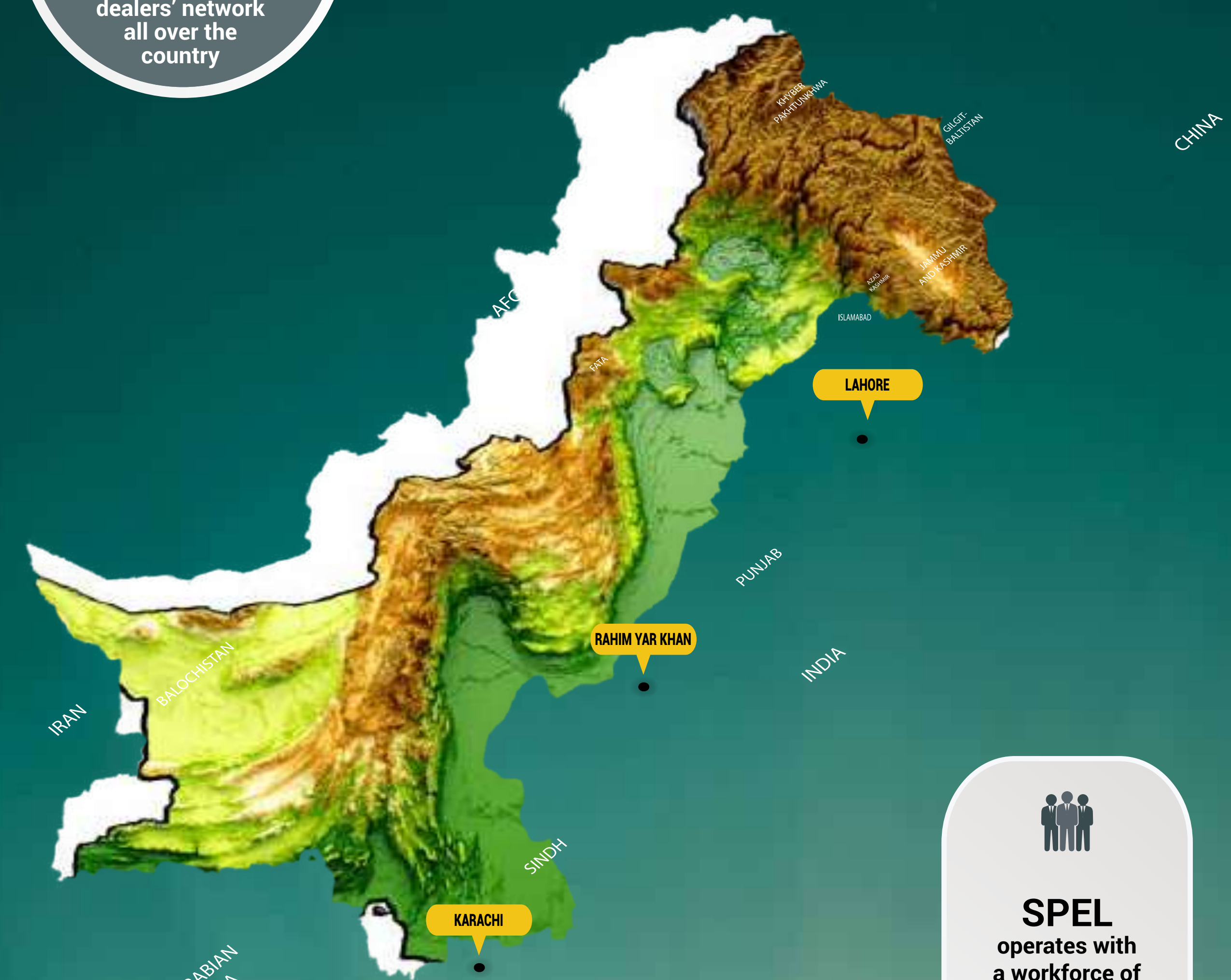
Distinguished for its end-to-end solutions, SPEL excels in various phases of product development, ranging from initial design to the finished product. The company adheres to rigorous quality and environmental standards, and its operational capabilities span a wide range of processes including Product Designing, Molds & Dies Making, Injection Molding, Extrusion, Thermoforming and Blow Molding. In addition, SPEL offers value-added services like Printing, Labeling, Shrink Sleeve Labelling, and Stickering.

Committed to quality excellence, SPEL has integrated a series of quality management initiatives such as Quality Control Circles, Total Quality Management, 6S, Kaizen, and Toyota Production Systems. These initiatives affirm SPEL's steadfast commitment to quality, efficiency, and environmental sustainability, making it a dependable partner for both domestic and international stakeholders.



# Business Locations

**SPEL** operates through **4 Locations** along with its dealers' network all over the country

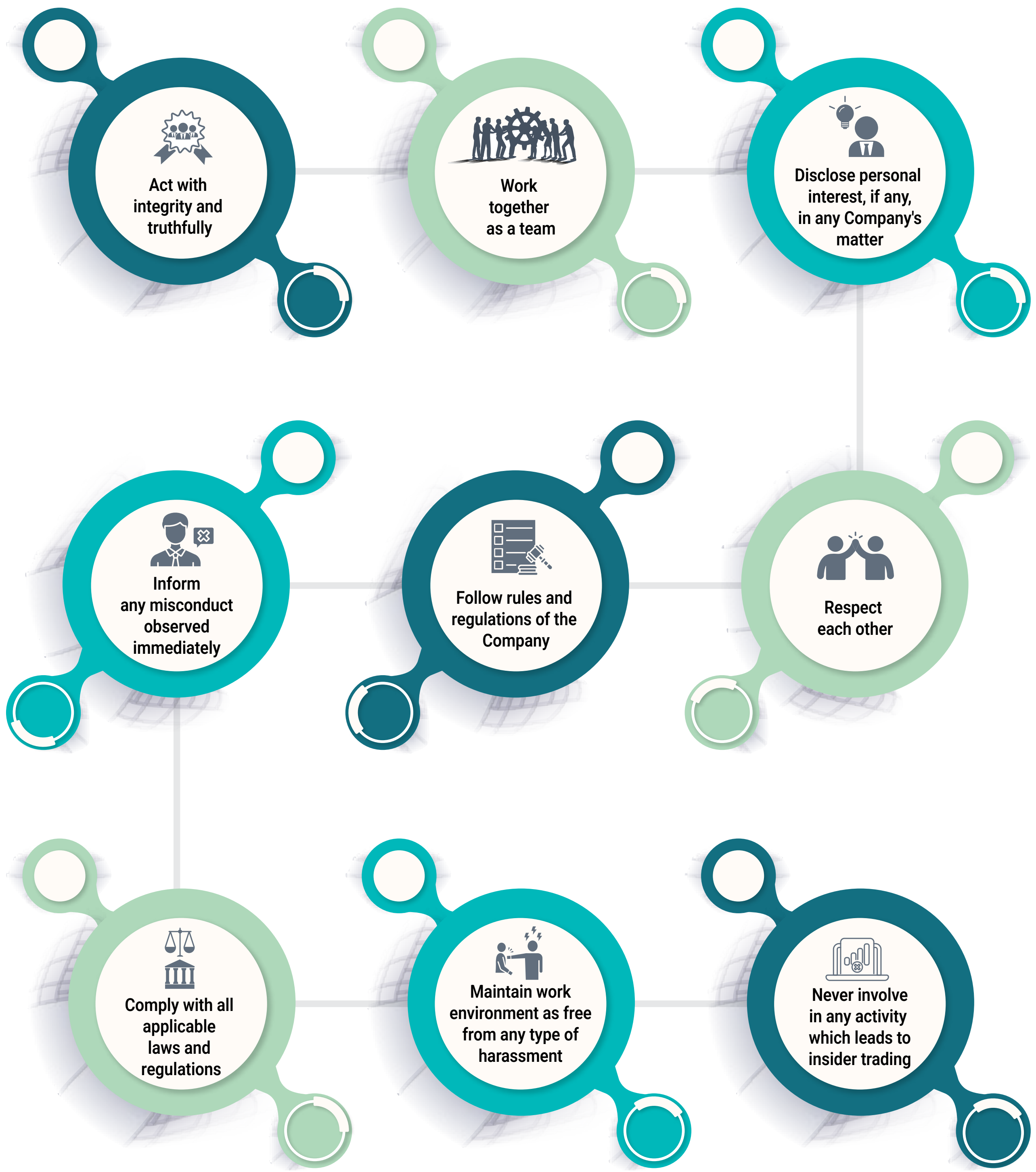



**SPEL** operates with a workforce of approximately **609** employees out of which **568** employees are working in its factories

# Code of Conduct, Culture and Ethical Principles

SPEL is committed to conduct its business with honesty, integrity and in an ethical manner. For this purpose, the Company has developed a code of conduct to manage the Company's affairs.

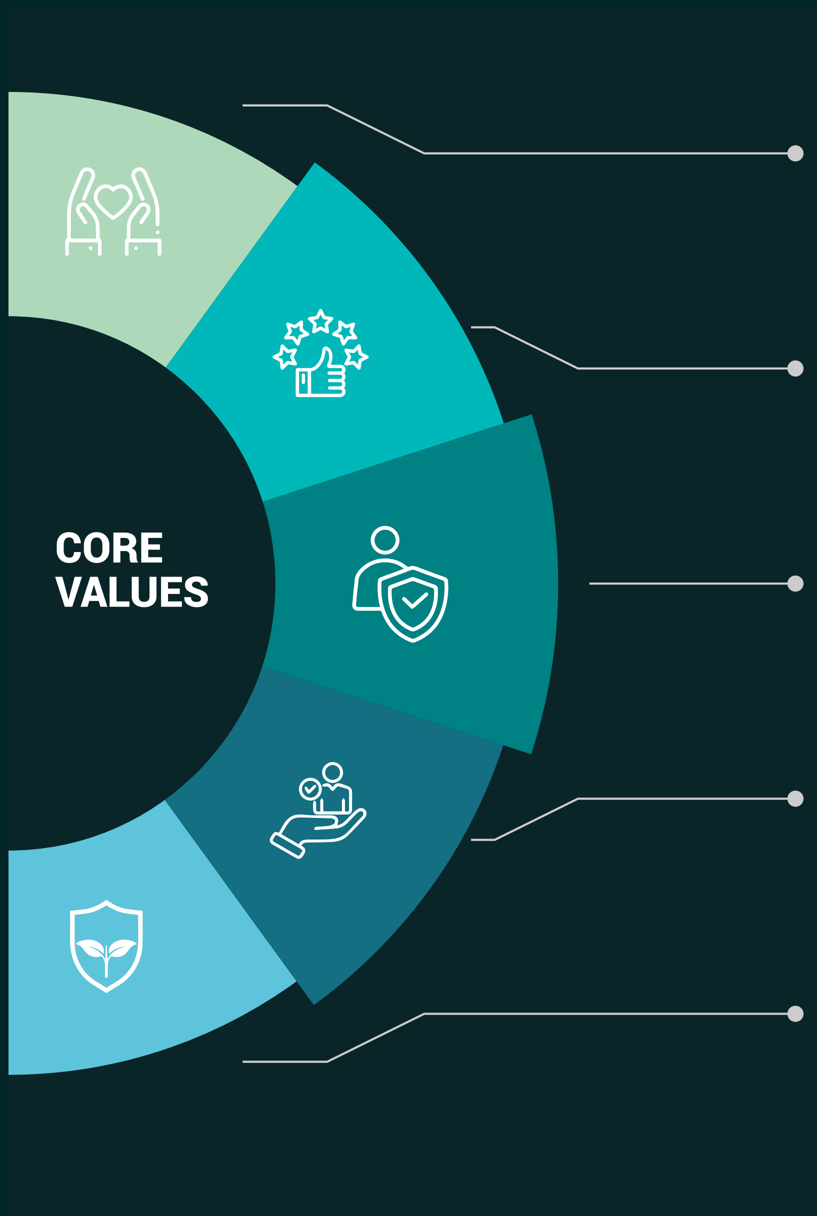
The code is intended to set out principles relating to the behavior that should be observed in SPEL. This Code includes the following aspects:






# Core Values

**The following are core values embedded within the culture of SPEL:**




### RESPECT
Respect for customers, employees and all stakeholders.
Business is about human beings, who want to be treated well.
CSR is one way to respect our society.

### CUSTOMER SATISFACTION
On-time delivery
Quality Quick response
Relationships
Service and support

### INTEGRITY
Building trust, Honoring commitments, Dependability, Staying within ethical and legal boundaries & Rewarding honesty

### OWNERSHIP
Empowerment, Punctuality, Value time, Capability, Responsibility with authority, Delegation, Train people for growth and continuous improvement & Prepare leaders

### SAFE ENVIRONMENT
Eliminate waste
Save energy, water, air & natural resources

## PRINCIPAL BUSINESS ACTIVITIES

SPEL is a manufacturing company and has B2B (business-to-business) relations with most of its customers. It is principally engaged in the manufacturing and sale of plastic packaging for the food & FMCG industry, plastic parts for the automotive industry, and molds & dies. The products of SPEL can broadly be categorized into the following sectors:

- Food and Personal Care Products Sector – Packaging
- Automobile Parts & Accessories Sector

# Food Packaging

Packaging products for food items need to be safe for human health and such products should not release elements into food products. It is a wider concept that covers the processes involved in the production, processing and even storage of the packaging products.

To cater to the above objectives, SPEL has established clean-shop floors and the Company makes sure that the packaging for food industry meets all the requirements of its customers besides ensuring that food packaging is produced by following the international standards for food safety. In addition to ISO Certifications, SPEL is also compliant with the requirements of FSSC 22000 (Food Safety System Certification) as assessed and certified by an independent certification agency. The company has also obtained Hilal Certificate for its food packaging products.

The major products for food industry include 19-liter water bottles, yogurt cups, ice-cream tubs, plastic glasses, disposable containers etc. and our customers in this sector include Nestle, Unilever, Pepsi, KFC, Baskin Robbins, Subway, Qarshi Industries, Sufi, Gourmet, Cakes & Bakes, Doce Foods, etc.



# Personal Care Products / FMCG Packaging

For the Personal Care Products / FMCG industry, packaging plays an integral role in grabbing the buyer's attention. SPEL's customers have a great need for world-class packaging for its products which builds customers' brand, provides protection to their products, enhances convenience for transportation and reflects good aesthetics.

In order to cater to the demands of its FMCG Customers, SPEL has installed state-of-the-art plant and machinery, developed GMPs and implemented all the required processes. Besides conforming to ISO 9001 standards, SPEL is also compliant with its customer's specific requirements e.g., it is compliant with Unilever's Responsible Sourcing Policy (URSP), Pakistan Tobacco Company's Supplier Quality Performance and Workplace Compliance Requirements.

The products for FMCG industry include shampoo bottles, packaging for detergents, caps for skincare products, etc. and the customers in this sector include Unilever Pakistan Limited, Colgate Palmolive Pakistan Limited, Pakistan Tobacco Company Limited, etc.

# Automobile Parts and Accessories

The requirements of the Auto Industry are significantly different from the above two sectors as it requires durable, high precision and long-lasting products so that the components do not get reshaped or lose their color and remained functionally fit over a long period and the component get fit with other adjacent components of the vehicle.

SPEL, being a pioneer in the auto-parts industry understands these requirements and can serve these needs to the satisfaction of the customers. SPEL has implemented Toyota Production System for providing required quality within the required time frame.

Major customers of the company in the automotive sector include Indus Motors Company Limited, Honda Atlas Cars (Pakistan) Limited, Pak Suzuki Motor Company Limited, Millat Tractors Limited, etc. The auto parts being supplied by the Company include door trims, door handles, garnishes, grills, steering wheels, etc.

# Ownership Structure

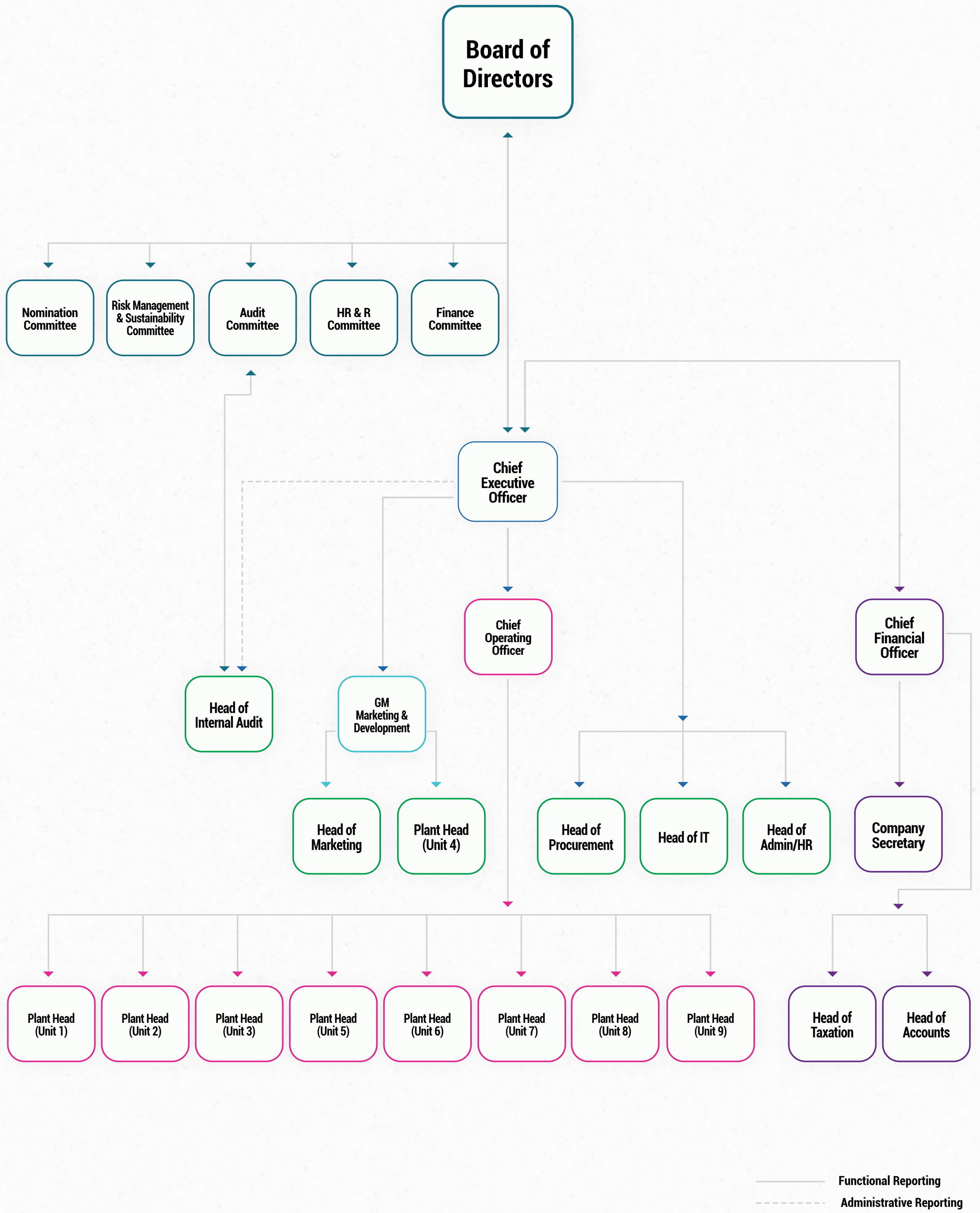
SPEL operates as a publicly-listed entity. Aside from our sponsors, who hold a majority of the shares, our shareholder base comprises a mix of general public investors and institutional stakeholders. Importantly, SPEL has not made strategic investments in any other businesses or companies. All of our operations are conducted under the single corporate umbrella of SPEL Limited. The Company operates exclusively in Pakistan and has a wide customer base, both domestically and internationally.

## DISCLOSURE OF BENEFICIAL OWNERSHIP AND GROUP SHAREHOLDING RELATIONSHIPS

For the sake of transparency, it's essential to clarify that SPEL does not have direct investments in any affiliated or subsidiary companies nor does it have any holding, Company. Any associations we have with other businesses exist only due to shared directorships and do not involve any form of financial investments.



# Organizational Chart



# General Review of the Performance of the Company

## FOR THE YEAR AND MAJOR IMPROVEMENTS FROM LAST YEAR

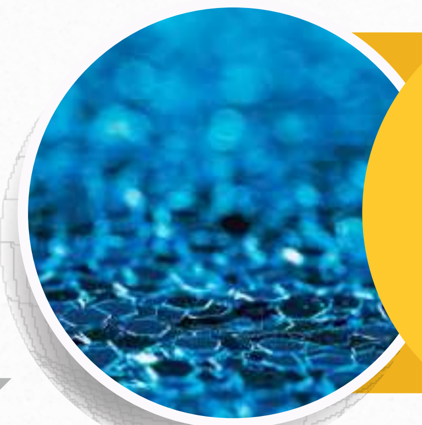
“The Company delivered a resilient financial performance during the year, generating net sales of Rs. 9.41 billion against Rs. 9.63 billion in the prior year. Profitability remained well-managed throughout, with gross profit of Rs. 2.47 billion and a gross profit margin of 26.27%, underscoring the Company's disciplined approach to cost control even amid a moderated top line. Operating profit stood at Rs. 1.94 billion, reflecting continued focus on operational efficiency across the business. As a result, earnings per share came in at Rs. 5.99, underlining the Company's sustained capacity to generate earnings and deliver value to its shareholders.”



# Description of Performance of the Segments of the Company

The Company's operations are diversified across various business segments. In accordance with the requirements of International Financial Reporting Standards (IFRS), detailed information regarding the Company's operating segments, including revenue, assets, and results, is presented in Notes to the Financial Statements.

# Position within the Value Chain



## Raw Material

The Company procures the finest quality raw material from world renowned suppliers and converts into finished goods based on customer demand and specifications.
The Packaging business is also conducted on the same norms so as to maintain a high product quality.

## Conversion, Manufacturing & Printing

## Customer

- Food
- Personal Care
- Automotive
- Market

## Final Products

Food Packaging, Personal Care Products / FMCG Packaging, Automobile Parts & Accessories



# Significant Factors Affecting the External Environment

| Factor | Impact | Mitigation Measures |
|---|---|---|
| POLITICAL | Government policy changes and trade restrictions may influence the cost of raw materials, imports, and exports. Political uncertainty can also affect investor confidence and disrupt supply chains. | The Company remains compliant with applicable laws and actively engages with industry associations to promote supportive policies. Diversification of suppliers and maintenance of inventory buffers help manage political and regulatory risks. |
| ECONOMIC | Macroeconomic pressures such as low GDP growth, a narrow tax base, and reduced consumer purchasing power impact demand, input costs, and profitability. | The Company continues to focus on cost optimization, value engineering, and supply chain efficiency. |
| SOCIAL | Shifting consumer preferences towards affordable and quality products, along with growing awareness of health and safety, influence purchasing decisions. | The Company emphasizes innovation by delivering value-added and safe packaging solutions and auto parts. It also invests in customer engagement, brand strengthening, and tailored product offerings. |
| TECHNOLOGICAL | Advancements in automation, ERP systems, and digital platforms are transforming manufacturing and supply chain practices. | The Company invests in technology upgrades, automation, and digitalization of operations. R&D collaborations are pursued to ensure competitive product development and operational excellence. |
| ENVIRONMENTAL | Increasing regulatory requirements and stakeholder expectations for eco-friendly operations, energy efficiency, and waste reduction, as well as climate-related risks, may affect supply chains and energy costs. | The Company has integrated sustainability into its growth strategy through initiatives such as solar energy, energy efficiency programs, recycling, and eco-friendly packaging solutions. |
| LEGAL | Evolving compliance obligations from SECP, PSX, tax authorities, labor regulations, and international trade requirements demand continuous monitoring. | The Company upholds strong corporate governance, robust internal controls, and effective compliance frameworks. Global best practices including IFRS and ESG standards are proactively adopted to ensure transparency and accountability. |

# Key Performance Indicators

**Sales Revenue** (Rs. in million)
2026: 9,409
2025: 9,633

**Gross Profit** (Rs. in million)
2026: 2,471
2025: 2,588

**Operating Profit** (Rs. in million)
2026: 1,936
2025: 2,065

**Shareholders Equity** (Rs. in million)
2026: 7,317
2025: 6,110

**Current Ratio** (Times)
2026: 2.97
2025: 3.27

**Profit Before Tax** (Rs. in million)
2026: 1,855
2025: 1,991

**Profit After Tax** (Rs. in million)
2026: 1,136
2025: 1,253

**Earnings Per Share** (Rupees)
2026: 5.99
2025: 6.60

**Cash Dividend** (Percentage)
2026: 20%
2025: 20%

**Breakup Value Per Share** (Rupees)
2026: 38.56
2025: 32.20

**Debt to Equity** (Percentage)
2026: 12.28%
2025: 11.28%

**Total Assets** (Rs. in million)
2026: 9,787
2025: 8,253



# Awards and Recognitions

SPEL


SPEL received the Certificate of Merit Award for Best Presented Annual Report 2024 from SAFA at a ceremony held in November 2025 in Islamabad, Pakistan

SPEL won the Best Corporate Report Award 2024 from ICAP & ICMA in November 2025.

In 2026, SPEL received the 'Timely Development Award' from Indus Motor Company.

# The effect of Seasonality on Business in terms of Production and Sales

At SPEL, seasonality has a slight impact on the Company's business performance, particularly in terms of sales and production. This impact is confined to the second quarter of the fiscal year, which typically experiences a modest softening in sales volumes compared to the rest of the year. This pattern is largely driven by consumer purchasing behavior in the food and personal care sectors during that period.

This understanding of the seasonal pattern allows the Company to plan effectively — adjusting production schedules, inventory levels, and resource allocation in advance for the second quarter, while maintaining efficient utilization of manufacturing capacity throughout the rest of the year.

This proactive, forward-looking approach supports continuity of operations, reduces the risk of stock-outs or overproduction, and strengthens the Company's ability to consistently meet customer demand across all four quarters of the year.

## THE LEGISLATIVE AND REGULATORY ENVIRONMENT

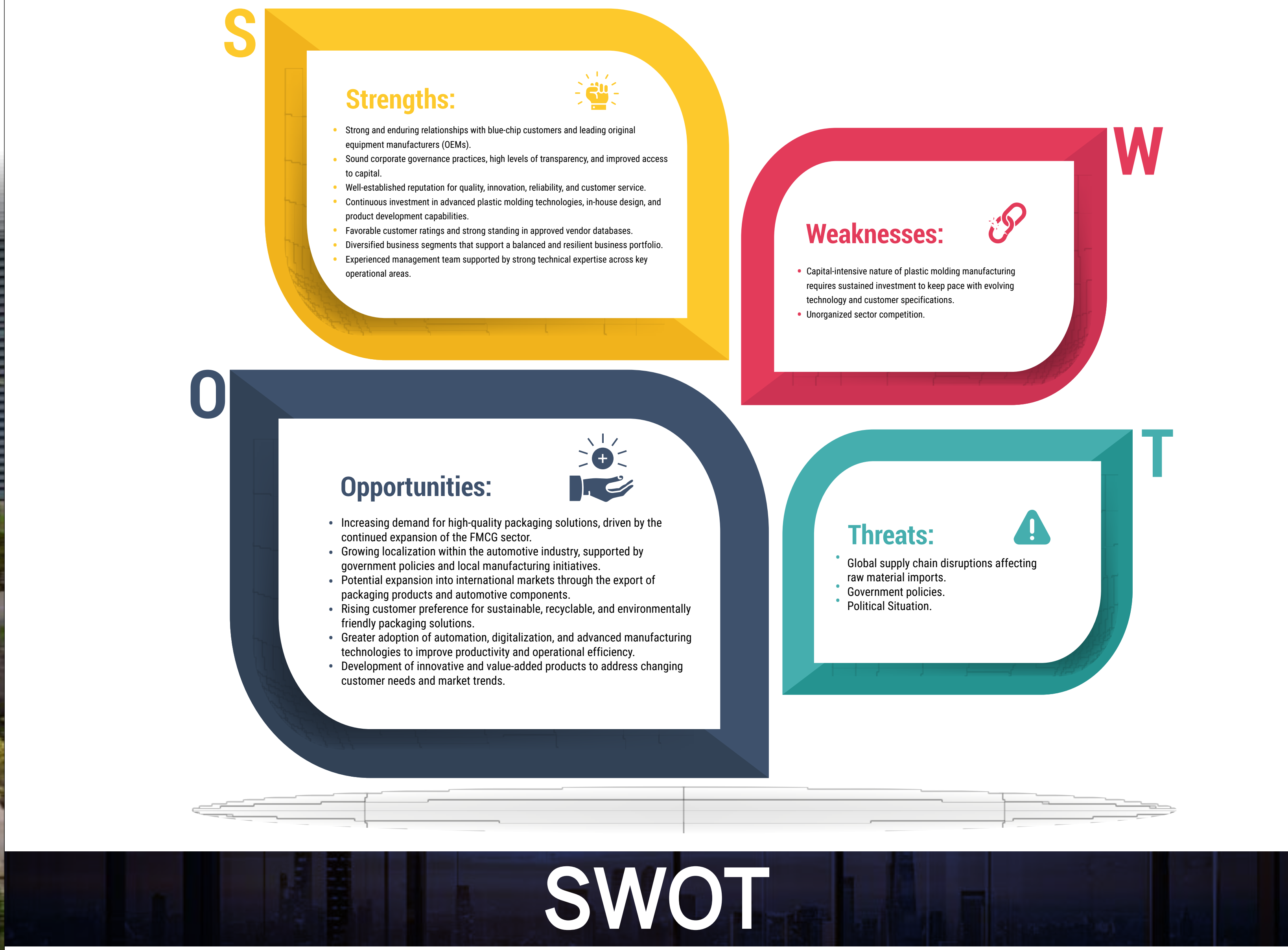
SPEL Limited operates within a well-defined legislative and regulatory framework governed by the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, SECP directives, and the rules of the Pakistan Stock Exchange. The Company remains committed to full compliance with all applicable laws, including tax regulations, environmental standards, labor laws, and industry-specific requirements. Continuous monitoring of changes in legislation and regulatory guidelines enables SPEL to ensure timely alignment of its policies and practices with evolving obligations. This proactive approach not only safeguards the Company against compliance risks but also reinforces stakeholders' confidence in its governance standards and sustainable business operations.



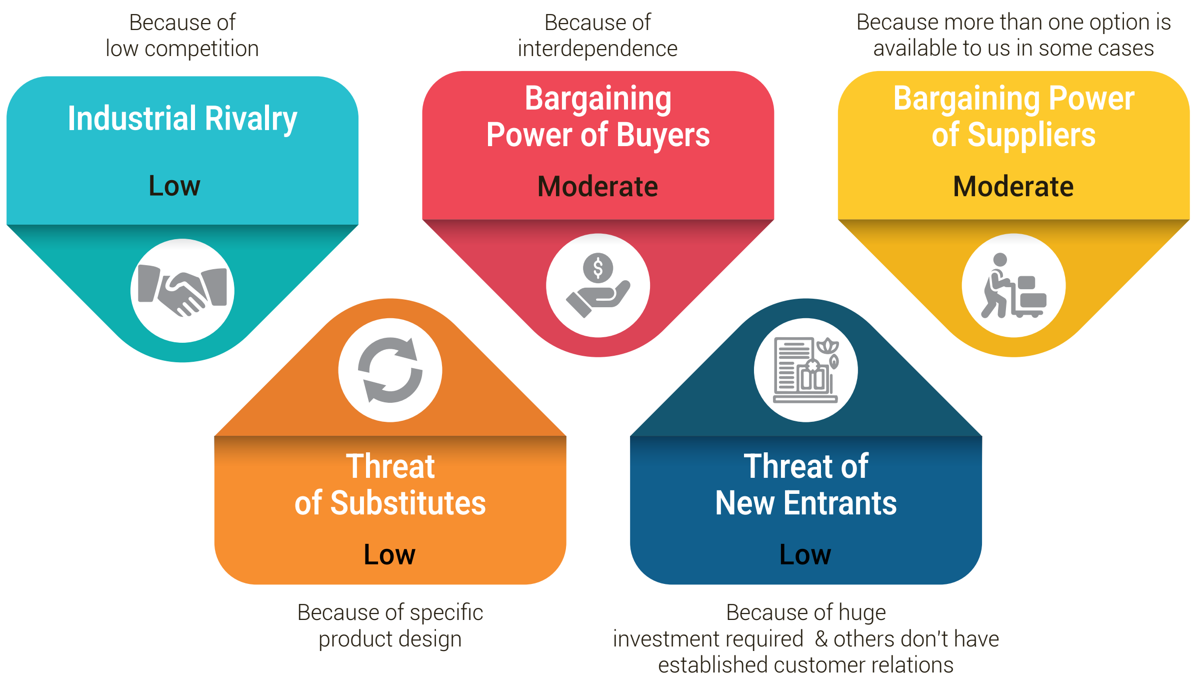

# The Legitimate Needs and Interests of Key Stakeholders and Industry Trends

SPEL places strong emphasis on understanding and addressing the legitimate needs and expectations of its diverse stakeholders, including shareholders, regulators, customers, employees, suppliers, and the wider community. The Company remains attentive to evolving market dynamics across its key business segments. In the automotive sector, factors such as increased localization, operational efficiency, technological advancement, and the potential transition towards electric vehicles continue to influence industry requirements and demand patterns. Similarly, within the food and personal care packaging segment, increasing demand for high-quality, sustainable, innovative, and value-added packaging solutions is shaping customer expectations, particularly among blue-chip customers and retail markets.

In response to these evolving dynamics, SPEL continues to strengthen its governance and compliance framework, invest in advanced manufacturing technologies, enhance its design and research and development capabilities, and foster long-term relationships with its customers and business partners. Through this balanced and forward-looking approach, the Company remains well positioned to respond to changing stakeholder expectations, regulatory requirements, and industry trends, while reinforcing its position as a trusted partner across industrial and consumer markets and creating sustainable long-term value for all stakeholders.



# Competitive Landscape and Market Positioning






# The Political Environment and Company's Strategy

Pakistan's political environment has shown greater stability in recent years, supported by consistent policymaking that has contributed to improved macroeconomic conditions — including moderating inflation, a more stable exchange rate, and a more accommodative interest rate environment. This improving backdrop provides a constructive foundation for the Company's long-term business planning and execution.

At the same time, SPEL recognizes that the political and regulatory landscape can evolve, and has built its strategy to remain resilient regardless of the direction those changes take. The Company's strategic focus rests on three pillars:

## INNOVATION

Sustained investment in new technology and manufacturing capability to deliver solutions that address customers' evolving needs and add measurable value to their businesses.

## CONTINUOUS IMPROVEMENT

Ongoing refinement of systems and processes to enhance efficiency, manage costs, and improve product and service quality.

## RESOURCE OPTIMIZATION

Efficient deployment of financial, technological, and human resources to sustain operational excellence and a strong competitive edge.

These pillars are underpinned by active, ongoing monitoring of policy developments and economic trends, enabling the Company to adapt swiftly and protect business continuity as conditions change.

In summary, SPEL's strategy is built for durability across political and economic cycles. By combining innovation, continuous improvement, and resource optimization with disciplined monitoring of the external environment, the Company remains well positioned to sustain growth and deliver consistent value to its stakeholders.

## SIGNIFICANT CHANGES IN THE ORGANIZATION AND EXTERNAL ENVIRONMENT

There are no significant changes in the organization, however, the external environment has been affected due to changes in the political scenario and recent economic conditions.

# History of Major Events

**2026**
Solarization capacity enhanced to 4.45 MW

**2025**
Company's Name changed to SPEL Limited

**2024**
SPEL's Head Office and a production plant became carbon neutral.
Exports started to British American Tobacco

**2023**
Share Buy-back: A liquidity option for shareholders

**2022**
Supply to Pakistan Tobacco Company started

**2021**
Factory at Karachi established

**2020**
SPEL won Top 25 Companies Award

**2017**
Factory at Rahim Yar Khan established

**2015**
Initial Public Offering

**2012**
Supply of shampoo bottles to Unilever started activity based costing implemented in all manufacturing units

**2010**
Merger of group companies to a single entity

**2009**
ISO 14001 achieved

**2008**
Diversification into water bottles for Nestlé and crates for Coke

**2005**
Major expansion took place in tool manufacturing facility

**2002**
Major expansion took place, and a new plant was established supply of yogurt cups to Nestlé started

**1996**
Supply of auto parts to Honda (HACPL) started

**1993**
Supply of auto parts to Toyota (IMC) started

**1989**
SPEL Packaging established

**1986**
Supply of auto parts to Pak Suzuki started

**1983**
Supply of steering wheels started to Millat Tractors

**1982**
SPEL converted to a Private Limited Company



# Details of Significant Events

## OCCURRED DURING THE YEAR AND AFTER THE REPORTING PERIOD

SPEL witnessed
**08**
**SIGNIFICANT EVENTS**
during the financial year, marking progress, resilience, innovation, and value creation across diverse operations.

**01. AUGUST 2025**
Annual accounts approved by the Board

**02. SEPTEMBER 2025**
Annual General Meeting

**03. OCTOBER 2025**
Corporate briefing session

**04. OCTOBER 2025**
Annual dividend paid

**05. DECEMBER 2025**
Solar facility Enhanced

**06. JANUARY 2026**
QCC Convention

**07. FEBRUARY 2026**
Half-yearly accounts approved by the Board

**08. MARCH 2026**
Interim dividend paid

# Strategy and Resource Allocation

## STRATEGIC OBJECTIVES

At SPEL, we are committed to being a reliable and preferred supplier to our customers by consistently meeting their expectations through innovation, continuous improvement, operational excellence, and the effective utilization of financial, technological, and human resources.

To achieve these objectives, the Company's short-term, medium-term and long-term strategic objectives are as follows:

### Short-Term Objective

- Sustain sales growth and profitability through operational efficiency, effective cost management, and productivity enhancement.
- Strengthen the export base by targeting regional markets and ensuring compliance with applicable international standards.
- Manage procurement, raw material, and foreign exchange risk exposure through effective sourcing and cost optimization strategies.
- Diversify the customer portfolio across automotive OEMs, FMCGs, and other strategic market segments.
- Strengthen customer relationships by enhancing service quality, responsiveness, and technical support.

### Medium-Term Objective

- Expand production capacity and invest in modern manufacturing technologies to support business growth.
- Introduce innovative, sustainable, recyclable, and value-added packaging solutions in line with evolving customer requirements.
- Enhance the Company's market and brand positioning through product quality, service excellence, and technical capabilities.
- Strengthen research and development capabilities to support product innovation and sustainable solutions.
- Enhance human capital through workforce development, technical training, and continuous upskilling.

### Long-Term Objectives

- Establish a leading position in the automotive components and packaging sectors through sustained investment, innovation, and operational excellence.
- Transition towards recyclable and Eco-friendly product lines in line with global sustainability standards.
- Accelerate digital transformation, automation, and adoption of advanced manufacturing technologies — underpinned by sustained R&D investment — to enhance competitiveness and operational efficiency.
- Undertake capital expenditure for capacity enhancement, plant modernization, and technological advancement.
- Develop long-term strategic partnerships with OEMs, FMCGs, export distributors, and other key business partners.
- Institutionalize a formal risk management framework — extending beyond day-to-day sourcing controls to structured hedging, supply chain diversification, and regulatory monitoring — to build lasting resilience against foreign exchange, raw material price, and supply chain volatility.
- Build a scalable talent pipeline through structured succession planning and leadership development, extending short- and medium-term workforce upskilling into a durable long-term organizational capability.



## STRATEGIES IN PLACE TO ACHIEVE OBJECTIVES

The objectives of the management are well aligned and synchronized with the overall strategic objectives of the Company. The following strategies were adopted by the management to achieve its objectives:

| Objectives | Strategies to achieve objectives |
|---|---|
| **Reliability & Customer Trust** | • Encouraging a culture of innovation and continuous improvement; delivering high-quality products consistently and on schedule; diversifying and deepening relationships with automotive OEMs, FMCGs, and other strategic customers; strengthening the export base through compliance with international quality and regulatory standards |
| **Create Value for Shareholders** | • Maintaining a disciplined capital allocation policy, reinvesting in growth broadly in line with annual profitability; optimizing procurement, raw material sourcing, and foreign exchange management to control costs; sustaining profitable revenue growth through operational efficiency and productivity gains |
| **Ensure Long-Term Sustainability** | • Investing in capacity expansion, plant modernization, and advanced manufacturing technologies; transitioning towards recyclable and environmentally sustainable product lines; developing and upskilling employees, and building a leadership succession pipeline; upholding ethical business values within a robust risk management framework |
| **Digital Transformation** | • Automating production processes and repetitive office tasks; applying data analytics to strengthen business decision-making; upskilling the workforce in digital tools and technologies |

The results of these objectives are reflected in our increased profitability and controlled costs.

## RESOURCES ALLOCATION PLAN TO IMPLEMENT THE STRATEGIES AND CAPITAL STRUCTURE

SPEL strategically deploys its resources and relationships to effectively implement its strategies and support the achievement of its strategic objectives. The Company manages and allocates its resources across six key forms of capital: financial, manufactured, intellectual, human, social and relationship, and natural capital.

### Financial Capital

The Company has a policy of financing capital expenditure required to achieve its strategic objectives through a combination of equity and long-term financing, as appropriate. Management continuously monitors the Company's cash flow and liquidity position, considering its current and anticipated funding requirements. Financing arrangements are regularly reviewed and aligned with the Company's operational and investment needs to ensure efficient utilization of financial resources and support sustainable business growth.

The Company observes a self-defined formula for sustainable growth, under which the amount invested in expansion plans approximates the profits earned during the year, plus depreciation. This disciplined approach has been instrumental in maintaining a strong liquidity position.

### Human Capital

Human capital is integral to achieving the Company's strategic objectives, and SPEL places significant emphasis on the acquisition, development, engagement, and retention of talent. The Company adopts a data-driven and performance-oriented approach to human capital management, ensuring alignment with its strategic goals and effective utilization of employee capabilities.

Management continuously assesses the skills and competencies required to meet the evolving needs of the business and adapts its training and development programs accordingly to address identified gaps. This strategic focus on human capital fosters innovation, enhances productivity, strengthens organizational capabilities, and maintains the Company's competitive position.

The Company is also committed to developing a strong leadership pipeline through effective succession planning, employee development, and a culture of innovation and continuous learning — ensuring that the workforce remains agile, capable, and future-ready in support of the Company's long-term growth.

### Manufactured Capital

Manufactured capital comprises the Company's buildings, plant and machinery, equipment, production facilities, and supporting infrastructure that enable it to manufacture products and deliver value to its customers. SPEL optimizes the utilization of its manufactured capital through effective capacity planning, operational efficiency, regular maintenance, technological enhancement, and prudent allocation of resources.

Management allocates and deploys

manufactured capital across the business based on operational requirements and their contribution to the Company's strategic objectives, continuously assessing manufacturing capacity and infrastructure in response to changes in market demand, technology, and the broader business environment. Where gaps are identified, resources are enhanced, upgraded, or reallocated to maintain operational effectiveness and support sustainable value creation.

### Intellectual Capital

Intellectual capital is an important foundation for achieving the Company's long-term strategic objectives, strengthening innovation and sustaining competitive advantage. SPEL continues to develop its intellectual capital through investment in research and development, product and process innovation, intellectual property, technical expertise, and knowledge management.

The Company leverages its knowledge, experience, proprietary capabilities, and technical know-how to develop innovative solutions, improve manufacturing processes, enhance operational efficiency, and respond effectively to evolving customer and market requirements. Through continuous learning, knowledge sharing, and innovation, SPEL strengthens its organizational capabilities and supports sustainable value creation over the long term.

### Social and Relationship Capital

Social and relationship capital encompasses the Company's relationships within and across the communities, stakeholder groups, and networks in which it operates, and its contribution to individual and collective wellbeing. SPEL engages its diverse stakeholders — including shareholders, regulators, customers, employees, suppliers, and the wider community — with equal importance, and conducts itself in a manner consistent with the cultural norms of the areas in which it operates.

The Company's long-standing relationships with blue-chip customers and OEMs reflect the strength of this capital in practice, while its social responsibility focus areas — including employee wellbeing and community investment — guide how SPEL contributes to the communities in which it operates.

### Natural Capital

Natural capital includes all renewable and non-renewable environmental resources on which the Company relies, such as air, water, and energy. SPEL is committed to reducing and optimizing its use of natural resources, with a strong focus on environmental conservation across its operations.

The Company's environmental management systems are certified to ISO 14001:2015, independently audited by an accredited certification body, reflecting its structured approach to managing environmental impact and regulatory compliance.

## CAPABILITIES AND RESOURCES WHICH PROVIDE SUSTAINABLE COMPETITIVE ADVANTAGE

SPEL's sustainable competitive advantage is built on an integrated set of capabilities and resources. State-of-the-art manufacturing facilities, supported by a skilled and well-trained workforce, provide a robust operational foundation, while the Company's sponsors and leadership bring deep-rooted industry knowledge, experience, and specialized expertise in managing a complex manufacturing business. Long-standing, reciprocal relationships with blue-chip customers — built on mutual trust and confidence in SPEL's capabilities — further reinforce the Company's market position.

## CAPABILITIES AND RESOURCES DRIVING SUSTAINABLE COMPETITIVE ADVANTAGE

This foundation is strengthened by SPEL's continued investment in innovation, research and development, and process automation, which improve efficiency and cost competitiveness, and by its adherence to international quality and safety standards, which enhances market credibility. Combined with the Company's financial stability, experienced management team, and long-standing reputation in the plastics and packaging industry, these capabilities and resources provide resilience against market challenges and result in sustainable, long-term value creation for shareholders and stakeholders alike.

## COMPANY'S STRATEGY ON MARKET DEVELOPMENT AND PRODUCT DEVELOPMENT

The Company remains focused on expanding its market reach and strengthening its position in key sectors through the following strategies:

### Market Development:

- Expanding and strengthening distribution networks to improve product availability and market reach
- Diversifying the customer portfolio across automotive OEMs, FMCGs, and other strategic market segments
- Participating in trade shows and exhibitions to enhance brand visibility among prestigious customers
- Positioning products as premium quality within their respective market segments
- Enhancing customer satisfaction through consistent delivery of state-of-the-art, quality products
- Transitioning towards recyclable and environmentally sustainable product lines
- Operating quality control circles to drive continuous product improvement
- Conducting structured brainstorming sessions to generate and evaluate new product ideas
- Incorporating customer feedback into the product development process
- Strengthening customer-facing service quality, responsiveness, and technical support
- Staying updated with global trends in plastic manufacturing and packaging technology

### Product Development:

- Adopting advanced manufacturing technologies and automation to drive product innovation
- Transitioning towards recyclable and environmentally sustainable product lines
- Operating quality control circles to drive continuous product improvement
- Conducting structured brainstorming sessions to generate and evaluate new product ideas
- Incorporating customer feedback into the product development process
- Strengthening customer-facing service quality, responsiveness, and technical support
- Staying updated with global trends in plastic manufacturing and packaging technology

## THE EFFECT OF TECHNOLOGICAL CHANGE, SUSTAINABILITY REPORTING & CHALLENGES, INITIATIVES TAKEN BY THE COMPANY IN PROMOTING & ENABLING INNOVATION AND RESOURCE SHORTAGES

### The Effect of Technological Change

Technological advancements present both opportunities and challenges for SPEL. On one hand, they enable the Company to automate processes, enhance efficiency, and improve product quality; on the other, the rapid pace of change requires continued investment in workforce capability and equipment upgrades. In response, SPEL adopts a proactive approach — monitoring technological trends and directing resources towards integrating beneficial innovations into its operations and strategic planning.

### Sustainability Reporting & Challenges

SPEL recognizes the increasing importance of Environmental, Social, and Governance (ESG) considerations in today's business landscape and is committed to transparent, comprehensive ESG reporting that meets stakeholder expectations and regulatory requirements. Balancing short-term financial goals with long-term sustainability targets, however, remains a key challenge. The Company is developing frameworks to align its ESG objectives with its strategic goals and resource allocation decisions, ensuring responsible corporate behaviour without compromising long-term value creation.

### Initiatives Taken by the Company in Promoting & Enabling Innovation

Innovation is integral to SPEL's corporate culture and strategic planning, and is supported through dedicated resource allocation. The Company's Quality Control Circle (QCC) initiative taps into the collective intelligence of its workforce, bringing employees from various departments together to identify areas for improvement and propose innovative solutions — fostering a culture of continuous improvement and collective problem-solving.

The Company also allocates a dedicated Research & Development (R&D) budget to invest in new technologies, and collaborates with universities to promote innovation and support research initiatives. Together, these efforts reinforce a culture of innovation and position SPEL as a forward-thinking leader in its industry.

### Resource Shortages

Increased volatility in global markets has led to occasional shortages in key resources. In response, SPEL has developed a multi-faceted strategy to mitigate this risk, including diversifying its supplier networks, maintaining strategic stockpiles, and implementing resource-efficient manufacturing processes — ensuring resource allocation decisions remain resilient to external supply disruptions.

# Key Performance Indicators (KPIs)

The comprehensive set of Key Performance Indicators outlined on page 24 serves as a robust framework for monitoring SPEL's financial health and operational efficiency. These indicators, ranging from Sales Revenue to Book Value of Share, have been carefully chosen for their enduring relevance and universal applicability in assessing financial performance. Looking ahead, we anticipate that these KPIs will continue to remain relevant.

## THE COMPANY'S SUSTAINABILITY STRATEGY WITH OBJECTIVES

At SPEL, sustainability is embedded in the Company's business model. Its commitment to sustainable practices aligns with its broader business goals of delivering value to shareholders, empowering its workforce, and making a positive impact on communities and the environment.

Below are the Company's key sustainability objectives:

### Environmental Sustainability:

- Reduce Carbon Footprint — minimizing greenhouse gas emissions across operations through energy-efficient processes and cleaner technologies
- Waste Management — reducing, reusing, and recycling waste generated across the manufacturing process
- Energy Efficiency — optimizing energy consumption across plants and equipment
- Sustainable Products — developing recyclable and environmentally responsible product lines

### Social Responsibility:

- Employee Wellbeing — supporting a safe, healthy, and engaging workplace
- Community Investment — contributing to the wellbeing of the communities in which the Company operates
- Diversity, Equity & Inclusion — promoting board and workforce diversity as part of the Company's governance and talent practices

### Economic Sustainability:

- Supply Chain Responsibility — embedding responsible sourcing and ethical practices across the supply chain
- Transparency — maintaining clear, accurate, and timely disclosure to stakeholders
- Ethical Conduct — upholding integrity and ethical business standards across all operations

Each of these objectives carries defined priorities that are periodically reviewed, with performance against them monitored to ensure continued alignment with global sustainability standards and best practices. Through this structured approach, SPEL aims to achieve long-term sustainability that supports its financial and operational goals while creating lasting value for its stakeholders.

## THE LINKAGE OF STRATEGIC OBJECTIVES WITH THE COMPANY'S OVERALL MISSION, VISION AND OBJECTIVES

SPEL's strategic objectives are deliberately designed to align with its Mission and Vision. The Company's focus on enhancing efficiency and effectiveness supports the Mission's commitment to "strive for excellence in all aspects of its operations," while sustained investment in state-of-the-art technology directly supports the Vision's goal of becoming "a premium player in the market." Building a culture of professionalism — a theme shared by both statements — reinforces the Company's ambition of establishing a professional organization. Expanding the product range through new launches strengthens market position and reflects both the Mission's commitment to "diversifying" its product range and the Vision's goal of "expanding product range," while driving industry leadership through innovation supports the Mission's ambition to be "the foremost leader in the industry" and the Vision's goal of becoming "the most progressive and profitable company in the sector." Enhancing customer satisfaction through continuous innovation reflects the Mission's explicit commitment to "innovation and customer satisfaction." Detailed action plans and KPIs guide and measure progress against these objectives, ensuring continued alignment with the Company's long-term Mission and Vision.

## BOARD'S STATEMENT ON THE INTERNAL CONTROLS INCLUDING IT CONTROLS OF THE COMPANY

The Board is committed to maintaining a robust system of internal controls covering all key areas of the Company's operations, including risk management, financial discipline, governance, and IT controls. Continued investment in modern infrastructure, cybersecurity, and regular internal audits safeguards the Company's assets, ensures the accuracy and reliability of financial reporting, and promotes compliance with applicable regulatory requirements. Further details are provided in the Directors' Report.

## BOARD'S STATEMENT ON THE SIGNIFICANT PLANS AND DECISIONS SUCH AS CORPORATE RESTRUCTURING, BUSINESS EXPANSION, MAJOR CAPITAL EXPENDITURE OR DISCONTINUANCE OF OPERATIONS

During the year, the Board of Directors approved and implemented key strategic initiatives to strengthen the Company's growth and resilience. Capital investment increased substantially compared to the prior year, directed towards capacity expansion within the Company's existing units, including additions to plant, machinery, and building infrastructure, with further expansion projects remaining under way. The Company also continued to invest in renewable energy infrastructure through additional leased solar power capacity. These initiatives were aimed at strengthening the Company's competitive position, supporting sustainable long-term growth, and maximizing stakeholder value. Throughout this process, the Board remained committed to rigorous risk management, maintaining clear risk tolerance policies and assessing principal risks to the Company's business model, future performance, solvency, and liquidity. No corporate restructuring or discontinuance of operations occurred during the year.

## NO DEFAULTS IN ANY PAYMENT OF ANY DEBTS

We are pleased to report that SPEL has consistently honored all of its debt payment obligations. Our record in this regard stands as a reflection of our fiscal discipline, operational efficiency, and steadfast commitment to our financial responsibilities. This track record not only enhances our standing in the credit markets but also reinforces our reputation for financial reliability among investors, suppliers, and other key stakeholders.

## STRATEGY TO OVERCOME LIQUIDITY PROBLEMS

As at 30 June 2026, SPEL maintains a solid liquidity position, with short-term investments and cash balances comfortably exceeding its short-term borrowings and overall debt obligations. Building on this strength, the Board's strategy is to preserve financial flexibility by effectively managing cash surpluses, ensuring that operational requirements and debt servicing obligations are comfortably met.

SPEL operates as a consistently profitable organization, a factor that has substantially bolstered its liquidity position and enabled healthy cash flows. Management places a high emphasis on the judicious allocation of these financial resources, aligning fund deployment with both short-term needs and long-term strategic objectives.

The Company's financial health has been instrumental in fostering sustainable growth, managing profitability, and ensuring overall business stability. The Company actively manages its financial leverage, or gearing, to keep it in sync with its broader business goals. This proactive approach ensures timely payments on all financial obligations, including lease installments, long-term loans, musharika finance, and markup, among others.

# Risks and Opportunities

## KEY RISKS AND OPPORTUNITIES

The Company assesses the principal risks facing the business on a regular basis, including those that would threaten the Company's operations, business model, future performance, relations with its customers, solvency, and liquidity. These risks and opportunities — internal and external, including sustainability-related — affect the availability, quality, and affordability of the Company's Financial, Human, Manufactured, Intellectual, Social & Relationship, and Natural Capitals, as summarized below and further addressed through the risk management framework.

### Key Risks

| Key Risks | Sources | Likelihood | Mitigants |
|---|---|---|---|
| **Liquidity Risk** | | | |
| Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. | External | Low | The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have enough liquidity to meet its liabilities when due under both normal and stressed conditions. The Company finances its operations through equity, long-term and short-term borrowings to maintain adequate working capital, with a view to maintaining an appropriate mix between various sources of finance to minimize risk. Management aims to maintain flexibility in funding by keeping regular committed credit lines with reputed banks. |
| **Credit Risk** | | | |
| Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. | External | Low | To manage credit risk, the Company maintains procedures covering credit approvals and monitoring of exposures against credit limits. The financial viability of all counterparties is regularly monitored and assessed. Major customers of the Company are blue-chip organizations, where credit risk is minimal. |
| **Pricing Risk** | | | |
| New entrants in the market create a likelihood of price competition, which might squeeze margins. | External | Moderate | The Company constantly sources competitive suppliers and improves its technology, efficiency, and productivity. SPEL's in-house capability to develop products with a fast turnaround time also reduces the impact of price-based competition. The Company has developed interdependence with its customers and is considered a strategic supplier. |
| **Competition Risk** | | | |
| Increasing entrants are making their way into the plastics industry. | External | Moderate | SPEL's diversification of business activities, innovation, and technical expertise make it adequately prepared to face these challenges. |
| **Machine Breakdown Risk** | | | |
| Machine breakdown due to electricity load shedding may affect the operational performance of the Company. | Internal | Moderate | Adequate electricity backup systems are in place to overcome this problem, and adequate spares are kept in stock |
| **Human Resource Risk** | | | |
| Increasing competition for skilled human resources may lead to higher turnover, causing deterioration in service standards or increased payroll costs. | Internal | Moderate | The Company's HR practices include training and development programs, a conducive work environment, and competitive compensation packages. A formal succession planning framework is also in place to ensure sustained human resource development and leadership continuity. |
| **Technological Risk** | | | |
| Technological obsolescence. | External | Moderate | The Company has been constantly upgrading its technologies. As part of the current expansion plan, it has adopted new production technologies that are both material- and energy-efficient, supporting improved operational performance and sustainability. |

| Key Risks | Sources | Likelihood | Mitigants |
|---|---|---|---|
| **Regulatory Risk** | | | |
| Imposition or enhancement of duties, taxes, levies, and other regulatory conditions may adversely affect operations. | External | Moderate | Where new levies apply across the industry, so the Company remains competitively positioned relative to its peers. |
| **Supply Chain & Raw Material Risk** | | | |
| The Company may experience disruptions in the availability of critical inputs due to supplier dependency, import delays, or rising logistics costs, which could affect continuity of production and timely deliveries. | External | Moderate | The Company engages multiple suppliers across regions to reduce concentration risk, maintains adequate safety stock, and develops contingency plans with alternative sourcing and logistics options. Regular supplier audits and risk assessments are carried out to ensure reliability, and supply chain monitoring systems enhance visibility of lead times, supplier performance, and potential disruptions. |
| **Macroeconomic & Political Risk** | | | |
| Inflationary pressures, currency volatility, interest rate movements, and political or policy uncertainty in Pakistan may affect input costs, financing costs, and overall demand for the Company's products. | External | Moderate | Mitigants include diversifying markets, and maintaining financial flexibility to absorb shocks. |
| **IT & Cybersecurity Risk** | | | |
| Increasing reliance on digital systems and connectivity exposes the Company to cybersecurity threats, including data breaches, system outages, and unauthorized access, which could disrupt operations or compromise sensitive information. | Internal / External | Moderate | SPEL has implemented IT controls, firewalls, disaster recovery plans, and employee training on data security. Regular system audits further reduce this risk. |
| **Sustainability & ESG Risk** | | | |
| Evolving environmental regulations, plastic-usage restrictions, and rising stakeholder expectations around ESG performance may increase compliance costs and affect market access if not proactively managed. | External | Moderate | SPEL addresses these through sustainable material usage, energy-efficiency programs, recycling initiatives, and transparent ESG reporting. |

## OPPORTUNITIES

### Modern Technology:

SPEL uses state-of-the-art modern technology, providing an opportunity to lead the market for premium-quality products.

### In-House Mold Shop:

The in-house design and mold shop is a competitive strength through which SPEL has produced most of its innovations. Established soon after the Company's inception, it is now one of the largest mold shops in Pakistan.

### Long-Term Business Relationships:

SPEL maintains long-term business relationships with its customers and trade partners. Most major customers are blue-chip companies that have worked with the Company for many years.

### ESG and Sustainability:

Increasing demand for eco-friendly packaging offers a strategic opportunity. SPEL's focus on recycling, resource efficiency, and compliance with global ESG standards strengthens its market positioning.

## ASSESSMENT OF PRINCIPAL RISKS AND UNCERTAINTIES

The Board, through the Risk Management and Sustainability Committee, has established a robust framework for identifying, assessing, and mitigating the principal risks that could potentially affect the Company's business model, performance, solvency, or liquidity. These risks include operational, IT, regulatory, legal, political, strategic, credit, and other emerging risks relevant to the Company's business environment.

The Committee has developed a comprehensive mechanism for risk assessment, whereby management identifies the Company's potential risks through a structured process that includes stakeholder input, surveys, detailed data analysis, and brainstorming sessions. The Internal Audit function provides independent assurance on the adequacy and effectiveness of the risk management system. During the year under review, the Committee held dedicated meeting to specifically evaluate key risks and related opportunities, focused on strengthening risk mitigation plans, ensuring alignment with the Company's strategic objectives, and sustainability related considerations into the overall risk management process.

This proactive approach reflects the Company's commitment to safeguarding long-term shareholder value, maintaining operational resilience, and capitalizing on opportunities arising from the dynamic business environment.

## RISK MANAGEMENT FRAMEWORK AND METHODOLOGY

SPEL views risk management as a continual, adaptive process that is central to both operational and strategic planning. The risk landscape is constantly evolving due to technological advances, regulatory shifts, and market dynamics, and the Company's approach to risk management is correspondingly flexible and iterative. Risk mitigation at SPEL is carried out as set out in the risk table above; the framework below describes how that mitigation is governed.

### 1. Risk Governance Structure

- The Board of Directors has established a Risk Management and Sustainability Committee to provide specialized oversight of risk management.
- Management is responsible for identifying, evaluating, and managing risks within its areas of accountability.
- The Internal Audit function provides independent assurance on the adequacy and effectiveness of the risk management system.

### 2. Risk Identification

- Risks are identified across all business areas, including financial, operational, technological, regulatory, environmental, and reputational domains.
- Emerging risks such as climate change, ESG compliance, and cybersecurity are proactively recognized.
- A risk register is maintained and updated periodically to document identified risks and their potential impact.

### 3. Risk Assessment & Prioritization

- Risks are assessed based on likelihood of occurrence and impact on business objectives.
- Both qualitative and quantitative (financial modeling) approaches are applied.

### 4. Risk Mitigation & Control

Mitigation measures are developed for each material risk through:

- Preventive controls (e.g., compliance programs, maintenance schedules, cybersecurity protocols).
- Corrective controls (e.g., contingency planning, backup systems, insurance coverage).

Each mitigation action is assigned to responsible management personnel with defined implementation timelines.

### 5. Risk Appetite & Tolerance

- The Company defines clear risk appetite thresholds for financial, operational, and strategic risks.
- Decisions relating to credit exposure, leverage, liquidity, and investments are guided by these thresholds.
- The risk appetite framework ensures a balance between risk-taking and value creation.

### 6. Monitoring & Reporting

- Risks are continuously monitored through performance indicators, early warning systems, and audit findings.
- Risk reports are presented to the Risk Management and Sustainability Committee.
- Any significant changes in the risk profile are promptly escalated to ensure timely decision-making.



### 7. Integration with Strategy & Opportunities

- Risk management is embedded into strategic planning, capital allocation, and operational execution.
- The framework not only mitigates threats but also enables the Company to capitalize on opportunities such as the adoption of new technologies and sustainable packaging solutions.

## SPECIFIC STEPS TO MITIGATE KEY RISKS AND CREATE VALUE FROM OPPORTUNITIES

SPEL adopts a proactive and systematic approach to managing key risks while simultaneously seeking opportunities for value creation. This involves the following steps:

### 1. Risk Identification and Analysis

- Rigorously identifying and assessing a broad spectrum of potential risks using both qualitative and quantitative methods, including technological, regulatory, and market-related risks.

### 2. Risk Limits and Controls

- Establishing clear risk limits and control measures to mitigate the impact of adverse events and keep risks within acceptable levels.

### 3. Regular Monitoring and Review

- Continuously monitoring and reviewing risk management policies to adapt to the evolving business environment.

### 4. Governance and Oversight

- The Risk Management and Sustainability Committee oversees the development, revision, and implementation of risk management policies, ensuring alignment with the Company's risk appetite and strategic objectives, and providing recommendations to the Board.

### 5. Risk Reporting and Transparency

- Regular risk assessments and control measures are shared with the Audit Committee and the Board to support informed decision-making.

### 6. Opportunity Optimization

- By carefully analyzing and managing risks, the Company is better positioned to seize opportunities and create additional value.

Through these steps, SPEL aims not only to mitigate potential risks but also to harness opportunities to drive growth and enhance overall performance.

## STRATEGIC OBJECTIVES, STRATEGIES AND PLANS

### Liquidity Risk Mitigation

**Objective:** Ensure sufficient liquidity to meet short and long-term obligations.

**Strategy:** Maintain a mix of short-term and long-term financing options.

**Plan:** Financial planning with a focus on liquidity ratios.

**Targets:** Maintain a current ratio above 1 and a debt-to-equity ratio below 50%.

**KPIs:** Current ratio, quick ratio, debt-to-equity ratio.

Risks and Opportunities

## Credit Risk Management

**Objective:** Minimize defaults and maximize revenue from credit sales.

**Strategy:** Implement stringent credit evaluation processes.

**Plan:** Monthly credit risk assessment and review.

**Targets:** Bad debts (if any) should not exceed 1% of annual revenue.

**KPIs:** Bad debt ratio, Accounts Receivable Turnover.

## Pricing and Competition Risk Management

**Objective:** Maintain profitable margins while remaining competitive.

**Strategy:** Leverage economies of scale and technology.

**Plan:** Periodic pricing reviews and market surveys.

**KPIs:** Gross Margin, Market Share.

## Supply Chain & Raw Material Risk Management

**Objective:** Maintain continuity of production and timely deliveries despite raw material and import-related disruption.

**Strategy:** Diversify the supplier base and maintain adequate safety stock of critical raw materials.

**Plan:** Ongoing supplier audits and periodic review of sourcing and logistics arrangements.

**Targets:** Maintain minimum safety stock levels sufficient to withstand short-term supply disruptions.

**KPIs:** Supplier on-time delivery rate, inventory coverage (days), lead time for critical supplies.

**Policies:** sector-specific risk policies are developed and reviewed on a semi-annual basis.

# SUPPLY CHAIN DISRUPTION RISKS FROM ENVIRONMENTAL, SOCIAL, AND GOVERNANCE INCIDENTS

## Risk Identification

The Company recognizes that supply chain disruptions may arise from environmental non-compliance (e.g., poor waste management, excessive carbon footprint), social lapses (e.g., violation of labor rights, unsafe working conditions), or governance weaknesses (e.g., lack of transparency, unethical practices) at the supplier level. Such incidents could adversely affect the availability, quality, and affordability of critical inputs, disrupt timely deliveries, and impact the Company's reputation and stakeholder confidence.

## Monitoring Mechanisms

**Environmental:** Regular environmental audits and supplier assessments to confirm adherence to local and international environmental standards.

**Social:** Periodic evaluation of supplier labor practices, supported by independent third-party certifications to ensure compliance with ethical labor standards.

**Governance:** Routine governance and compliance audits of key suppliers to ensure accountability, anti-corruption practices, and alignment with Company values.

## Mitigation Strategies

**Supplier Diversification:** Engaging multiple suppliers for critical raw materials and components to reduce dependency on a single source.

**Contingency Planning:** Maintaining and updating contingency plans, including alternative suppliers and logistics arrangements, to respond quickly to ESG-related disruptions.

**Inventory Management:** Holding safety stock levels to cover at least 60 days of production requirements, ensuring continuity of operations.

**Supplier Engagement:** Collaborating with suppliers to encourage the adoption of sustainable, ethical, and transparent business practices.

## Targets

Ensure key suppliers comply with Company's ESG standards and reporting requirements.

Require all critical suppliers to maintain their own contingency and sustainability plans.

Maintain minimum safety stock levels to withstand potential ESG-related supply chain disruptions.

## Key Performance Indicators (KPIs)

- Supplier On-Time Delivery Rate
- Percentage of Suppliers with ESG Compliance Certification
- Lead Time for Critical Supplies
- Inventory Coverage (in days)

# Trainings and Social Activities

# Sustainability and Corporate Social Responsibility

At SPEL, protecting the environment and investing in the welfare of the communities in which it operates are considered fundamental to sustainable, long-term development. The Company supports its communities through spending on health, education, and community welfare, and views sustainability and corporate social responsibility as integral to its long-term business strategy rather than a separate or peripheral activity.

## 1 BOARD'S ROLE IN ADDRESSING SUSTAINABILITY RISKS AND OPPORTUNITIES

In line with the SECP's amendments to the Listed Companies (Code of Corporate Governance) Regulations, 2019 (SECP SRO 920/2024 dated 12 June 2024), SPEL discloses the following in relation to sustainability-related risks, opportunities, strategy, and performance.



## (A) COMPANY-SPECIFIC SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

Following sustainability-related risks and opportunities as relevant to the Company's operations, together with their expected impact and the Company's mitigation approach, across the short, medium, and long term:

| Type | Risk/Opportunity | Description | Impact | Mitigation/Initiatives |
|---|---|---|---|---|
| **Short-Term** | | | | |
| Risks | Energy Cost Volatility | Fluctuating energy tariffs and supply constraints may increase production costs. | Margin pressure and reduced profitability. | Invest in solar power and efficiency upgrades to lower dependence on grid electricity. |
| | Changing Market Preferences | Customers, particularly FMCG companies, increasingly demand more sustainable packaging solutions. | More challenging to align the products with customers expectations. | Expand product portfolio with recyclable and lightweight packaging solutions. |
| Opportunities | Efficiency Gains | Energy and process optimization can lower operational costs. | Improved cost control and higher profitability. | Implement energy-saving technologies, improve production efficiency. |
| | Market Differentiation | Visible sustainability efforts enhance brand perception. | Stronger customer relationships and potential to win new business. | Highlight sustainability initiatives in marketing and CSR engagement. |
| **Medium-Term** | | | | |
| Risks | Climate Disruptions | Extreme weather events may impact supply chain and production continuity. | Delays, higher costs, and reduced output. | Build stronger infrastructure resilience and diversify supply chains. |
| | Transition Costs | Shifting to greener materials and processes requires upfront investment. | Medium-term capital outlays for renewable energy and technology integration. | Phase in renewable energy use and secure financing for sustainable technology investments. |
| Opportunities | Eco-Friendly Products | Demand is growing for recyclable and innovative packaging and auto components. | New revenue streams and premium market positioning. | Invest in R&D for sustainable materials and designs. |
| | Community Engagement | Supporting local communities through sustainability initiatives builds goodwill. | Improved reputation and operational support. | Partner with local stakeholders and support visible community projects. |
| **Long-Term** | | | | |
| Risks | Resource Availability | Rising competition for raw materials and water may affect production. | Cost increases and supply challenges. | Adopt resource-efficiency measures and secure diverse supply sources. |
| | Evolving Expectations | Over time, customers and investors may demand higher sustainability standards. | Pressure on long-term competitiveness. | Stay ahead by embedding sustainability into product design and operations. |
| Opportunities | Leadership in Carbon Reduction | Progress towards lower carbon footprint and efficient operations strengthens industry leadership. | Enhanced brand reputation and long-term cost savings. | Commit to long-term carbon reduction targets and invest in renewable energy. |
| | Sustainable Competitive Edge | Companies leading in sustainable practices will have long-term advantages. | Stronger growth, higher valuations, and market leadership. | Maintain focus on innovation, circular economy initiatives, and operational excellence. |

## (B) FOUR-PILLARS CORE CONTENT: GOVERNANCE, STRATEGY, RISK MANAGEMENT, AND METRICS & TARGETS

SPEL organizes its sustainability disclosure around four core pillars, together with the specific metrics the Company uses to track its performance and progress.

### 01. GOVERNANCE

SPEL's governance structure is designed to ensure clear oversight of, and accountability for, sustainability matters:

**Risk Management and Sustainability Committee:**

- A Board committee, including at least one female director, responsible for sustainability policy, execution, and reporting to the Board.

**Management Team:**

- Responsible for day-to-day implementation of sustainability programs and reporting progress.

**Governance Metrics:**

Committee composition, including gender representation on the Risk Management and Sustainability Committee; and the extent of sustainability-related training completed by senior leadership.

### 02. STRATEGY

SPEL's sustainability strategy is built around four areas of focus:

**Environmental Responsibility:**

- Reducing greenhouse gas emissions, improving energy efficiency, and adopting sustainable operating practices.

**Social Commitment:**

- Community engagement, employee wellbeing, inclusion and diversity.

**Governance Excellence:**

- transparency, accountability, and ethical conduct across the organization.

**Technological Innovation:**

- Using advances in technology to support sustainable growth and operational improvement.

**Strategic Metrics:**

Community investment — the aggregate annual contribution made towards community upliftment initiatives, educational and research collaboration projects, and other social investment activities undertaken during the year; and total training hours provided to employees each year, reflecting the Company's ongoing investment in workforce development and capability building.

### 03. RISK MANAGEMENT

The Company's approach to sustainability risk follows three steps:

**Risk Identification:**

- Regular evaluation of potential risks arising from environmental, social, or governance factors

**Risk Evaluation:**

- Assessing the likelihood and impact of identified risks on the Company's operations and reputation.

**Risk Mitigation:**

- Preventive measures such as policy changes, process improvements, and contingency planning.

**Risk Management Metrics:**

Proportion of identified sustainability risks with a clear, documented mitigation strategy in place; and the number of sustainability-related incidents reported and resolved within a defined timeframe.

### 4. METRICS AND TARGETS

### Performance indicators:

**Energy Usage:**

- SPEL continues to invest in solar power capacity across its operations, having added further solar capacity to its existing installations at the Karachi and Rahim Yar Khan plants, reducing dependence on grid electricity and lowering the Company's carbon footprint.

**Water Utilization:**

- Total water usage relative to production output.

**Waste Management:**

- Total waste generated in proportion to production activity.

**Sustainability Goals:**

Carbon neutrality at additional facilities beyond the head office and the one production facility already certified (PAS 2060); increased female representation in senior leadership positions; and a supply chain that adheres to defined sustainability standards.

**Reporting Progress:**

SPEL conducts an annual sustainability review covering its environmental, social, and governance performance, tracking progress against key metrics and achievements to guide the continued planning and improvement of its sustainability initiatives.

## (C) SUSTAINABILITY AND DE&I STRATEGY, PRIORITIES AND PERFORMANCE

The Company views sustainability and Diversity, Equity & Inclusion (DE&I) as central to its long-term success, and embeds these considerations into its operations and culture.



### STRATEGY AND PRIORITIES

**Sustainability:**

- Innovating in packaging and automotive components through recyclable, lightweight, and energy-efficient product design.
- Lowering the Company's environmental footprint by increasing the share of renewable energy, reducing production waste, and improving water efficiency.
- Strengthening relationships with global FMCG and automotive customers by aligning with their own sustainability ambitions.

**Diversity, Equity & Inclusion:**

- Promoting a culture in which every employee has an equal opportunity to grow and succeed.
- Increasing the participation of women and underrepresented groups in leadership and technical roles.
- Building an inclusive, future-ready workforce through continuous training and development.

**Measures and Progress:**

During the year, the Company:

- Expanded its use of solar energy and energy-saving technologies, reducing operating costs and emissions.
- Introduced new recyclable packaging designs that were well received by FMCG customers.
- Conducted company-wide training sessions on sustainability awareness, inclusive leadership, and unconscious bias.
- Enhanced mentorship and career development programs, encouraging female participation in management roles.
- Integrated sustainability and DE&I KPIs into management performance reviews, reinforcing accountability.

### PERFORMANCE MONITORING

Progress against these targets is reviewed regularly under the Company's sustainability governance framework, with oversight from the Risk Management and Sustainability Committee, ensuring that commitments are consistently translated into action.

## (D) ADOPTION OF THE SECP'S ESG DISCLOSURE GUIDELINES

SPEL has reviewed the SECP's ESG Disclosure Guidelines for Listed Companies and is progressively aligning its sustainability governance and disclosure practices with the Guidelines, to the extent applicable to the Company's size, sector, and current stage of sustainability reporting maturity. The Company will continue to assess further alignment with the Guidelines in future reporting periods.


## 2 HIGHLIGHTS OF PERFORMANCE, POLICIES, INITIATIVES AND PLANS RELATING TO SUSTAINABILITY

### 01. SOCIAL INITIATIVES

SPEL recognizes that its success is closely tied to the prosperity of its people and communities:

**Financial Inclusion:**

- Supporting local suppliers and SMEs through fair payment practices and capacity-building opportunities.

**Research and Development:**

- Investing in R&D to develop innovative, sustainable packaging and automotive components.

**Employment Generation:**

- The Company directly employed 609 people as at 30 June 2026 and continues to indirectly support employment across its supply chain.

### Community Health and Education:

- Contributing to local health and education projects through CSR programs.

### Health & Safety of Staff:

- Ongoing investment in safe equipment, regular training, and a culture of care aimed at zero-harm workplaces.

## 02. ENVIRONMENTAL INITIATIVES

SPEL's environmental strategy is built on responsible resource use and the 3Rs — Reduce, Reuse, Recycle:

### Climate Change Mitigation:

- Investment in solar power and energy-efficient technologies has reduced reliance on fossil fuels and lowered carbon emissions.

### Reduce:

- Streamlined processes and energy optimization reduce waste and emissions at the source.

### Reuse:

- In-house recycling initiatives reintroduce production scrap into non-critical product lines.

### Recycle:

- Packaging products are increasingly designed for recyclability, supporting a circular economy.

## 03. TECHNOLOGICAL INNOVATION

### Solar Power Installation:

- Further solar power added during the year, reducing reliance on non-renewable energy and the Company's carbon footprint.

### Investment in Energy:

- Efficient Plant and Machinery — new equipment selected with energy efficiency as a design criterion.

### Product Innovation:

- Recyclable, lightweight packaging and automotive components that reduce resource usage while meeting customer performance requirements.

### Digitalization:

- Monitoring and control systems for energy and water usage, enabling real-time efficiency improvements.



## CONSUMPTION AND MANAGEMENT OF MATERIALS, ENERGY, WATER, EMISSIONS AND WAST

SPEL is committed to the responsible consumption and management of resources across its operations. Energy management is anchored by continued investment in solar power capacity, reducing reliance on grid electricity, alongside ongoing efforts to monitor and manage water usage, emissions, and waste generated in the course of production.

## 3 SUSTAINABILITY COMMITTEE AND REPORTING TO THE BOARD

### (A) SUSTAINABILITY COMMITTEE

The Board has established a dedicated Risk Management and Sustainability Committee, which includes representation of at least one female director, in accordance with good governance practice. The Committee is mandated to oversee the integration of sustainability principles into the Company's strategy and operations. A detailed description of the Committee's composition, scope, and responsibilities is provided under the "Terms of Reference of the Board Committees" section of this report.

### (B) ANNUAL SUSTAINABILITY REPORT SUBMISSION TO THE BOARD

In accordance with the SECP's ESG Disclosure Guidelines, the Risk Management and Sustainability Committee formally submits an annual report to the Board, outlining the integration of sustainability principles into the Company's strategy and operations, and capturing progress across key environmental impact areas.

## 4 BOARD'S STATEMENT ON CSR AND SUSTAINABLE PRACTICES

The Board of Directors is committed to promoting the adoption of Corporate Social Responsibility (CSR) best practices across the Company's operations. The Board believes that responsible business conduct and sustainable practices are integral to long-term value creation, and is focused on:

### Ethics and Sustainability:

- Conducting the Company's operations in an ethical and sustainable manner that supports environmental protection and social wellbeing.

### Community Engagement:

- Prioritizing initiatives in education, healthcare, and economic empowerment across the communities SPEL serves.

### Governance:

- Maintaining rigorous standards of transparency, ethical conduct, and accountability across the organization and its supply chain.

The Board recognizes that CSR practice must keep pace with evolving societal expectations and business priorities, and is accordingly committed to periodic review and refresh of CSR initiatives, regular progress reporting to stakeholders, and continued integration of CSR into the Company's broader business strategy and decision-making.

## THE COMPANY'S CSR AND SUSTAINABILITY INITIATIVES

Including community development programs, employee wellbeing, environmental stewardship, and investment in energy-efficient technologies — reinforce the Company's reputation and customer relationships, while also supporting cost efficiency and long-term financial resilience. In this way, CSR and sustainable practice are directly linked to the Company's financial performance, rather than being a cost separate from it.

## 5 HIGHLIGHTS OF THE COMPANY'S PERFORMANCE, POLICIES AND INITIATIVES FOR CSR

During the year, the Company undertook the following initiatives relating to sustainability and corporate social responsibility:

### COMMUNITY AND SOCIAL IMPACT INITIATIVES

**Medical Outreach:**

SPEL organized camp during the year, providing free health consultations from qualified doctors and specialists to members of the local community.

**Educational Support:**

The Company implemented a scholarship program for deserving students and employees, based on merit and financial need.

### RESEARCH AND DEVELOPMENT INITIATIVES

**Financial Support to the Polymer Endowment Fund (UET):**

SPEL contributed to the Polymer Endowment Fund at the University of Engineering and Technology (UET) to support research and development activity.

**Appointment of the Polymer Chair at UET:**

SPEL strengthened its commitment to research, innovation, and industry–academia collaboration through the establishment of a Polymer Chair at UET.

**Environmental Microbiology & Recycling Technologies:**

SPEL supports research in environmental microbiology and recycling technologies, exploring approaches to plastic waste management and material recovery.

**Donation to Flood Victims:**

SPEL contributed towards flood relief efforts for communities affected by severe flooding in Pakistan during the year.

### ENVIRONMENTAL INITIATIVES

**Policy and Legislative Contributions:**

SPEL contributed its industry expertise to a government body in the development of laws and regulations relating to environmental protection.

**Punjab's First EPA-Registered Producer:**

SPEL became Punjab's first EPA-registered producer, reinforcing its commitment to regulatory compliance, responsible manufacturing, and environmental accountability.



**SPEL Green PET Packaging:**

SPEL introduced its Green PET Packaging product, featuring an innovative three-layer PET structure designed to optimize material use while maintaining required performance and quality standards.

**Membership in CoRE (Collect and Recycle):**

SPEL is an active member of CoRE, an NGO dedicated to collection and recycling initiatives, participating in discussions and actions to promote sustainable waste management.

**CORE Alliance Advocacy:**

Through its engagement with the CORE Alliance, SPEL contributes industry expertise to policy discussions with government stakeholders and multinational organizations.

### TREE PLANTATION AND GREEN INITIATIVES

SPEL has undertaken tree plantation drives, contributing to carbon sequestration and biodiversity.

**Rainwater Harvesting at the Pandoki Plant:**

SPEL has implemented rainwater harvesting at its Pandoki Plant, reducing reliance on conventional water sources for plant operations.

**Water Conservation Awareness:**

SPEL promotes awareness of water conservation among employees, stakeholders, and the community.


# Director's Profile

## Mr. Almas Hyder
**Chairman**

Mr. Almas Hyder is a prominent industrialist, entrepreneur, and institutional builder with extensive leadership experience across manufacturing, public policy, and economic reform. A staunch advocate for industrial modernization and administrative streamlining, he has led nationwide initiatives to eliminate regulatory bottlenecks and enhance Pakistan's "Ease of Doing Business"—earning widespread recognition across both public and private sectors.

An alumnus of the University of Engineering & Technology (UET) Lahore, Mr. Hyder completed the Owner/ President Management (OPM) Program at Harvard Business School. Throughout his career, he has driven strategic frameworks for national industrial capability, notably authorship of the 'Engineering Vision 2012 for Pakistan' and serving as Founder Chairman of the Technology Up-gradation and Skill Development Company (TUSDEC).

He has also held the following positions:

- **Chairman,** Engineering Development Board (EDB), Ministry of Industries & Production
- **President,** Lahore Chamber of Commerce & Industry (LCCI)
- **Founder President,** Quaid-e-Azam Industrial Estate Board (overseeing infrastructure upgrades for Kot Lakhpat Industrial Estate, Lahore)
- **Member of the Board,** National Transmission & Dispatch Company Ltd. (NTDC)
- **Member of the Board,** Small & Medium Enterprise Development Authority (SMEDA)
- **Director,** Pakistan Industrial Development Corporation (PIDC)
- **President,** Pakistan Industrial Technical Assistance Centre (PITAC)
- **Member of the Governing Body,** Punjab Industrial Estates Development & Management Company (PIEDMC)
- **Member of the Board,** Technical Education & Vocational Training Authority (TEVTA) & Punjab Vocational Training Council (PVTC)
- **Vice President,** Harvard Club of Pakistan
- **Academic Governance:** Member of the Senate for UET Taxila and Punjab Tianjin University of Technology (PTUT); Member of the Syndicate for the Pakistan Institute of Development Economics (PIDE).

## Mr. Haroon Sharif
**Independent Director**

Mr. Sharif is a well-known global expert of regional economic dynamics, international developments, economic diplomacy and financial markets. He is currently the Chairman of Pakistan Regional Economic Forum (PREF), a regional advisory organisation helping private sector joint ventures to leverage the potential of regional markets.

He served as the Minister of State and Chairman of Pakistan's Board of Investment in 2018-19. He remained Pakistan's Lead Representative for Industrial Cooperation in the Joint Cooperation Committee (JCC) of China-Pakistan Economic Corridor (CPEC). Pakistan's ranking on Ease of Doing Business Index improved by 28 places under his leadership. He is currently advising governments, multi-lateral organizations and private investors. He is also a Distinguished Fellow at the Institute of Development Studies at Sussex, UK, National Defence University and Pakistan Institute of Development Economics. As a visiting faculty, he regularly delivers lectures across the globe.

He also served as Senior Regional Advisor to the World Bank Group for promoting economic cooperation in South and Central Asia. He holds postgraduate qualifications from the London School of Economics and University of Hawaii. He regularly delivers key-note lectures at global forums, publishes research and articles and has won several prestigious fellowships and awards. He is a regular commentator on local and international media.



## Mr. Zia Hyder Naqi
**Chief Executive Officer / Executive Director**

With over 36 years of transformative leadership at SPEL Limited, Mr. Zia Hyder Naqi stands as a distinguished leader in Pakistan's manufacturing and corporate landscape. Currently serving as the Chief Executive Officer since 2013, he has been the driving force behind SPEL's evolution into a market leader across all its category verticals. His tenure marks a journey of innovation, resilience, and purpose-driven growth.

Under his stewardship, SPEL has emerged as a national leader in the manufacturing sector, earning top-tier recognition across all its product verticals. Mr. Naqi played a pivotal role in modernizing the company's operations including transitioning from a conventional ERP system to a highly advanced digital enterprise platform. This step enhanced transparency, accelerated performance, and enabled companywide integration. In addition, he continues to lead the adoption of intelligent business tools and Artificial Intelligence that empower agile decision making and long-term strategic growth, positioning SPEL as a forward moving force in today's competitive industrial landscape.

His vision extends beyond operational success. Mr. Naqi is a strong proponent of environmental stewardship and sustainable industrial growth. He led the launch of many solar energy projects at SPEL, which now generate nearly 20% of the company's annual electricity consumption. These initiatives reflect his bold commitment to reducing dependency on nonrenewable energy and creating a cleaner industrial footprint for future generations.

Driven by a deeper sense of responsibility, Mr. Naqi co-founded the Collect and Recycle Alliance, Pakistan's first formal platform dedicated to packaging waste management. As a founding member of CoRE, he works at the intersection of business, policy, and sustainability, promoting formal recycling systems, responsible consumption, and influencing national environmental legislations. His leadership in this space reflects a broader purpose, not only to meet global standards but to actively shape them within Pakistan's context.

A strong believer in the power of education and talent development, Mr. Naqi is deeply engaged in academia. He serves as visiting faculty at Superior University Lahore and University of Engineering and Technology, where he teaches and mentors students , sharing real-world insights on leadership, innovation, and business ethics. Frequently invited to other institutions, he bridges the gap between industrial practice and academic theory. Within SPEL, he has fostered a culture that celebrates merit, embraces innovation, and encourages inclusion. Under his leadership, women have taken on increasingly visible and impactful roles across the organization, reflecting his vision of a progressive and inclusive workplace.

Mr. Naqi's academic journey is as impressive as his corporate record. He holds a degree in Mechanical Engineering from the University of Engineering and Technology Lahore, followed by an MBA in Finance from the Institute of Management Sciences. He is a Project Management Professional and a technology strategist. His pursuit of excellence has taken him to international training programs in Japan, Germany, and Canada. He is also an alumnus of the prestigious Owner President Management Program at Harvard Business School USA, a distinction that adds global perspective to his local leadership.

His influence extends across Pakistan's industrial and economic ecosystem. Mr. Naqi has served as Senior Vice President of the Quaid e Azam Industrial Estate Lahore, President of the Advisory Board of Rahim Yar Khan Industrial Estate, and a Member of the Executive Committee of the Lahore Chamber of Commerce and Industry. In these roles, he has played a strategic role in shaping industrial policy, fostering business innovation, and advancing national economic priorities.

Beyond the corporate realm, Mr. Naqi actively supports philanthropic initiatives, focusing on education, environmental awareness, and community empowerment. He believes that real leadership is rooted not only in business performance but in the meaningful impact a leader brings to people, society, and the planet

His current engagements include

- **Director,** SPEL Technology Support Private Limited
- **Director,** AJ Power Private Limited
- **Director,** RT Power Private Limited
- **Director,** AJ Agritek Private Limited

Mr. Zia Hyder Naqi's career is a testament to visionary leadership grounded in values, excellence, and purpose. His legacy continues to influence Pakistan's industrial transformation and inspire future leaders to pursue growth with integrity and responsibility.

## Director's Profile

### Dr. Syed Sohail Hussain Naqvi
**Independent Director**

Dr. S. Sohail H. Naqvi holds a doctorate degree in Electrical Engineering from Purdue University, USA. He has more than thirty years of visionary leadership in academia, industry and Government, achieving ambitious targets that have had a significant socio-economic impact on society. Proven highly successful record of establishing and leading institutions in Pakistan and Central Asia. Globally recognized by International Multilaterals and Pakistani public and private sector institutions for bringing about a paradigm change in the national system of higher education, spearheading significant and fundamental reform, implementing internationally benchmarked systems of quality, pioneering the development of an entrepreneurial ecosystem in universities and developing systems for alignment of university with the industry. A thought leader and innovator who has extensive international teaching, research and entrepreneurial experience in the US, Pakistan and Central Asia. Awarded Order of the 'Palmes Académiques' with the rank of Chevalier, by the French Government, and the Sitar-e-Imtiaz by the Government of Pakistan for his services to higher education.

After completing his term as Founding Rector, University of Central Asia, Bishkek, Kyrgyz Republic, Dr Naqvi has returned to Pakistan and is currently Chairman Knowledge Streams Pvt Ltd and Director EdTech at TMC Pvt Ltd.

### Dr. Nighat Arshad
**Non-Executive Director**

Dr. Nighat Arshad is a certified Director. She has been Vice Chairman, Executive Board of the Asia Pacific Region Committee of the (WAGGGS) World Association of Girl Guides and Girl Scouts. She has served on the Executive Board for 6 years (2004-2010) and has traveled widely while gaining invaluable experience in training and management of the Asia Pacific Region Girl Guiding.

She has also served as the Vice Chair of Friends of Asia Pacific WAGGGS (FAPW), which works for supporting the leadership development of Young leaders in Asia Pacific Region Girl Guiding .
In Pakistan, she has been the Deputy National Commissioner of the Pakistan Girl Guides Association. She is also working as the International Commissioner of Pakistan Girl Guides Association. She has won many awards nationally and internationally. She has strong academic records at all levels of education. She is a health service provider par excellence, practising and teaching Homeopathy for over three decades. She also holds an MBA degree in Marketing.

### Mr. Ameen Ahsan
**Independent Director**

Mr. Ameen Ahsan holds a Master's degree in Commerce from the University of the Punjab. He is a visionary industrialist who has played a pivotal role in positioning Nizam Alam Group as a global leader in the manufacturing of specialized gloves and protective workwear within the PPE industry.

He serves as the Chief Executive Officer of AirSial Limited, an award-winning private airline launched by the Sialkot Chamber of Commerce & Industry (SCCI). Mr. Ahsan also founded the Nature Conservation Society of Pakistan (NCSP), leading initiatives such as the 'Sialkot Green Program' and advocating for environmental sustainability.

He has been actively engaged in industrial advocacy, contributing to national trade policy through participation in corporate forums, business councils, and industry associations.

Mr. Ahsan's philanthropic work includes contributions to hospitals, welfare trusts, and educational institutions. He remains committed to national progress and environmental stewardship.

His current engagements include:

- **Chief Executive Officer,** AirSial Limited (2016–Present)
- **Group Chairman & CEO,** Nizam Alam Group of Companies
  - Nizam Sons (Pvt.) Ltd. (1999–Present)
  - Libermann Int. (Pvt.) Ltd. (1999–Present)
  - Trango Tek (Pvt.) Ltd. (2020–Present)
- **Chairman,** Nature Conservation Society of Pakistan (NCSP) (2022–Present)
- **Director,** Sialkot Tannery Association (Guarantee) Limited (2025–Present)
- **Member,** Leather & Footwear Business Council (2022–Present)
- **Member,** Sialkot Development Trust (2023–Present)
- **Member,** Board of Governors – Sialkot Public School & College (2023–Present)
- **Former Member,** Governor Punjab Business Council (2019–2021)
- **Former Independent Director,** Gujranwala Electric Power Company Limited (2023–2024)

### Mr. Abid Saleem Khan
**Chief Operating Officer / Executive Director**

Mr. Abid Saleem Khan has over three decades of experience with SPEL Limited, with expertise in the Automotive and FMCG manufacturing sectors. As Chief Operating Officer and Executive Director, he has played an important role in driving the Company's operational growth through his expertise and results-focused leadership.

Mr. Khan has contributed in strengthening the SPEL's manufacturing efficiency and operational performance by optimizing resources, enhancing productivity, and promoting cost competitiveness and continuous improvement. He has also learned and applied Japanese management practices, and process excellence across the Company's operations.

Mr. Khan's leadership emphasizes workforce management, organizational discipline, quality and cost control. He effectively bridges operational and strategic priorities, supporting SPEL's expansion, modernization, and organizational change.

He holds an MBA from the Institute of Management Sciences and completed the Management Development Program at LUMS. He has also undertaken various management and leadership training programs in Pakistan and abroad, reflecting his commitment to professional development and global best practices. Over 30 years, Mr. Khan has evolved from operational leadership to playing a broader role in strengthening SPEL's competitiveness and long-term direction.

# Governance

## THE BOARD STRUCTURE AND ITS COMMITTEES

### Composition of the Board and Diversity

The composition of the Board has been established to ensure the company's need for expertise, capacity and diversity and to ensure that the Board functions well as a collegiate body. To comply with the best practices of Corporate Governance, the Company has three independent directors which are one-third of the total number of board members. The independent directors meet the criteria of independence given in the law. The Company has two executive Directors including the Chief Executive Officer. One female director has been inducted into the board of directors to improve diversity on the Board. The Chairman of the Company is a non-executive Director.

The composition of the Board is as follows:

| Name | Position | Status |
|---|---|---|
| Mr. Almas Hyder | Chairman | Non-Executive Director |
| Mr. Zia Hyder Naqi | CEO | Executive Director |
| Mr. Haroon Sharif | Director | Independent Non- Executive Director |
| Mr. Ameen Ahsan | Director | Independent Non- Executive Director |
| Dr. Syed Sohail Hussain Naqvi | Director | Independent Non- Executive Director |
| Dr. Nighat Arshad | Director | Non-Executive Director |
| Mr. Abid Saleem Khan | Director | Executive Director |

### Justification of Independence of Independent Directors

The Board has carried out a thorough assessment of the independence of the Independent Directors in accordance with the criteria prescribed under the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. Based on this evaluation, the Board confirms that the Independent Directors have no relationship, whether pecuniary or otherwise, with the Company, its sponsors, substantial shareholders, or management that could compromise their ability to exercise independent judgment. They continue to demonstrate objectivity, impartiality, and professional integrity in discharging their responsibilities, thereby ensuring effective oversight and safeguarding the interests of all stakeholders.

### Companies in which the Executive Directors affiliated as Non-Executive Director

The Company's Directors hold directorships in various other companies, details of which have been disclosed in their respective profiles.

## ROLE OF THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the Chief Executive Officer ("CEO") of the Company are separate, clearly defined by the Board, and complementary to each other, in line with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

### Role of Chairman

The position of Chairman is held by a Non-Executive Director who is not involved in the day-to-day operations of the Company.

The principal role of the Chairman is to provide effective leadership to the Board and to ensure that the Board plays an effective role in fulfilling its responsibilities. He is accountable to the Board and acts as a direct liaison between the Board and the management of the Company through the CEO.

The Chairman acts as the communicator for Board decisions where appropriate. He is Responsible for:

- Ensuring that the Board plays an effective role in fulfilling its responsibilities by providing equal opportunity to all Board members to express their ideas or concerns in a free environment and to contribute their professional input for the betterment of the Company.
- Setting the agenda for Board meetings and ensuring that reasonable time is available for discussion on each agenda item;
- Ensuring that the Board as a whole is sufficiently equipped with requisite skills, competence, knowledge, experience, philosophical perspective and diversity considered necessary for managing a successful Company.
- Promoting highest moral, ethical and professional values and good governance throughout the Company.
- Reviewing the performance of the Board and suggest training and development of the Board on an individual and collective basis.
- Managing the conflicts of interests, if any.
- Reviewing the strategic direction of the company regularly and counseling and advising the Chief Executive Officer.



- Issuing a letter to the directors, at the beginning of their term, setting out their roles, obligations, powers, responsibilities, and entitlements in accordance with the Companies Act, 2017 and the Company's Articles of Association.

### Role of CEO

The CEO is the Head of the Company's management. This position is held by an Executive Director responsible for the overall operations and performance of the Company. He is primarily responsible:

- To lead, in conjunction with the Board, the development of the Company's strategy.
- To lead and oversee the implementation of the Company's long and short-term plans in accordance with its strategy.
- To ensure the Company is appropriately organized and staffed as necessary to enable it to achieve the approved strategy.
- To assess the principal risks of the Company and to ensure that these risks are being monitored and managed.
- To ensure effective internal controls and management information systems are in place.
- To ensure that the Company has appropriate systems to enable it to conduct its activities both lawfully and ethically.
- To ensure that the Company maintains high standards of corporate citizenship and social responsibility wherever it does business.
- To act as a liaison between management and the Board.
- To communicate effectively with shareholders, employees, Government authorities, other stakeholders and the public.
- To ensure that the Directors are properly informed and that sufficient information is provided to the Board to enable the Directors to form appropriate judgments.
- To ensure the integrity of all public disclosure by the Company.
- Keeping abreast of changes in the industry and suggesting improvements in the overall strategic plan including diversification, consolidation, mergers and acquisitions etc.
- Developing an organizational culture of development, growth, innovation, efficiency and productivity, moral, ethical, professional values and good governance.
- To request that special meetings of the Board be called when appropriate.
- In concert with the Chairman, to determine the date, time and location of the annual meeting of shareholders and to develop the agenda for the meeting.
- To sit on the Board committees where appropriate as determined by the Board.

## BOARD'S OPERATING STYLE

The Chairman sets the agenda of the meeting of the board and all matters critical for the success of the business were put before the Board for guidance and decision making. The Chairman ensures that reasonable time is available for discussion of the same and equal opportunity is provided to all members for asking questions and sharing their views and ideas. All strategic level decisions are taken by the Board and the CEO is given the powers to execute those decisions by using his expertise.

## BOARD'S COMMITMENT TO ESTABLISH HIGH LEVEL OF ETHICS AND COMPLIANCE IN THE COMPANY

The Board of Directors at SPEL is committed to maintaining the highest standards of ethics and compliance across the organization. We prioritize integrity, transparency,

and accountability in all aspects of our operations. To this end, the Board has implemented a comprehensive Code of Ethics and ensures full compliance with applicable laws and regulations. We foster a zero-tolerance approach to fraud and corruption, encouraging ethical conduct through strong internal controls and a whistleblower policy. Continuous training and clear leadership from the Board support a company-wide culture of ethical responsibility, promoting sustainable success and stakeholder trust.

## ANNUAL EVALUATION OF BOARD'S PERFORMANCE

The Board has put in place a mechanism for evaluating the Board's performance by the members of the Board themselves. Some significant matters included in the evaluation criteria are as follows:

- Business strategy
- Quality of Board meetings and discussion
- Internal Board relationships
- Competency and skills of Board members
- Reaction to events
- Attendance and contribution at meetings
- Communication
- Risk and control framework
- Composition
- Terms of reference
- Performance by Board Committees
- Management and administration of meetings
- Timeliness of information
- Training
- Succession planning

Evaluation forms are circulated to the members and each member is required to return duly filled forms. The responses are consolidated with identification of the weak areas and are discussed in the Board meeting to formulate a strategy for effecting improvement in the Board's performance.

The Board of Directors is dedicated to upholding high standards of governance and performance.

While we have considered the option of engaging an external consultant for the evaluation process, we have not yet pursued this route. Currently, the performance review is conducted internally to provide an objective assessment of the Board's effectiveness and to pinpoint areas for improvement.

## BOARD PERFORMANCE EVALUATION AND EXTERNAL CONSULTANT

The Board carries out its performance evaluation internally through a structured and comprehensive process, ensuring an objective review of its effectiveness and decision-making. Given the Board's diverse composition and the presence of experienced Independent Directors, the internal evaluation mechanism is considered sufficient to provide meaningful insights and continuous improvement. Accordingly, the Company has not engaged an external consultant for Board evaluation, as the current process adequately meets governance requirements and supports effective oversight.



## FORMAL ORIENTATION FOR DIRECTORS

A formal orientation was conducted after the election of Directors to give them an understanding of the business, its operational structure and significant policies and procedures and about the responsibilities of directors.

## DIRECTORS TRAINING PROGRAM

Six Directors of the Company have obtained the prescribed certification under the Directors' Training Program from SECP-approved institutes, while the remaining Director is planned to complete the training in due course.

## EXTERNAL OVERSIGHT OF VARIOUS FUNCTIONS LIKE SYSTEMS AUDIT OR INTERNAL AUDIT BY AN EXTERNAL SPECIALIST AND OTHER MEASURES TAKEN TO ENHANCE THE CREDIBILITY OF INTERNAL CONTROLS AND SYSTEMS

To ensure the credibility and effectiveness of our internal controls and systems, the company engages external specialists for oversight across various functions. Our operating and manufacturing systems, as well as our social systems, have undergone rigorous audits by Alcumus ISOQAR Limited for ISO 14001:2015, ISO 9001:2015 and ISO 45001:2018 certifications.

Additionally, our Food Safety Systems have been audited by Acerta Middle East for compliance with Food Safety Systems Certificate 22000, while our system is audited by Al-Waiz Certification & Training Services against the requirement of Halaal Food PS 3733-2022 (R)OIC/SMIIC 1:2019, and we have received certification from the Punjab Food Authority to confirm adherence to local regulations.

Furthermore, the company maintains compliance with several international standards, including social standards like SEDEX, URSA, and Supplier Qualification Program (SQP). These measures collectively enhance the credibility of our internal controls and ensure that we uphold the highest standards in our operations.

In addition to all these, SPEL has achieved carbon neutrality and is verified by SGS Pakistan against the standards of PAS 2060.

## RELATED PARTIES

### Approved Policy for Related Party Transactions

Our Board of Directors has approved a Policy on Related Party Transactions. This policy is developed in accordance with requirements of the Companies (Related Party Transaction and Maintenance of Records Regulations), 2018, thereby ensuring adherence to the highest governance standards.

### Details of All Related Parties Transactions

In line with our commitment to full disclosure and transparency, we maintain an up-to-date list of all transactions involving related parties. This list describes the nature of each transaction, the common directorship involved, and the percentage of shareholding of the related parties. Each of these transactions undergoes a two-tiered review process, initially by the Audit Committee and subsequently receiving formal approval from our Board of Directors on a quarterly basis.

### Contract or Arrangement Outside Ordinary Course of Business

All transactions with related parties are conducted in the ordinary course of business and at arm's length, ensuring ethical practices and fiduciary responsibility. Any exception to this rule would be backed by adequate justification and would also be disclosed transparently in compliance with our policy.

### Disclosure of Director's Interest in Related Party Transactions

Any director who has a direct or indirect interest in any related party transaction is required to disclose such interest. These disclosures are then examined by the Board and duly considered while making decisions as part of our commitment to transparency and corporate governance.

### Management and Monitoring of Conflicts

In the rare event that a conflict of interest arises in relation to a related party transaction, our Board takes immediate and decisive action to manage and resolve such a conflict. Procedures and protocols are in place to ensure that the conflict is transparently and effectively addressed, thereby safeguarding the interests of the company and its stakeholders.

By meticulously adhering to these disclosures and protocols, we aim to maintain the utmost integrity, transparency, and ethical conduct in all our related party transactions.

# Significant Policies

## A Risk Management and Internal Control System

The Company has established a governance framework for risk management, supported by an in-house Internal Audit function comprising qualified and experienced professionals, led by a Chartered Accountant. The Head of Internal Audit reports directly to the Board Audit Committee, ensuring independence and transparency. The Audit Committee regularly reviews the adequacy of resources and competencies within the Internal Audit function to ensure the effectiveness of the internal control system and the soundness of risk management practices.

## B Policy on Disclosure of Interest by the Directors Officers

In accordance with legal requirements and best practices in corporate governance, the Directors and Officers of the Company are obligated to disclose any personal interests they may have in transactions, contracts, or arrangements involving the Company. This disclosure is a fundamental aspect of ensuring transparency and avoiding potential conflicts of interest.

The requirement mandates that Directors and Officers provide a fully and timely declaration of any financial, professional, or personal interests that could potentially influence or appear to influence their decision-making process. This includes interests in any agreements or dealings where they, their family members, or related entities have a stake.

Such disclosures must be made promptly upon any potential conflict arising and are to be recorded in the Company's official registers and minutes of meetings. These declarations are reviewed periodically and during relevant Board or committee meetings to ensure that all interests are managed appropriately and that decisions are made in the best interest of the Company.

By adhering to these disclosure requirements, the Company fosters a culture of accountability and integrity, thereby reinforcing stakeholder trust and ensuring compliance with legal and regulatory standards.

## C Directors' Remuneration Policy

### Objective:

The objective of the policy is to provide a framework within which the remuneration of Directors will be determined.

### Policy:

It is policy of SPEL to remunerate its directors for performing their services for SPEL. For this purpose, the Directors have been categorized as follows:

- Independent Directors
- Non-Executive Directors
- Executive Directors

Independent Directors and Non-Executive Directors shall be entitled to a meeting fee for attending the meeting of the Board or any of its Committee as per the scale approved by the Board from time to time. However, the directors who are entitled to remuneration shall not be entitled to a meeting fee. If any Non-Executive Director performs extra services, then he/she shall be entitled to remuneration.

Executive Directors shall be entitled to remuneration for managing the organizational functions assigned to them.

As per Articles of Association of the Company, the Board is authorized to determine the remuneration of Directors. In order to keep transparency, the Board shall observe the following principles while determining the remuneration of any Director:

The remuneration package shall encourage value creation within the company.

The remuneration package shall be appropriate to attract and retain directors needed to govern the company successfully.

Levels of remuneration shall not be at a level that could be perceived to compromise their independence.

The Board shall give due consideration to the recommendations of the HR & Remuneration Committee.




No Director shall participate in a part of the meeting in which his/her own remuneration is to be determined. The details of the aggregate remuneration of executive and non-executive directors, including salary, meeting fee, benefits and performance-linked incentives etc. shall be disclosed separately in the Financial Statements of SPEL.

## D Policy on Retention of External Board fees by Executive Director

In the interest of transparency and good governance, our company allows the Executive Director to retain board fees earned for services rendered as a Non-Executive Director in other companies. The Executive Director must disclose his/her outside directorship annually, and the Board will assess whether the role interferes with the Director's duties to this company. This policy is aligned with the best practices and is subject to periodic review.

## E Policy for Security Clearance of Foreign Directors

Our policy requires strict adherence to all security clearance procedures for any foreign director(s) who may be appointed to the Board. This policy is designed to ensure that all necessary checks and approvals are completed in accordance with regulatory and security standards before any foreign national is officially appointed as a director.

The security clearance process involves comprehensive background checks and evaluations to assess any potential security risks associated with the appointment. These procedures are in place to safeguard the interests of the Company and ensure compliance with relevant laws and regulations.

At present, SPEL does not have any foreign directors on its Board. Consequently, the security clearance procedures have not been triggered. However, should the need arise to appoint a foreign director in the future, we are committed to following these established procedures rigorously to maintain the highest standards of governance and security.

## F Board Meetings held outside Pakistan

In alignment with SPEL's commitment to operational efficiency and cost-saving, all board meetings are conducted within Pakistan. To accommodate directors who are located outside of Pakistan, we provide a video link facility to ensure active and inclusive participation without incurring additional travel expenses.

## G Human Resource Management and Succession Plan

**Policy Statement:** SPEL is committed to fostering an inclusive, dynamic, and growth-oriented work environment. Our Human Resource Management and Succession Planning policies are designed to support our employees' professional development and ensure the effective management of talent within the organization.

1. **Succession Planning:** SPEL has established and maintains a comprehensive succession plan to identify and prepare potential leaders within the organization. The plan is reviewed and updated regularly to ensure alignment with the Company's long-term strategic goals and operational needs.

2. **Merit-Based Recruitment:** All recruitment activities at SPEL are conducted on a merit-based basis. Hiring decisions are made based on the qualifications, skills, and potential of candidates, thereby promoting fairness and objectivity in the recruitment process.

3. **Performance-Based Appraisal System:** The Company evaluates its employees through a performance-based appraisal system. The system provides a basis for decisions relating to promotions, rewards, and other forms of recognition.

4. **Promotion, Reward and Motivation:** The Company promotes employees based on their performance and

achievements. SPEL has established mechanisms to reward and recognize high performers and maintains an environment that encourages and motivates employees to excel.

5. **Training and Development:** SPEL provides continuous training and development opportunities to enhance employee skills and support career advancement. Employees are provided opportunities for professional growth in line with their roles, capabilities, and career aspirations.

6. **Diversity, Equity and Inclusion (DE&I):** SPEL Limited promotes diversity, equity, and inclusion across the organization. The Company ensures merit-based opportunities, fair treatment, and representation regardless of gender, background, or role. Inclusive practices are encouraged to foster a respectful and collaborative work environment.

7. **Employee Engagement and Feedback:** SPEL will conduct regular employee engagement surveys and implement feedback mechanisms to assess and address employee satisfaction. The Company will use this feedback to improve the work environment and enhance overall employee engagement.

## H Social and Environmental Responsibility

SPEL is committed to conducting its business in a socially responsible and environmentally sustainable manner. Our social and environmental responsibility policy aims to integrate ethical and sustainable practices into all aspects of our business, recognizing that our activities have a direct and indirect impact on the communities and environments in

which we operate. We adhere to all applicable local, national, and international laws and regulations concerning social and environmental matters. Further, we seek to go beyond mere compliance by engaging in initiatives that advance environmental conservation, social well-being, and economic prosperity. We expect all employees, suppliers, and partners to uphold these principles in alignment with our company's values.

## I Communication with Stakeholders

Communication with stakeholders is key area of concern for the Company. The policies related to communication, relationship, and meeting their legitimate needs and interest are covered in a separate section in this report titled "Stakeholders Relationships and Engagements"

## J Dividend Policy

SPEL's dividend policy is to distribute dividends to its shareholders while taking into account the company's profitability, internal cash requirements, future growth opportunities, and market conditions. The decision to declare dividends is made with a balance between rewarding shareholders and ensuring sufficient resources are retained for operational needs, reinvestment and long-term sustainability. The Board regularly reviews the dividend policy to align with the company's financial health and strategic objectives, ensuring value creation for both the business and its shareholders.

## K Investors' Relationships and Grievance Policy

**It is policy of SPEL to:**

- Prohibit the selective disclosure of material, nonpublic information about the Company.

- Set forth procedures designed to prevent such disclosure, and Provides for the broad, public distribution of material information regarding SPEL.

- At all times SPEL will guard the Company's need for confidentiality about key business and operating strategies & SECP's directive on nonpublic earnings guidance.

### Disclosure Process

SPEL will communicate its anticipated approach to disclosure in general and compliance with the SECP regulation by posting the Investor Relations policy on the website www.spelgroup.com



### Communication Channels

The CEO or CFO or their nominee(s) will be the primary contacts who may communicate on behalf of the Company to analysts, securities market professionals, institutional investors, and major shareholders of the Company.

### Quarterly Earnings Release & Analyst Briefing

SPEL will release earnings information quarterly as required by stock exchange soon after the accounts are reviewed by the Board of Directors at a date to be announced publicly and post the same on the Company Website which may be followed by an Analyst briefing, date and venue to be posted on website and communicated to the Stock Exchanges.

### Analyst Earnings Models and Reports

SPEL will not share earnings projections and will not provide focused guidance to analysts in their efforts to develop earnings estimates.

### Closed Period

SPEL expects to observe a "closed period," at time of finalizing quarterly/ annual earnings during which the Company will not participate in any further one-on-one or group conversations that relate to the Company's financial performance or current business activities Presentations. Duration of this period to be posted on website.

### Responding to Market Rumors

The Company has the policy to comply with all applicable legal requirements related to rumors in the marketplace. SPEL takes precautions to ensure that it does not become the source of any rumors.

** Investors' Relations section is also available on the Company's website www.spelgroup.com.

## L Employee Health, Safety and Protection

SPEL is committed to ensuring a safe, healthy, and secure workplace for all employees. It is the Company's policy to:

- Identify, reduce, and eliminate health and safety hazards in the workplace.
- Ensure adequate controls and preventive measures to safeguard employees against potential risks.
- Promote awareness, responsibility, and commitment to health and safety across all levels of the organization.
- Provide regular training and education to employees on occupational health and safety practices.
- Encourage a culture of safety, accountability, and continuous improvement in protecting employees' well-being.
- Work in cooperation with relevant authorities to ensure compliance with applicable health and safety regulations.

Through these measures, SPEL seeks to maintain the highest standards of employee health, safety, and protection, fostering a secure and supportive working environment.

## M Whistle Blowing Policy

SPEL is committed to do business lawfully, ethically and with integrity.

SPEL encourages a culture to detect, identify and report any activity which is not in line with the Code of Ethics, Corporate Governance, Company's policies, or involves any misuse of Company's properties or any breach of law, etc. which may affect the reputation of the Company.

SPEL encourages whistle blower to raise the issue directly to Chief Executive Officer provided that:

The whistle blower has appropriate evidence(s) substantiating the genuineness of the fact;

The whistle blower understands that his act will add more value than the harm to the Company and he is doing this because of his loyalty with the Company; and

The whistle blower understands the seriousness of his action and is ready to assume his own responsibility.

SPEL shall provide reasonable protection to employee(s) who report the issue(s) as per this policy.

### N Anti-Harassment Policy

SPEL Limited is committed to providing a safe, respectful, and harassment-free workplace. The Company has implemented a formal Anti-Harassment Policy to prevent and address all forms of harassment, including sexual harassment. A Harassment Inquiry Committee is in place to handle complaints confidentially and fairly, with clear procedures for investigation and disciplinary action. Awareness and training sessions are conducted regularly, and retaliation against complainants is strictly prohibited. SPEL maintains a zero-tolerance approach to harassment, ensuring a professional and inclusive work environment for all employees.

### O Policy for Safety of Records

The Company pursues an effective policy for the safety of its records and to ensure that authentic, reliable and usable records are created, captured and stored to meet the needs of Company's business and statutory requirements.

The policy ensures that:

- A complete and accurate record of the transactions of the Company is created, captured and stored physically and in soft form along with proper backup;
- Records are to be maintained in conditions suitable for the length of time to cater for the Company's needs and statutory requirements;
- Records and archives are protected against the risks of unauthorized access, damage caused by fire, natural calamities and physical deterioration.
- The records will be available to the authorized persons within the constraints of security, confidentiality, privacy and archival access conditions;
- Records are destroyed or disposed of in accordance with the disposal policies, procedures and guidelines of the Company.

## BUSINESS CONTINUITY/ DISASTER RECOVERY PLAN

SPEL has developed a comprehensive Business Continuity and Disaster Recovery Plan to ensure operational resilience in the face of unforeseen challenges and threats. We have employed multi-layered safeguards to protect our critical IT infrastructure, including the strategic placement of vital IT equipment within fire-resistant facilities.

To further bolster data integrity and availability, we've established secure offsite data storage solutions that undergo frequent backup and encryption protocols. Our employees are not only well-informed but also regularly trained on the necessary actions and protocols to enact in various emergency scenarios. This preparedness extends from immediate incident response to long-term recovery strategies, ensuring a coordinated and effective approach to managing and mitigating risks.

This advanced Business Continuity and Disaster Recovery Plan serves as a testament to SPEL's commitment to safeguarding its operations, data, and stakeholders, thereby upholding its standards for excellence, reliability, and trust.

## COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

The Company diligently adheres to all the mandatory requirements set out by the Companies (Code of Corporate Governance) Regulation, 2019. Our statutory auditors have verified this compliance and have issued a clean report. The Statement of Compliance and the Auditors' Review Report are both annexed to this report for complete transparency.

## SHARES HELD BY SPONSORS/ DIRECTORS/ EXECUTIVES

Shares held by Sponsors, Directors and Executives are disclosed in the Pattern of Shareholding annexed with this report.



## DETAILS ABOUT BOARD MEETINGS AND ITS ATTENDANCE

During the year under review, four (04) Board meetings were held and attendance by each director is given below:

| Name | Status | Meetings Attended |
|---|---|---|
| Mr. Almas Hyder | Chairman/Non-Executive Director | 4/4 |
| Mr. Zia Hyder Naqi | CEO/Executive director | 4/4 |
| Mr. Haroon Sharif | Independent Non-Executive Director | 4/4 |
| Dr. Syed Sohail Hussain Naqvi | Independent Non-Executive Director | 4/4 |
| Mr. Abid Saleem Khan | Executive Director | 4/4 |
| Mr.Ameen Ahsan | Independent Non-Executive Director | 2/4 |
| Dr. Nighat Arshad | Non-Executive Director | 3/4 |

## SALIENT FEATURES OF TERMS OF REFERENCE OF THE BOARD COMMITTEES

### Board Audit Committee

During the year under review, four (04) Board Audit Committee meetings were held. The composition and attendance by each member is given below:

| Name | Status | Meetings Attended |
|---|---|---|
| Mr. Haroon Sharif | Committee Chairman | 4/4 |
| Mr. Almas Hyder | Member | 4/4 |
| Mr. Ameen Ahsan | Member | 1/4 |
| Dr. Nighat Arshad | Member | 3/4 |

**Terms of Reference of Audit Committee:**

The Terms of Reference of the Audit Committee of SPEL have been prepared in accordance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, as given below. In case of any contradiction or discrepancy, the provisions of the Code of Corporate Governance Regulations, 2019 shall prevail.

The Audit Committee shall be explicitly responsible for the following:

- Determination of appropriate measures to safeguard the Company's assets.
- Review of annual and interim financial statements of the Company prior to their approval by the Board, with particular focus on:
  - major judgmental areas;
  - significant adjustments resulting from the audit;
  - going concern assumption;
  - any changes in accounting policies and practices;
  - compliance with applicable accounting standards;
  - compliance with these Regulations and other statutory and regulatory requirements; and
  - all related party transactions.
- Review of preliminary announcements of results prior to external communication and publication.
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits, including any matter auditors may wish to highlight (in the absence of management, where necessary).
- Review of the 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, including the audit plan, reporting framework and procedures, and ensuring that the internal audit function has adequate resources and appropriate placement within the Company.
- Consideration of major findings of internal investigations of activities characterized by fraud, corruption, and abuse of power, and management's response thereto.
- Ascertain that internal control systems—including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities, and the reporting structure—are adequate and effective.
- Review of the Company's statement on internal control systems prior to endorsement

by the Board, along with internal audit reports.

- Instituting special projects, value-for-money studies, or other investigations on any matter specified by the Board, in consultation with the Chief Executive Officer, and consideration of remitting any matter to external auditors or any other external body.
- Determination of compliance with relevant statutory requirements.
- Monitoring compliance with these Regulations and identification of significant violations thereof.
- Review of arrangements for staff and management to report to the Audit Committee in confidence any concerns about actual or potential improprieties in financial or other matters, and recommending remedial and mitigating measures.
- Recommendation to the Board regarding the appointment, removal, and audit fees of external auditors, as well as the provision of permissible services by them, and measures for redressal of non-compliances with the Regulations. The Board shall give due consideration to the Audit Committee's recommendations and record reasons where it acts otherwise.
- Consideration of any other matter as may be assigned by the Board.

The minutes of meetings of the Audit Committee are circulated by the Secretary of the Audit Committee to all members, directors, and the Head of Internal Audit and, where required, to the Chief Financial Officer, prior to the next meeting of the Board.

## Human Resource & Remuneration Committee

The composition of Human Resource & Remuneration Committee (HR&R) is as follows:

| Name | Status |
|---|---|
| Mr. Ameen Ahsan | Committee Chairman |
| Mr. Almas Hyder | Member |
| Mr. Zia Hyder Naqi | Member |
| Dr. Syed Sohail Hussain Naqvi | Member |
| Mr. Abid Saleem Khan | Member |

**Terms of Reference of Human Resource & Remuneration Committee**

The Terms of Reference of the Human Resource & Remuneration Committee of SPEL have been prepared in accordance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. In case of any contradiction or discrepancy, the provisions of the Code of Corporate Governance Regulations, 2019 shall prevail.

The Committee's responsibilities, as determined by the Board, include the following:

- Recommending to the Board, for consideration and approval, a policy framework for determining the remuneration of Directors (both Executive and Non-Executive) and members of senior management.
- Undertaking an annual formal process of evaluating the performance of the Board as a whole and its committees, either directly or through engagement of an external independent consultant. If an external consultant is engaged, the Directors' Report shall disclose the name, qualifications, and major terms of appointment of such consultant.
- Recommending human resource management policies to the Board.
- Recommending to the Board the selection, evaluation, development, and compensation (including retirement benefits) of the Chief Operating Officer, Chief Financial Officer, Company Secretary, and Head of Internal Audit.
- Considering and approving, on the recommendations of the Chief Executive Officer, matters relating to key management positions reporting directly to the Chief Executive Officer or Chief Operating Officer.
- Ensuring that, where human resource and remuneration consultants are appointed, they disclose their credentials as well as whether they have any other connection with the Company.



## Finance Committee

The composition of the Finance Committee is as follows:

| Name | Status |
|---|---|
| Mr. Almas Hyder | Committee Chairman |
| Mr. Zia Hyder Naqi | Member |
| Mr. Haroon Sharif | Member |
| Dr. Syed Sohail Hussain Naqvi | Member |
| Mr. Abid Saleem Khan | Member |

**Terms of Reference of Finance Committee**

The Committee's responsibilities, as determined by the Board, include the following:

- Review and recommend to the Board the Strategic business plans of the Company
- Review and recommend to the board the long-term investment plans of the Company.
- Review and recommend to the Board the annual financial budget of the Company, and
- Any other assignment given by the Board

## Risk Management and Sustainability Committee

The composition of the Risk Management and Sustainability Committee is as follows:

| Name | Status |
|---|---|
| Dr. Syed Sohail Hussain Naqvi | Committee Chairman |
| Mr. Zia Hyder Naqi | Member |
| Mr. Haroon Sharif | Member |
| Dr. Nighat Arshad | Member |

**Terms of Reference of Risk Management Committee and Sustainability Committee**

The Terms of Reference of the Risk Management and Sustainability Committee of SPEL have been prepared in accordance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. In case of any contradiction or discrepancy, the provisions of the Code of Corporate Governance Regulations, 2019 shall prevail.

The Committee's responsibilities, as determined by the Board, include the following:

- Monitoring and reviewing all material controls, including financial, operational, and compliance controls.
- Ensuring that risk mitigation measures are robust and that the integrity of financial information is maintained.
- Overseeing the appropriate extent of disclosure of the Company's risk management framework and internal control systems in the Directors' Report.
- The Committee shall oversee and govern all sustainability-related risks and opportunities in line with the provisions of the Listed Companies (Code of Corporate Governance) Regulations, 2019.
- The committee shall oversee IT Governance and cyber security matters.

## Nomination Committee

The composition of the Nomination Committee is as follows:

| Name | Status |
|---|---|
| Mr. Almas Hyder | Committee Chairman |
| Mr. Zia Hyder Naqi | Member |
| Dr. Syed Sohail Hussain Naqvi | Member |

**Terms of Reference of Nomination Committee**

The Terms of Reference of the Nomination Committee of SPEL have been prepared in accordance with the requirements of the Listed

Companies (Code of Corporate Governance) Regulations, 2019. In case of any contradiction or discrepancy, the provisions of the Code of Corporate Governance Regulations, 2019 shall prevail.

The Committee's responsibilities, as determined by the Board, include the following:

1. Considering and making recommendations to the Board regarding the composition of the Board's committees and the appointment of their chairpersons.
2. Keeping under review the structure, size, and composition of the Board and making recommendations to the Board on any changes considered necessary to ensure effective governance.

## DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS BY THE BOARD OF DIRECTORS

These financial statements have been authorized for issue by the Board of Directors of the Company in their meeting held on 17 August 2026.

## PRESENCE OF CHAIRMAN AUDIT COMMITTEE AT THE ANNUAL GENERAL MEETING

The Chairman of the Board Audit Committee had attended last Annual General Meeting of the Company to answer the questions on the audit committee's activities and matters within the scope of the Audit Committee's responsibilities.

The Chairman of the Board Audit Committee has also consented to attend the upcoming Annual General Meeting of the Company.

## DISCLOSURE ON COMPANY'S USE OF ENTERPRISE RESOURCE PLANNING (ERP) SOFTWARE

We are committed to achieving operational excellence and delivering robust performance to our stakeholders. As part of this commitment, we have implemented SAP that integrates various functional domains within our organization. Below, we detail how our ERP system aligns with our business goals and objectives.

### a) Integration of Core Business Processes

Our ERP system serves as a unified platform that integrates key business processes including Finance, Human Resources (HR), Supply Chain, and Inventory Management. This integration allows for streamlined operations and enhanced decision-making.

### b) Management Support in Effective Implementation and Continuous Updation

Executive and middle management are fully supportive of the ERP implementation and its usage. Ongoing updates and continuous improvement are supported by a dedicated in-house team that liaises with the software provider.

### c) User Training

We have instituted a comprehensive user training program to ensure that all employees are proficient in using the ERP system. This includes initial training modules, periodic refresher courses, and a helpdesk for real-time troubleshooting.




### d) Risk Management

Given that we have successfully implemented SAP, our focus has shifted toward managing operational risks. We utilize SAP's in-built analytics and reporting tools to monitor various risk parameters, which include:

- Data Integrity Checks
- Functional Uptime
- Usage Metrics

### e) System Security and Access Control

Security is a top priority for our ERP system:

**System Security:** We employ firewalls, encryption, and multi-factor authentication to protect against unauthorized access.

**Access to Sensitive Data:** Role-based access ensures only authorized personnel have access to sensitive information.

**Segregation of Duties:** Our ERP system is configured to prevent any conflicts of interest or segregation of duties issues by implementing strong internal controls.

We believe our ERP system is a crucial tool for achieving organizational efficiency, and we remain committed to its ongoing optimization.

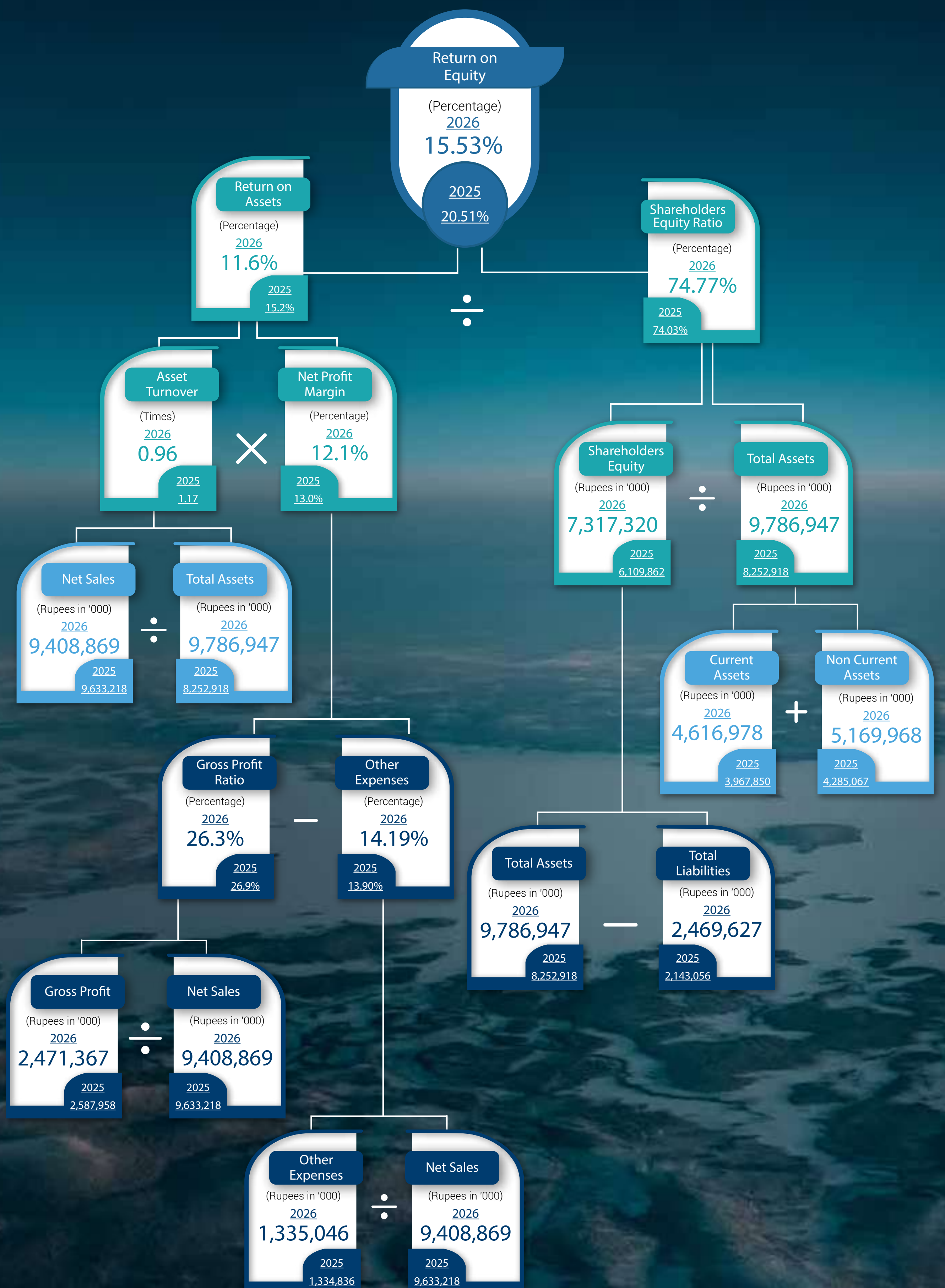
## GOVERNMENT'S POLICIES RELATED TO COMPANY'S BUSINESS/ SECTOR

The Directors have provided their statement on the government's policies and regulatory developments affecting the Company's business sector. The Company remains attentive to legislative and policy changes that may influence its operations, sales volume, and overall performance. Further details on the impact of recent government initiatives and regulations are presented in the Directors' Report.

## CONTRIBUTION TO NATIONAL EXCHEQUER AND ECONOMY

During the year, SPEL contributed approximately Rs. 2,637 million to the national exchequer, reflecting the Company's continued role in supporting public revenue and the national economy.

# DuPont Analysis
## as at 30 June 2026






# Analysis of Financial Information

## ANALYSIS OF FINANCIAL AND NON-FINANCIAL TARGETS

There is a well-organized structure by which the key performance indicators (KPIs) and relevant targets are set and monitored throughout the year through regular review meetings.

Financial targets are set for sales, costs, profitability, gearing, liquidity etc., while non-financial targets are set for production efficiencies, quality improvements, automation, 6S, health and safety, quality control circles, human resource development, growth / expansion etc.

The targets are translated into numbers in the form of a budget which is duly approved by the Board of Directors.

### Quantitative Analysis

The financial results of the Company for the year under review are as follows:

| | 2026 | 2025 |
|---|---|---|
| | Rupees in million | |
| Turnover | 9,408.87 | 9,633.22 |
| Gross profit | 2,471.37 | 2,587.96 |
| Operating profit | 1,936.43 | 2,065.40 |
| Profit before taxation | 1,855.25 | 1,991.02 |
| Taxation | 718.93 | 737.90 |
| Profit after tax | 1,136.32 | 1,253.12 |

### Qualitative Analysis

During the financial year 2026, SPEL's turnover stood at PKR 9.41 billion during the year, compared to PKR 9.63 billion in the previous year, representing a slight decline of approximately 2.3%. Despite the modest decrease in revenue, the Company continued to maintain a strong sales base, supported by sustained market demand and its ongoing efforts to strengthen customer relationships and market reach.

The gross profit stood at PKR 2.47 billion, compared to PKR 2.59 billion in the previous year. Consequently, the gross profit margin remained consistent at 26.27% compared to 26.86% in 2025. The Company remained profitable at the operating level, with operating profit of PKR 1.94 billion during the year.

## ANALYSIS OF FINANCIAL RATIOS

A detailed financial ratio analysis is presented in the section on Six Years' Financial Information, providing a comprehensive view of the Company's performance trends over the period.

## EXPLANATION OF CHANGES IN PERFORMANCE

During the year, SPEL's overall financial performance reflected a slight moderation compared to the previous year, with turnover, profitability, and key financial ratios showing a marginal decline. Despite this, the Company's results demonstrated resilience, supported by a stable sales base and consistent operating margins. The analysis confirms that the Company has maintained a sound financial position, reflecting management's continued focus on strategy execution and operational efficiency amid a relatively challenging year.

### Key Highlights

**SALES SUSTAINABILITY DESPITE CHALLENGES:**

Turnover moderated by 2.3% to PKR 9.41 billion in 2026 (2025: PKR 9.63 billion) amid a more challenging demand environment, yet the Company sustained its sales base and market position through continued focus on product quality and customer service.

**Profitability:** The Company remained profitable during the year, though net profit margin eased slightly compared to the previous financial year, reflecting cost pressures during the period while operational efficiency was maintained.

**Commitment to Stakeholders:** We remained committed to fulfilling our responsibilities towards employees, shareholders, and the communities in which we operate, while consistently meeting our financial obligations.

## METHODS AND ASSUMPTIONS USED IN COMPILING THE INDICATORS

The Company diligently monitors key performance indicators that accurately reflect its overall performance.

This includes a comprehensive analysis of its market position, competitors, and the broader market conditions when formulating these indicators. Additionally, the Company conducts regular assessments of its sales, gross profit, after-tax profits, and earnings per share to assess its financial performance and profitability.

These fundamental metrics serve as essential benchmarks for evaluating the Company's financial health. The Company's stock market price, meanwhile, serves as a barometer of its standing in the market, reflecting overall investor confidence and the Company's resilience during the year under review.

To gain insight into how the Company manages its short-term capital, a comparison between cash flow from operating activities and pre-tax profits is made. The Company consistently analyzes its cash flows with the goal of maintaining a stable and sustainable trajectory. This trend reflects the Company's continued focus on efficient working capital management and prudent financial practices, despite the moderate decline in turnover and profit margins during the year.

## INFORMATION ABOUT BUSINESS SEGMENT AND NON-BUSINESS SEGMENT

### Segment Review and Analysis Business Segments

The Company operates multiple manufacturing units. Management reviews the internal reports of each segment on a monthly basis to support decision-making, particularly in relation to resource allocation and performance assessment. A detailed segment analysis is provided in the notes to the financial statements.

### Non-Business Segments

SPEL's non-business segments consist of key support functions, including Human Resources, Finance and Investments, Information Technology, Research and Development, Health, Safety and Environment, and Corporate Governance. Although these segments do not directly contribute to revenue generation, they are essential in supporting the Company's operational efficiency and strategic objectives, ensuring sustainable growth and maintaining a competitive advantage.

## SEGMENTAL ANALYSIS OF BUSINESS PERFORMANCE INCLUDING SEGMENT REVENUE, SEGMENT RESULTS, PROFIT BEFORE TAX, SEGMENT ASSETS AND LIABILITIES

### Market Share of the Company and Its Products and Services

SPEL maintains a strong position in the plastic packaging segment for food and FMCG packaging, supported by sustained demand from leading clients. The Company also continues to strengthen its presence in the molds and dies sector, building on its technical expertise. During the year, the Company continued to build its presence in FMCG packaging, reflecting steady market penetration and customer confidence. Although the market share in the automotive sector remains relatively moderate, SPEL continues to serve key clients with precision-engineered components, reinforcing its reputation as a reliable partner.

In addition, the Company remains strategically focused on expanding its footprint in export markets, particularly in plastic packaging and automotive components, to capture international growth opportunities. With a strong commitment to innovation, quality, and customer satisfaction, SPEL is well positioned to enhance its market presence both locally and globally.

## SHARE PRICE SENSITIVITY ANALYSIS

The following are some factors which may affect the share price of the Company in the stock exchange.

1. **DEMAND GROWTH:**
   An increase in demand for the Company's products can lead to improved profitability and earnings per share (EPS), which may positively influence the share price.

2. **VARIABLE COST FLUCTUATIONS:**
   Any rise in variable costs can have a notable impact on gross margins. Where such cost increases cannot be passed on to customers, this may result in reduced profitability and EPS, negatively affecting the share price.

3. **RAW MATERIAL PRICE VOLATILITY:**
   The cost of raw materials plays a significant role in overall product costs. Fluctuations in raw material prices, particularly when they cannot be transferred to customers, may affect profitability and, subsequently, the share price.

4. **FIXED COST ESCALATION:**
   An increase in fixed costs can erode profitability, thereby affecting EPS and the share price negatively.

5. **CHANGE IN GOVERNMENT POLICIES:**
   Changes in government policies related to Food, Customer Care and Automotive sectors may affect the share price. A positive change would increase the share price and a negative change would reduce the share price.

## VIDEO PRESENTATION

A video presentation on the company's business performance of the year, the Company business strategy to improve and views on future outlook is available at the Company's website www.spelgroup.com



# Comments on Financial Analysis

## COMMENTS ON RATIOS

### Profitability:

The Company's profitability moderated slightly during the year, with the net profit margin declining to approximately 12% in 2026 (2025: 13%), reflecting cost pressures within a challenging operating environment. Despite this, the Company maintained sound operational discipline, with continued focus on cost control and efficient utilization of resources helping to contain the impact on margins. Management remains focused on prudent financial management and the effective absorption of fixed costs to support profitability going forward. The Company continues to prioritize efficiency, innovation, and long-term value creation for all stakeholders, and remains committed to strengthening its financial performance in the periods ahead.

### Liquidity:

The Company's liquidity position remained broadly stable during the year, underpinned by steady operating cash generation and prudent financial management. While certain liquidity indicators moderated slightly, reflecting higher capital expenditure and a comparatively lower cushion of liquid assets over current liabilities, the Company's ability to efficiently manage its working capital cycle and meet short-term obligations remained intact. Continued healthy operating cash flows demonstrate that the Company is well positioned to support ongoing operational requirements and finance capital expenditure programs, without relying excessively on external financing. This liquidity profile provides a stable foundation for sustainable growth and reinforces stakeholder confidence in the Company's financial stability.

### Activity / Efficiency:

The Company's inventory position reflected planned stock levels during the year, with inventory days (average basis) increasing to approximately 109 days in 2026 (2025: 89 days), reflecting a build-up of imported raw material and consumable stocks to safeguard continuity of production amid longer international lead times. Debtor days increased to approximately 47 days in 2026 (2025: 38 days), reflecting a comparatively slower collection cycle during the year. Creditor days similarly increased to approximately 39 days in 2026 (2025: 35 days), consistent with the Company's management of supplier payment terms.

### Capital Structure:

Shareholders' equity increased to Rs. 7.32 billion in 2026 (2025: Rs. 6.11 billion), further strengthening the Company's capital base. The Company continues to optimize its capital structure, with a balanced mix of debt and equity, resulting in lower financing costs and reduced risk.

### Shareholder Value:

The Company remained focused on delivering value to its shareholders during the year, reflecting the strength of its underlying business model despite a moderately challenging operating environment. While profitability eased slightly compared to the previous year, the Company's prudent utilization of capital and disciplined financial management helped sustain returns to shareholders. These results reflect the Company's continued commitment to maximizing shareholder wealth through sound capital allocation, cost discipline, and a long-term focus on sustainable value creation.

## COMMENTS ON HORIZONTAL ANALYSIS

Over the six-year period, the Company has recorded overall growth in revenues and profitability. Liquidity has remained broadly stable, while the capital structure has been further strengthened, underlining prudent financial management and reinvestment of earnings into business expansion.

## COMMENTS ON VERTICAL ANALYSIS

The vertical financial analysis highlights the Company's sound financial performance and cost structure during 2026, amid the prevailing economic conditions in Pakistan. The gross profit ratio remained broadly stable at 26.3% in 2026 (2025: 26.9%), reflecting the Company's continued cost management despite a marginally lower sales base. Operating profit stood at 20.6% of sales in 2026, compared to 21.4% in 2025, remaining well above the levels recorded in earlier years of the six-year period.

# Future Outlook

## FORWARD LOOKING STATEMENT

As we look ahead to the fiscal year 2026–27 and beyond, the Company remains mindful of the opportunities and risks that may affect our resources, revenues, and operations. Pakistan's macroeconomic environment currently reflects relative stability, with inflation steady exchange rate without erratic fluctuations, and interest rates at a reasonable level from the country's economic perspective. This stable backdrop provides confidence for planning and execution of our business strategy.

**In the short-term,** we anticipate stable revenue growth, supported by operational efficiencies, continued investment, and the increasing demand for reliable packaging solutions in the food and FMCG industries. The Company is also considering investments at upgrading technology, enhancing capacity, and improving efficiency across our production facilities.

**In the medium-term,** we project further growth by diversifying into new packaging formats, increasing penetration with existing customers, and expanding our presence with leading FMCG players. Our ongoing initiatives in sustainability, digital transformation, and process automation are expected to enhance efficiency and strengthen our competitiveness.

**Over the long-term,** the Company's strategy is to pursue sustainable growth through innovation in packaging solutions, strengthening customer relationships, and exploring opportunities to extend our footprint beyond Pakistan. By aligning with global best practices in ESG, we aim to position ourselves as a trusted partner for multinational and local FMCG companies, while continuing to deliver long-term value for all stakeholders.

These forward-looking statements are based on internal assessments, industry trends, and the assumption of continued political and economic stability. The Board remains committed to managing risks prudently while seizing growth opportunities to ensure the Company's sustained resilience and success.

## Status of the projects as was disclosed in the forward-looking statement in the previous year

In line with the forward-looking statement shared in the previous year, the Company has made steady progress on its strategic initiatives. The Company is actively working on a number of important projects. During the year, the Company invested in building additional plant and machinery, aimed at expanding production capacity and enhancing operational efficiency across our facilities. These initiatives reflect our ongoing focus on modernization, efficiency, and long-term value creation.

## AI Adoption and Future Outlook:

Building on its first step towards AI adoption through Robotic Process Automation (RPA), the Company has taken further strides during the year by investing in AI licenses and enrolling staff in dedicated AI training programs. These efforts are aimed at building in-house capability and ensuring that employees are equipped to effectively adopt and utilize AI-driven tools, while continuing to streamline repetitive and rule-based tasks, improve efficiency, reduce errors, and free up human resources for higher-value activities.

Building on this foundation, the Company is evaluating further AI-driven applications in areas such as predictive maintenance, production planning, supply chain optimization, and data analytics. Over time, these technologies are expected to strengthen decision-making, drive innovation, and create long-term value for stakeholders in line with the Company's digitalization strategy.

## Company's Future Research & Development Initiatives:

Company's research and development collaboration with the University of Engineering and Technology (UET) for recycling of plastic waste continues to progress during the year. Moreover, Company also supports the delegates from different institutions for research and development programs. During the year, the Company successfully conducted its Quality Control Circles (QCC) program within the organization to promote new ideas.

## Sources of Information and Assumptions:

SPEL puts all its efforts into gathering information and attempts to collect as much information as possible from internal and external sources while working on projections and forecasts. As the Company is working under B2B model, therefore, it gives due weightage to inputs received from its customers which, in turn, greatly helps in getting right information and developing realistic assumptions. If needed, the help of external consultants either formally or informally is also be taken, so that a realistic and appropriate image of the future is developed.



# IT Governance and Cybersecurity

## BOARD'S RESPONSIBILITY ON IT SYSTEMS, CYBERSECURITY AND AI STRATEGY

The Board places strong emphasis on overseeing the effectiveness of the Company's IT systems, internal controls, and adoption of Artificial Intelligence (AI) as part of SPEL's digital transformation journey. Recognizing the growing importance of technology in sustaining business performance, the Board provides strategic direction to ensure that all IT and AI initiatives are designed to deliver long-term value while fully complying with legal, regulatory, and ethical standards, including the Company's obligations relating to data privacy and cybersecurity.

### Oversight of AI Strategy

In pursuit of digital innovation, SPEL has initiated the deployment of AI-driven solutions to strengthen operational efficiency, enable predictive analytics, and enhance process automation. The Board emphasizes the importance of ensuring that these technologies are adopted responsibly, with due regard to ethical practices, data integrity, and alignment with the Company's long-term strategic objectives. The Board highlights the value of AI integration in enhancing competitiveness while recognizing the need for management to carefully monitor associated risks and ensure that implementation supports sustainable growth.

### Cybersecurity and Data Privacy

The Board places strong emphasis on data privacy, cybersecurity resilience, and IT risk management. In this regard, senior management provides regular updates on the Company's cybersecurity posture, data protection initiatives, and preparedness to address potential incidents. The internal audit function contributes by offering independent assurance on compliance with applicable laws, regulations, and industry standards. Key observations and findings on IT controls and cyber risks are presented to the Audit Committee on a quarterly basis, enabling timely review, oversight, and follow-up actions where required.

### Dealing with Breaches

SPEL has established a structured protocol to address cybersecurity breaches and data privacy incidents. In the event of a suspected or confirmed breach, management initiates an immediate investigation, supported by IT and functional teams, to assess the nature and scope of the incident. Corrective measures are implemented without delay to contain the breach and restore system security. The process also includes documenting root causes, implementing remedial actions, and introducing long-term mitigation strategies to reduce the risk of recurrence. Material developments are escalated to the Board, directly and through the Audit Committee, so that the Board remains actively engaged with management throughout the response. This approach strengthens accountability, ensures transparency, and reinforces stakeholder confidence in the Company's cyber resilience.


### Framework for Cyber and IT Oversight

To further strengthen its governance framework, the Company has established structured mechanisms in the following areas:

#### 1 Risk Identification and Assessment

- Regular evaluation of IT infrastructure and cybersecurity frameworks.
- Proactive identification of vulnerabilities and emerging risks through routine testing and risk assessments.

#### 2 Monitoring and Reporting

- Continuous monitoring of IT systems to detect suspicious or unauthorized activities.
- Real-time incident reporting mechanism to ensure immediate escalation and response.

#### 3 Compliance and Regulation

- Ongoing adherence to applicable data protection laws, regulatory requirements, and international standards.
- Periodic review and updating of IT and cybersecurity policies to align with evolving regulations and Company objectives.

#### 4 Communication and Training

- Regular employee awareness programs on cyber risks, preventive practices, and responsible use of AI.
- Transparent communication regarding the Company's cyber risk profile, IT control environment, and defense mechanisms with relevant stakeholders.

#### 5 Review and Assurance

- Independent assurance by internal audit on the adequacy of IT controls and cybersecurity practices.
- Quarterly reviews of cyber risk management strategies, with follow-up mechanisms to ensure effective implementation of recommendations.

## IT GOVERNANCE AND CYBERSECURITY PROGRAMS, POLICIES, AND PROCEDURES

SPEL has established a comprehensive IT governance framework to ensure that technology management and cybersecurity practices are fully aligned with the Company's strategic objectives and regulatory requirements. This framework comprises structured programs, policies, and procedures that guide the effective use of technology, protect critical business information, and support sustainable growth.

Cybersecurity forms a central part of this governance framework. The Company has implemented advanced hardware and software solutions, complemented by skilled IT and cybersecurity professionals, to safeguard information assets against evolving threats. Regular monitoring, independent assessments, and strict compliance with industry-specific standards strengthen the resilience of SPEL's systems.

In addition, the Board Risk Management and Sustainability Committee provides oversight of IT strategy and cybersecurity initiatives, ensuring alignment with business priorities and adherence to best practices. Risk mitigation measures include early warning systems, endpoint security, and continuous vulnerability assessments. The Company also maintains a robust Business Continuity and Disaster Recovery Plan to ensure operational continuity in the event of unforeseen incidents.

Through this integrated approach, SPEL demonstrates its commitment to maintaining a secure, efficient, and future-ready digital environment that not only supports operational excellence but also builds stakeholder trust.

## COMMITTEE FOR OVERSIGHT OF IT GOVERNANCE AND CYBERSECURITY

The Board has entrusted oversight of IT governance and cybersecurity matters to its Risk Management and Sustainability Committee, which works in close coordination with management and the internal audit function. The Committee is responsible for reviewing the Company's IT risk management framework, evaluating the adequacy of internal controls, and ensuring compliance with applicable data privacy and cybersecurity regulations.

As part of its role, the Committee receives periodic updates from management on the Company's cybersecurity posture, IT infrastructure resilience, and incident response readiness. Key findings and risk assessments are discussed during Committee meetings, enabling the Board to stay informed of emerging risks and confirm that appropriate mitigation measures are in place.

Through this governance structure, the Board emphasizes the importance of proactive risk identification, effective response to incidents, and alignment of IT strategies with the Company's long-term objectives. This approach reflects the Company's commitment to safeguarding stakeholder interests while encouraging the secure and responsible adoption of digital technologies.

## Early Warning System for Cybersecurity Risks

The Company has established an early warning system to proactively identify, assess, and respond to cybersecurity risks and incidents. This system ensures that potential threats are addressed in a timely manner, and significant matters are communicated to senior management and the Board where appropriate. The framework operates through the following controls and procedures:

### IDENTIFICATION

- Continuous monitoring of IT infrastructure for unusual or unauthorized activities.
- Automated alerts to flag anomalies in real time.
- Vulnerability assessments and penetration testing to detect potential weaknesses.

### ASSESSMENT

- Review of alerts and incidents by the IT and risk management teams.
- Risk classification to determine severity, potential business impact, and urgency of response.
- Engagement of functional teams, where necessary, to evaluate operational consequences.

### RESPONSE AND REMEDIATION

- Prompt initiation of corrective measures to contain threats and restore system integrity.
- Implementation of long-term mitigation strategies to reduce recurrence.

### COMMUNICATION

- Timely reporting of cybersecurity risks and incidents to senior management.
- Procedures in place to ensure significant cybersecurity matters are communicated to the Board when required
- Transparent communication with stakeholders in line with regulatory requirements.

### DISCLOSURE AND OVERSIGHT

- Timely disclosures made in compliance with applicable legal and regulatory obligations.
- Periodic reporting to the Risk Management and Sustainability Committee on cybersecurity posture and incident handling.
- Ongoing reviews to align the system with emerging threats and industry best practices.

This structured early warning mechanism reinforces the Company's resilience, promotes transparency, and ensures effective governance of cybersecurity risks.

## INDEPENDENT SECURITY ASSESSMENTS

To strengthen its cybersecurity defenses and ensure the resilience of its IT environment, SPEL engages **independent external professionals** to carry out periodic security assessments. These reviews cover a wide range of activities, including **network penetration testing, system vulnerability assessments, and security hardening exercises** aimed at identifying potential weaknesses and validating the effectiveness of existing controls, including exposure arising from third-party and vendor access to the Company's systems.

The most recent assessment was conducted as part of the Company's compliance and risk management program, reinforcing SPEL's commitment to safeguarding critical information assets in line with industry best practices. Recommendations arising from such reviews are carefully evaluated and implemented by management to continuously enhance system security, protect sensitive data, and maintain regulatory compliance.

Through these independent evaluations, the Company ensures that its cybersecurity framework remains robust, proactive, and aligned with the evolving risk landscape.

## BUSINESS CONTINUITY AND DISASTER RECOVERY AND CYBER INSURANCE

SPEL recognizes the critical importance of its information assets and the need to ensure uninterrupted and reliable IT services to support business operations. To safeguard against potential IT failures, cyber breaches, or disaster events, the Company has developed a Disaster Recovery Plan (DRP), aligned with industry best practices and tailored to the Company's environment.



The DRP outlines the framework for restoring critical IT systems and operations within defined Recovery Time Objectives (RTOs) and Recovery Point Objectives (RPOs). It includes identification of critical IT assets, recovery approaches, documented procedures, and defined team roles and responsibilities to ensure a structured response in the event of disruption. The plan also establishes requirements for backup systems, data integrity, and continuity strategies for mission-critical applications such as SAP, Human Capital Management, databases, and network infrastructure. The Company conducts regular training, awareness sessions, and periodic testing of the DRP to ensure readiness, strengthen employee response capability, and identify areas for improvement. IT and cyber-related exposures are also factored into the Company's broader insurance arrangements, which are reviewed periodically in line with the Company's evolving risk profile.

Through these measures, SPEL demonstrates its commitment to protecting critical IT assets, minimizing operational downtime, and maintaining stakeholder confidence in the event of unforeseen disruptions.

## ADVANCEMENT IN DIGITAL TRANSFORMATION

In line with the opportunities presented by the Fourth Industrial Revolution, the Company continues to advance its digital transformation agenda by leveraging modern technologies to improve transparency, governance, value creation, and reporting. SPEL has embarked on the adoption of **Artificial Intelligence (AI), Robotic Process Automation (RPA), and Data Analytics, and Cloud Computing,** which are playing a pivotal role in reshaping operational efficiency and strategic decision-making.

- **Artificial Intelligence (AI):** AI solutions are being piloted to improve process automation, and strengthen decision-support systems. This enables better forecasting, operational optimization, and resource allocation.
- **Robotic Process Automation (RPA):** RPA is being deployed to automate repetitive, rule-based tasks, leading to faster turnaround times, improved accuracy, and reduced operational costs, while allowing employees to focus on higher-value activities.
- **Data Analytics:** The Company has adopted Microsoft Power BI as its internal reporting and analytics platform. Power BI is used to generate real-time dashboards, interactive reports, and advanced visualizations, improving the accuracy, transparency, and timeliness of information shared across management and governance functions. This enhances decision-making and supports compliance and reporting standards.
- **Cloud Computing:** The Company is increasing its use of cloud-based platforms, including Power BI Service, to support reporting, collaboration and analytics alongside its core systems, improving accessibility and scalability of information across the organization.
- **Blockchain:** The Company continues to monitor developments in blockchain technology and will evaluate its adoption as it matures and becomes relevant to the Company's operations and sector.

By embedding these technologies into its operations, SPEL is building a foundation for long-term efficiency, innovation, and sustainability.

The integration of AI, RPA, Cloud Computing, and advanced analytics through Power BI underscores the Company's commitment to responsible digital transformation, ensuring that emerging technologies are harnessed to create value for stakeholders while strengthening governance and reporting practices.

## TRAINING AND AWARENESS PROGRAMS ON CYBERSECURITY

To strengthen the capability of employees, the Company conducts training sessions and awareness programs aimed at equipping staff with the knowledge to identify and respond to evolving cyber threats. Timely updates on global cybersecurity trends, best practices, and risk management approaches are shared across the workforce to reinforce a culture of vigilance.

Through these education and training efforts, SPEL continues to build organizational resilience, reduce cyber vulnerabilities and promote a proactive approach to safeguarding digital assets.

# Stakeholders Relationship and Engagement

## STAKEHOLDERS ENGAGEMENT POLICY

SPEL recognizes that strong and transparent relationships with its stakeholders are essential to long-term success and sustainability. The Stakeholders' Engagement Policy outlines how the Company identifies, engages, and collaborates with its stakeholders.

The primary objective of this policy is to foster sustainable, long-term relationships through trust, transparency, and accountability. SPEL is committed to engaging stakeholders in a responsible manner, complying with all applicable regulatory requirements, and honoring the terms and conditions of its business relationships.

To bring an accurate understanding of the company's management policies and business activities to all its stakeholders, we strive to make full disclosure of all material information to all stakeholders by various announcements on our website, to the Stock Exchange, and other sources available to help investors to make informed decisions.

While increasing management transparency, the company aims to strengthen its relationships and trust with shareholders and investors. Our stakeholders include, but are not limited to, customers, employees, government, shareholders, suppliers, local communities and bankers.

## IDENTIFICATION OF STAKEHOLDERS

SPEL has identified its key stakeholders through a comprehensive analysis of its business operations, industry Environment analysis, and the impact of its activities. The stakeholders are categorized based on their relationship with the Company, their influence on or interest in Company's operations, and the impact that Company's decisions may have on them.

## STAKEHOLDERS ENGAGEMENT PROCESS

Stakeholder's views are of significant value for the Company. The company has a diverse range of stakeholders, including mutual funds, investment companies, brokerage houses, insurance companies, foreign shareholders, pension funds, high net worth individuals, housewives, professionals and individuals of varied requirements. The Company regularly interacts with all categories of shareholders, through corporate announcements and quarterly reports etc. The Chief Executive Officer and the Chief Financial Officer remain available to respond to any shareholder/investor's query in person or on the telephone. The Chief Executive Officer updates the non-executive members of the views of the major shareholders about the Company.

| Stakeholders | Why they are important | Nature of engagement | Frequency |
|---|---|---|---|
| **Shareholders** | 1. Owners of the Company.<br>2. Expect a fair return on their investment.<br>3. Decisions are made in line with increasing shareholder value. | 1. AGM<br>2. EOGM<br>3. Interim reports<br>4. Annual report<br>5. Website | 1. Annually<br>2. If/when needed<br>3. Quarterly<br>4. Annually<br>5. Continuously available |
| **Customers** | 1. Buy our products, which drives our revenue.<br>2. Customer feedback help us to refine our products<br>3. Are our business partners. | 1. Direct relationships<br>2. Connecting with customers on personal level by aligning with their values, beliefs and preferences<br>3. Continuous meetings<br>4. Website | 1. Continuous/ongoing<br>2. Regularly<br>3. Regularly<br>4. Continuously available |
| **Employees** | 1. Are our key assets.<br>2. Deliver the Company's success in achieving the highest possible stakeholder value.<br>3. Skilled employees enable organizations to adapt to changes in the market, technology and industry trends. | 1. Open door policy of Interaction with management<br>2. Performance appraisals<br>3. Employee events<br>4. Training & development | 1. At all times<br>2. Annual<br>3. Annually<br>4. Regularly |
| **Suppliers** | 1. Reliable and reasonable provision of raw materials.<br>2. Are our business partners. | 1. Direct relationships<br>2. Meetings<br>3. Trade shows | 1. Continuous/ongoing<br>2. Regularly<br>3. Regularly |
| **Regulators** | Determine and implement policies that could positively or negatively impact the Company. | 1. Specific meetings/ discussions/ correspondence<br>2. Submission of statutory returns & reports<br>3. Attending seminars held by regulators<br>4. Website | 1. As required<br>2. As per legal requirement<br>3. As required<br>4. Continuously available |
| **Local Community** | 1. Provide manpower for our operations.<br>2. Positive engagements with local community enhance the Company's image and build trust<br>3. Key target of our CSR initiatives | 1. Free medical camp<br>2. Education support program to students in different universities<br>3. Donations to welfare institutions | 1. Annual<br>2. Continuous<br>3. Continuous |
| **Banks** | Provision of finance and trade facilities | 1. Direct relationships<br>2. Meetings<br>3. Financial reporting<br>4. Website | 1. Continuous/ongoing<br>2. As needed<br>3. Periodic<br>4. Continuously available |



## STEPS TAKEN TO ENCOURAGE MINORITY SHAREHOLDERS TO ATTEND MEETINGS

To promote active participation of minority shareholders, the Company takes several measures to ensure accessibility and informed engagement. Notices of meetings are sent to all shareholders and published in both Urdu and English newspapers, enabling shareholders to plan their attendance in advance. The Annual General Meeting (AGM) is held at a central location in the city, facilitating convenient access for all shareholders.

Shareholders are provided with multiple options to attend the meeting: in person, through a proxy, or via video link, subject to fulfillment of legal requirements. These steps are designed to ensure that minority shareholders can participate meaningfully, exercise their rights, and make informed decisions regarding the affairs of the Company.

## INVESTOR RELATIONS SECTION ON COMPANY'S WEBSITE

The Company is committed to providing all investors and shareholders with fair and equal treatment through transparent communication, increased awareness, and prompt resolution of queries or complaints.
To ensure timely and accurate dissemination of information, the Company shares updates through multiple channels, including its corporate website. The website is regularly updated to provide comprehensive and current information, covering the Company's business strategy, financial highlights, investor information, unclaimed dividends, and other relevant disclosures.

To further strengthen investor engagement, the Company maintains a dedicated "Investor Relations" section on its website. This section facilitates easy access to information and provides a platform for investors and shareholders to register grievances, submit queries, or seek clarification, ensuring a smooth and transparent interaction with the Company.

## ISSUES RAISED IN LAST AGM

The 43rd Annual General Meeting of the Company was held on 30 September 2025 at ICMA Pakistan Building 42 Ferozpure Road, Lahore at 11:00 AM The meeting was attended by shareholders representing 59% of the total shareholding, including key members of the Board of Directors, the Chairman, and the Chief Executive Officer.

During the AGM, shareholders actively participated in discussions on the agenda items. Queries related to the audited financial statements for the year ended 30 June 2025 were addressed by the CFO, ensuring transparency and clarity. Resolutions on the adoption of the financial statements and approval of final dividend, were passed unanimously. No issues were raised during the meeting, and no complaints were received from shareholders, except routine requests relating to revalidation and payment of dividend warrants, which were duly addressed. No additional business was raised, and the meeting concluded with a vote of thanks to the Chairman.

## STEPS TAKEN BY THE BOARD TO SOLICIT AND UNDERSTAND STAKEHOLDERS' VIEWS

The Board of Directors of SPEL Limited places strong emphasis on engaging stakeholders through regular communication channels, including corporate briefing sessions. During these sessions, the management provides a detailed overview of the Company's financial performance, operational updates, and strategic direction, while also addressing queries raised by participants. This interactive process ensures transparency, enables shareholders, analysts, and other stakeholders to develop an informed understanding of the Company's business, and allows the Board to incorporate stakeholder feedback into its decision-making process.

## CORPORATE BRIEFING SESSION

The Company held its annual Corporate Briefing Session on Monday, 13 October 2025 at the Pakistan Stock Exchange auditorium, Karachi, and via video link, to engage with the investment community. The event was well attended by brokers, investors, and analysts, reflecting interest in the Company's performance.
It was an interactive session in which management responded to questions on financial results, operational performance, and future outlook, promoting transparency and constructive dialogue with

stakeholders. The presentation for the Corporate Briefing Session was transmitted through PUCARS and is also available on the Company's website at www.spelgroup.com

## HIGHLIGHTS ABOUT REDRESSAL OF INVESTORS' COMPLAINTS

To facilitate the stakeholders to register their complaints conveniently, an online form is available on company's website. During the year the company has not received any complaint or grievances, however, certain requests for revalidation and payment of dividend warrants were received, which were addressed to the satisfaction of the shareholders.

## CORPORATE BENEFITS TO SHAREHOLDERS

SPEL is committed to enhancing long-term value for its shareholders through a combination of capital appreciation and consistent returns. We are pleased to report that this year, the Company paid a 10% interim cash dividend during the year and has proposed a 10% final cash dividend, subject to approval of the shareholders at the forthcoming Annual General Meeting, taking the total for the year to 20%, reflecting our continued commitment to sharing our success. Our earnings per share (EPS) for the year stood at PKR 5.99, compared to PKR 6.6 last year. We remain dedicated to making strategic decisions that drive sustainable growth, ensuring that our shareholders benefit from both strong operational performance and a reliable return on their investment.

## DISCLOSURE ABOUT WHISTLE BLOWING MECHANISM

The Company has in place a duly approved Whistle Blowing Mechanism to receive and address complaints in a fair, transparent, and independent manner. The mechanism provides secure reporting channels for employees and stakeholders to raise concerns relating to unethical practices, financial impropriety, non-compliance with policies, or any other misconduct. The Audit Committee periodically reviews the functioning of this mechanism to ensure that complaints are handled objectively and appropriate remedial actions are taken. Adequate safeguards are in place to protect whistleblowers against retaliation or victimization, thereby promoting a culture of accountability, transparency, and ethical conduct within the Company.

## EXPLANATION OF ANY MATERIAL CHANGES IN THE ENTITY'S BUSINESS MODEL DURING THE YEAR

During the year 2026, there has been a notable shift in the composition of our sales across different sectors. Specifically, sales to the Food and Personal Care products sector decreased to 69% of our total sales from 79% in the previous year, 2025, while sales to the Automobile Parts and Accessories sector increased correspondingly to 31% from 21% in the previous year. This change in sales mix indicates a growing diversification of our revenue base, with increasing contribution from the Automobile Parts and Accessories sector alongside our continued strong presence in the Food and Personal Care products sector.

## DISAGGREGATION OF REVENUE STRIVING FOR EXCELLENCE IN CORPORATE REPORTING

SPEL intends to share all relevant information with its stakeholders and strive to give maximum information as may be useful for the users of the Annual Report for making their decisions related to the Company.

## COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

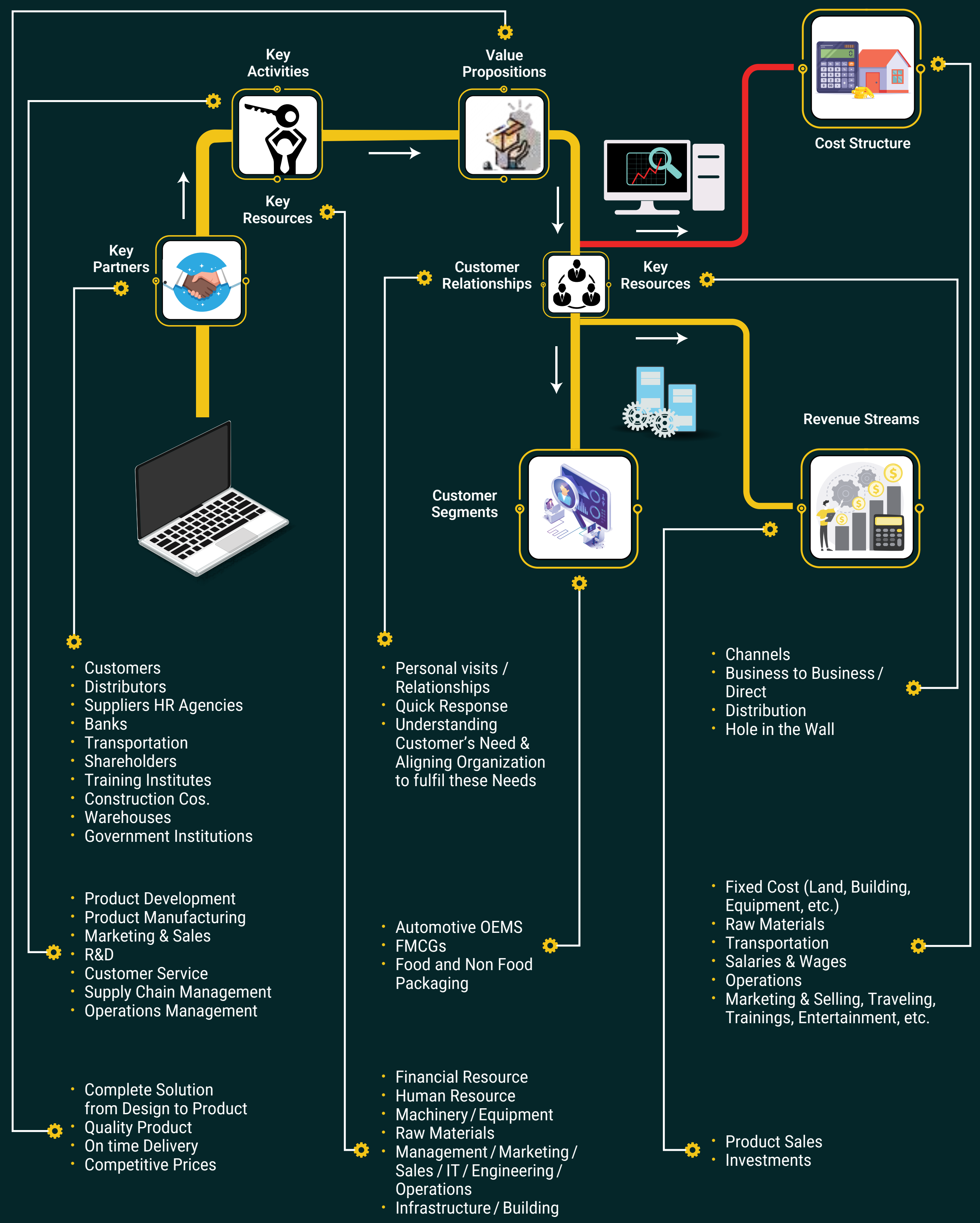
The Board is committed to upholding full compliance with applicable financial accounting and reporting standards in Pakistan including the International Financial Reporting Standards in Pakistan issued by the International Accounting Standards Board (IASB). A statement to this effect has been made in the Directors' Report. It is our utmost effort to comply with all the requirements of the IFRSs. In case the requirements of IFRS differ from the local laws, SPEL has the policy to comply with the local laws. A detailed note has been given in the financial statements regarding compliance with the IFRSs.

## SPECIFIC DISCLOSURES OF THE FINANCIAL STATEMENTS (ANNEXURE-II)

The Company has fully complied with the specific disclosure requirements of the financial statements, and detailed information is available in the respective Notes to the Financial Statements.



# SPEL's Business Model




**EXPLANATION OF ANY MATERIAL CHANGES IN THE ENTITY'S BUSINESS MODEL:**
During the year 2026, no notable changes were made in the business model of the entity.

# Report of the Board Audit Committee


*Dear Shareholders,*

**We are pleased to present the Audit Committee Report, detailing the significant activities and responsibilities carried out by the committee during the fiscal year. The committee comprises non-executive and independent directors, including the Chairman of the Audit Committee. The committee members collectively possess financial literacy, ensuring a comprehensive understanding of financial matters.**

## COMPOSITION OF THE COMMITTEE

The Audit Committee consists of four members, each bringing unique expertise and perspectives to the committee. The committee adheres to regulatory requirements, with all members being non-executive/ independent directors. The Chairman of the Audit Committee ensures effective leadership and coordination of the committee's activities.

## ROLE IN DISCHARGING RESPONSIBILITIES

The committee played a pivotal role in addressing significant issues related to the financial statements. We reviewed the financial statements to ensure accuracy, transparency, and compliance with relevant accounting standards and regulations. Our engagement involved close collaboration with the management and external auditors to identify and mitigate potential risks. Through analysis and thorough discussions, we have ensured the accuracy and reliability of the financial information presented in the Annual Report.

## APPROACH TO RISK MANAGEMENT AND INTERNAL CONTROL

The committee places a strong emphasis on risk management and internal control processes. We continuously assess the effectiveness of these processes to safeguard the company's assets and maintain financial integrity. We are committed to enhancing our approach to risk management and internal controls on a continuous basis.

## ROLE OF INTERNAL AUDIT

We recognize the critical role of Internal Audit in enhancing risk management and internal control. Our approach ensures that Internal Audit has direct access to the Audit Committee. We evaluate the performance of the Internal Auditor based on the quality and effectiveness of their audits in identifying control gaps and proposing improvements.

## STAFF AND MANAGEMENT REPORTING

We have established mechanisms for staff and management to report concerns about actual or potential improprieties in financial and other matters. This proactive approach allows us to address issues promptly and institute remedial measures to protect the company's interests.

## EXTERNAL AUDIT PROCESS AND AUDITOR INDEPENDENCE

We rigorously evaluate the effectiveness of the external audit process. Our approach to appointing or reappointing the external auditor involves a thorough assessment of their qualifications and track record.

## RECOMMENDATION OF EXTERNAL AUDITORS

In line with regulatory requirements, we provide reasons if recommending external auditors other than the retiring auditors within three consecutive years. However, this provision was not applicable during this reporting period.

## ANNUAL REPORT

The committee is of the view that the management has issued a comprehensive annual report which gives true and fair view, balanced and understandable information and provides in depth understanding to the shareholders to assess the Company's position and performance, business model and strategy.

## EVALUATION OF COMMITTEE PERFORMANCE

The Committee carried out a self-evaluation of its own performance during the year and concluded that it has been effective in discharging its responsibilities under its terms of reference.

## WHISTLE-BLOWING INCIDENCES

This year, no whistle-blowing incidents were reported to the Audit Committee.

**In conclusion, the Audit Committee remains dedicated to upholding high standards of corporate governance, financial transparency, and accountability. We look forward to contributing to the sustained growth and success of the company in the upcoming fiscal year.**

Sincerely,

________-SD-__________

**Mr. Haroon Sharif**
Chairman, Audit Committee

Date: 17 August 2026
Place: Lahore



# Chairman's Review Report

*Dear Shareholders,*

**It is my privilege to present to you the Annual Report of your Company for the financial year ended June 30, 2026. The year was one of consolidation and disciplined reinvestment, as we continued to strengthen the fundamentals of our business, diversify our revenue base, and build the capacity to support long-term, sustainable growth.**

## FINANCIAL PERFORMANCE

From a strategic standpoint, the year reflected a business moving through a deliberate phase of reinvestment while preserving the resilience of its core earnings base. Net sales were maintained for the year and stood at Rs. 9.41 billion, compared to Rs. 9.63 billion last year.

Gross margins remained largely stable year-on-year, and the moderation in bottom-line profitability was primarily a function of the Company's ongoing investment phase and evolving cost dynamics, rather than any erosion in the core profitability.

We have invested significantly within our existing lines of business, reflecting the continued execution of our Balancing, Modernization, Replacement and Expansion (BMRE). Despite this investment cycle, the Company's balance sheet strengthened meaningfully, with shareholders' equity up 19.8% to Rs. 7.32 billion and total assets up 18.6% to Rs. 9.79 billion. Total comprehensive income of Rs. 1.38 billion exceeded last year's level, aided in part by a revaluation of the Company's freehold land. Cash generation from operations remained healthy, despite higher tax outflows during the year. Taken together, these results reflect investment in its future from a position of financial strength. We use our sustainable growth model for all of our investment plans.

The Directors are pleased to have paid a 10% interim cash dividend during the year and have proposed a further 10% final cash dividend, subject to shareholders' approval, reaffirming the Board's commitment to sharing the Company's success with its shareholders while continuing a growth momentum.

## STRATEGY, SUSTAINABILITY AND GOVERNANCE

Our strategy continues to be anchored in operational excellence, portfolio diversification, and long-term value creation.

During the year, we made continued progress on our digital transformation journey, investing in the adoption of Artificial Intelligence tools, upgrading our technology hardware, and investing in the training of our people to build organizational readiness for these new capabilities. The Board views this digital and cybersecurity readiness as a strategic priority, and will continue to invest in strengthening our IT governance and control environment going forward.

On sustainability, we remain committed to the initiatives we have built over the past several years, including our carbon neutrality journey, use of solar energy, employee wellness programs, and sustainable procurement practices, which continue to support both our environmental commitments and margin stability.

## BOARD'S EFFECTIVENESS AND GOVERNANCE

The Board has continued to play a central role in steering the Company towards its strategic objectives, providing direction, closely monitoring risks, and supporting management through a year of significant capital investment. Consistent with last year, the Board conducted its annual self-evaluation, reaffirming its focus on continuous improvement and alignment with global best practices in governance.

I remained personally engaged with the Company's strategic, financial, CSR and ESG priorities throughout the year. The Company continues to focus on Diversity, Equity & Inclusion (DE&I) and maintains an Anti-Harassment environment and policies, reinforcing our commitment to a fair, safe and inclusive workplace for all employees.

The Board reaffirms that the Company's structure and processes ensuring effective governance with clear accountability. Our internal control system – reviewed regularly through the Audit Committee and supported by the Chief Internal Auditor – are strong in design and effective. The Board has reviewed the adequacy of these controls during the year and is satisfied that they continue to safeguard the Company's assets, ensure accurate financial reporting, and support compliance with applicable regulatory requirements.

Succession planning remains an ongoing priority for the Board, building on the work initiated last year, with continued focus on ensuring leadership continuity across the organization.

## RISKS AND OPPORTUNITIES

The external environment continues to present a mix of challenges and opportunities, including currency volatility, inflationary pressures and evolving market dynamics. The Board and management continue to respond to these conditions by diversifying our revenue base across sectors, strengthening our supply chain, and investing in operational efficiency and technology to build long-term resilience.

## FUTURE OUTLOOK

Looking ahead, the Company will continue to execute its BMRE programs, with a continued focus on modernizing and expanding our production capabilities. We will also continue to advance our digital transformation agenda, deepening our use of Artificial Intelligence and strengthening our IT governance and cybersecurity capabilities, while investing in the skills of our people to support this transition.

With a diversified portfolio, a strengthened balance sheet, and continued investment in our people, technology and facilities, the Board remains confident in the Company's ability to sustain long-term value creation for our stakeholders.

## ACKNOWLEDGMENT OF STAKEHOLDERS

On behalf of the Board, I express my sincere gratitude to our shareholders for their continued trust, to our employees for their dedication and hard work, and to our customers, suppliers, bankers and regulators for their continued support. Together, we will continue to build on our legacy of reliability, sustainability and growth.

Sincerely,

**Almas Hyder**
Chairman

Lahore: 17 August 2026

# Directors' Report to the Shareholders

for the year ended 30 June 2026

Dear Shareholders,

The Directors of your Company are pleased to place before you the Company's Annual Report on the results of its operations along with the Audited Financial Statements for the year ended 30 June 2026.

## BUSINESS PERFORMANCE

The Company recorded sales of PKR 9.41 billion during the year, compared to PKR 9.63 billion in the previous year, representing a slight decline of approximately 2.3%. Despite the modest decrease in revenue, the Company continued to maintain a strong sales base, supported by sustained market demand and its ongoing efforts to strengthen customer relationships and market reach.

The gross profit stood at PKR 2.47 billion, compared to PKR 2.59 billion in the previous year. Consequently, the gross profit margin remained consistent at 26.27% compared to 26.86% in 2025. The Company remained profitable at the operating level, with operating profit of PKR 1.94 billion during the year.

## FINANCIAL RESULTS

The financial results of the Company for the year under review are as follows:

| | 2026 | 2025 |
|---|---|---|
| | Rupees in million | |
| Turnover | 9,408.87 | 9,633.22 |
| Gross profit | 2,471.37 | 2,587.96 |
| Operating profit | 1,936.43 | 2,065.40 |
| Profit before taxation | 1,855.25 | 1,991.02 |
| Taxation | 718.93 | 737.90 |
| Profit after tax | 1,136.32 | 1,253.12 |

## EARNINGS PER SHARE & DIVIDENDS

The earnings per share for the current and the previous year are as follows:

| | |
|---|---|
| Basic and diluted EPS – 2026 | Rs. 5.99 |
| Basic and diluted EPS – 2025 | Rs. 6.60 |

During the year, the Company paid an interim **cash dividend of 10%.** The Directors are pleased to propose a **final cash dividend of 10%** for approval by the shareholders at the forthcoming Annual General Meeting. In comparison, for FY 2025, the Company paid a **total cash dividend of 20%.**

## CORPORATE SOCIAL RESPONSIBILITY

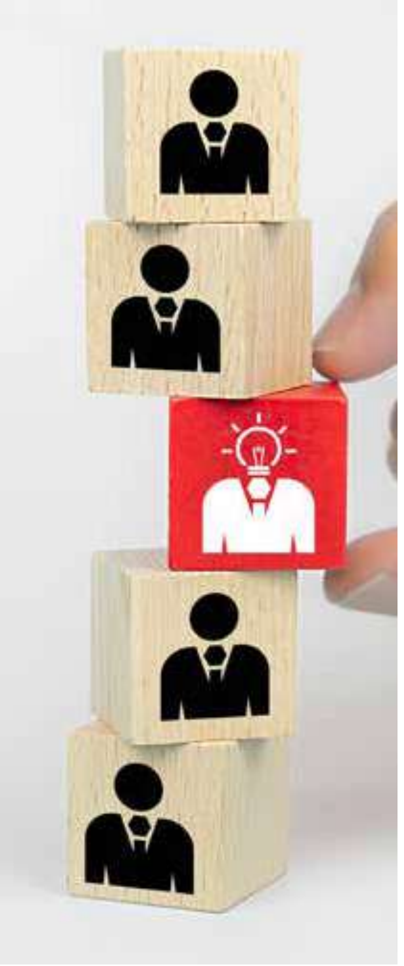
SPEL believes in supporting the community and maintains a policy of contributing to corporate social responsibility (CSR) initiatives. We recognize our responsibilities to sustainability and environmental stewardship. We strive to make sure that these responsibilities not only address our commitment to our employees and our plant sites, but also extend beyond our gates to other stakeholders, including the communities in which we operate.

Some other CSR activities taken up during the fiscal year includes:

- Donations to non-profit organizations
- Donations for educational and learning purposes
- Financial assistance to employees who wished to enhance their education.

## HUMAN RESOURCE

We are proud of the commitment and dedication of our employees. The Company values its employees and encourages a culture of teamwork, innovations, open communication, continuous development and training of personnel. During the period under review, **Company invested 10,142** (2025: 8,158) man hours on the training of its employees. The Company used both Internal and External resources to improve its employee's skills, knowledge, and abilities.
The trainings included courses on Supervisory Skills, Fire and Safety, Kaizen, 6S, QCC, and technical and managerial modules across different departments and units of the organization, along with international training exposure for executives.



## COMPOSITION OF THE BOARD

The composition of the Board has been established to fulfil the company's need for expertise, capacity and diversity requirements of code of corporate governance and to ensure that the Board functions well as a collegiate body.

Total number of Directors of the Company is as follows:

| | |
|---|---|
| **Female Directors** | **01** |
| **Male Directors** | **06** |
| **Total number of Directors** | **07** |

The composition of the Board is as follows:

| | |
|---|---|
| **Independent Non-Executive Directors** | **03** |
| **Other Non-Executive Directors** | **02** |
| **Executive Directors** | **02** |
| **Total number of Directors** | **07** |

## REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS

The Board has approved a policy for remuneration to directors. As per the policy, Independent Directors and Non-Executive Directors shall be entitled to a meeting fee for attending the meetings of the Board or any of its Committees as per the scale approved by the Board from time to time. If any Non-Executive Director performs extra services, then he/she shall be entitled to remuneration. The directors who are entitled to remuneration shall not be entitled to receive any type of meeting fee.

## MEETINGS OF THE BOARD AND ATTENDANCE

During the year under review, four (04) Board meetings were held and attendance by each director is given below:

| Name | Status | Meetings Attended / Eligible |
|---|---|---|
| Mr. Almas Hyder | Chairman/Non-Executive Director | 4/4 |
| Mr. Zia Hyder Naqi | CEO/Executive director | 4/4 |
| Mr. Haroon Sharif | Independent Non-Executive Director | 4/4 |
| Dr. Syed Sohail Hussain Naqvi | Independent Non-Executive Director | 4/4 |
| Mr. Ameen Ahsan | Independent Non-Executive Director | 2/4 |
| Mr. Abid Saleem Khan | Executive Director | 4/4 |
| Dr. Nighat Arshad | Non-Executive Director | 3/4 |

Leave of absence was granted to the members who could not attend the meeting.

## Board Audit Committee

During the year under review, four (04) Board Audit Committee meetings were held and attendance by each member is given below:

| Name | Status | Meetings Attended |
|---|---|---|
| Mr. Haroon Sharif | Committee Chairman | 4/4 |
| Mr. Almas Hyder | Member | 4/4 |
| Mr. Ameen Ahsan | Member | 1/4 |
| Dr. Nighat Arshad | Member | 3/4 |

## Human Resource & Remuneration Committee

The composition of Human Resource and Remuneration Committee (HR Committee) is as follows:

| Name | Status |
|---|---|
| Mr. Ameen Ahsan | Committee Chairman |
| Mr. Almas Hyder | Member |
| Mr. Zia Hyder Naqi | Member |
| Dr. Syed Sohail Hussain Naqvi | Member |
| Mr. Abid Saleem Khan | Member |

## Finance Committee

The composition of the Finance Committee is as follows:

| Name | Status |
|---|---|
| Mr. Almas Hyder | Committee Chairman |
| Mr. Zia Hyder Naqi | Member |
| Mr. Haroon Sharif | Member |
| Dr. Syed Sohail Hussain Naqvi | Member |
| Mr. Abid Saleem Khan | Member |

## Risk Management and Sustainability Committee

The composition of the Risk Management and Sustainability Committee is as follows:

| Name | Status |
|---|---|
| Dr. Syed Sohail Hussain Naqvi | Committee Chairman |
| Mr. Zia Hyder Naqi | Member |
| Mr. Haroon Sharif | Member |
| Dr. Nighat Arshad | Member |

## Nomination Committee

The composition of the Nomination Committee is as follows:

| Name | Status |
|---|---|
| Mr. Almas Hyder | Committee Chairman |
| Mr. Zia Hyder Naqi | Member |
| Dr. Syed Sohail Hussain Naqvi | Member |

## TRAINING BY DIRECTORS

At the reporting date, six (06) directors of the Company are certified under the Directors Training Program (DTP) as envisaged in the Listed Companies (Code of Corporate Governance) Regulations, 2019, whereas the remaining one Director is planned to complete the training in due course.

## PERFORMANCE EVALUATION OF THE BOARD

The Board has put in place a mechanism for evaluating the performance of the Board and of its committees. During the year under review, a formal evaluation was carried out by the individual members of the Board and collective results were discussed during a Board Meeting with emphasis on areas of improvement. Overall, the performance was found to be satisfactory.



Some significant matters included in the evaluation criteria are as follows:

- Evaluation of Overall Board
- Evaluation of Board Committees
- Evaluation of skills of all members
- Business Strategy
- Succession Planning

## INVESTOR RELATIONS AND GRIEVANCES

The company places significant importance on its relations with investors and has established a grievance reporting mechanism which seeks to resolve any complaints or unattended issues. To ensure that the stakeholders can register their complaints conveniently, an online form is also available on company's website. During the year, the Company has not received any complaints or grievances, however, certain requests for revalidation of dividend warrants and dispatch of physical reports were received which were addressed to the satisfaction of the shareholders.

## PATTERN OF SHAREHOLDING

The pattern of shareholding is annexed to this report.

## CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The company is in compliance with the requirements of the Corporate and Financial Reporting Framework as enumerated in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 and we confirm that:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan have been followed in preparation of financial statements and any departure(s) therefrom, if any, has been adequately disclosed and explained.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- Key operating and financial data for the last six years is annexed.
- Information about taxes and levies is given in notes to the Financial Statements.
- There is no likelihood of any delayed payments or default in respect of all loans availed by the Company.
- There are no material risks and uncertainties specific to our Company except political and economic risks.
- There are no material impact of our business on the environment.
- The aggregate amount of remuneration paid to the directors is available in note no. 42 to the notes to the financial statements.
- The Company operates a contributory Provident Fund Scheme for all its eligible employees. The relevant information has been mentioned in notes to the Financial Statements.
- The Board has reviewed and decided that any employee of SPEL having monthly gross salary of Rs. 500,000 or more should be considered as “Executive” for the purposes of reporting transaction(s) in the shares of the Company as required by Rule 5.6.4 of the PSX Rule Book.
- There have been no material changes since 30 June 2026 to the date of this report and the Company has not entered into any commitment during this period, which would have an adverse impact on the financial position of the Company.

## SIGNIFICANT PLANS AND DECISIONS

During the reporting period, the Board of Directors deliberated and executed key strategic initiatives to drive the company's growth and resilience. This encompassed expanding our business footprint into new markets and approving major capital expenditures that align with our long-term vision. These measures were taken to enhance our competitive edge, foster sustainable growth, and maximize stakeholder value. Throughout this process, the Board maintained a steadfast commitment to rigorous risk management, ensuring that the company's risk tolerance was established through well-defined policies. Furthermore, an assessment of principal risks was considered, taking into account potential threats to our business model, future performance, as well as solvency and liquidity.

## STRATEGIC OBJECTIVES ON ESG AND SUSTAINABILITY REPORTING

Our dedication to Environmental, Social, and Governance (ESG) excellence is strong and unwavering. The Board is committed to including sustainable practices in our strategic goals. This means taking care of the environment, promoting inclusivity in society, and upholding good corporate governance. By following ESG principles, we aim to create value in the long run, build trust with stakeholders, and ensure our organization's lasting growth.

## SUSTAINABILITY AND DIVERSITY, EQUITY & INCLUSION (DE&I) INITIATIVES

The Board of Directors is committed to ensuring that sustainability-related risks are carefully assessed and effectively managed. Our approach includes identifying key Environmental, Social, and Governance (ESG) risks that may impact the Company's operations and implementing risk management strategies to mitigate these. We would establish frameworks to address these risks, including regular monitoring and reporting mechanisms. Additionally, we recognize the importance of Diversity, Equity, and Inclusion (DE&I) in fostering an innovative and inclusive work environment. We would implement several initiatives aimed at promoting DE&I across all levels of the Company, ensuring that our workforce reflects the diverse communities we serve and that equal opportunities are available to all employees. These efforts are integral to our long-term success and are continuously refined to align with best practices and evolving stakeholder expectations.

## BUSINESS CONTINUITY AND DISASTER RECOVERY

The Board carefully examined and strengthened the plans for business continuity and disaster recovery. These steps are meant to reduce possible problems and make sure our operations keep running smoothly even during unexpected situations.

## GOVERNMENT POLICIES RELATED TO THE COMPANY'S BUSINESS SECTOR

The Government of Pakistan's monetary and industrial policies during the year had a favourable impact on the Company's operations. Following the State Bank of Pakistan's monetary easing cycle, policy interest rates declined during the year, which reduced the Company's financing costs. The Government's industrial policy continued to focus on local manufacturing, technology improvement, productivity and value addition. The Company remains compliant with applicable laws and regulations and continues to monitor government policies to benefit from available incentives and frameworks.

## CYBER RISK MANAGEMENT AND ENFORCEMENT

Recognizing the evolving landscape of cyber risks, the Board understands its role in evaluating, monitoring, and enforcing cyber risk management strategies. The Board has entrusted the management team to safeguard sensitive information and uphold data privacy. In the event of any breach, the management should take immediate action to mitigate the impact, ensuring the protection of our stakeholders' interests and maintaining trust in our digital operations.

## FINANCIAL ACCOUNTING AND REPORTING STANDARDS COMPLIANCE

The Board is committed to upholding full compliance with applicable financial accounting and reporting standards in Pakistan, including the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan and Provisions of and directives issued under the Companies Act,2017. We recognize the critical importance of accurate and transparent financial reporting, and our dedication to adhering to these standards underscores our commitment to maintaining the highest levels of integrity and accountability.

## EXTERNAL AUDITORS

The present statutory auditors, M/s KPMG Taseer Hadi & Co., Chartered Accountants, will retire at the conclusion of the upcoming Annual General Meeting.

In line with good corporate governance practices regarding the periodic review and rotation of statutory auditors, the Audit Committee considered a change in the Company's statutory auditors and recommended the appointment of M/s RSM Avais Hyder Liaquat Nauman, Chartered Accountants, as the Statutory Auditors of the Company for the financial year 2026-27, in place of M/s KPMG Taseer Hadi & Co., Chartered Accountants.

The recommendation of the Audit Committee was endorsed by the Board of Directors, and the matter will now be tabled before the shareholders for approval at the forthcoming Annual General Meeting. The remuneration of the auditors will be fixed as approved by the shareholders at the said Annual General Meeting.

## FUTURE OUTLOOK

Looking ahead to FY 2026–27, the Company remains focused on sustainable growth, operational efficiency and strengthening its market position. The Company will continue to invest in technology,



capacity enhancement and process improvements to meet growing demand, particularly from the food and FMCG sectors.

The Company also aims to expand its product portfolio, strengthen customer relationships and pursue opportunities in new markets while continuing its focus on sustainability, digital transformation and automation. The Board remains committed to prudent risk management and creating sustainable value for all stakeholders.

## ACKNOWLEDGEMENT

We are pleased to acknowledge that relations with employees remained cordial throughout the year. The management recognizes and records its sincere appreciation to all employees for their continued dedication, commitment and hard work, without which these achievements would not have been possible.

We would also like to appreciate our valuable customers for their continued support and reliance on our products. The support extended by financial institutions was a source of strength and we extend our gratitude to them also.

Chief Executive Officer

Director

Dated: 17 August 2026
Place: Lahore

## GENDER PAY GAP STATEMENT AS PER CIRCULAR 10 OF 2024 ISSUED BY SECP

### FOR THE YEAR ENDED 30 JUNE 2026

SPEL Limited's commitment to Diversity, Equity, and Inclusion (DE&I) has been central to its talent acquisition and employee engagement strategies. The Company adheres to a transparent, merit-based process in all employment practices, including recruitment, annual salary reviews and career development, ensuring fair and equitable compensation without any discrimination based on gender, race, or ethnicity.

For the year ended June 30, 2026, the gender pay gap of relevant employees is as follows:

- Mean Gender Pay Gap: 3.1%
- Median Gender Pay Gap: 0.08%

### Notes:

I. In calculating the gender pay gap, comparisons were made among employees within the relevant functions and employee groups in which both male and female employees are represented. As female employees are primarily employed at the Head Office, the analysis was conducted based on the relevant employee population within the respective functions. This approach provides a meaningful comparison of compensation across employees performing comparable roles and functions within the Company.

II. The results of the mean and median gender pay gap are subject to certain limitations. At SPEL, there is no discrimination in pay, the observed gap primarily reflects differences in factors such as length of service,education and duration of experience etc.

SPEL Limited's approach to fostering a fair and inclusive workplace includes:

- **Equal Employment Opportunity:** Ensuring equal opportunity by maintaining a discrimination-free workplace, applying fair hiring practices and offering equal chances of advancement for all employees regardless of gender.
- **Merit-Based Evaluations and Growth:** Conducting fair and transparent performance evaluations and salary adjustments through annual reviews that are merit-driven, market- aligned, and free from gender bias. Employees are rewarded based on roles, performance, and responsibilities.
- **Inclusive Workplace Policies:** Implementing progressive policies such as maternity leave and anti-harassment safeguards to promote an inclusive and supportive work environment.

**Chief Executive Officer**
Dated: August 17, 2026



# Six Years Financial Information

| FINANCIAL SUMMARY | | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|---|---|
| **BALANCE SHEET** | | | | | | | |
| Share capital | Rs. in 000 | 998,680 | 998,680 | 998,680 | 998,680 | 998,680 | 924,704 |
| No of shares (closing) | No. in 000 | 199,736 | 199,736 | 199,736 | 199,736 | 199,736 | 92,470 |
| Fixed assets | Rs. in 000 | 5,155,387 | 4,268,478 | 4,166,688 | 4,195,700 | 4,014,130 | 2,784,822 |
| Total assets | Rs. in 000 | 9,786,947 | 8,252,918 | 7,303,401 | 6,848,666 | 6,176,166 | 4,532,441 |
| Equity | Rs. in 000 | 7,317,320 | 6,109,862 | 5,122,389 | 4,635,839 | 4,250,205 | 3,361,164 |
| Long term loans & leases | Rs. in 000 | 275,754 | 314,788 | 365,567 | 519,684 | 634,658 | 296,215 |
| Current assets | Rs. in 000 | 4,616,978 | 3,967,850 | 3,098,682 | 2,626,309 | 2,140,209 | 1,729,801 |
| Stocks | Rs. in 000 | 2,376,950 | 1,784,548 | 1,635,728 | 1,592,636 | 1,304,465 | 757,803 |
| Debtors | Rs. in 000 | 1,134,900 | 1,302,075 | 712,937 | 628,875 | 605,194 | 593,929 |
| Cash and bank Balances | Rs. in 000 | 356,278 | 272,988 | 161,134 | 37,653 | 100,258 | 67,999 |
| Creditors | Rs. in 000 | 736,554 | 747,410 | 600,343 | 530,020 | 324,184 | 292,210 |
| Current liabilities | Rs. in 000 | 1,555,275 | 1,214,236 | 1,316,706 | 1,155,558 | 848,628 | 655,190 |
| Non-Current liabilities | Rs. in 000 | 914,352 | 928,820 | 864,306 | 1,057,269 | 1,077,333 | 516,087 |
| Total liabilities | Rs. in 000 | 2,469,627 | 2,143,056 | 2,181,012 | 2,212,827 | 1,925,961 | 1,171,277 |
| Short term finances | Rs. in 000 | 802,373 | 435,412 | 656,760 | 586,278 | 488,046 | 351,105 |
| Working capital | Rs. in 000 | 2,690,188 | 2,269,705 | 1,684,297 | 1,627,264 | 1,536,773 | 1,010,027 |
| **PROFIT OR LOSS ACCOUNT** | | | | | | | |
| Sales | Rs. in 000 | 9,408,869 | 9,633,218 | 6,965,105 | 6,430,965 | 6,308,361 | 4,171,022 |
| Cost of sales | Rs. in 000 | 6,937,502 | 7,045,259 | 5,643,032 | 5,117,719 | 5,063,811 | 3,272,352 |
| Gross profit | Rs. in 000 | 2,471,367 | 2,587,958 | 1,322,073 | 1,313,246 | 1,244,550 | 898,670 |
| Profit before taxation | Rs. in 000 | 1,855,246 | 1,991,021 | 907,819 | 859,594 | 852,164 | 638,835 |
| Depreciation | Rs. in 000 | 374,592 | 351,572 | 323,869 | 319,604 | 273,380 | 190,088 |
| Amortization | Rs. in 000 | 29 | 164 | 164 | 164 | 106 | 135 |
| Financial cost | Rs. in 000 | 81,397 | 127,549 | 133,274 | 135,481 | 102,860 | 46,158 |
| Profit after tax | Rs. in 000 | 1,136,321 | 1,253,122 | 640,967 | 491,098 | 538,925 | 460,233 |
| EBIT | Rs. in 000 | 1,936,643 | 2,118,570 | 1,041,093 | 995,075 | 955,025 | 684,993 |
| EBITDA | Rs. in 000 | 2,311,264 | 2,470,306 | 1,365,127 | 1,314,843 | 1,228,511 | 875,216 |
| **CASH FLOW STATEMENT** | | | | | | | |
| Cash flow from operating activities | Rs. in 000 | 1,159,274 | 1,224,133 | 869,633 | 756,080 | 466,282 | 780,232 |
| Cash flow from investing activities | Rs. in 000 | (748,726) | (596,945) | (90,151) | (453,318) | (986,114) | (617,784) |
| Cash flow from financing activities | Rs. in 000 | (474,780) | (861,871) | (370,713) | (398,981) | 442,354 | 82,603 |
| Opening cash & cash equivalents | Rs. in 000 | 133,934 | 368,617 | (40,152) | 56,066 | 133,543 | (111,507) |
| Closing cash & cash equivalents | Rs. in 000 | 69,702 | 133,934 | 368,617 | (40,152) | 56,066 | 133,543 |
| Free Cash flows | Rs. in 000 | 410,548 | 627,187 | 779,482 | 302,763 | (519,831) | 162,448 |

** Cash and cash equivalents represents the cash & bank balances net of short term running finances.*

# Six Years Financial Information

| SIGNIFICANT RATIOS | | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|---|---|
| **PROFITABILITY** | | | | | | | |
| Gross profit ratio | %age | 26% | 27% | 19% | 20% | 20% | 22% |
| Net profit ratio | %age | 12% | 13% | 9% | 8% | 9% | 11% |
| EBITDA margin to sales | %age | 25% | 26% | 20% | 20% | 19% | 21% |
| Operating leverage ratio | %age | 81% | 40% | 9% | 33% | 13% | 27% |
| Return on equity | %age | 16% | 21% | 13% | 11% | 13% | 14% |
| Return on capital employed | %age | 16% | 21% | 12% | 10% | 13% | 14% |
| Shareholders' Funds | Rs. | 7,317,320 | 6,109,862 | 5,122,389 | 4,635,839 | 4,250,205 | 3,361,164 |
| Return on Shareholders' Funds | %age | 16% | 21% | 13% | 11% | 13% | 14% |
| Return on Investment | %age | 15% | 20% | 12% | 10% | 11% | 13% |
| **LIQUIDITY / LEVERAGE** | | | | | | | |
| Current ratio | Times | 2.97 | 3.27 | 2.35 | 2.27 | 2.52 | 2.64 |
| Quick/Acid test ratio | Times | 1.44 | 1.80 | 1.11 | 0.89 | 0.98 | 1.48 |
| Cash to current liabilities | %age | 23% | 22% | 12% | 3% | 12% | 10% |
| Cash flow from operations to sales | %age | 22% | 20% | 19% | 18% | 11% | 22% |
| Cash flow to capital expenditures | Times | 0.92 | 2.70 | 2.95 | 1.51 | 0.31 | 1.24 |
| Cash flow coverage ratio | Times | 1.89 | 2.26 | 1.21 | 1.05 | 0.58 | 1.53 |
| **ACTIVITY / TURNOVER RATIOS** | | | | | | | |
| Inventory turnover ratio | Times | 3.33 | 4.12 | 3.50 | 3.53 | 4.91 | 4.58 |
| No of days in inventory | Days | 109 | 89 | 104 | 103 | 74.32 | 79.61 |
| Debtor turnover ratio | Times | 7.72 | 9.56 | 10.38 | 10.42 | 10.52 | 7.56 |
| No of days in receivables | Days | 47 | 38 | 35 | 35 | 34.69 | 48.27 |
| Creditor turnover ratio | Times | 9.35 | 10.45 | 9.98 | 11.98 | 16.43 | 14.91 |
| No of days in payables | Days | 39 | 35 | 37 | 30 | 22.21 | 24.49 |
| Fixed assets turnover ratio | Times | 1.83 | 2.26 | 1.67 | 1.53 | 1.57 | 1.50 |
| Total assets turnover ratio | Times | 0.96 | 1.17 | 0.95 | 0.94 | 1.02 | 0.92 |
| Operating cycle | Days | 118 | 92 | 103 | 108 | 86.80 | 103.40 |
| **INVESTMENT / MARKET RATIOS** | | | | | | | |
| Earning per share - Reported | Rs. | 5.99 | 6.60 | 3.36 | 2.47 | 2.70 | 2.30 |
| Price earnings ratio | Times | 8.64 | 6.90 | 4.74 | 4.21 | 5.28 | 18.73 |
| Price to book ratio | Times | 1.41 | 1.49 | 0.62 | 0.45 | 0.67 | 1.19 |
| Dividend yield ratio | %age | 1.9% | 2.2% | 5.0% | 7.2% | 3.5% | 3.0% |
| Dividend payout ratio | %age | 16.7% | 15.2% | 23.8% | 30.4% | 18.5% | 56.5% |
| Dividend cover ratio | Times | 5.99 | 6.60 | 4.20 | 3.29 | 5.40 | 1.77 |
| Dividend per share** | Rs. | 1.00 | 1.00 | 0.80 | 0.75 | 0.50 | 1.30 |
| Market value per share at the year/period end* | Rs. | 51.74 | 45.55 | 15.92 | 10.4 | 14.26 | 43.08 |
| Breakup value per share (without land's revaluation surplus) | Rs. | 32.93 | 27.84 | 22.63 | 19.07 | 17.14 | 32.78 |
| Breakup value per share (with land's revaluation surplus) | Rs. | 38.56 | 32.20 | 27.00 | 23.21 | 21.28 | 36.35 |
| Free Cash flows | Rs. in 000 | 410,548 | 627,187 | 779,482 | 302,763 | (519,831) | 162,448 |
| **CAPITAL STRUCTURE RATIOS** | | | | | | | |
| Financial leverage ratio | Times | 0.15 | 0.12 | 0.20 | 0.24 | 0.26 | 0.19 |
| Weighted average cost of debt | %age | 9% | 14% | 13% | 12% | 12% | 7% |
| Debt to equity ratio - Book Value | Times | 0.12 | 0.11 | 0.19 | 0.16 | 0.19 | 0.15 |
| Debt to equity ratio - Market Value | Times | 0.03 | 0.03 | 0.23 | 0.35 | 0.28 | 0.13 |
| Net Asset Per Share | Rs. | 38.56 | 32.20 | 27.00 | 23.21 | 21.28 | 36.35 |
| Interest cover ratio | Times | 23.79 | 16.61 | 7.81 | 7.34 | 9.28 | 14.84 |
| **RETURN TO SHAREHOLDERS** | | | | | | | |
| R.O.E. before tax | %age | 25% | 33% | 18% | 19% | 20% | 19% |
| R.O.E. after tax | %age | 16% | 21% | 13% | 11% | 13% | 14% |
| EPS | Rs. | 5.99 | 6.60 | 3.36 | 2.47 | 2.70 | 2.30 |
| **SOLVENCY** | | | | | | | |
| Debtors turnover | Times | 7.72 | 9.56 | 10.38 | 10.42 | 10.52 | 7.56 |
| Creditors turnover | Times | 9.35 | 10.45 | 9.98 | 11.98 | 16.43 | 14.91 |
| **OTHER INFORMATION** | | | | | | | |
| Sale growth rate | %age | -2% | 38% | 8% | 2% | 51% | 35% |
| **NON-FINANCIAL RATIOS** | | | | | | | |
| Revenue per Employee | Rs. In 000 | 15,450 | 15,389 | 12,922 | 11,088 | 9,661 | 7,382 |
| Staff turnover ratio | %age | 9% | 7% | 7% | 7% | -17% | -2% |

* Source of information is Pakistan stocks exchange website.



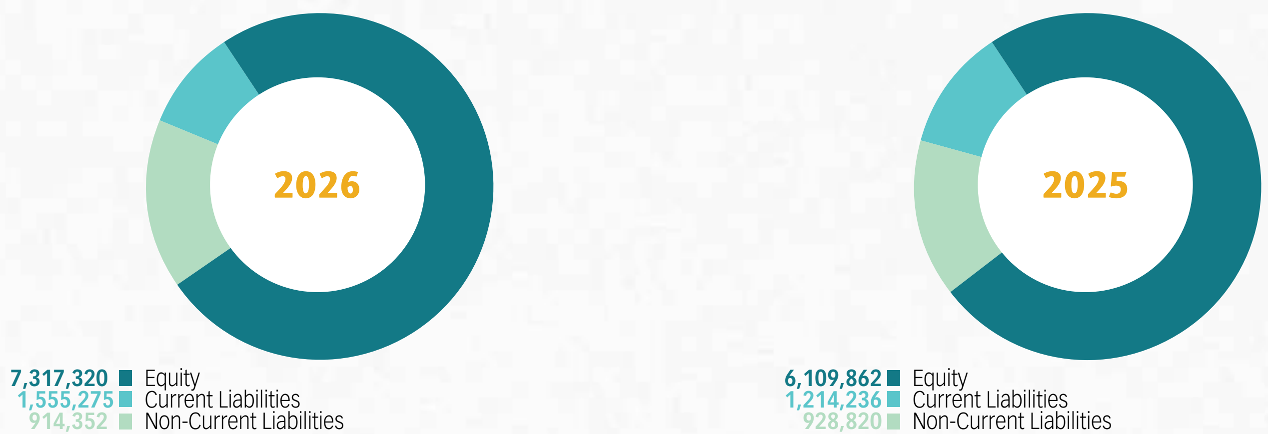
# Cash Flow Statement - Direct Method

| | 2026 Rupees | 2025 Rupees |
|---|---|---|
| **Cash flows from operating activities** | | |
| Cash receipts from customers | 9,594,501,954 | 8,963,263,188 |
| Cash paid to suppliers/ service providers and employees | (7,485,267,661) | (7,055,863,662) |
| **Cash generated from operations** | 2,109,234,293 | 1,907,399,526 |
| Worker's Profit Participation Fund paid | (108,991,643) | (48,892,601) |
| Workers' Welfare Fund paid | (31,875,718) | (18,479,057) |
| Mark up paid on Islamic mode of financing | (6,332,324) | (34,641,845) |
| Interest paid on conventional loans | (74,086,866) | (66,544,806) |
| Final taxes paid | - | (640,817) |
| Taxes paid | (730,652,747) | (513,644,546) |
| Long term deposits - net | 1,979,205 | (423,001) |
| | (949,960,093) | (683,266,673) |
| **Cash generated from operating activities** | 1,159,274,200 | 1,224,132,853 |
| **Cash flows from investing activities** | | |
| Acquisition of property, plant and equipment | (723,789,257) | (137,891,490) |
| Acquisition of intangibles | - | - |
| Advances to suppliers | - | - |
| Investment in treasury bills | (109,212,000) | (507,600,504) |
| Proceeds from disposal of long term investment | - | - |
| Proceeds from disposal of property, plant and equipment | 84,275,538 | 48,546,520 |
| **Net cash used in investing activities** | (748,725,719) | (596,945,474) |
| **Cash flows from financing activities** | | |
| Principal repayment of lease liability | (223,503,301) | (415,374,517) |
| Repurchase of treasury shares | - | - |
| Long term loan received | - | - |
| Long term loan repaid | (81,669,839) | (134,033,039) |
| Diminishing musharika paid | - | (18,750,016) |
| Short term borrowings (repaid)/ received | - | (29,996,799) |
| Cash dividend paid | (169,607,257) | (263,716,442) |
| **Net (used in) / cash generated from financing activities** | (474,780,397) | (861,870,813) |
| **Net (decrease) in cash and cash equivalents** | (64,231,916) | (234,683,434) |
| **Cash and cash equivalents at beginning of the year** | 133,933,716 | 368,617,150 |
| **Cash and cash equivalents at end of the year** | 69,701,800 | 133,933,716 |

# Graphical Presentation

## EQUITY AND LIABILITIES

(Rupees in thousand)



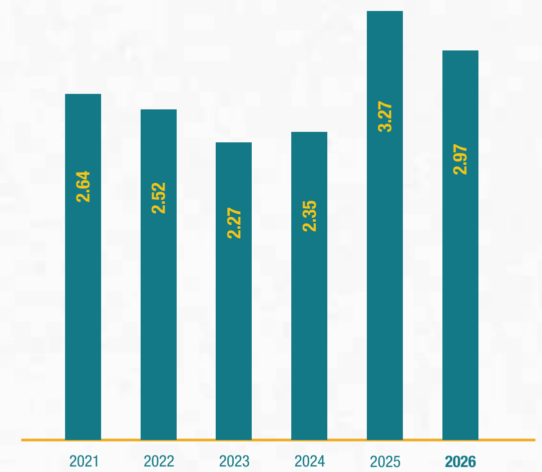

## FIXED AND CURRENT ASSETS

(Rupees in thousand)



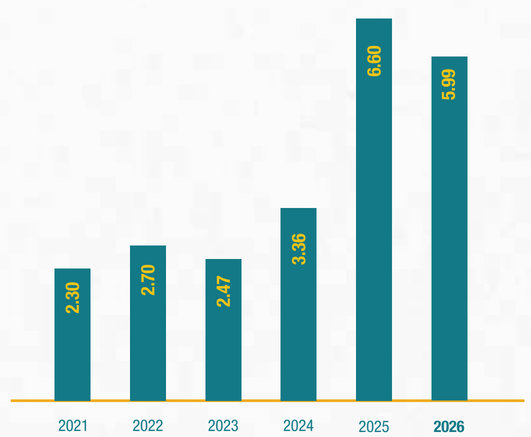

## CURRENT RATIO

(Times)



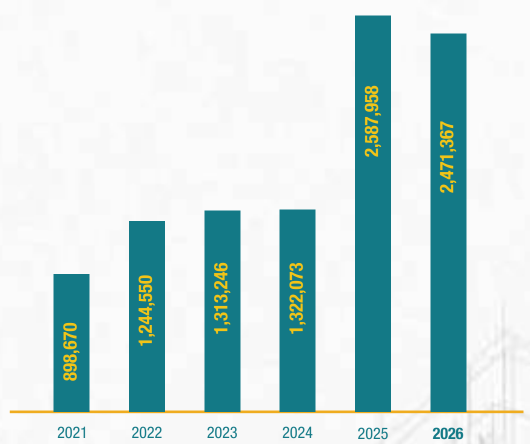

## EPS

(Rupees)




## GROSS PROFIT

(Rupees in thousand)

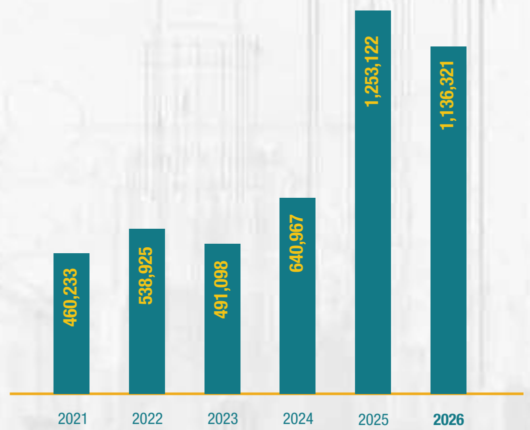



## SALES

(Rupees in thousand)


## PROFIT AFTER TAX

(Rupees in thousand)



# Horizontal Financial Analysis

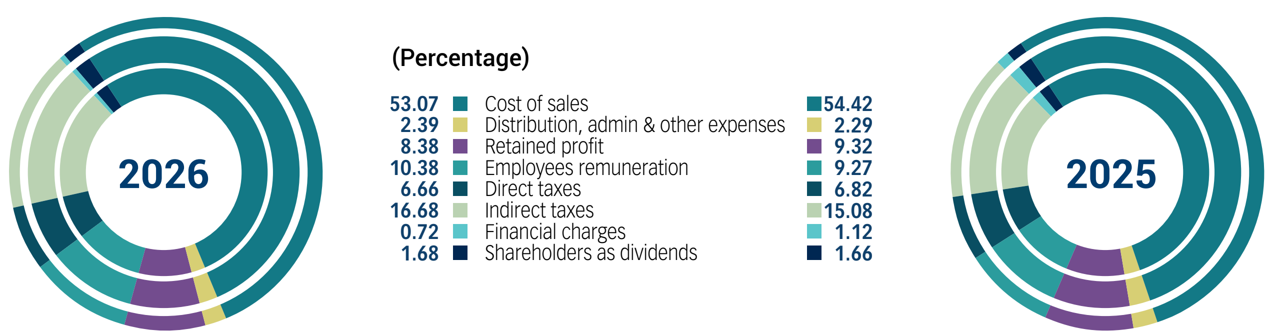
| Nomenclature | 2026 | | 2025 | | 2024 | | 2023 | | 2022 | | 2021 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Rs. in 000 | % | Rs. in 000 | % | Rs. in 000 | % | Rs. in 000 | % | Rs. in 000 | % | Rs. in 000 | % |
| **Nomenclature** | | | | | | | | | | | | |
| Equity and reserves | 6,247,699 | 18.28 | 5,282,153 | 22.99 | 4,294,680 | 12.78 | 3,808,130 | 11.27 | 3,422,496 | 12.91 | 3,031,132 | 19.64 |
| Surplus on revaluation of land | 1,069,621 | 29.23 | 827,709 | - | 827,709 | - | 827,709 | - | 827,709 | 150.80 | 330,032 | - |
| Long term loans | 231,558 | (19.58) | 287,919 | (18.58) | 353,625 | (29.38) | 500,752 | (19.48) | 621,875 | 114.53 | 289,883 | 5.25 |
| Non current liabilities | 682,794 | 6.54 | 640,901 | 25.50 | 510,681 | (8.24) | 556,517 | 22.19 | 455,458 | 101.35 | 226,204 | 0.09 |
| Total current liabilities | 1,555,275 | 28.09 | 1,214,236 | (7.78) | 1,316,706 | 13.95 | 1,155,558 | 36.17 | 848,628 | 29.52 | 655,190 | 29.07 |
| | 9,786,947 | 18.59 | 8,252,918 | 13.00 | 7,303,401 | 6.64 | 6,848,666 | 10.89 | 6,176,166 | 36.27 | 4,532,441 | 17.04 |
| Property plant and equipment | 5,155,387 | 20.78 | 4,268,478 | 2.44 | 4,166,688 | (0.69) | 4,195,700 | 4.52 | 4,014,130 | 44.14 | 2,784,822 | 18.78 |
| Long term investments | - | - | - | - | - | - | - | - | 1,198 | (54.89) | 2,657 | 46.92 |
| Non current assets - others | 14,582 | (12.10) | 16,590 | (56.38) | 38,031 | 42.67 | 26,657 | 29.23 | 20,628 | 36.07 | 15,161 | 34.04 |
| Stores spares and loose tools | 85,107 | 22.44 | 69,508 | 8.56 | 64,025 | (0.31) | 64,227 | 31.88 | 48,701 | (1.60) | 49,495 | 63.81 |
| Stock in trade | 2,291,843 | 33.63 | 1,715,041 | 9.12 | 1,571,703 | 2.83 | 1,528,409 | 21.71 | 1,255,763 | 77.29 | 708,308 | 10.77 |
| Trade debts | 1,134,900 | (12.84) | 1,302,075 | 82.64 | 712,937 | 13.37 | 628,875 | 3.91 | 605,194 | 1.90 | 593,929 | 16.61 |
| Income tax receivables | 67,690 | 312.21 | 16,421 | (84.82) | 108,171 | 55.62 | 69,508 | (21.43) | 88,470 | (46.81) | 166,332 | (38.81) |
| Short term investment | 616,813 | 21.52 | 507,601 | 30.93 | 387,693 | 84.25 | 210,418 | 100.00 | - | (100.00) | 130,000 | 100.00 |
| Advances, deposits, prepayments and other receivables | 64,348 | (23.59) | 84,217 | (9.46) | 93,018 | 6.65 | 87,220 | 108.55 | 41,822 | 204.44 | 13,738 | (75.15) |
| Cash and bank balances | 356,278 | 30.51 | 272,988 | 69.42 | 161,134 | 327.94 | 37,653 | (62.44) | 100,258 | 47.44 | 67,999 | 665.77 |
| | 9,786,947 | 18.59 | 8,252,918 | 13.00 | 7,303,401 | 6.64 | 6,848,666 | 10.89 | 6,176,166 | 36.27 | 4,532,441 | 17.04 |
| **Nomenclature** | | | | | | | | | | | | |
| Sales - net | 9,408,869 | (2.33) | 9,633,218 | 38.31 | 6,965,105 | 8.31 | 6,430,965 | 1.94 | 6,308,361 | 51.24 | 4,171,022 | 34.66 |
| Cost of sales | 6,937,502 | (1.53) | 7,045,259 | 24.85 | 5,643,032 | 10.26 | 5,117,719 | 1.06 | 5,063,811 | 54.75 | 3,272,352 | 29.62 |
| **Gross profit** | 2,471,367 | (4.51) | 2,587,958 | 95.75 | 1,322,073 | 0.67 | 1,313,246 | 5.52 | 1,244,550 | 38.49 | 898,670 | 56.85 |
| Admin expenses | 464,693 | 12.44 | 413,267 | 26.97 | 325,483 | 23.42 | 263,712 | 11.82 | 235,840 | 39.65 | 168,885 | 9.43 |
| Selling and distribution expenses | 88,703 | 15.26 | 76,956 | 31.40 | 58,565 | 23.81 | 47,301 | 16.56 | 40,580 | 20.97 | 33,546 | 30.71 |
| Impairment reversal/(loss)on financial assets | 18,459 | (157.08) | (32,337) | 100.00 | - | - | - | - | - | - | - | - |
| **Operating profit** | 1,936,429 | (6.24) | 2,065,399 | 120.19 | 938,025 | (6.41) | 1,002,233 | 3.52 | 968,130 | 39.05 | 696,240 | 77.19 |
| Other charges | 150,166 | (17.31) | 181,603 | 120.92 | 82,205 | 20.12 | 68,433 | 10.97 | 61,670 | 14.11 | 54,045 | 64.04 |
| Finance cost | 81,397 | (36.18) | 127,549 | (4.30) | 133,274 | (1.63) | 135,481 | 31.71 | 102,860 | 122.84 | 46,158 | (37.38) |
| | 1,704,866 | (2.93) | 1,756,246 | 143.06 | 722,546 | (9.49) | 798,319 | (0.66) | 803,600 | 34.82 | 596,037 | 108.20 |
| Other income | 150,380 | (35.95) | 234,775 | 24.99 | 187,835 | 206.54 | 61,275 | 26.17 | 48,565 | 13.47 | 42,798 | 19.81 |
| **Profit before tax** | 1,855,246 | (6.82) | 1,991,021 | 118.70 | 910,380 | 5.91 | 859,594 | 0.87 | 852,164 | 33.39 | 638,835 | 98.39 |
| Final tax | - | 100.00 | - | (100.00) | 2,561 | 100.00 | - | - | - | - | - | - |
| Taxation | 718,925 | (2.57) | 737,899 | 176.52 | 266,852 | (27.58) | 368,497 | 17.64 | 313,239 | 75.38 | 178,602 | 182.64 |
| **Profit after tax** | 1,136,321 | (9.32) | 1,253,122 | 95.50 | 640,967 | 30.52 | 491,098 | (8.87) | 538,925 | 17.10 | 460,233 | 77.82 |

# Vertical Financial Analysis

| Nomenclature | 2026 | | 2025 | | 2024 | | 2023 | | 2022 | | 2021 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Rs. in 000 | % | Rs. in 000 | % | Rs. in 000 | % | Rs. in 000 | % | Rs. in 000 | % | Rs. in 000 | % |
| **Nomenclature** | | | | | | | | | | | | |
| Equity and reserves | 6,247,699 | 63.84 | 5,282,153 | 64.00 | 4,294,680 | 58.80 | 3,808,130 | 55.60 | 3,422,496 | 55.41 | 3,031,132 | 66.88 |
| Surplus on revaluation of land | 1,069,621 | 10.93 | 827,709 | 10.03 | 827,709 | 11.33 | 827,709 | 12.09 | 827,709 | 13.40 | 330,032 | 7.28 |
| Long term loans | 231,558 | 2.37 | 287,919 | 3.49 | 353,625 | 4.84 | 500,752 | 7.31 | 621,875 | 10.07 | 289,883 | 6.40 |
| Non current liabilities | 682,794 | 6.98 | 640,901 | 7.77 | 510,681 | 6.99 | 556,517 | 8.13 | 455,458 | 7.37 | 226,204 | 4.99 |
| Total current liabilities | 1,555,275 | 15.89 | 1,214,236 | 14.71 | 1,316,706 | 18.03 | 1,155,558 | 16.87 | 848,628 | 13.74 | 655,190 | 14.46 |
| | 9,786,947 | 100.00 | 8,252,918 | 100.00 | 7,303,401 | 100.00 | 6,848,666 | 100.00 | 6,176,166 | 100.00 | 4,532,441 | 100.00 |
| Property plant and equipment | 5,155,387 | 52.68 | 4,268,478 | 51.72 | 4,166,688 | 57.05 | 4,195,700 | 61.26 | 4,014,130 | 64.99 | 2,784,822 | 61.44 |
| Long term investments | - | - | - | - | - | - | - | - | 1,198 | 0.02 | 2,657 | 0.06 |
| Non current assets - others | 14,582 | 0.15 | 16,590 | 0.20 | 38,031 | 0.52 | 26,657 | 0.39 | 20,628 | 0.33 | 15,161 | 0.33 |
| Stores, spares and loose tools | 85,107 | 0.87 | 69,508 | 0.84 | 64,025 | 0.88 | 64,227 | 0.94 | 48,701 | 0.79 | 49,495 | 1.09 |
| Stock in trade | 2,291,843 | 23.42 | 1,715,041 | 20.78 | 1,571,703 | 21.52 | 1,528,409 | 22.32 | 1,255,763 | 20.33 | 708,308 | 15.63 |
| Trade debts | 1,134,900 | 11.60 | 1,302,075 | 15.78 | 712,937 | 9.76 | 628,875 | 9.18 | 605,194 | 9.80 | 593,929 | 13.10 |
| Income tax receivables | 67,690 | 0.69 | 16,421 | 0.20 | 108,171 | 1.48 | 69,508 | 1.01 | 88,470 | 1.43 | 166,332 | 3.67 |
| Short term investment | 616,813 | 6.30 | 507,601 | 6.15 | 387,693 | 5.31 | 210,418 | 3.07 | - | - | 130,000 | 2.87 |
| Advances, deposits, prepayments and other receivables | 64,348 | 0.66 | 84,217 | 1.02 | 93,018 | 1.27 | 87,220 | 1.27 | 41,822 | 0.68 | 13,738 | 0.30 |
| Cash and bank balances | 356,278 | 3.64 | 272,988 | 3.31 | 161,134 | 2.21 | 37,653 | 0.55 | 100,258 | 1.62 | 67,999 | 1.50 |
| | 9,786,947 | 100.00 | 8,252,918 | 100.00 | 7,303,401 | 100.00 | 6,848,666 | 100.00 | 6,176,166 | 100.00 | 4,532,441 | 100.00 |
| **Nomenclature** | | | | | | | | | | | | |
| Sales - net | 9,408,869 | 100.00 | 9,633,218 | 100.00 | 6,965,105 | 100.00 | 6,430,965 | 100.00 | 6,308,361 | 100.00 | 4,171,022 | 100.00 |
| Cost of sales | 6,937,502 | 73.73 | 7,045,259 | 73.14 | 5,643,032 | 81.02 | 5,117,719 | 79.58 | 5,063,811 | 80.27 | 3,272,352 | 78.45 |
| **Gross profit** | 2,471,367 | 26.27 | 2,587,958 | 26.86 | 1,322,073 | 18.98 | 1,313,246 | 20.82 | 1,244,550 | 19.73 | 898,670 | 21.55 |
| Admin expenses | 464,693 | 4.94 | 413,267 | 4.29 | 325,483 | 4.67 | 263,712 | 4.10 | 235,840 | 3.74 | 168,885 | 4.05 |
| Selling and distribution expenses | 88,703 | 0.94 | 76,956 | 0.80 | 58,565 | 0.84 | 47,301 | 0.74 | 40,580 | 0.64 | 33,546 | 0.80 |
| Impairment reversal/(loss)on financial assets | 18,459 | 0.20 | (32,337) | (0.34) | - | 0.00 | - | 0.00 | - | 0.00 | - | 0.00 |
| **Operating profit** | 1,936,429 | 20.58 | 2,065,399 | 21.44 | 938,025 | 13.47 | 1,002,233 | 15.58 | 968,130 | 15.35 | 696,240 | 16.69 |
| Other charges | 150,166 | 1.60 | 181,603 | 1.89 | 82,205 | 1.18 | 68,433 | 1.06 | 61,670 | 0.98 | 54,045 | 1.30 |
| Finance cost | 81,397 | 0.87 | 127,549 | 1.32 | 133,274 | 1.91 | 135,481 | 2.11 | 102,860 | 1.63 | 46,158 | 1.11 |
| | 1,704,866 | 18.12 | 1,756,246 | 18.23 | 722,546 | 10.37 | 798,319 | 12.41 | 803,600 | 12.74 | 596,037 | 14.29 |
| Other income | 150,380 | 1.60 | 234,775 | 2.44 | 187,835 | 2.70 | 61,275 | 0.95 | 48,565 | 0.77 | 42,798 | 1.03 |
| **Profit before tax** | 1,855,246 | 19.72 | 1,991,021 | 20.67 | 910,380 | 13.07 | 859,594 | 13.37 | 852,164 | 13.51 | 638,835 | 15.32 |
| Final tax | - | 0.00 | - | 0.00 | 2,561 | 0.04 | - | 0.00 | - | 0.00 | - | 0.00 |
| Taxation | 718,925 | 7.64 | 737,899 | 7.66 | 266,852 | 3.83 | 368,497 | 5.73 | 313,239 | 4.97 | 178,602 | 4.28 |
| **Profit after tax** | 1,136,321 | 12.08 | 1,253,122 | 13.01 | 640,967 | 9.20 | 491,098 | 7.64 | 538,925 | 8.54 | 460,233 | 11.03 |

# Statement of Value Added and its Distribution with Graphical Presentation

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | Rs. 000 | % | Rs. 000 | % |
| | | | | |
| Total Revenue inclusive of sales tax | 11,126,144 | 98.51% | 11,213,221 | 98.23% |
| Other Income | 168,838 | 1.49% | 202,438 | 1.77% |
| | 11,294,983 | 100.00% | 11,415,659 | 100.00% |
| | | | | |
| **Wealth Distribution** | | | | |
| | | | | |
| Employees as remuneration | 1,171,945 | 10.38% | 1,058,648 | 9.27% |
| Government as direct taxes | 752,743 | 6.66% | 778,532 | 6.82% |
| Government as indirect taxes | 1,884,299 | 16.68% | 1,720,978 | 15.08% |
| Shareholders as dividends | 189,749 | 1.68% | 189,749 | 1.66% |
| Providers of financial capital as financial charges | 81,397 | 0.72% | 127,549 | 1.12% |
| Cost of Sales excluding employees' remuneration | 5,993,721 | 53.07% | 6,212,625 | 54.42% |
| Distribution, administration and other expenses | 270,465 | 2.39% | 261,900 | 2.29% |
| Society as donation | 4,092 | 0.04% | 2,305 | 0.02% |
| Retained within the business | 946,572 | 8.38% | 1,063,373 | 9.32% |
| | 11,294,983 | 100.00% | 11,415,659 | 100.00% |



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## INDEPENDENT AUDITOR'S REVIEW REPORT

**To the members of SPEL Limited**

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **SPEL Limited** ("the Company") for the year ended 30 June 2026 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

**Lahore**

**Date: 10 September 2026**

**UDIN: CR202610089AclbewHD5**

KPMG Taseer Hadi & Co

**KPMG Taseer Hadi & Co.**
**Chartered Accountants**

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

### SPEL Limited
Year Ending 30 June 2026

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

1. The total number of directors are seven as per the following:
   a) Male: Six
   b) Female: One

2. The composition of the Board is as follows:

| Category | Name |
|---|---|
| Independent Directors | Mr. Haroon Sharif |
| | Mr. Ameen Ahsan |
| | Dr. Syed Sohail Hussain Naqvi |
| Non-Executive Director | Mr. Almas Hyder |
| Executive Directors | Mr. Zia Hyder Naqi |
| | Mr. Abid Saleem Khan |
| Female Director (Non-Executive) | Dr. Nighat Arshad |

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

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

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of 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 empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose.The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of 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. The following Directors are certified under the Directors Training Program, whereas the remaining one Director is planned to complete the training in due course.

| Name | Status of DTP |
|---|---|
| Mr. Almas Hyder | Certified |
| Mr. Zia Hyder Naqi | Certified |
| Mr. Haroon Sharif | Certified |
| Dr. Nighat Arshad | Certified |
| Dr. Syed Sohail Hussain Naqvi | Certified |
| Mr. Abid Saleem Khan | Certified |

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 except that the same person is holding the position of Chief Financial Officer and Company Secretary. As the Code allows the Companies to either comply or explain the reason otherwise, therefore, the Company has adopted the explanation approach in this matter. The management is of the view that the Current Chief Financial Officer and Company Secretary is suitably qualified and professionally capable to act and fulfill the duties and responsibilities of both roles. In addition, it is also a cost-effective measure.

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**

| Name | Role |
|---|---|
| Mr. Haroon Sharif | Chairman |
| Mr. Almas Hyder | Member |
| Mr. Ameen Ahsan | Member |
| Dr. Nighat Arshad | Member |

b) **HR AND REMUNERATION COMMITTEE**

| Name | Role |
|---|---|
| Mr. Ameen Ahsan | Chairman |
| Mr. Almas Hyder | Member |
| Mr. Zia Hyder Naqi | Member |
| Dr. Syed Sohail Hussain Naqvi | Member |
| Mr. Abid Saleem Khan | Member |

c) **FINANCE COMMITTEE**

| Name | Role |
|---|---|
| Mr. Almas Hyder | Chairman |
| Mr. Zia Hyder Naqi | Member |
| Mr. Haroon Sharif | Member |
| Dr. Syed Sohail Hussain Naqvi | Member |
| Mr. Abid Saleem Khan | Member |

d) **RISK MANAGEMENT COMMITTEE & SUSTAINABILITY COMMITTEE**

| Name | Role |
|---|---|
| Dr. Syed Sohail Hussain Naqvi | Chairman |
| Mr. Zia Hyder Naqi | Member |
| Mr. Haroon Sharif | Member |
| Dr. Nighat Arshad | Member |

e) **NOMINATION COMMITTEE**

| Name | Role |
|---|---|
| Mr. Almas Hyder | Chairman |
| Mr. Zia Hyder Naqi | Member |
| Dr. Syed Sohail Hussain Naqvi | Member |

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

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

| Committee | Frequency |
|---|---|
| Audit Committee | Quarterly |
| HR and Remuneration Committee | As required |
| Finance Committee | As required |
| Risk management & Sustainability Committee | As required |
| Nomination Committee | As required |

15. The Board has set up an effective internal audit function and the staff suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.


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

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

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

19. Explanations for non-compliance with the requirements other than regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been given in paragraph 10.

Chairman

Chief Executive Officer/Director

Dated: 17 August 2026
Place: Lahore


SPEL



# Financial Statements

For the year ended 30 June 2026

KPMG

KPMG Taseer Hadi & Co.
Chartered Accountants
351 Shadman-1, Jail Road,
Lahore 54000 Pakistan
+92 (42) 111-KPMGTH (576484), Fax +92 (42) 3742 9907

# INDEPENDENT AUDITOR'S REPORT

**To the members of SPEL Limited**

**Report on the Audit of the Financial Statements**

## Opinion

We have audited the annexed financial statements of SPEL Limited ("the Company"), which comprise the statement of financial position as at 30 June 2026, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, 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 2026 and of the profit, and other comprehensive income, the changes in equity and its cash flows for the year then ended.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

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

KPMG





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KPMG Taseer Hadi & Co.

Following is the key audit matter:

| Sr. No. | Key audit matter | How the matter was addressed in our audit |
|---|---|---|
| 1. | **Revenue recognition**<br>Refer to notes 3.10 and 27 to the financial statements<br>The Company recognized revenue of Rs. 9.41 billion from the sale of goods to domestic as well as export customers during the year ended 30 June 2026.<br>We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to a risk that revenue is recognized without transferring the control to meet expectations or targets. | Our audit procedures to assess the recognition of revenue, amongst others, included the following:<br>• Obtaining an understanding of the process relating to recording of revenue and testing the design, implementation of relevant key internal controls over recording of revenue;<br>• Assessing the appropriateness of the Company's accounting policies for recording of revenue and compliance of those policies with applicable accounting standards;<br>• Comparing, on a sample basis, specific revenue transactions recorded just before and just after the financial year end to determine whether the revenue had been recognized in the appropriate financial period; and<br>• Scanning for any journal entries relating to revenue recorded during the year which were considered to be material or met other specific risk-based criteria for inspecting underlying documentation. |

## Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. Other information comprises the information included in the Company's annual report for the year ended 30 June 2026 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Board of Directors for the Financial Statements

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

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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 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.

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KPMG Taseer Hadi & Co.

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.

The engagement partner on the audit resulting in this independent auditor's report is Fahad Bin Waheed.

KPMG Taseer Hadi & Co

**KPMG Taseer Hadi & Co.**
**Chartered Accountants**

**Lahore**

**Date: 10 September 2026**

**UDIN: AR202610089t3bGzXD0s**

# Statement of Financial Position

As at 30 June 2026

| | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| ***Share capital and reserves*** | | | |
| Authorized share capital of Rs. 5 each (2025: Rs. 5 each) | 5 | 1,500,000,000 | 1,500,000,000 |
| Issued, subscribed and paid-up capital | 5 | 998,680,080 | 998,680,080 |
| Treasury shares | 6 | (114,905,038) | (114,905,038) |
| Share premium | 7 | 358,627,893 | 358,627,893 |
| Accumulated profit | | 5,005,295,638 | 4,039,749,923 |
| Surplus on revaluation of land | 8 | 1,069,621,426 | 827,709,345 |
| **Shareholders' equity** | | 7,317,319,999 | 6,109,862,203 |
| **LIABILITIES** | | | |
| ***Non-current liabilities*** | | | |
| Long term loans - secured | 9 | 231,557,595 | 287,918,702 |
| Deferred grant | 10 | 33,348,627 | 48,324,723 |
| Lease liabilities | 11 | 44,196,376 | 26,869,081 |
| Deferred taxation | 12 | 605,249,112 | 565,707,282 |
| | | 914,351,710 | 928,819,788 |
| ***Current liabilities*** | | | |
| Trade and other payables | 13 | 736,554,525 | 747,410,279 |
| Short term borrowings - secured | 14 | 286,576,026 | 139,054,595 |
| Contract liabilities | 15 | 179,276,916 | 68,308,951 |
| Current maturity of long term liabilities | 16 | 336,520,227 | 228,048,405 |
| Unclaimed dividend | | 8,124,939 | 6,957,766 |
| Accrued mark up | 17 | 8,222,299 | 24,455,847 |
| | | 1,555,274,932 | 1,214,235,843 |
| | | 9,786,946,641 | 8,252,917,834 |
| **Contingencies and commitments** | 18 | | |

The annexed notes 1 to 49 form an integral part of these financial statements.

Chief Executive Officer | Director | Chief Financial Officer



| | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| **ASSETS** | | | |
| ***Non-current assets*** | | | |
| Property, plant and equipment | | | |
| *- Operating fixed assets* | 19.1 | 4,231,777,234 | 3,820,404,475 |
| *- Capital work in progress* | 19.7 | 279,422,635 | 48,360,995 |
| *- Right of use assets* | 19.8 | 644,186,807 | 399,712,232 |
| Intangible assets | 20 | 15,692 | 44,545 |
| Long term deposits | 21 | 14,566,038 | 16,545,243 |
| | | 5,169,968,406 | 4,285,067,490 |
| ***Current assets*** | | | |
| Stores, spares and loose tools | | 85,107,292 | 69,507,564 |
| Stock-in-trade | 22 | 2,291,842,785 | 1,715,040,617 |
| Trade debts - unsecured | 23 | 1,134,900,154 | 1,302,074,648 |
| Advance income tax - net of provision | | 67,689,874 | 16,421,284 |
| Advances, deposits, prepayments and other receivables | 24 | 64,347,800 | 84,217,416 |
| Short term investments | 25 | 616,812,504 | 507,600,504 |
| Cash and bank balances | 26 | 356,277,826 | 272,988,311 |
| | | 4,616,978,235 | 3,967,850,344 |
| | | 9,786,946,641 | 8,252,917,834 |

The annexed notes 1 to 49 form an integral part of these financial statements.

Chief Executive Officer | Director | Chief Financial Officer

# Statement of Profit or Loss

For the year ended 30 June 2026

| | Note | 2026<br>Rupees | 2025<br>Rupees |
|---|---|---|---|
| Sales - net | 27 | 9,408,868,932 | 9,633,217,530 |
| Cost of sales | 28 | (6,937,502,104) | (7,045,259,088) |
| **Gross profit** | | 2,471,366,828 | 2,587,958,442 |
| | | | |
| Administrative expenses | 29 | (464,692,848) | (413,266,707) |
| Selling and distribution expenses | 30 | (88,703,356) | (76,956,282) |
| Impairment reversal / (loss) on financial assets | | 18,458,528 | (32,336,773) |
| **Operating profit** | | 1,936,429,152 | 2,065,398,680 |
| | | | |
| Other income | 31 | 150,379,710 | 234,774,698 |
| Other charges | 32 | (150,165,716) | (181,603,387) |
| Finance costs | 33 | (81,397,014) | (127,549,424) |
| **Profit before taxation** | | 1,855,246,132 | 1,991,020,567 |
| | | | |
| Taxation | 34 | (718,925,987) | (737,898,575) |
| **Profit after taxation for the year** | | 1,136,320,145 | 1,253,121,992 |

| | | Rupees | Rupees |
|---|---|---|---|
| **Earnings per share - basic and diluted** | 35 | 5.99 | 6.60 |

The annexed notes 1 to 49 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer



# Statement of Comprehensive Income

For the year ended 30 June 2026

| | 2026<br>Rupees | 2025<br>Rupees |
|---|---|---|
| **Profit after taxation** | 1,136,320,145 | 1,253,121,992 |
| | | |
| ***Other comprehensive income*** | | |
| | | |
| Items that will not be reclassified to profit or loss: | | |
| | | |
| Revaluation of freehold land | 241,912,081 | - |
| | | |
| **Total comprehensive income for the year** | 1,378,232,226 | 1,253,121,992 |

The annexed notes 1 to 49 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

# Statement of Changes in Equity

For the year ended 30 June 2026

| | Issued, subscribed and paid-up capital | Capital reserve | | | Revenue reserve | Total |
|---|---|---|---|---|---|---|
| | | Treasury share reserve | Share premium | Surplus on revaluation of land | Accumulated profit | |
| | Rupees | | | | | |
| **As at 30 June 2024** | 998,680,080 | (114,905,038) | 358,627,893 | 827,709,345 | 3,052,276,831 | 5,122,389,111 |
| ***Total comprehensive income for the year*** | | | | | | |
| Profit after taxation | - | - | - | - | 1,253,121,992 | 1,253,121,992 |
| Other comprehensive income for the year | - | - | - | - | - | - |
| | - | - | - | - | 1,253,121,992 | 1,253,121,992 |
| ***Transactions with owners of the Company*** | | | | | | |
| Final cash dividend for the year ended 30 June 2024 | | | | | | |
| @ Rs. 0.8 per share | - | - | - | - | (151,799,372) | (151,799,372) |
| 1st Interim cash dividend for the year ended 30 June 2025 | | | | | | |
| @ Rs. 0.30 per share | - | - | - | - | (56,924,764) | (56,924,764) |
| 2nd Interim cash dividend for the year ended 30 June 2025 | | | | | | |
| @ Rs. 0.30 per share | - | - | - | - | (56,924,764) | (56,924,764) |
| | - | - | - | - | (265,648,900) | (265,648,900) |
| **Balance as at 30 June 2025** | 998,680,080 | (114,905,038) | 358,627,893 | 827,709,345 | 4,039,749,923 | 6,109,862,203 |
| ***Total comprehensive income for the year*** | | | | | | |
| Profit after taxation | - | - | - | - | 1,136,320,145 | 1,136,320,145 |
| Other comprehensive income for the year | - | - | - | 241,912,081 | - | 241,912,081 |
| | - | - | - | 241,912,081 | 1,136,320,145 | 1,378,232,226 |
| ***Transaction with owners of the Company*** | | | | | | |
| Final cash dividend for the year ended 30 June 2025 | | | | | | |
| @ Rs. 0.4 per share | - | - | - | - | (75,899,686) | (75,899,686) |
| 1st Interim cash dividend for the year ended 30 June 2026 | | | | | | |
| @ Rs. 0.50 per share | - | - | - | - | (94,874,744) | (94,874,744) |
| | - | - | - | - | (170,774,430) | (170,774,430) |
| **As at 30 June 2026** | 998,680,080 | (114,905,038) | 358,627,893 | 1,069,621,426 | 5,005,295,638 | 7,317,319,999 |

The annexed notes 1 to 49 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer



# Statement of Cash Flow

For the year ended 30 June 2026

| | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Cash generated from operations** | 36 | 2,109,234,293 | 1,907,399,526 |
| Workers' Profit Participation Fund paid | 13.1 | (108,991,643) | (48,892,601) |
| Workers' Welfare Fund paid | 13.2 | (31,875,718) | (18,479,057) |
| Mark up paid on Islamic mode of financing | | (6,332,324) | (34,641,845) |
| Interest paid on conventional loans | | (74,086,866) | (66,544,806) |
| Final taxes paid | | - | (640,817) |
| Income taxes paid | | (730,652,747) | (513,644,546) |
| Long term deposits - net | | 1,979,205 | (423,001) |
| **Net cash generated from operating activities** | | 1,159,274,200 | 1,224,132,853 |
| **Cash flows from investing activities** | | | |
| Acquisition of property, plant and equipment | | (723,789,257) | (137,891,490) |
| Purchase of Short-Term Investments | | (109,212,000) | (507,600,504) |
| Proceeds from disposal of property, plant and equipment | | 84,275,538 | 48,546,520 |
| **Net cash used in investing activities** | | (748,725,719) | (596,945,474) |
| **Cash flows from financing activities** | | | |
| Principal repayment of lease liability | | (223,503,301) | (415,374,517) |
| Long term loan repaid-net | | (81,669,839) | (134,033,039) |
| Diminishing musharika paid- net | | - | (18,750,016) |
| Short term borrowings repaid - net | | - | (29,996,799) |
| Cash dividend paid | | (169,607,257) | (263,716,442) |
| **Net cash used in financing activities** | | (474,780,397) | (861,870,813) |
| **Net (decrease) / increase in cash and cash equivalents** | | (64,231,916) | (234,683,434) |
| **Cash and cash equivalents at beginning of the year** | | 133,933,716 | 368,617,150 |
| **Cash and cash equivalents at end of the year** | 37 | 69,701,800 | 133,933,716 |

The annexed notes 1 to 49 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

# Notes to the Financial Statements

For the year ended 30 June 2026

## 1. CORPORATE AND GENERAL INFORMATION

### 1.1 Legal status and nature of business

SPEL Limited ("the Company") was incorporated in Pakistan on 16 May 1982 as a private limited company. The Company converted into public limited company on 21 July 2008 and subsequently listed on Pakistan Stock Exchange on 10 February 2015. The registered office of the Company is situated at 127-S, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore. The Company is principally engaged in the manufacturing and sale of plastic auto parts, plastic packaging for food and FMCG industry and moulds & dies. The production facilities of the Company are located at following geographical locations:

- Sue-e-Asal Lalyani Link Road, Pandoki, Lahore
- Rahim Yar Khan Industrial Estate, Rahim Yar Khan
- Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore, and
- Pakistan Steel Industrial Estate ,Bin Qasim, Karachi

**1.2** The Board of Directors, in their meeting held on 07 February 2025, considered and approved the change of name of the Company from Synthetic Products Enterprises Limited to SPEL Limited. The change in name was approved by the shareholders in the Extraordinary General Meeting held on 10 March 2025. Subsequently, the Securities and Exchange Commission of Pakistan issued a revised certificate of incorporation on the change of name of the Company on 13 March 2025.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

– IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

– Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

– Provisions of, directives and notifications issued under the Companies Act, 2017.

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

### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise stated.

### 2.3 Judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

There are no judgments made by management in the application of approved accounting standards that have a significant effect on the financial statements and no estimates with a risk of material adjustment in subsequent years.

### 2.4 Functional and presentation currency

These financial statements are presented in Pakistani Rupees ("Rupees."), which is the Company's functional and presentation currency. All financial information has been rounded to the nearest rupee, except when otherwise indicated.

## 3. MATERIAL ACCOUNTING POLICIES

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



### 3.1 Non-current liabilities with covenants

Liabilities are classified as current or non-current based on the rights that exist at the end of the reporting period. Where a liability is subject to covenants, compliance with those covenants is assessed based on the rights existing at the end of the reporting period.

A liability is classified as non-current if, at the end of the reporting period, the Company has the right to defer settlement of the liability for at least twelve months after the reporting period, irrespective of management's expectations or events occurring after the reporting date. Where non-current loans are subject to covenants that are required to be complied with within twelve months after the reporting period, the related disclosures are presented in note 9.2 to these financial statements.

### 3.1.1 Disclosure requirement for companies not engaged in Shariah Non-permissible business activities

Securities Exchange Commission of Pakistan (SECP) vide its S.R.O. 1287(1) / 2024 dated August 15,2024 has notified an amendment in the Fourth Schedule of Companies Act, 2017 requiring listed companies and their subsidiaries to disclose certain information if they are not engaged in Shariah non-permissible business activities. Following information is disclosed pursuant to the amendment:

| Description | Explanation | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|---|
| **Statement of Financial Position** | | | | |
| **Statement of Financial Position - Liability Side** | | | | |
| Short term borrowings - secured | Financing obtained as per Islamic mode | 14 | 201,987,036 | 79,845,062 |
| Short term borrowings - secured | Markup accrued on conventional loan | 17 | 2,431,400 | 3,418,346 |
| Long term financing | Markup accrued on conventional loan | 17 | 4,569,074 | 19,438,651 |
| Current portion of long term financing - secured | Financing obtained as per Islamic mode | | - | - |
| **Statement of Financial Position - Asset Side** | | | | |
| Long-term investments | Shariah compliant investments | | - | - |
| Short-term investments | Shariah compliant investments | | - | - |
| Bank balances | Shariah compliant bank balances | 26.2 | 21,372,932 | 49,662,902 |
| Bank deposits | Shariah-compliant bank deposits | | 45,026 | 559,301 |
| TDRs | Shariah-compliant TDRs | | - | - |
| **Statement of Comprehensive Income** | | | | |
| Revenue | Revenue earned from shariah compliant business segment | 27 | 9,408,868,932 | 9,633,217,530 |
| Late payments or liquidated damages | Break-up of late payments or liquidated damages | | - | - |
| Income from investments | Gain or loss or dividend earned on Shariah compliant investments | | - | - |
| Share of profit from associate | Share of profit from Shariah-compliant associates | | - | - |
| Profit on bank deposits | Profit earned from Shariah-compliant bank deposits | | 146,002 | 6,183,292 |
| Profit on bank balances | Profit earned from Shariah-compliant bank balances | | - | - |
| Profit on TDRs | Profit earned from Shariah-compliant TDRs | | - | - |
| Exchange gain on foreign currency transactions - net | Exchange gain earned from actual currency | | - | 55,700,356 |
| Exchange gain on conventional derivative instruments | Exchange gains earned using conventional derivative financial instruments | | - | - |
| Finance costs | Profit paid on Islamic mode of financing | | 5,955,299 | 20,397,607 |
| Interest income on conventional loans and advances | Interest earned on any conventional loan or advance | | - | - |
| **Source and detailed breakup of other income** | | | | |
| **Earned from shariah compliant transactions** | | | | |
| Profit on bank deposits | Profit earned under shariah permissible arrangements | 31 | 146,002 | 6,183,292 |
| Gain on foreign currency transactions - net | Earned from shariah compliant transactions | 31 | - | 55,700,356 |
| Scrap sales | Earned from shariah compliant transactions | 31 | 21,153,287 | 21,202,110 |
| Other income | Earned from shariah compliant transactions | 31 | 10,392,835 | 64,003,997 |
| Gain on disposal of property, plant and equipment | Earned from shariah compliant transactions | 31 | 20,439,635 | - |
| **Earned from non-shariah compliant transactions** | | | | |
| Profit on bank deposits | Earned from non-shariah compliant transactions | 31 | 730,965 | - |
| Interest income on Market Treasury Bills | Earned from non-shariah compliant transactions | 31 | 79,880,307 | 66,066,084 |
| Amortization of deferred grant | Earned from non-shariah compliant transactions | 31 | 17,211,372 | 19,247,059 |
| Other income | | | 425,307 | 2,371,800 |

# Notes to the Financial Statements

For the year ended 30 June 2026

**Relationship with Shariah-compliant financial institutions**

The Company's relationship with Shariah-compliant financial institutions is limited to maintaining bank deposits and obtaining Shariah-compliant financing facilities from Islamic banks and conventional banks operating Islamic banking windows. The Company does not have any relationship with takaful operators or window takaful operations as at the reporting date.

**3.2 Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any, with the exception of freehold land, which is measured at revalued amount less accumulated impairment losses, if any. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation. Cost in relation to certain property, plant and equipment signifies historical cost and borrowing costs as referred to in note 3.12.

The Company recognizes depreciation by applying reducing balance method, over the useful life of each item of property, plant and equipment, except freehold land, using rates specified in note 19.1 to the financial statements. Depreciation on additions to property, plant and equipment is charged from the date at which the asset becomes available for use. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognized.

Costs incurred subsequently on renewals and improvements to an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred. The gain or loss on disposal or retirement of an asset is represented by the difference between the sale proceeds and the carrying amount of the asset. Net gain or loss on disposal of assets is presented in other income or other charges.

Land is recognized at revalued amount based on valuation by external independent valuer. Revaluation surplus is credited to other reserves (capital reserves) in shareholders' equity and presented as separate line item in statement of financial position.

Revaluation of land measured at revalued amount is carried out with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value. Any revaluation increase arising on the revaluation is recognized, by restating gross carrying amount in proportion to the change in their carrying amounts due to revaluation, in other comprehensive income and presented as a separate component of equity as 'Surplus on revaluation of land', except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to statement of profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation is charged to statement of profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation of land relating to a previous revaluation of that asset. Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to accumulated profit.

**Capital work in progress**

Capital work in progress is stated at cost less any identified impairment losses. Cost includes the expenditures on material, labour, appropriate directly attributable overheads and includes borrowing cost in respect of qualifying assets. Transfers are made to relevant operating fixed assets category as and when assets are available for use.

**3.3 Leases**

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The entity mainly leases vehicles, solar plant and properties for its operations. The entity recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability.

The leasehold land classified as right-of-use asset is depreciated using the straight-line method over the lease term. Leased vehicles, plant and machinery, and solar plant classified as right-of-use assets are depreciated using the reducing balance method, reflecting the pattern in which the asset's future economic benefits are expected to be consumed. Where the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, or where the lessee is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, it is depreciated over the shorter of the lease term or the useful life. The estimated useful lives of the right-of-use assets are determined on the same basis as those of owned assets. In addition, the right-of-use asset is periodically assessed for impairment in accordance with IAS 36 and reduced by any impairment losses, if applicable.



The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The Company has elected not to recognize right-of-use assets and lease liabilities for some leases of low value assets. The lease payments associated with these leases are recognized as an expenses on a straight-line basis over the lease term.

**3.4 Intangibles**

Intangibles are recognized when it is probable that the expected future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Intangibles are stated at cost less accumulated amortization and accumulated impairment losses, if any. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Amortization is based on the cost of an asset less its residual value, if any. Amortization is recognized in profit or loss on a straight-line basis at the rate of specified in note 20 of the financial statements. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

**3.5 Stores, spares and loose tools**

Stores, spares and loose tools are stated at lower of cost and net realizable value. Cost is determined using the weighted average method. The Company reviews the carrying amount of stores and spares on a regular basis and creates provision for obsolescence if there is any change in usage pattern and physical form of related stores, spares and loose tools. Impairment is also recognized for slow moving items.

**3.6 Stock in trade**

Stock in trade is valued at lower of cost and net realizable value, with the exception of stock of waste which is valued at net realizable value. Cost is determined using the following basis:

| | | |
|---|---|---|
| - | Raw materials | Moving average |
| - | Packing materials | Moving average |
| - | Work in process | Average manufacturing cost |
| - | Finished goods | Average manufacturing cost |
| - | Stock in transit | Invoice price plus related expense incurred up to the reporting date |

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labour and a proportion of appropriate manufacturing overheads.

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

The exchange gain/ loss arising on translation and/ or payment of foreign currency vendors is recorded in cost of sales in the statement of profit or loss.

**3.7 Employee benefits**

The Company operates an approved defined contributory provident fund for its employees. Equal monthly contributions are made by the Company and employees to the fund at 10% of basic salary. The Company's contribution is charged to profit or loss.

# Notes to the Financial Statements

For the year ended 30 June 2026

**3.8 Financial instruments**

**3.8.1 Recognition and initial measurement**

All financial assets or financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

**3.8.2 Classification and subsequent measurement**

***Financial assets***

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

***Amortized cost***

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss account.

Financial assets measured at amortized cost comprise of cash and bank balances, deposits, advances to employees, treasury bills, accrued profit, term deposit receipts, trade debts and other receivables.

***Debt Instrument - FVOCI***

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. However, the Company has no such instrument at the reporting date.

***Equity Instrument - FVOCI***

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

***Fair value through profit or loss (FVTPL)***

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss account.

***Financial assets – Business model assessment:***

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

***Financial liabilities***

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss account. Financial liabilities comprise trade and other payables, long term loans from financial institutions (including current portion), markup accrued on borrowings, unclaimed dividend and short term borrowings.

**3.8.3 Derecognition**

***Financial assets***

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

***Financial liabilities***

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

**3.8.4 Trade debts, deposits and other receivables**

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

# Notes to the Financial Statements
For the year ended 30 June 2026

**3.8.5 Trade and other payables**
Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

**3.8.6 Investments**
Investment in Listed securities are classified at fair value through other comprehensive income and is initially measured at fair value and is subsequently measured at fair value determined using the market value of securities at each reporting date. Net gains and losses are recognized in the statement of other comprehensive income.

**3.8.7 Offsetting**
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**3.8.8 Impairment**

***Financial assets***

The Company recognizes loss allowances for ECLs on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

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

The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

***Non-financial assets***

The carrying amount of the Company's non-financial assets, other than inventories 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 values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. 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 that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

**3.9 Provisions**
Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that 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.

Provision is recognized at an amount that is the best estimate of the expenditure required to settle the present obligation at the reporting date. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

**3.10 Revenue recognition**
Revenue from contracts with customers is recognized, when a performance obligation has been fulfilled by transferring control of goods to the customers, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods excluding sales taxes and after deduction of any trade discounts. Specific revenue and other income recognition policies are as follows:

**3.10.1 Sale of goods**
Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer which in case of local sales is when the goods are dispatched to the customers, for customer having "ex-factory" terms of delivery and when goods are delivered to the customers, for customers having "delivery" term of delivery on the basis of current agreements. Further in case of export sale, revenue is recorded upon transfer of control to customer, majorly at 'Ex-works'.

**3.10.2 Interest income**
Interest income is recognized as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

**3.10.3 Contract liabilities**
A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

It also includes refund liabilities arising out of customers' right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentive on target achievements.

**3.11 Deferred grant**
The Company follows deferral method of accounting for government grant related to subsidized long term loan. Government grant is initially recognized as deferred grant and measured as the difference between the initial carrying value of the long term loan recorded at market rate (i.e. fair value of the long term loan in this case) and the proceeds of subsidized long term loan received. In subsequent years, the grant is recognized in statement of profit or loss account, in line with the recognition of interest expenses the grant is compensating and is presented under the heading 'other income' in the statement of profit or loss.

# Notes to the Financial Statements

For the year ended 30 June 2026

**3.12 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss as incurred.

**3.13 Taxation**

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

***Current taxation***

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

***Levy***

The Policy of the entity as per the guidance issued by Institute of Chartered Accountants of Pakistan in the context of provision of income tax ordinance 2001 with respect to IAS 12 application guidance on accounting for minimum taxes and final taxes is as follows;

Designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21/IAS 37.

***Deferred taxation***

Deferred tax is accounted for using the balance sheet approach providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by the Institute of Chartered Accountants of Pakistan.

Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Policy of the entity as per the guidance issued by Institute of Chartered Accountants of Pakistan in the context of accounting for minimum taxes and final taxes and related impact on the deferred taxes is as follows;

Designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21/IAS 37. when the excess is treated as a 'levy', the effective rate of income tax is equal to the enacted rate of income tax for the purpose of deferred tax calculation.

**3.14 Earnings per share (EPS)**

Basic EPS is calculated by dividing the net profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

**3.15 Cash and cash equivalents**

Cash and cash equivalents comprise running finances, cash balances and term deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

**3.16 Foreign currency transactions and balances**

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate prevailing at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Foreign currency differences arising on retranslation are generally recognized in profit or loss.

**3.17 Dividend to ordinary shareholders**

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability, in the Company's financial statements in the year in which the dividends are approved.

**3.18 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

**3.19 Treasury shares**

When shares recognized as equity are repurchased, the amount of consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in treasury share reserve.

**3.20 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting structure. Management monitors the operating results of the business separately for the purpose of making decisions regarding resource allocation and performance assessment. All operating segments operating results are reviewed regularly by the Company's Chief Executive Officer to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. The business of the Company has nine reportable operating segments i.e. Unit 1, Unit 2, Unit 3, Unit 4, Unit 5, Unit 6, Unit 7, Unit 8 and Unit 9.

Segment results that are reported for review and performance evaluation include segment net sales and cost of sales. Segment assets represent the carrying amount of plant and machinery held within individual segment.

**3.21 Unclaimed dividend**

The Company recognizes unclaimed dividend which was declared and remained unclaimed by the shareholders from the date it was due and payable.

# Notes to the Financial Statements

For the year ended 30 June 2026

## 4. STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING ACCOUNTING STANDARDS

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on 01 July 2025. However, these do not have any material impact on the Company's financial statements.

### 4.1 Standards, amendments and interpretations to approved accounting standards that are not yet effective

The following accounting and reporting standards as applicable in Pakistan and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2026:

– 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. 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 1 January 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 1 January 2026. Earlier application is permitted.

***Other related amendments:***

Contractually linked instruments (CLIs) and non-recourse features:

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

***Disclosures on investments in equity instruments:***

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

– Annual Improvements to IFRS Accounting Standards – Amendments to:

- IFRS 7 Financial Instruments: Disclosures and it's accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows

Major amendments are introduced to IFRS 9, which are summarized as follows address

- a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables:

  Under IFRS 15, a trade receivable may be recognized at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15; and

- how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9:

When lease liabilities are derecognized under IFRS 9, the difference between the carrying amount and the consideration paid is recognized in profit or loss.

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

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.

– Adoption of IFRS 18

The Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 2444(I)/2025 dated December 12, 2025, has notified that "IAS 1, Presentation of Financial Statements," as referred to in the earlier notification S.R.O. No. 633(I)/2014, shall be replaced with "IFRS 18, Presentation and Disclosure in Financial Statements," and shall be followed for the preparation of financial statements for annual reporting periods beginning on or after January 1, 2027. IFRS 18 aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information. It has introduced three new categories of income and expenses, two defined income statement subtotals and one single note on management-defined performance measures.

Management is in the process of assessing the impact of the adoption of IFRS 18 on the Company's financial statements. Other amendments to the accounting standards that have been issued but are not yet effective are not expected to have a material impact on the Company's financial statements.

# Notes to the Financial Statements

For the year ended 30 June 2026

## 5. SHARE CAPITAL

### 5.1 Share capital

| | 2026 (Number of shares) | 2025 | 2026 Rupees | 2025 Rupees |
|---|---|---|---|---|
| Ordinary shares of Rs. 5 | | | | |
| each (2025: Rs. 5 each) | 300,000,000 | 300,000,000 | 1,500,000,000 | 1,500,000,000 |

### 5.2 Issued, subscribed and paid-up capital

| | 2026 (Number of shares) | 2025 | 2026 Rupees | 2025 Rupees |
|---|---|---|---|---|
| Ordinary shares of Rs. 5 each | | | | |
| (2025: Rs. 5 each), fully paid in cash | 47,547,836 | 47,547,836 | 237,739,180 | 237,739,180 |
| Fully paid bonus shares | | | | |
| of Rs. 5 each (2025: Rs. 5 each) | 136,858,180 | 136,858,180 | 684,290,900 | 684,290,900 |
| Shares of Rs. 5 each (30 June 2025: | | | | |
| Rs. 5 each), issued under scheme of | | | | |
| amalgamation | 15,330,000 | 15,330,000 | 76,650,000 | 76,650,000 |
| | 199,736,016 | 199,736,016 | 998,680,080 | 998,680,080 |

**5.3** Directors hold 117,406,832 (30 June 2025: 117,406,832 ) ordinary shares of Rs. 5 each (30 June 2025: Rs. 5 each) of the Company.

**5.4** All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

## 6. TREASURY SHARES

The reserve comprises 9,986,801 (2025: 9,986,801) ordinary shares of the Company, repurchased and held as treasury shares.

The shareholders of the Company, in their Extraordinary General Meeting held on 24 March 2023, approved the buyback of shares of the Company through Pakistan Stock Exchange Limited up to a maximum of 9,986,801 shares, constituting 5% of the issued and paid up ordinary shares of the face value of Rs. 5/- each, to be held as Treasury Shares under Section 88 of the Companies Act, 2017, read with the Listed Companies (Buy Back of Shares) Regulations, 2019. The purchase period started on 31 March 2023 and ended on 20 September 2023.

| | 2026 Rupees | 2025 Rupees |
|---|---|---|
| Treasury shares | 114,905,038 | 114,905,038 |

The treasury shares are held in CDC blocked account in freeze form. These are not entitled to any voting right, cash dividend or any other distribution made by the Company, except for "bonus issue".

| | 2026 Rupees | 2025 Rupees |
|---|---|---|
| **7. SHARE PREMIUM** | | |
| Share premium | 358,627,893 | 358,627,893 |

## 8. SURPLUS ON REVALUATION OF LAND

The freehold land of the Company was revalued by independent valuers in the years 2014, 2018, 2022 and 2026. The latest revaluation was conducted by M/s Hamid Mukhtar & Co. (Private) Limited, an independent valuer not connected with the Company and approved by the Pakistan Banks' Association (PBA), as at 30 June 2026, which resulted in a further revaluation surplus of Rs. 241 million. These revaluations have resulted in a cumulative surplus of Rs. 1,069 million, which has been included in the carrying values of freehold land and credited to the surplus on revaluation of property, plant and equipment. Fair market value of freehold land was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevant factors as well. The most significant input into this valuation approach was price per kanal/ acre for land.

## 9. LONG TERM LOANS - secured

**Type of loans**

| | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| **9.1 Conventional loans** | | | |
| - MCB Bank Limited - For renewable energy | 9.1.1 & 9.2.1 | 65,113,456 | 77,234,680 |
| - MCB and Allied Bank Limited - TERF | 9.1.2 & 9.2.2 | 277,490,939 | 330,027,656 |
| - Loan from customer | 9.1.3 | 3,182,532 | 20,194,430 |
| - Less: Impact of government grant | 9.1.4 | (48,324,727) | (65,536,099) |
| - Less: Current maturity | 16 | (65,904,605) | (74,001,965) |
| | | 231,557,595 | 287,918,702 |

**9.1.1** This represents long term financing facility availed from MCB Bank Limited for financing Solar power project to enhance its existing capacity to 1.2MW. The total available limit under this facility amounts to Rs. 110 million (2025: Rs. 110 million). The facility is secured against first exclusive charge of Rs.147 million over Solar machinery imported through MCB, Blow molding machine Parker EBM -05 (FA-03644) and Blow molding machine Parker EBM -06 (FA-03644-1).

The principal amount is repayable in 36 equal quarterly installments and having 10 years tenor inclusive of one year grace period. This facility was partially converted to SBP - Refinance facility for renewable energy "SBP - RFRE" amounting to Rs 41.3 million in 2022, and Rs. 67.8 million has been converted to SBP - RFRE after necessary approval of State bank of Pakistan in 2023, while Rs. 0.9 million of the remaining balance was not approved for conversion and has been repaid by the Company in 2023. This facility carries markup at the SBP rate i.e. 2% plus bank spread of 1.99% per annum ( 2025: 2% plus bank spread of 1.99% per annum). However during the transition period before conversion to SBP - RFRE applicable rate of mark-up was 3 months KIBOR + 0.5% per annum payable on quarterly basis.

# Notes to the Financial Statements

For the year ended 30 June 2026

**9.1.2** This represents Syndicated Temporary Economic Refinance Facility ("TERF") offered by MCB Bank Limited ("MCB") and Allied Bank Limited ("ABL") for setting up a manufacturing plant in Karachi and for Balancing, Modernization and Replacement ("BMR") of existing plant and machinery ("Project"). The total financing available limit amounts to Rs. 500 million (2025: Rs. 500 million) equally split between both financial institutions. Total amount availed under this facility was Rs. 429 million, comprising of Rs. 181 million from MCB and Rs. 248 million from ABL. The complete loan has been converted to SBP - TERF facility after approvals of State Bank of Pakistan, except for Rs. 9 million, which was not converted, and has been repaid by the Company in 2023.

The financing is secured against exclusive hypothecation charge over specific fixed assets (excluding land & building) of the Company with 25% margin. The demand finance carried mark-up at the rate of 3 months KIBOR + 0.5% per annum (2025: 3 months KIBOR + 0.5% per annum) payable on quarterly basis. The principal amount is repayable in 32 equal quarterly installments, commencing from the end of the 27th month from the date of first drawdown. The tenor of facility is 10 years, inclusive of grace period of 2 years commencing from the date of first drawdown. After conversion to SBP - TERF facility after approvals of State Bank of Pakistan applicable mark-up rate is SBP rate i.e. 1% plus bank spread of 1.05% per annum. The difference between the fair values and net disbursement amounts is recognized as deferred grant.

**9.1.3** This represents long term financing facility availed from customer Honda Atlas Cars Pakistan Limited (HACPL) in order to develop tooling (dies/molds) for products of HACPL and the Company is bound to use this amount only for development of tooling (dies/molds) and for parts for HACPL. The total facility available amounts to Rs. 4.04 million (2025: Rs. 3.67 million). Following the successful achievement of the desired quality requirements, the Company has started repaying the facility, together with mark-up, in 36 equal monthly installments. The facility carries mark-up at the rate of 3-month KIBOR plus 1.25% per annum, which resets at the beginning of every calendar quarter; however, the applicable KIBOR rate for the first quarter is based on the rate prevailing on the date of disbursement.

**9.1.4** This represents deferred government grant on financing at discounted rates, obtained under schemes from the Government of Pakistan. Total deferred grant amounts to Rs. 48.32 million (2025: Rs. 65.54 million), comprising of loan under Temporary Economic Refinance Facility (TERF).

**9.2 Covenants Disclosure - Long term loans - Secured**

**Secured Bank Loans**

The company secured bank loans are subject to various covenants. Two of these loans include covenants that need to be complied within 12 months of the reporting date.

**9.2.1 MCB Bank Limited - For Renewable energy**

Under the terms of a non current borrowing from MCB Bank, which has a carrying amount of Rs. 65.11 million (2025: Rs. 77.23 million), the Company is required to comply with the following financial covenants at the end of each yearly period. The covenants state that the current ratio is to be greater than 1 time, the debt to equity ratio is to be maintained at 75:25, and the debt service coverage ratio is to be greater than 1.25 times. Otherwise, the loan will be repayable on demand. The Company has complied with the above mentioned covenants throughout the period. Accordingly, the loan is classified as non current at 30 June 2026. The Company expects to comply with the yearly covenants within 12 months after the reporting date.

**9.2.2 MCB and Allied Bank Limited - TERF**

Under the terms of a non current borrowing of the TERF Facility from MCB Bank and Allied Bank, which has a carrying amount of Rs. 277.49 million (2025: Rs. 330.03 million), the Company is required to comply with the following financial covenants at the end of each yearly period. The loan contains covenants stating that the Company is required to comply with the following financial covenants at the end of each yearly period. The covenants are that the current ratio is to be at least 1.0 times, the debt to equity ratio is to be maintained at 75:25, the project debt to equity ratio is not to exceed 65:35, and the debt service coverage ratio is to be greater than 1.3 times. Otherwise, the loan will be repayable on demand. The Company has complied with the above mentioned covenants throughout the period. Accordingly, the loan is classified as non current at 30 June 2026. The Company expects to comply with the yearly covenants within 12 months after the reporting date.



| | | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|---|
| **10.** | **DEFERRED GRANT** | | | |
| | Balance as at 01 July | | 65,536,099 | 84,783,158 |
| | Amortization during the year | 31 | (17,211,372) | (19,247,059) |
| | Balance as at 30 June | 9.1.4 | 48,324,727 | 65,536,099 |
| | Current portion | 16 | 14,976,100 | 17,211,376 |
| | Non - current portion | | 33,348,627 | 48,324,723 |
| | Balance as at 30 June | | 48,324,727 | 65,536,099 |

| | | | |
|---|---|---|---|
| **11.** | **LEASE LIABILITIES** | | |
| | ***Salient features of the leases are as follows:*** | **2026** | **2025** |
| | Discounting factor for vehicles | 12% | 12% |
| | Discounting factor for solar plant | 11.65%-12.06% | 12.61%-12.68% |
| | Period of lease | 12 to 36 months | 12 to 36 months |
| | Maturity range | 2026-2028 | 2025-2027 |

The Company has entered into lease arrangements with customers i.e. Pak Suzuki and Honda Atlas for lease of vehicles. The liabilities under this arrangement are payable in monthly installments. Interest rates implicit in the leases are used as discounting factor to determine the present value of minimum lease payments.

The Company has also obtained solar plant on lease from Allied Bank Limited having capacity of 1 MW and new machines. The liabilities under this arrangement are payable in monthly and quarterly installments. Interest rates implicit in the leases are used as discounting factor to determine the present value of minimum lease payments. The Company's lease liability is interest / markup based.

The Company has also obtained Solar Plant on lease from Pak Kuwait Investment Company Limited having capacity of 596.44 KW. The liabilities under this arrangement are payable in monthly installments. Interest rates implicit in the leases are used as discounting factor to determine the present value of minimum lease payments. The Company's lease liability is interest / markup based. There are no financial restrictions imposed by lessors except the lease of Solar Plant from Pak kuwait which is secured by exclusive charge of Rs. 200 million over specified moulding and labeling machines, the lease of Solar Plant and Plant and Machinery from Allied Bank which is secured by exclusive charge of Rs. 500 million on respective assets by the leased amount.

All lease agreements carry a purchase option at the end of the lease term, and the Company intends to exercise its option to purchase the leased assets upon completion of the respective lease terms. The residual value of the leased assets has already been paid by the Company at the inception of the lease in the form of a security deposit. Taxes, repairs, replacements and insurance costs are borne by the lessee.

# Notes to the Financial Statements

For the year ended 30 June 2026

The amount of future minimum lease payments along with their present values and the periods during which they will fall due are:

| | 2026 | | |
|---|---|---|---|
| | Total future minimum lease payments | Finance charges allocated to future periods | Principal |
| | | Rupees | |
| Not later than one year | 273,666,997 | 18,027,475 | 255,639,522 |
| Later than 1 year and not later than 5 year | 44,839,864 | 643,488 | 44,196,376 |
| | 318,506,861 | 18,670,963 | 299,835,898 |

| | 2025 | | |
|---|---|---|---|
| | Total future minimum lease payments | Finance charges allocated to future periods | Principal |
| | | Rupees | |
| Not later than one year | 148,798,848 | 11,963,784 | 136,835,064 |
| Later than 1 year and not later than 5 year | 27,714,583 | 845,502 | 26,869,081 |
| | 176,513,431 | 12,809,286 | 163,704,145 |

## 12. DEFERRED TAXATION

The liability for deferred taxation comprises temporary differences relating to:

| | 2026 Rupees | 2025 Rupees |
|---|---|---|
| *Deferred tax liability arising on:* | | |
| - Accelerated tax depreciation | 464,732,093 | 427,970,732 |
| - Right of use assets | 254,974,884 | 212,130,886 |
| *Deferred tax asset arising on:* | | |
| - Lease transactions | 110,939,283 | 63,844,617 |
| - Others | 3,518,582 | 10,549,719 |
| | 605,249,112 | 565,707,282 |

| | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| **12.1 Movement in deferred tax balances is as follows:** | | | |
| As at 01 July | | 565,707,282 | 433,203,097 |
| Recognized in profit or loss: | | | |
| - Accelerated tax depreciation | | 58,708,580 | 63,064,329 |
| - Lease transactions | | (50,368,748) | (1,787,842) |
| - Right of use assets | | 53,722,505 | 67,742,684 |
| - Effect of rate change | 12.2 | (29,010,630) | - |
| - Provisions and others | | 6,490,123 | 3,485,013 |
| | | 39,541,830 | 132,504,184 |
| As at 30 June | | 605,249,112 | 565,707,282 |

**12.2** The current tax expense for the year is calculated using the corporate tax rate of 29% (2025: 29%) and super tax rate of 10% (2025: 10%). Through the Finance Act, 2026, the rate of super tax has been reduced from 10% to 8%. Accordingly, deferred tax assets and liabilities have been measured using the revised tax rate, where applicable.

| | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| **13. TRADE AND OTHER PAYABLES** | | | |
| Trade and other creditors | | 246,146,008 | 325,388,069 |
| Accrued liabilities | | 205,275,782 | 144,476,412 |
| Workers' Profit Participation Fund | 13.1 | 97,361,921 | 106,929,139 |
| Workers' Welfare Fund | 13.2 | 45,823,516 | 43,881,283 |
| Withholding tax payable | | 3,250,656 | 6,018,513 |
| Sales tax payable | | 36,781,600 | 46,805,585 |
| Provident fund payable | | 4,798,050 | 4,167,667 |
| Others | 13.3 | 97,116,992 | 69,743,611 |
| | | 736,554,525 | 747,410,279 |
| **13.1 Workers' Profit Participation Fund** | | | |
| Balance as at July 01 | | 106,929,139 | 48,892,601 |
| Expense charged for the year | 32 | 99,424,425 | 106,929,139 |
| Payment during the year | | (108,991,643) | (48,892,601) |
| Balance as at June 30 | | 97,361,921 | 106,929,139 |
| **13.2 Workers' Welfare Fund** | | | |
| Balance as at July 01 | | 43,881,283 | 21,727,267 |
| Expense charged for the year | 32 | 33,817,951 | 40,633,073 |
| Payment during the year | | (31,875,718) | (18,479,057) |
| Balance as at June 30 | | 45,823,516 | 43,881,283 |

# Notes to the Financial Statements
For the year ended 30 June 2026

**13.3** This includes an amount of Rs. 88.94 million (2025: Rs. 50.34 million) representing deductions made from employees salary against the cars provided by the Company as per the Company's policy.

| | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| **14. SHORT TERM BORROWINGS** | | | |
| **Secured:** | | | |
| - Conventional interest / mark-up based loans | 14.1 | 84,588,990 | 59,209,533 |
| - Islamic mode of financing | 14.2 | 201,987,036 | 79,845,062 |
| | | 286,576,026 | 139,054,595 |

**14.1** This represents short term facilities of running finance from commercial banks aggregating Rs. 550 million (2025: Rs.550 million). These carry mark-up rates ranging from one month to three months KIBOR plus a spread of 0.4% to 0.5% (2025: one month to three months KIBOR plus a spread of 0.4% to 0.5% ) per annum.

**14.2** This represents short term facilities of running musharika aggregating Rs. 800 million (2025: Rs. 600 million). These carry mark-up rate of one month to three months KIBOR plus a spread of 0.20% to 0.5% (2025: one month to three months KIBOR plus a spread of 0.35% to 0.5%) per annum.

**14.3** All above facilities are secured by joint pari passu registered hypothecation charge over present and future current assets of the Company.

| | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| **15. CONTRACT LIABILITIES** | | | |
| Balance as at 1 July | | 68,308,951 | 93,515,854 |
| Advance received during the year | | 177,864,543 | 60,963,614 |
| Revenue recognized during the year | 15.1 | (66,896,578) | (86,170,517) |
| Balance as at 30 June | | 179,276,916 | 68,308,951 |

**15.1** The contract liabilities primarily relates to the advances received from customers out of which Rs. 66.90 million (2025: Rs.86.17 million) pertains to the revenue recognized at point in time. Further, the Company has received advances amounting to Rs. 177.85 million (2025: Rs. 60.96 million).

| | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| **16. CURRENT MATURITY OF LONG TERM LIABILITIES** | | | |
| Long term loans - secured | 9 | 65,904,605 | 74,001,965 |
| Deferred grant | 10 | 14,976,100 | 17,211,376 |
| Lease liabilities | 11 | 255,639,522 | 136,835,064 |
| | | 336,520,227 | 228,048,405 |



| | 2026 Rupees | 2025 Rupees |
|---|---|---|
| **17. ACCRUED MARK-UP** | | |
| **Long term loans - secured** | | |
| - Conventional Interest / mark-up based loans | 4,569,074 | 19,438,651 |
| **Short term borrowings** | | |
| - Conventional interest / mark-up based loans | 2,431,400 | 3,418,346 |
| - Islamic mode of financing | 1,221,825 | 1,598,850 |
| | 8,222,299 | 24,455,847 |

## 18. CONTINGENCIES AND COMMITMENTS

**18.1 Contingencies**

There are no significant contingencies or commitments as at 30 June 2026.

**18.2 Commitments**

**18.2.1** Guarantees issued by the banks on behalf of the Company in favour of various parties as at the reporting date amounts to Rs. 28.60 million (2025: Rs. 139.06 million).

| | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| **18.2.2** Commitments under irrevocable letters of credit for: | | | |
| - Purchase of machinery | | 292,253,815 | 71,969,655 |
| - Purchase of raw material | | 300,071,620 | 484,849,818 |
| | | 592,325,435 | 556,819,473 |
| **19. PROPERTY, PLANT AND EQUIPMENT** | | | |
| Operating fixed assets | 19.1 | 4,231,777,234 | 3,820,404,475 |
| Capital work in progress | 19.7 | 279,422,635 | 48,360,995 |
| Right of use assets | 19.8 | 644,186,807 | 399,712,232 |
| | | 5,155,386,676 | 4,268,477,702 |

# Notes to the Financial Statements

For the year ended 30 June 2026

**19.1 Operating fixed assets**

2026

| | Cost / Revalued amount | | | | | | | Accumulated depreciation | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 July 2025 | Additions / transfer from CWIP | Revaluation surplus for the year | Disposals | Transfers from ROU | As at 30 June 2026 | Rate | As at 1 July 2025 | For the year | Disposals | Transfers | As at 30 June 2026 | Net book value as at 30 June 2026 |
| | Rupees | | | | | | % | Rupees | | | | | |
| **Owned** | | | | | | | | | | | | | |
| Freehold land | | | | | | | | | | | | | |
| - cost | 100,783,574 | - | - | - | - | 100,783,574 | - | - | - | - | - | - | 100,783,574 |
| - revaluation | 827,709,345 | - | 241,912,081 | - | - | 1,069,621,426 | - | - | - | - | - | - | 1,069,621,426 |
| | 928,492,919 | - | 241,912,081 | - | - | 1,170,405,000 | - | - | - | - | - | - | 1,170,405,000 |
| Buildings on freehold land | 361,376,925 | 142,799,872 | - | - | - | 504,176,797 | 10% | 175,107,285 | 20,567,680 | - | - | 195,674,965 | 308,501,832 |
| Buildings on leasehold land | 201,658,184 | - | - | - | - | 201,658,184 | 10% | 67,691,457 | 13,489,645 | - | - | 81,181,102 | 120,477,082 |
| Plant and machinery | 4,293,489,400 | 261,540,530 | - | (41,482,121) | - | 4,513,547,809 | 10% | 1,889,586,935 | 247,889,167 | (32,529,197) | - | 2,104,946,905 | 2,408,600,904 |
| Office equipment | 22,632,835 | 272,000 | - | - | - | 22,904,835 | 10% | 9,276,428 | 1,355,883 | - | - | 10,632,311 | 12,272,524 |
| Tools and equipment | 104,145,537 | 906,000 | - | - | - | 105,051,537 | 10% | 41,765,856 | 6,387,351 | - | - | 48,153,207 | 56,898,330 |
| Computer equipment | 23,188,444 | 3,885,165 | - | - | - | 27,073,609 | 30% | 14,082,232 | 3,260,076 | - | - | 17,342,308 | 9,731,301 |
| Furniture and fittings | 18,579,988 | 9,709,460 | - | - | - | 28,289,448 | 10% | 8,436,011 | 2,225,120 | - | - | 10,661,131 | 17,628,317 |
| Vehicles | 119,787,742 | 73,614,590 | - | (72,991,844) | 81,174,041 | 201,584,529 | 20% | 47,001,295 | 25,344,794 | (18,108,865) | 20,085,361 | 74,322,585 | 127,261,944 |
| | 6,073,351,974 | 492,727,617 | 241,912,081 | (114,473,965) | 81,174,041 | 6,774,691,748 | | 2,252,947,499 | 320,519,716 | (50,638,062) | 20,085,361 | 2,542,914,514 | 4,231,777,234 |

2025

| | Cost / Revalued amount | | | | | | | Accumulated depreciation | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 July 2023 | Additions / transfer from CWIP | Revaluation surplus for the year | Disposals | Transfers from ROU | As at 30 June 2025 | Rate | As at 1 July 2023 | For the year | Disposals | Transfers | As at 30 June 2025 | Net book value as at 30 June 2025 |
| | Rupees | | | | | | % | Rupees | | | | | |
| **Owned** | | | | | | | | | | | | | |
| Freehold land | | | | | | | | | | | | | |
| - cost | 100,783,574 | - | - | - | - | 100,783,574 | - | - | - | - | - | - | 100,783,574 |
| - revaluation | 827,709,345 | - | - | - | - | 827,709,345 | - | - | - | - | - | - | 827,709,345 |
| | 928,492,919 | - | - | - | - | 928,492,919 | - | - | - | - | - | - | 928,492,919 |
| Buildings on freehold land | 336,128,509 | 25,248,416 | - | - | - | 361,376,925 | 10% | 155,138,682 | 19,968,603 | - | - | 175,107,285 | 186,269,640 |
| Buildings on leasehold land | 201,658,184 | - | - | - | - | 201,658,184 | 10% | 52,702,963 | 14,988,494 | - | - | 67,691,457 | 133,966,727 |
| Plant and machinery | 4,220,572,694 | 161,725,443 | - | (238,808,737) | 150,000,000 | 4,293,489,400 | 10% | 1,794,695,918 | 248,822,491 | (170,886,739) | 16,955,265 | 1,889,586,935 | 2,403,902,465 |
| Office equipment | 19,042,601 | 4,258,691 | - | (668,457) | - | 22,632,835 | 10% | 8,258,547 | 1,469,482 | (451,601) | - | 9,276,428 | 13,356,407 |
| Tools and equipment | 101,698,197 | 2,447,340 | - | - | - | 104,145,537 | 10% | 33,682,306 | 8,083,550 | - | - | 41,765,856 | 62,379,681 |
| Computer equipment | 18,274,120 | 4,914,324 | - | - | - | 23,188,444 | 30% | 11,101,378 | 2,980,854 | - | - | 14,082,232 | 9,106,212 |
| Furniture and fittings | 15,374,712 | 3,326,300 | - | (121,024) | - | 18,579,988 | 10-20% | 6,869,909 | 1,650,851 | (84,749) | - | 8,436,011 | 10,143,977 |
| Vehicles | 47,279,073 | 49,509,532 | - | (17,226,302) | 40,225,439 | 119,787,742 | 20% | 27,667,908 | 11,986,648 | (5,225,103) | 12,571,842 | 47,001,295 | 72,786,447 |
| | 5,888,521,009 | 251,430,046 | - | (256,824,520) | 190,225,439 | 6,073,351,974 | | 2,090,117,611 | 309,950,973 | (176,648,192) | 29,527,107 | 2,252,947,499 | 3,820,404,475 |



**19.2** Freehold land of the Company are located at Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore measuring 0.55 acres, Sue-e-Asal, Lalyani Link Road, Pandoki measuring 23.09 acres and Rahim Yar Khan Industrial Estate, Rahim Yar Khan measuring 8.58 acres. The leasehold land of the Company is located at Pakistan Steel Industrial Estate, Bin Qasim, Karachi measuring 4 acres.

The buildings on freehold and leasehold land and other immovable assets of the Company are constructed / located at above mentioned freehold and leasehold land.

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

| | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| Cost of sales | 28 | 294,341,016 | 275,856,365 |
| Capital work in progress | | - | 3,099,510 |
| Administrative expenses | 29 | 16,881,399 | 15,497,549 |
| Selling and distribution expenses | 30 | 9,297,301 | 15,497,549 |
| | | 320,519,716 | 309,950,973 |

**19.4** As at 30 June 2026, the carrying value of freehold land would have been Rs. 100.78 million (2025: Rs. 100.78 million), had there been no revaluation.

**19.5** As per the revaluation conducted as at 30 June 2026, the forced sale value of land is Rs. 994.84 million.

**19.6 Disposal of property, plant and equipment**

| Particulars | Cost (Note 19.1) | Accumulated depreciation (Note 19.1) | Net book value | Sale price | Gain / (loss) on disposal | Mode of disposal | Relationship with the Company | Particulars of the purchaser |
|---|---|---|---|---|---|---|---|---|
| | Rupees | | | | | | | |
| KG Tray Mold | 1,261,121 | 386,202 | 874,919 | 326,599 | (548,320) | Negotiation | Third party | Shahzad Iftikhar |
| 73Mm Dia Mold | 4,620,000 | 2,898,526 | 1,721,474 | 116,116 | (1,605,358) | Negotiation | Third party | Shahzad Iftikhar |
| IMM FCS 1250 Ton M-03 | 19,500,000 | 16,128,915 | 3,371,085 | 10,000,000 | 6,628,915 | Negotiation | Third party | Saeed Akhtar |
| Cultus VXL ALR -739 | 2,620,140 | 1,338,257 | 1,281,883 | 2,564,000 | 1,282,117 | Negotiation | Employee | Faqeer Hussain |
| Suzuki Cultus VXL 998Cc | 1,949,980 | 1,343,790 | 606,190 | 1,899,324 | 1,293,134 | Negotiation | Employee | Mian Shakeel |
| Suzuki Swift GLX CVT | 4,719,000 | 1,521,942 | 3,197,058 | 4,719,000 | 1,521,942 | Negotiation | Employee | Faisal Maqsood |
| Fortuner ASG-783 | 20,935,050 | 7,185,648 | 13,749,402 | 18,400,000 | 4,650,598 | Negotiation | Third party | Ahmad Waseem |
| Haval Tank Hev | 21,838,204 | 11,966 | 21,826,238 | 21,838,204 | 11,966 | Negotiation | Third party | Mash Motors |
| Haval H6 4Wd Suv Turbo 2.0L | 10,740,588 | 3,133,164 | 7,607,424 | 10,200,000 | 2,592,576 | Insurance reimbursement | Third party | UBL Insurers Limited |
| Suzuki Alto AUY-935 | 3,045,000 | 650,450 | 2,394,550 | 3,045,000 | 650,450 | Negotiation | Employee | Faisal Maqsood |
| Suzuki Alto AGS APL-358 | 2,935,000 | 1,351,482 | 1,583,518 | 2,935,000 | 1,351,482 | Negotiation | Employee | Awais Majeed |
| Suzuki Alto VXL AGS AUA-601 | 3,105,817 | 804,793 | 2,301,024 | 3,058,827 | 757,803 | Negotiation | Employee | Imtiaz Hussain |
| | 97,269,900 | 36,755,135 | 60,514,765 | 79,102,070 | 18,587,305 | | | |
| Various assets having net book value less then Rs. 500,000 | 17,204,065 | 13,882,927 | 3,321,138 | 5,173,468 | 1,852,330 | Negotiation | Third party / Employees | Miscellaneous |
| **2026** | 114,473,965 | 50,638,062 | 63,835,903 | 84,275,538 | 20,439,635 | | | |
| 2025 | 256,824,520 | 176,648,192 | 80,176,328 | 50,918,321 | (29,258,007) | | | |

# Notes to the Financial Statements
For the year ended 30 June 2026

### 19.7 Capital work in progress

| | 2026 | | | | |
|---|---|---|---|---|---|
| | As at 01 July 2025 | Additions | Reversals | Transfers | As at 30 June 2026 (Note 19.7.1) |
| | Rupees | | | | |
| Capital work in progress | 48,360,995 | 970,674,585 | - | (739,612,945) | 279,422,635 |

| | 2025 | | | | |
|---|---|---|---|---|---|
| | As at 01 July 2024 | Additions | Reversals | Transfers | As at 30 June 2025 (Note 19.7.1) |
| | Rupees | | | | |
| Capital work in progress | 141,906,550 | 108,374,958 | - | (201,920,513) | 48,360,995 |

| | 2026 Rupees | 2025 Rupees |
|---|---|---|
| **19.7.1** The breakup is as follows: | | |
| Plant, machinery and others | 175,040,744 | 47,652,817 |
| Building | 104,381,891 | 708,178 |
| | 279,422,635 | 48,360,995 |

### 19.8 Right of use assets

| | | 2026 | | | | |
|---|---|---|---|---|---|---|
| | | Cost | | | | |
| | Note | Leasehold land | Leased Plant & Machinery | Leased Solar | Leased Vehicles | Total |
| | | Rupees | | | | |
| Opening as at 01 July 2025 | | 22,083,915 | 228,886,491 | 97,432,537 | 86,134,041 | 434,536,984 |
| Additions during the year | | - | 278,938,280 | 41,254,000 | 39,442,774 | 359,635,054 |
| Matured / transferred during the year | 19.8.1 | - | - | - | (81,174,041) | (81,174,041) |
| Closing as at 30 June 2026 | | 22,083,915 | 507,824,771 | 138,686,537 | 44,402,774 | 712,997,997 |

| | | 2026 | | | | |
|---|---|---|---|---|---|---|
| | | Accumulated depreciation | | | | |
| | Note | Leasehold land | Leased Plant & Machinery | Leased Solar | Leased Vehicles | Total |
| | | Rupees | | | | |
| Opening as at 01 July 2025 | | 5,598,702 | 8,995,234 | 2,655,890 | 17,574,926 | 34,824,752 |
| Depreciation for the year | 28 | 331,032 | 32,024,368 | 11,414,231 | 10,302,168 | 54,071,799 |
| Matured / transferred during the year | 19.8.2 | - | - | - | (20,085,361) | (20,085,361) |
| Closing as at 30 June 2026 | | 5,929,734 | 41,019,602 | 14,070,121 | 7,791,733 | 68,811,190 |
| Net Book Value as at 30 June 2026 | | 16,154,181 | 466,805,169 | 124,616,416 | 36,611,041 | 644,186,807 |



| | 2025 | | | | |
|---|---|---|---|---|---|
| | Cost | | | | |
| | Leasehold land | Leased Plant & Machinery | Leased Solar | Leased Vehicles | Total |
| | Rupees | | | | |
| Opening as at 01 July 2024 | 22,083,915 | - | 150,000,000 | 81,518,679 | 253,602,594 |
| Additions during the year | - | 228,886,491 | 97,432,537 | 63,689,801 | 390,008,829 |
| Matured / transferred during the year | - | - | (150,000,000) | (59,074,439) | (209,074,439) |
| Closing as at 30 June 2025 | 22,083,915 | 228,886,491 | 97,432,537 | 86,134,041 | 434,536,984 |

| | 2025 | | | | |
|---|---|---|---|---|---|
| | Accumulated depreciation | | | | |
| | Leasehold land | Leased Plant & Machinery | Leased Solar | Leased Vehicles | Total |
| | Rupees | | | | |
| Opening as at 01 July 2024 | 5,233,838 | - | 2,172,599 | 19,818,251 | 27,224,688 |
| Depreciation for the year | 364,864 | 8,995,234 | 17,140,667 | 15,120,062 | 41,620,827 |
| Matured / transferred during the year | - | - | (16,657,376) | (17,363,387) | (34,020,763) |
| Closing as at 30 June 2025 | 5,598,702 | 8,995,234 | 2,655,890 | 17,574,926 | 34,824,752 |
| Net Book Value as at 30 June 2025 | 16,485,213 | 219,891,257 | 94,776,647 | 68,559,115 | 399,712,232 |

**19.8.1** This amount also includes the transfer during the year to operating fixed assets amounting to Rs. 81.17 million.

**19.8.2** This amount also includes the transfer during the year to operating fixed assets amounting to Rs. 20.08 million.

**19.8.3** Leasehold land comprises of land which was obtained by the Company on lease and is being amortized over the term of 60 years. The title of land remains with the lessor at end of the lease term. The Company had constructed its Karachi production facility on this land. Leasehold land is located at Pakistan Steel Industrial Estate, Bin Qasim, Karachi, measuring 4 acres.

| | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| **20. INTANGIBLE ASSETS** | | | |
| Cost | | 10,915,816 | 10,915,816 |
| Accumulated amortization | | (10,900,124) | (10,871,271) |
| As at 30 June | 20.1 | 15,692 | 44,545 |
| **20.1** Balance as at 01 July | | 44,545 | 208,549 |
| Amortization charge for the year | 20.2 | (28,853) | (164,004) |
| Balance as at 30 June | | 15,692 | 44,545 |
| Amortization rate | | 20% | 20% |

**20.2** As mentioned in note 29, amortization charge is included in administrative expenses.

# Notes to the Financial Statements
For the year ended 30 June 2026

| | | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| **21.** | **LONG TERM DEPOSITS** | | |
| | Utility companies and regulatory authorities | 11,615,642 | 10,439,805 |
| | Others | 2,950,396 | 6,105,438 |
| | | 14,566,038 | 16,545,243 |
| **22.** | **STOCK-IN-TRADE** | | |
| | Raw and packing material | 1,487,870,724 | 1,121,891,130 |
| | Stock in transit | 350,135,949 | 240,251,425 |
| | Work in process | 232,938,053 | 185,840,120 |
| | Finished goods | 220,898,059 | 167,057,942 |
| | | 2,291,842,785 | 1,715,040,617 |

**22.1** The amount of stock-in-trade recognized as at year end on account of adjustment to net realizable value (NRV) amounted to Rs. 7.85 million (2025: Rs. 12.84 million).

| | | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|---|
| **23.** | **TRADE DEBTS - unsecured** | | | |
| | Considered good | | 1,134,900,154 | 1,302,074,648 |
| | Considered doubtful | | 25,027,888 | 43,486,416 |
| | | | 1,159,928,042 | 1,345,561,064 |
| | Less: Impairment loss allowance | 23.1 | (25,027,888) | (43,486,416) |
| | | | 1,134,900,154 | 1,302,074,648 |
| **23.1** | **Movement of impairment loss allowance** | | | |
| | Balance as at 01 July | | 43,486,416 | 11,149,643 |
| | Impairment reversal / (loss) for the period | | (18,458,528) | 32,336,773 |
| | Balance as at 30 June | | 25,027,888 | 43,486,416 |



| | | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|---|
| **24.** | **ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES** | | | |
| | *Advances - unsecured, considered good:* | | | |
| | - Advances to suppliers for supplies and services | | 37,441,627 | 42,534,521 |
| | *Advances - secured, considered good:* | | | |
| | - Amounts due from employees | | 748,633 | 1,449,959 |
| | Prepaid insurance | | 25,216,364 | 23,756,409 |
| | Short term deposits | | 5,636 | 4,035 |
| | Other receivables | | 935,540 | 16,472,492 |
| | | | 64,347,800 | 84,217,416 |
| **25.** | **SHORT TERM INVESTMENTS** | | | |
| | Treasury bills - at amortized cost | 25.1 | 610,812,504 | 507,600,504 |
| | Term Deposit Receipts (TDRs) | | 6,000,000 | - |
| | | | 616,812,504 | 507,600,504 |

**25.1** These carry mark-up rates ranging from 10.31% to 17.13% per annum (2025: 10.85% to 18.42% per annum), with maturities ranging from three to twelve months, having maturity up to 13 May 2027.

| | | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|---|
| **26.** | **CASH AND BANK BALANCES** | | | |
| | Cash in hand | | 3,036,316 | 1,669,743 |
| | Cash at bank | | | |
| | - Conventional banks | 26.1 | 331,823,552 | 221,096,365 |
| | - Islamic banks | 26.2 | 21,417,958 | 50,222,203 |
| | | | 353,241,510 | 271,318,568 |
| | | | 356,277,826 | 272,988,311 |

# Notes to the Financial Statements
For the year ended 30 June 2026

| | | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|---|
| **26.1** | **Conventional banks** | | | |
| | *- Current accounts in local currency* | | 166,793,054 | 92,321,338 |
| | *- Current accounts in foreign currency* | | 161,387,959 | 124,326,471 |
| | *- Savings accounts in local currency* | 26.1.1 | 3,642,539 | 4,448,556 |
| | | | 331,823,552 | 221,096,365 |
| **26.2** | **Islamic banks** | | | |
| | *- Current accounts in local currency* | | 21,372,932 | 49,662,902 |
| | *- Savings accounts in local currency* | 26.2.1 | 45,026 | 559,301 |
| | | | 21,417,958 | 50,222,203 |

**26.1.1** These carry mark-up rates ranging from 6.28% to 8.25% per annum (2025: 5.87% to 11.50% per annum).

**26.2.1** These carry profit at the rate of 9.5% to 10% per annum (2025: 8% per annum). They represent deposits placed under a Shariah-compliant arrangement.

| | | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|---|
| **27.** | **SALES - NET** | | | |
| | Local sales | | 11,035,724,314 | 10,060,386,550 |
| | Less: Trade discounts | | (14,349,524) | - |
| | | | 11,021,374,790 | 10,060,386,550 |
| | Export sales | | 104,769,637 | 1,272,249,890 |
| | | | 11,126,144,427 | 11,332,636,440 |
| | Less: Sales tax | | (1,717,275,495) | (1,580,003,746) |
| | Early settlement discounts | | - | (119,415,164) |
| | | 27.1 | 9,408,868,932 | 9,633,217,530 |
| **27.1** | **Disaggregation of revenue** | | | |
| **27.1.1** | **Primary products** | | | |
| | Automobile parts and accessories sector | | 2,893,686,411 | 2,009,429,938 |
| | Food and personal care products sector - packaging | | 6,515,182,521 | 7,623,787,592 |
| | | | 9,408,868,932 | 9,633,217,530 |



| | | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|---|
| **27.1.2** | **Primary geographical markets (net sales)** | | | |
| | Pakistan | | 9,304,099,295 | 8,360,967,640 |
| | Turkey | | 2,005,155 | 3,775,986 |
| | Belgium | | 4,249,142 | - |
| | France | | 4,609,171 | 3,102,627 |
| | Italy | | 22,470,639 | 19,691,229 |
| | United Kingdom | | 48,050,235 | 1,230,319,271 |
| | United States of America | | 13,731,930 | 14,547,783 |
| | Taiwan | | - | 812,994 |
| | Canada | | 5,221,342 | - |
| | Portugal | | 2,383,496 | - |
| | Pyeongtaek | | 2,048,527 | - |
| | Total | | 9,408,868,932 | 9,633,217,530 |

| | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| **28. COST OF SALES** | | | |
| Raw and packing materials consumed | | 5,062,185,879 | 5,087,342,012 |
| Stores, spares and loose tools consumed | | 40,268,416 | 34,322,865 |
| Salaries, wages and benefits | 28.1 | 747,660,962 | 666,664,479 |
| Security guard expense | | 29,096,224 | 24,995,127 |
| Electricity, fuel and water charges | | 555,848,363 | 650,168,064 |
| Depreciation on property, plant and equipment | 19.3 | 294,341,016 | 275,856,365 |
| Depreciation on right of use asset | 19.8 | 54,071,799 | 41,620,827 |
| Repairs and maintenance | | 134,156,809 | 165,810,322 |
| Insurance | | 23,171,321 | 18,848,175 |
| Oil and lubricants | | 5,522,795 | 5,319,300 |
| | | 6,946,323,584 | 6,970,947,536 |
| *Work in process:* | | | |
| - At beginning of the year | 22 | 185,840,120 | 192,396,924 |
| - At end of the year | 22 | (232,938,053) | (185,840,120) |
| **Cost of goods manufactured** | | 6,899,225,651 | 6,977,504,340 |
| *Finished goods* | | | |
| - At beginning of the year | 22 | 167,057,942 | 139,720,282 |
| - At end of the year | 22 | (220,898,059) | (167,057,942) |
| | | 6,845,385,534 | 6,950,166,680 |
| Other cost of sale - Freight and forwarding | 28.2 | 92,116,570 | 95,092,408 |
| | | 6,937,502,104 | 7,045,259,088 |

**28.1** Salaries, wages and benefits include Rs. 19.8 million (2025: Rs. 16.7 million) in respect of defined contribution plan.

**28.2** Other cost of sales - Freight and forwarding includes export freight of Rs. 1.8 million (2025: Rs. 0.4 million) paid during the year.

# Notes to the Financial Statements

For the year ended 30 June 2026

| | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| **29. ADMINISTRATIVE EXPENSES** | | | |
| Salaries, wages and benefits | 29.1 | 117,828,102 | 113,096,790 |
| Directors' remuneration | 29.2 | 111,291,888 | 94,662,919 |
| Meeting fee | 42 | 1,750,000 | 2,740,000 |
| Traveling expenses | | 96,490,798 | 80,034,069 |
| Legal and professional charges | | 1,175,500 | 1,482,032 |
| Vehicle running expenses | | 26,081,226 | 22,305,699 |
| Security guard expense | | 4,531,153 | 3,837,397 |
| Insurance | | 7,240,733 | 5,364,273 |
| Repairs and maintenance | | 7,060,885 | 8,726,859 |
| Telephone and postage | | 13,140,576 | 11,205,801 |
| Depreciation on property, plant and equipment | 19.3 | 16,881,399 | 15,497,549 |
| Amortization on intangibles | 20.1 | 28,853 | 164,004 |
| Printing and stationery | | 8,920,739 | 8,628,054 |
| Staff training and development | | 13,139,542 | 4,683,593 |
| Fee and subscription | | 27,863,581 | 31,146,878 |
| Rent, rates and taxes | | 3,387,667 | 3,213,320 |
| Entertainment | | 7,005,998 | 5,229,003 |
| Miscellaneous expenses | | 874,208 | 1,248,467 |
| | | 464,692,848 | 413,266,707 |

**29.1** Salaries, wages and benefits include Rs. 5.03 million (2025: Rs. 4.25 million) in respect of defined contribution plan.

**29.2** Director's remuneration includes Rs. 1.24 million (2025: Rs. 1.07 million) in respect of defined contribution plan opted by one of the executive directors.

| | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| **30. SELLING AND DISTRIBUTION EXPENSES** | | | |
| Salaries and benefits | 30.1 | 64,892,923 | 49,559,114 |
| Depreciation on property, plant and equipment | 19.3 | 9,297,301 | 15,497,549 |
| Advertisement | | 5,245,478 | 4,308,202 |
| Sales promotion expenses | | 9,267,654 | 7,591,417 |
| | | 88,703,356 | 76,956,282 |

**30.1** Salaries, wages and benefits include Rs. 2.54 million (2025: Rs. 1.91 million) in respect of defined contribution plan.



| | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| **31. OTHER INCOME** | | | |
| ***Income from financial assets*** | | | |
| Profit on bank deposits | 31.1 | 876,967 | 6,183,292 |
| Interest income on Market Treasury Bills | | 79,880,307 | 66,066,084 |
| Gain on foreign currency transactions - net | 31.2 | - | 55,700,356 |
| | | 80,757,274 | 127,949,732 |
| ***Income from non-financial assets*** | | | |
| Scrap sales | | 21,153,287 | 21,202,110 |
| Amortization of deferred grant | 10 | 17,211,372 | 19,247,059 |
| Gain on disposal of property, plant and equipment | 19.6 | 20,439,635 | - |
| Other income | 31.3 | 10,818,142 | 66,375,797 |
| | | 69,622,436 | 106,824,966 |
| | | 150,379,710 | 234,774,698 |

**31.1** This includes profit of Rs. 0.15 million (2025: Rs. 6.18 million) earned on deposits maintained under Shariah compliant arrangements.

**31.2** This includes an unrealized loss amounting to Rs. 5.90 million (2025: unrealized gain of Rs. 29.27 million), mainly on trade debts and foreign currency balances.

**31.3** During the year, the Company received insurance proceeds amounting to Rs. 2.59 million (2025: Rs. 2.37 million) in relation to an item of property, plant and equipment that was damaged and written off.

| | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| **32. OTHER CHARGES** | | | |
| Workers' Profit Participation Fund | 13.1 | 99,424,425 | 106,929,139 |
| Workers' Welfare Fund | 13.2 | 33,817,951 | 40,633,073 |
| Loss on disposal of property, plant and equipment | 19.6 | - | 27,136,066 |
| Loss on foreign currency transactions - net | 31.2 | 7,831,320 | - |
| Auditors' remuneration | 32.1 | 5,000,000 | 4,600,000 |
| Charity and donations | 32.2 | 4,092,020 | 2,305,109 |
| | | 150,165,716 | 181,603,387 |
| **32.1 Auditors' remuneration** | | | |
| Statutory audit fee | | 3,300,000 | 3,150,000 |
| Half yearly review | | 700,000 | 600,000 |
| Certifications and others | | 600,000 | 450,000 |
| Out of pocket expenses | | 400,000 | 400,000 |
| | | 5,000,000 | 4,600,000 |

# Notes to the Financial Statements

For the year ended 30 June 2026

| | | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|---|
| 32.2 | **Charity and donations** | | | |
| | University of Engineering and Technology | 32.3 | 1,624,000 | - |
| | Other donees | | 2,468,020 | 2,305,109 |
| | | | 4,092,020 | 2,305,109 |

**32.3** None of the directors or their spouses have any interest in the University of Engineering and Technology and other donees.

| | | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|---|
| **33.** | **FINANCE COSTS** | | | |
| | *Mark-up on:* | | | |
| | - Long term finance - secured | 33.1 | 39,323,209 | 51,410,741 |
| | - Lease liabilities | | 22,724,598 | 31,656,897 |
| | - Short term borrowings - secured | 33.2 | 13,533,546 | 38,901,585 |
| | - Workers' Profit Participation Fund | | 2,062,504 | 1,375,168 |
| | Bank charges | | 3,753,157 | 4,205,033 |
| | | | 81,397,014 | 127,549,424 |
| 33.1 | **Long term finance - secured** | | | |
| | - Conventional Interest / mark-up based loans | | 39,323,209 | 50,265,408 |
| | - Islamic mode of financing | | - | 1,145,333 |
| | | | 39,323,209 | 51,410,741 |
| 33.2 | **Short term borrowings - secured** | | | |
| | - Conventional Interest / mark-up based loans | | 7,578,247 | 19,649,311 |
| | - Islamic mode of financing | | 5,955,299 | 19,252,274 |
| | | | 13,533,546 | 38,901,585 |
| **34.** | **TAXATION** | | | |
| | *Income tax* | | | |
| | - For the year | | 646,261,043 | 591,099,580 |
| | - Prior year adjustment | | 33,123,114 | 14,294,810 |
| | | | 679,384,157 | 605,394,390 |
| | *Deferred tax* | | | |
| | - For the year | | 39,541,830 | 132,504,185 |
| | | | 718,925,987 | 737,898,575 |



| | | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| 34.1 | **Relationship between tax expense and accounting profit** | | |
| | Profit before taxation | 1,855,246,132 | 1,991,020,567 |
| | Tax at 29% | 538,021,378 | 577,395,964 |
| | *Tax effect of:* | | |
| | - Super tax under section 4C | 185,524,613 | 166,215,699 |
| | - Effect of rate change | (29,010,630) | - |
| | - Prior year tax | 33,123,114 | 14,294,810 |
| | - Tax credits | - | (59,703,017) |
| | - Others | (8,732,488) | 39,695,119 |
| | | 718,925,987 | 737,898,575 |

**34.2** The deferred tax amount does not affect cash flows of current year and it is an accounting adjustment in accordance with IFRS Accounting Standards.

| | | | 2026 | 2025 |
|---|---|---|---|---|
| **35.** | **EARNING PER SHARE - BASIC AND DILUTED** | | | |
| 35.1 | **Basic earning per share** | | | |
| | Profit for the year after taxation | Rupees | 1,136,320,145 | 1,253,121,992 |
| | Weighted average number of ordinary shares in issue during the year | Number | 189,749,215 | 189,749,215 |
| | Earning per share | Rupees | 5.99 | 6.60 |

| | | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|---|
| 35.2 | **Weighted average number of ordinary shares** | | | |
| | Outstanding number of shares | | 199,736,016 | 199,736,016 |
| | Less: Effect of treasury shares | 6 | (9,986,801) | (9,986,801) |
| | | | 189,749,215 | 189,749,215 |

**35.3** There is no dilutive effect on the basic earnings per share as the Company has no commitment for such potentially issuable shares which has any dilutive effect.

# Notes to the Financial Statements

For the year ended 30 June 2026

| | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| **36. CASH GENERATED FROM OPERATIONS** | | | |
| Profit before taxation | | 1,855,246,132 | 1,991,020,567 |
| *Adjustments for non-cash items:* | | | |
| Finance costs | 33 | 81,397,014 | 123,344,391 |
| Depreciation on property, plant and equipment | 19.3 | 320,519,716 | 309,950,973 |
| Depreciation on right of use assets | 19.8 | 54,071,799 | 41,620,827 |
| Amortization of intangibles | 29 | 28,853 | 164,004 |
| Amortization of deferred grant | 31 | (17,211,372) | (19,247,059) |
| (Gain) / Loss on disposal of property, plant and equipment | 32 & 31 | (20,439,635) | 27,136,066 |
| Impairment (reversal) / loss on financial assets | | (18,458,528) | 32,336,773 |
| Net realisable value (reversal) for the year- net | | (4,430,108) | (14,633,881) |
| Provision for Workers' Profit Participation Fund | 32 | 99,424,425 | 106,929,139 |
| Provision for Workers' Welfare Fund | 32 | 33,817,951 | 40,633,073 |
| | | 528,720,115 | 648,234,306 |
| **Operating profit before working capital changes** | | 2,383,966,247 | 2,639,254,873 |
| *(Increase) / decrease in current assets:* | | | |
| Stores, spares and loose tools | | (15,599,728) | (5,482,417) |
| Stock-in-trade | | (572,372,060) | (128,703,439) |
| Trade debts | | 185,633,022 | (669,954,342) |
| Advances, deposits, prepayments and other receivables | | 19,869,616 | 8,800,612 |
| | | (382,469,150) | (795,339,586) |
| *Increase / (decrease) in current liabilities:* | | | |
| Trade and other payables | | (3,230,769) | 84,991,226 |
| Contract liabilities | | 110,967,965 | (21,506,987) |
| **Cash generated from operations** | | 2,109,234,293 | 1,907,399,526 |
| **37. CASH AND CASH EQUIVALENTS** | | | |
| Short term running finance | 14 | (84,588,990) | (59,209,533) |
| Running musharika | 14 | (201,987,036) | (79,845,062) |
| Cash and bank balances | 26 | 356,277,826 | 272,988,311 |
| | | 69,701,800 | 133,933,716 |



## 38. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties comprise of associated companies, directors of the Company, key management personnel and post employment retirement plan. Amount due from and due to related parties are shown under respective notes. Other significant transactions and balances with related parties except those disclosed elsewhere are as follows:

| Name of parties | Relationship | Transactions | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|---|---|
| a) Provident Fund Trust | Post employment benefit fund | Contribution | | 57,523,016 | 46,550,279 |
| | | Payable balance at year end | 13 | 4,798,050 | 4,167,667 |
| b) Directors | Directors and their relatives | Cash dividend - as shareholders | | 135,358,917 | 210,558,003 |
| | Directors - Other than key management personnel | Remuneration | 42 | 37,393,589 | 25,960,189 |
| | Non-Executive Directors | Meeting Fee | 42 | 1,750,000 | 2,740,000 |
| c) Key Management Personnel | Key Management Personnel | Remuneration | 42 | 96,503,289 | 96,677,373 |
| | | Cash dividend - as shareholders | | 43,387 | 15,562 |
| | | Other Payable balance | 13.3 | 10,921,210 | 7,569,164 |

**38.1** Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers Chief Executive Officer, whole time Directors, Chief Financial Officer and Company Secretary to be its key management personnel.

## 39. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

***Risk Management Framework***

The Board of Directors has the overall responsibility for establishment and oversight of risk management framework. The Board of Directors has developed a risk policy that sets out fundamentals of risk management framework. The risk policy focuses on unpredictability of financial markets, the Company's exposure to risk of adverse effects thereof and objectives, policies and processes for measuring and managing such risks. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's audit committee oversees how management monitors compliance with the Company's risk management procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

# Notes to the Financial Statements

For the year ended 30 June 2026

**39.1** The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

### 39.1.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals and monitoring of exposures against credit limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

### 39.1.2 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

| | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| Long term deposits | 21 | 11,615,642 | 10,439,805 |
| Trade debts | 23 | 1,159,928,042 | 1,345,561,064 |
| Deposits and other receivables | 24 | 39,131,436 | 17,922,451 |
| Short term investments | 25 | 616,812,504 | 507,600,504 |
| Bank balances | 26 | 353,241,510 | 271,318,568 |
| | | 2,180,729,134 | 2,152,842,392 |

### 39.1.3 Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

| | 2026 Rupees | 2025 Rupees |
|---|---|---|
| Trade debts | 1,159,928,042 | 1,345,561,064 |
| Banking companies | 353,241,510 | 271,318,568 |
| Government debt securities | 616,812,504 | 507,600,504 |
| Others | 667,559,582 | 535,962,760 |
| | 2,797,541,638 | 2,660,442,896 |

### 39.1.4 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers and utility companies, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical default rates and present ages.



#### 39.1.4.1 Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to bank balances, short term investments and accrued return on deposits. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

| | Rating | | Rating | 2026 | 2025 |
|---|---|---|---|---|---|
| | Short term | Long term | agency | Rupees | Rupees |
| **Banks** | | | | | |
| Bank Islami Pakistan Limited | A1 | AA- | PACRA | 21,326,688 | 49,616,658 |
| Habib Bank Limited | A1+ | AAA | JCR-VIS | 308,452,169 | 215,887,092 |
| Habib Metropolitan Bank Limited | A1+ | AAA | PACRA | 19,109,634 | - |
| MCB Bank Limited | A1+ | AAA | PACRA | 4,040,733 | 3,270,757 |
| Meezan Bank Limited | A1+ | AAA | JCR-VIS | 34,969 | 1,184,056 |
| National Bank of Pakistan | A1+ | AAA | PACRA | 100,159 | 100,159 |
| United Bank Limited | A1+ | AAA | JCR-VIS | 93,230 | 607,505 |
| Askari Bank Limited | A1+ | AA+ | PACRA | 83,928 | 652,341 |
| | | | | 353,241,510 | 271,318,568 |

#### 39.1.4.2 Counterparties without external credit ratings

These primarily include customers which are counter parties to trade debts. The Company recognises ECL for trade debts using the simplified approach as explained in note 3.8. The analysis of ages of trade debts and loss allowance using the aforementioned approach as at 30 June 2026 was determined as follows:

The aging of trade debts at the reporting date is

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | Gross carrying amount | Loss Allowance | Gross carrying amount | Loss Allowance |
| | Rupees | | | |
| Not due | 965,294,104 | 3,046,955 | 1,129,868,124 | 3,224,986 |
| Past due 0 - 90 days | 161,784,257 | 2,164,806 | 144,524,136 | 1,716,574 |
| Past due 91 - 180 days | 10,907,212 | 2,848,691 | 33,144,166 | 8,343,443 |
| Past due 181 - 270 days | 3,643,469 | 1,541,559 | 7,371,421 | 3,088,157 |
| Past due 271 - 360 days | 7,835,854 | 4,962,731 | 9,968,518 | 6,428,557 |
| Past due 360 days | 10,463,146 | 10,463,146 | 20,684,699 | 20,684,699 |
| | 1,159,928,042 | 25,027,888 | 1,345,561,064 | 43,486,416 |

# Notes to the Financial Statements

For the year ended 30 June 2026

### 39.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner unfavorable to the Company. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and availability of adequate funds through committed credit facilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

### 39.2.1 Exposure to liquidity risk

### 39.2.1.1 Contractual maturities of financial liabilities, including estimated interest payments

The following are the remaining contractual maturities of financial liabilities at the reporting date. The cash flows are undiscounted, and include estimated interest payments.

| | 2026 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Note | Carrying amount | Contractual cash flows | One year or less | One to three years | Three to five years | More than five years |
| | | | | Rupees | | | |
| ***Financial liabilities at*** | | | | | | | |
| ***amortized cost*** | | | | | | | |
| Long term finances | 9 | 345,786,925 | 374,570,124 | 72,974,642 | 212,075,214 | 89,520,268 | - |
| Lease liabilities | 11 | 299,835,898 | 318,506,861 | 273,666,997 | 44,839,864 | - | - |
| Trade and other payables | 13 | 548,598,782 | 548,598,782 | 548,598,782 | - | - | - |
| Unclaimed dividend | | 8,124,939 | 8,124,939 | 8,124,939 | - | - | - |
| Short term borrowings | 14 | 286,576,026 | 286,576,026 | 286,576,026 | - | - | - |
| Accrued mark up | 17 | 8,222,299 | 8,222,299 | 8,222,299 | - | - | - |
| | | 1,497,144,869 | 1,544,599,031 | 1,198,163,685 | 256,915,078 | 89,520,268 | - |

| | 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Note | Carrying amount | Contractual cash flows | One year or less | One to three years | Three to five years | More than five years |
| | | | | Rupees | | | |
| ***Financial liabilities at*** | | | | | | | |
| ***amortized cost*** | | | | | | | |
| Long term finances | 9 | 427,456,766 | 466,505,803 | 91,872,832 | 145,531,837 | 130,875,559 | 98,225,575 |
| Lease liabilities | 11 | 163,704,145 | 176,513,431 | 148,798,848 | 27,714,583 | - | - |
| Trade and other payables | 13 | 539,608,092 | 539,608,092 | 539,608,092 | - | - | - |
| Unclaimed dividend | | 6,957,766 | 6,957,766 | 6,957,766 | - | - | - |
| Short term borrowings | 14 | 139,054,595 | 139,054,595 | 139,054,595 | - | - | - |
| Accrued mark up | 17 | 24,455,847 | 24,455,847 | 24,455,847 | - | - | - |
| | | 1,301,237,211 | 1,353,095,534 | 950,747,980 | 173,246,420 | 130,875,559 | 98,225,575 |

### 39.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.



### 39.3.1 Price risk

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments trading in market. The Company is not exposed to equity price risk as it does not have any exposure in equity securities.

### 39.3.2 Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and bank balances are denominated and the respective functional currency of the Company. The functional currency of the Company is Pak Rupee. The currency in which these transactions are primarily denominated is US dollars.

### 39.3.2.1 Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

| | 2026 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Chinese Yuan (CNY) | Euro (EUR) | Japanese Yen (JPY) | US Dollar (USD) | Qatari Riyal (QAR) | Pound Sterling (GBP) | Thai Baht (THB) | UAE Dirham (AED) | Total Rupees |
| ***Assets*** | | | | | | | | | |
| Cash in hand | 7,256 | 1,322 | 23,000 | 2,105 | 600 | 300 | 6,720 | 1,617 | 1,438,988 |
| Bank balances | - | 495,626 | - | 15,463 | - | - | - | - | 161,387,959 |
| Trade debtors | - | - | - | 8,610 | - | - | - | - | 2,395,450 |
| ***Liabilities*** | - | - | - | - | - | - | - | - | - |
| Net exposure | 7,256 | 496,948 | 23,000 | 26,178 | 600 | 300 | 6,720 | 1,617 | 165,222,397 |

| | 2025 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Chinese Yuan (CNY) | Euro (EUR) | Japanese Yen (JPY) | US Dollar (USD) | Qatari Riyal (QAR) | Pound Sterling (GBP) | Thai Baht (THB) | UAE Dirham (AED) | Total Rupees |
| ***Assets*** | | | | | | | | | |
| Cash in hand | 408 | - | 23,000 | 1,987 | 600 | - | - | 300 | 695,176 |
| Bank balances | - | 359,249 | - | 17,511 | - | - | - | - | 124,326,609 |
| Trade debtors | - | 1,208,732 | - | 412 | - | - | - | - | 401,601,207 |
| ***Liabilities*** | - | - | - | - | - | - | - | - | - |
| Net exposure | 408 | 1,567,981 | 23,000 | 19,910 | 600 | - | - | 300 | 526,622,992 |

# Notes to the Financial Statements

For the year ended 30 June 2026

### 39.3.2.2 Exchange rates applied during the year

The following significant exchange rates have been applied during the year:

| | CNY | | EUR | | JPY | | USD | | AED | | QAR | | THB | | GBP | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| | Rupees | | | | | | | | | | | | | | | |
| Reporting date spot rate | | | | | | | | | | | | | | | | |
| - buying | 40.91 | 39.59 | 316.95 | 332.25 | 1.71 | 1.97 | 278.05 | 283.60 | 75.71 | 77.76 | 76.29 | 78.00 | 8.36 | 8.71 | 367.98 | 388.97 |
| - selling | 40.99 | 39.66 | 317.52 | 332.83 | 1.72 | 1.97 | 278.55 | 284.10 | 75.85 | 77.90 | 76.42 | 78.14 | 8.37 | 8.73 | 368.64 | 389.65 |
| Average rate for the year | 40.30 | 39.06 | 324.79 | 315.34 | 1.84 | 1.85 | 280.96 | 281.20 | 76.50 | 77.07 | 77.09 | 77.21 | 8.56 | 8.15 | 378.44 | 370.40 |

### 39.3.2.3 Sensitivity analysis

A reasonably possible strengthening / (weakening) of 10% in Pak Rupee against the CNY, EUR, JPY, USD, AED, QAR, THB and GBP would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

| | 2026<br>Rupees | 2025<br>Rupees |
|---|---|---|
| **Effect on profit and loss** | | |
| CNY | 29,684 | 1,615 |
| EUR | 15,750,767 | 52,096,169 |
| JPY | 3,933 | 4,531 |
| USD | 727,879 | 564,648 |
| AED | 12,242 | 4,666 |
| QAR | 4,577 | 2,340 |
| THB | 59,502 | - |
| GBP | 11,039 | - |
| | 16,599,623 | 52,673,969 |

### 39.3.2.4 Currency risk management

Since the maximum amount exposed to currency risk is only 0.78% (2025: 2.45%) of the Company's financial assets, any adverse / favorable movement in functional currency with respect to CNY, EUR, JPY, USD, AED, QAR, THB and GBP will not have any material impact on the operational results.

### 39.3.3 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

### 39.3.3.1 Interest / mark-up bearing financial instruments

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | Financial asset | Financial liability | Financial asset | Financial liability |
| | Rupees | | | |
| **Non-derivative financial instruments** | | | | |
| Fixed rate instruments | 616,812,504 | 642,440,291 | 507,600,504 | 570,966,481 |
| Variable rate instruments | 3,687,565 | 289,758,558 | 5,007,857 | 159,249,025 |

**Fair value sensitivity analysis for fixed rate instruments**

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in profit / mark-up / interest rates at the reporting date would not affect profit and loss account.

### 39.3.3.2 Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

| | Profit | |
|---|---|---|
| | 2026<br>Rupees | 2025<br>Rupees |
| **Increase of 100 basis points** | (2,860,710) | (1,542,412) |
| **Decrease of 100 basis points** | 2,860,710 | 1,542,412 |

### 39.3.3.3 Interest rate risk management

The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The short and long term borrowings of the Company has variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

### 39.4 Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

# Notes to the Financial Statements

For the year ended 30 June 2026

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

### 39.4.1 Fair values of financial instruments

The following table shows the carrying amounts and fair values of financial instruments including their levels in the fair value hierarchy:

| | | Carrying Amount | | | | Fair Value | | |
|---|---|---|---|---|---|---|---|---|
| | Note | Investments - FVOCI | Financial assets at amortized cost | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 |
| | | Rupees | | | | | | |
| **On-Balance sheet financial instruments** | | | | | | | | |
| On 30 June 2026 | | | | | | | | |
| ***Financial assets measured at fair value*** | | | | | | | | |
| Investment classified at FVOCI | | - | - | - | - | - | - | - |
| Financial assets at amortized cost | | | | | | | | |
| Cash and bank balances | 26 | - | 356,277,826 | - | 356,277,826 | - | - | - |
| Deposits and other receivables | 24 | - | 39,131,436 | - | 39,131,436 | - | - | - |
| Long term deposits | 21 | - | 11,615,642 | - | 11,615,642 | - | - | - |
| Short term Investment | 25 | - | 616,812,504 | - | 616,812,504 | - | - | - |
| Trade debts - unsecured, considered good | 23 | - | 1,159,928,042 | - | 1,159,928,042 | - | - | - |
| | 39.4.2 | - | 2,183,765,450 | - | 2,183,765,450 | - | - | - |
| ***Financial liabilities measured at fair value*** | | - | - | - | - | - | - | - |
| ***Financial liabilities measured at amortized cost*** | | | | | | | | |
| Long term finances and diminishing musharika | 9 | - | - | 345,786,925 | 345,786,925 | - | - | - |
| Lease liabilities | 11 | - | - | 299,835,898 | 299,835,898 | - | - | - |
| Trade and other payables | 13 | - | - | 548,598,782 | 548,598,782 | - | - | - |
| Unclaimed dividend | | - | - | 8,124,939 | 8,124,939 | - | - | - |
| Short term borrowing | 14 | - | - | 286,576,026 | 286,576,026 | - | - | - |
| Accrued mark up | 17 | - | - | 8,222,299 | 8,222,299 | - | - | - |
| | 39.4.2 | - | - | 1,497,144,869 | 1,497,144,869 | - | - | - |



| | | Carrying Amount | | | | Fair Value | | |
|---|---|---|---|---|---|---|---|---|
| | Note | Investments - FVOCI | Financial assets at amortized cost | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 |
| | | Rupees | | | | | | |
| **On-Balance sheet financial instruments** | | | | | | | | |
| On 30 June 2025 | | | | | | | | |
| ***Financial assets measured at fair value*** | | | | | | | | |
| Investment classified at FVOCI | | - | - | - | - | - | - | - |
| | | - | - | - | - | - | - | - |
| ***Financial assets at amortized cost*** | | | | | | | | |
| Cash and bank balances | 26 | - | 272,988,311 | - | 272,988,311 | - | - | - |
| Deposits and other receivables | 24 | - | 17,922,451 | - | 17,922,451 | - | - | - |
| Long term deposits | 21 | - | 10,439,805 | - | 10,439,805 | - | - | - |
| Short term Investment | 25 | - | 507,600,504 | - | 507,600,504 | - | - | - |
| Trade debts - unsecured, considered good | 23 | - | 1,345,561,064 | - | 1,345,561,064 | - | - | - |
| | 39.4.2 | - | 2,154,512,135 | - | 2,154,512,135 | - | - | - |
| ***Financial liabilities measured at fair value*** | | - | - | - | - | - | - | - |
| | | - | - | - | - | - | - | - |
| ***Financial liabilities not measured at fair value*** | | | | | | | | |
| Long term finances and diminishing musharika | 9 | - | - | 427,456,766 | 427,456,766 | - | - | - |
| Lease liabilities | 11 | - | - | 163,704,145 | 163,704,145 | - | - | - |
| Trade and other payables | 13 | - | - | 539,608,092 | 539,608,092 | - | - | - |
| Unclaimed dividend | | - | - | 6,957,766 | 6,957,766 | - | - | - |
| Short term borrowing | 14 | - | - | 139,054,595 | 139,054,595 | - | - | - |
| Accrued mark up | 17 | - | - | 24,455,847 | 24,455,847 | - | - | - |
| | 39.4.2 | - | - | 1,301,237,211 | 1,301,237,211 | - | - | - |

**39.4.2** The Company has not disclosed the fair values of these financial assets and liabilities as these reprice over a short term. Therefore, their carrying amounts are reasonable approximation of fair value.

**39.4.3** Land has been carried at revalued amounts determined by professional valuer (level 3 measurement) based on their assessment of the market values as disclosed in note 19.5. The valuations are conducted by the valuation experts appointed by the Company. The valuation experts used a market based approach to arrive at the fair value of the Company's land after performing inquiries in the vicinity of land and information obtained from estate dealers of the area. The effect of changes in the unobservable inputs used in the valuation can not be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

## 40. CAPITAL MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

i. to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

ii. to provide an adequate return to shareholders.

# Notes to the Financial Statements

For the year ended 30 June 2026

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

| | Unit | 2026 | 2025 |
|---|---|---|---|
| **Total debt** | Rupees | 940,421,148 | 689,135,254 |
| **Total equity** | Rupees | 7,317,319,999 | 6,109,862,203 |
| **Total capital employed** | Rupees | 8,257,741,147 | 6,798,997,457 |
| **Gearing ratio** | | 11.39% | 10.14% |

Total debt comprises of long term loans from banking companies and customer, accrued markup on borrowings, lease liabilities and short term borrowings.

Total equity includes issued, subscribed and paid-up share capital, treasury shares, share premium, accumulated profits, fair value reserve on investment and surplus on revaluation of fixed assets.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

## 41. OPERATING SEGMENTS

### 41.1 Basis of segmentation

The Company has nine (2025: nine) manufacturing units, which are its reportable segments. These units offer more than one products, and are managed separately.

The Company's Chief Executive Officer reviews the internal management reports of each unit separately on a monthly basis for the purpose decision making about allocating resources to the segment and assessing its performance.

### 41.2 Information about reportable segments

Information related to each reportable segments is set out below. Segment gross profit is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments.

| | 2026 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Unit 1 | Unit 2 | Unit 3 | Unit 4 | Unit 5 | Unit 6 | Unit 7 | Unit 8 | Unit 9 | Total |
| | Rupees | | | | | | | | | |
| Segment net sales | 398,087,507 | 2,180,030,182 | 1,073,215,355 | 190,600,000 | 1,824,341,350 | 774,334,345 | 807,890,159 | 1,881,811,111 | 278,558,923 | 9,408,868,932 |
| Segment cost of sales | (315,714,753) | (1,554,998,125) | (873,430,036) | (249,400,118) | (1,340,887,770) | (448,400,156) | (611,357,999) | (1,354,834,271) | (188,478,876) | (6,937,502,104) |
| Segment gross profit | 82,372,754 | 625,032,057 | 199,785,319 | (58,800,118) | 483,453,580 | 325,934,189 | 196,532,160 | 526,976,840 | 90,080,047 | 2,471,366,828 |
| Segment assets - plant and machinery | 198,125,054 | 425,186,283 | 517,181,398 | 93,653,626 | 346,304,703 | 141,123,338 | 328,469,127 | 284,103,475 | 74,453,900 | 2,408,600,904 |

| | 2025 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Unit 1 | Unit 2 | Unit 3 | Unit 4 | Unit 5 | Unit 6 | Unit 7 | Unit 8 | Unit 9 | Total |
| | Rupees | | | | | | | | | |
| Segment net sales | 628,455,698 | 2,018,274,497 | 862,812,860 | 239,748,113 | 1,874,382,635 | 1,295,663,530 | 1,284,713,028 | 1,171,166,343 | 258,000,826 | 9,633,217,530 |
| Segment cost of sales | (515,981,013) | (1,667,003,041) | (751,708,337) | (256,524,510) | (1,305,739,152) | (629,472,787) | (792,741,640) | (924,928,635) | (201,159,973) | (7,045,259,088) |
| Segment gross profit | 112,474,685 | 351,271,456 | 111,104,523 | (16,776,397) | 568,643,483 | 666,190,743 | 491,971,388 | 246,237,708 | 56,840,853 | 2,587,958,442 |
| Segment assets - plant and machinery | 142,864,384 | 369,840,630 | 585,858,602 | 107,192,108 | 379,274,709 | 139,461,271 | 342,470,546 | 266,019,070 | 70,921,145 | 2,403,902,465 |

**41.2.1** Approximately Rs. 5,292 million of the Company's total net sales were generated from four customers during the year (2025: Rs. 5,305 million from four customers).



### 41.3 Reconciliations of information on reportable segments to IFRS measures

| | 2026 Rupees | 2025 Rupees |
|---|---|---|
| **41.3.1 Assets** | | |
| Total assets for reportable segments | 2,408,600,904 | 2,403,902,465 |
| Other unallocated amounts | 7,378,345,737 | 5,849,015,369 |
| Total assets | 9,786,946,641 | 8,252,917,834 |

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

The aggregate amount charged in the financial statements for the year in respect of remuneration, including all benefits to the Chief Executive, Directors and Executives of the Company is as follows:

| | 2026 | | | | |
|---|---|---|---|---|---|
| | Directors | | | | |
| | Chairman | Chief Executive | Non-Executive / Independent | Executive | Executives |
| | Rupees | | | | |
| Managerial remuneration | 24,120,000 | 28,140,000 | - | 12,494,160 | 86,703,989 |
| Utilities and house rent | 11,880,000 | 13,860,000 | - | 6,153,840 | 42,704,950 |
| Post employment benefits | - | - | - | 1,243,200 | 6,743,013 |
| Meeting fees | - | - | 1,750,000 | - | - |
| Bonus and rewards | - | 5,833,333 | - | 2,590,000 | 19,547,552 |
| Others benefits | 1,393,589 | 755,014 | - | 2,828,084 | 7,598,154 |
| | 37,393,589 | 48,588,347 | 1,750,000 | 25,309,284 | 163,297,658 |
| Number of persons | 1 | 1 | 5 | 1 | 28 |

| | 2025 | | | | |
|---|---|---|---|---|---|
| | Directors | | | | |
| | Chairman | Chief Executive | Non-Executive / Independent | Executive | Executives |
| | Rupees | | | | |
| Managerial remuneration | 17,066,668 | 23,600,004 | - | 10,671,996 | 70,825,698 |
| Utilities and house rent | 8,533,332 | 11,799,996 | - | 5,336,004 | 34,884,299 |
| Post employment benefits | - | - | - | 1,067,200 | 5,217,239 |
| Advisory fee | - | - | - | - | - |
| Meeting fees | - | - | 2,740,000 | - | - |
| Bonus and rewards | - | 4,916,667 | - | 9,879,333 | 31,721,670 |
| Others benefits | 360,189 | 1,115,177 | - | 316,353 | 1,170,000 |
| | 25,960,189 | 41,431,844 | 2,740,000 | 27,270,886 | 143,818,906 |
| Number of persons | 1 | 1 | 6 | 1 | 24 |

**42.1** Executive means employees, other than the chief executive and directors, whose basic salary exceed twelve hundred thousand rupees in a financial year.

**42.2** The Company also provides the chairman, chief executive and some of the directors and executives the Company's maintained cars and certain other benefits.

# Notes to the Financial Statements

For the year ended 30 June 2026

## 43. PLANT CAPACITY AND ACTUAL PRODUCTION

| | Installed processing capacity | | Actual processing | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Small, medium and large | | | | |
| Moulds making facility | 60 to 70 molds | 60 to 70 molds | 16 Molds | 11 Molds |
| Injection molds facility | 5,000 tons of Plastic | 7,900 tons of plastic | 3,600 tons of plastic | 3,500 tons plastic |
| Blow molding facility | 4,300 tons of Plastic | 5,600 tons of plastic | 2,800 tons of plastic | 2,900 tons plastic |
| Extrusion* | 9,000 tons of Plastic | 6,800 tons of plastic | 6,500 tons of plastic | 6,500 tons plastic |
| Thermoforming | 4,200 tons of Plastic | 3,700 tons of plastic | 3,000 tons of Plastic | 3,000 tons plastic |

*The Company's extrusion output is utilized internally for the manufacture of its thermoforming products.

Actual capacity utilization is lower than installed capacity due to market demand fluctuations during the year.

## 44. PROVIDENT FUND RELATED DISCLOSURE

The investments by the provident fund have been made in accordance with the provisions of section 218 of the Act and the conditions specified thereunder.

## 45. RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

| | 30 June 2026 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Liabilities | | | | | | | | |
| | Issued, subscribed and paid-up capital | Share Premium | Treasury shares | Long term loan conventional | Lease liabilities | Short term borrowings | Unclaimed dividend | Accrued mark up | Total |
| | Rupees | | | | | | | | |
| **Balance as at 01 July 2025** | 998,680,080 | 358,627,893 | (114,905,038) | 427,456,764 | 163,704,145 | 139,054,595 | 6,957,766 | 24,455,847 | 2,004,032,052 |
| ***Changes from financing activities*** | | | | | | | | | |
| Repurchase of treasury shares | - | - | - | - | - | - | - | - | - |
| Repayment of short term borrowings - net | - | - | - | - | - | 147,521,431 | - | - | 147,521,431 |
| Long term loan repayment | - | - | - | (81,669,839) | - | - | - | - | (81,669,839) |
| Long term loan obtained | - | - | - | - | - | - | - | - | - |
| Diminishing Musharika paid - net | - | - | - | - | - | - | - | - | - |
| Repayment of finance lease liabilities | - | - | - | - | (223,503,301) | - | - | - | (223,503,301) |
| Markup paid on borrowings | - | - | - | - | (22,724,598) | - | - | (80,419,190) | (103,143,788) |
| Other adjustments | - | - | - | - | - | - | - | - | - |
| Dividend paid | - | - | - | - | - | - | (169,607,257) | - | (169,607,257) |
| **Total changes from financing cash flows** | - | - | - | (81,669,839) | (246,227,899) | 147,521,431 | (169,607,257) | (80,419,190) | (430,402,754) |
| ***Other liability related changes*** | | | | | | | | | |
| Additions in lease liabilities | - | - | - | - | 359,635,054 | - | - | - | 359,635,054 |
| Unwinding of interest | - | - | - | - | 22,724,598 | - | - | - | 22,724,598 |
| Dividend declared | - | - | - | - | - | - | 170,774,430 | - | 170,774,430 |
| Amortization of deferred grant | - | - | - | - | - | - | - | (17,211,372) | (17,211,372) |
| Mark-up on borrowings | - | - | - | - | - | - | - | 81,397,014 | 81,397,014 |
| Total liability related other changes | - | - | - | - | 382,359,652 | - | 170,774,430 | 64,185,642 | 617,319,724 |
| **Closing as at 30 June 2026** | 998,680,080 | 358,627,893 | (114,905,038) | 345,786,925 | 299,835,898 | 286,576,026 | 8,124,939 | 8,222,299 | 2,190,949,022 |

| | 30 June 2025 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Liabilities | | | | | | | | | |
| | Issued, subscribed and paid-up capital | Share Premium | Treasury shares | Long term loan Islamic mode | Long term loan conventional | Lease liabilities | Short term borrowings | Unclaimed dividend | Accrued mark up | Total |
| | Rupees | | | | | | | | | |
| **Balance as at 01 July 2024** | 998,680,080 | 358,627,893 | (114,905,038) | 18,750,016 | 606,269,965 | 159,119,936 | 210,207,336 | 5,025,308 | 54,577,231 | 2,296,352,727 |
| ***Changes from financing activities*** | | | | | | | | | | |
| Repurchase of treasury shares | - | - | - | - | - | - | - | - | - | - |
| Repayment of short term borrowings - net | - | - | - | - | - | - | (71,152,741) | - | - | (71,152,741) |
| Long term loan repayment | - | - | - | - | (182,513,117) | - | - | - | - | (182,513,117) |
| Long term loan obtained | - | - | - | - | 3,699,916 | - | - | - | - | 3,699,916 |
| Diminishing Musharika paid | - | - | - | (18,750,016) | - | - | - | - | - | (18,750,016) |
| Repayment of finance lease liabilities | - | - | - | - | - | (415,374,517) | - | - | - | (415,374,517) |
| Markup paid on borrowings | - | - | - | - | - | - | - | - | (101,186,651) | (101,186,651) |
| Other adjustment | - | - | - | - | - | (1,707,000) | - | - | - | (1,707,000) |
| Dividend paid | - | - | - | - | - | - | - | (263,716,442) | - | (263,716,442) |
| **Total changes from financing cash flows** | - | - | - | (18,750,016) | (178,813,201) | (417,081,517) | (71,152,741) | (263,716,442) | (101,186,651) | (1,050,700,568) |
| ***Other liability related changes*** | | | | | | | | | | |
| Additions in lease liabilities | - | - | - | - | - | 390,008,829 | - | - | - | 390,008,829 |
| Unwinding of interest | - | - | - | - | - | 31,656,897 | - | - | - | 31,656,897 |
| Dividend declared | - | - | - | - | - | - | - | 265,648,900 | - | 265,648,900 |
| Amortization of deferred grant | - | - | - | - | - | - | - | - | (19,247,059) | (19,247,059) |
| Mark-up on borrowings | - | - | - | - | - | - | - | - | 90,312,326 | 90,312,326 |
| **Total liability related other changes** | - | - | - | - | - | 421,665,726 | - | 265,648,900 | 71,065,267 | 758,379,893 |
| **Balance as at 30 June 2025** | 998,680,080 | 358,627,893 | (114,905,038) | - | 427,456,764 | 163,704,145 | 139,054,595 | 6,957,766 | 24,455,847 | 2,004,032,052 |

## 46. NUMBER OF EMPLOYEES

The Company has employed following number of persons including permanent and contractual staff:

| | Number of Employees | |
|---|---|---|
| | 2026 | 2025 |
| Number of employees as at 30 June | 609 | 626 |
| Average number of employees during the year | 618 | 581 |

**46.1** The number of factory employees as at 30 June 2026 are 568 employees (30 June 2025: 538 employees).

# Notes to the Financial Statements

For the year ended 30 June 2026

### 47. CORRESPONDING FIGURES

During 2026, the Company changed the classification of impairment loss or reversal on financial assets from 'Other charges' to 'Impairment reversal / (loss) on financial assets' in the Statement of Profit or Loss. This change reflects more appropriately the nature of such amounts, which may represent either a loss or a reversal of a previously recognised loss depending on movements in expected credit losses during the period. Comparative amounts have been reclassified for consistency. As a result, Rs. 32.33 million has been reclassified from 'Other charges' to 'Impairment reversal / (loss) on financial assets' for the year ended 30 June 2025.

### 48. EVENTS AFTER THE REPORTING DATE

The Board of Directors of the Company in its meeting held on 17 August 2026 has proposed a final cash dividend of Rs. 0.5 per share, for the year ended 30 June 2026, for approval of the members in the Annual General Meeting to be held on 09 October 2026.

### 49. GENERAL

**49.1** These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 17 August 2026.

**49.2** Figures have been rounded off to the nearest rupee.

Chief Executive Officer | Director | Chief Financial Officer



# Pattern of Shareholding

as on 30 June 2026

| | Shareholdings | | | |
|---|---|---|---|---|
| No. of Shareholders | From | To | Shares Held | Percentage |
| 1108 | 1 | 100 | 35,053 | 0.0176 |
| 995 | 101 | 500 | 312,495 | 0.1565 |
| 642 | 501 | 1000 | 544,655 | 0.2727 |
| 1869 | 1001 | 5000 | 3,995,894 | 2.0006 |
| 338 | 5001 | 10000 | 2,614,508 | 1.3090 |
| 119 | 10001 | 15000 | 1,486,303 | 0.7441 |
| 89 | 15001 | 20000 | 1,625,483 | 0.8138 |
| 37 | 20001 | 25000 | 863,842 | 0.4325 |
| 35 | 25001 | 30000 | 996,498 | 0.4989 |
| 14 | 30001 | 35000 | 466,378 | 0.2335 |
| 15 | 35001 | 40000 | 572,152 | 0.2865 |
| 7 | 40001 | 45000 | 303,635 | 0.1520 |
| 20 | 45001 | 50000 | 980,903 | 0.4911 |
| 10 | 50001 | 55000 | 525,213 | 0.2630 |
| 7 | 55001 | 60000 | 403,578 | 0.2021 |
| 6 | 60001 | 65000 | 374,787 | 0.1876 |
| 4 | 65001 | 70000 | 273,734 | 0.1370 |
| 3 | 70001 | 75000 | 219,430 | 0.1099 |
| 5 | 75001 | 80000 | 391,800 | 0.1962 |
| 1 | 80001 | 85000 | 80,416 | 0.0403 |
| 3 | 85001 | 90000 | 260,048 | 0.1302 |
| 1 | 90001 | 95000 | 95,000 | 0.0476 |
| 13 | 95001 | 100000 | 1,286,454 | 0.6441 |
| 1 | 100001 | 105000 | 105,000 | 0.0526 |
| 3 | 105001 | 110000 | 328,315 | 0.1644 |
| 3 | 110001 | 115000 | 344,100 | 0.1723 |
| 2 | 115001 | 120000 | 235,720 | 0.1180 |
| 2 | 120001 | 125000 | 248,001 | 0.1242 |
| 3 | 130001 | 135000 | 392,614 | 0.1966 |
| 1 | 135001 | 140000 | 136,700 | 0.0684 |
| 1 | 140001 | 145000 | 145,000 | 0.0726 |
| 1 | 145001 | 150000 | 150,000 | 0.0751 |
| 1 | 165001 | 170000 | 165,872 | 0.0830 |
| 2 | 170001 | 175000 | 350,000 | 0.1752 |
| 1 | 175001 | 180000 | 179,265 | 0.0898 |
| 2 | 180001 | 185000 | 369,484 | 0.1850 |
| 4 | 195001 | 200000 | 800,000 | 0.4005 |
| 1 | 220001 | 225000 | 224,950 | 0.1126 |
| 2 | 225001 | 230000 | 454,510 | 0.2276 |
| 4 | 255001 | 260000 | 1,029,366 | 0.5154 |
| 1 | 290001 | 295000 | 292,052 | 0.1462 |
| 1 | 420001 | 425000 | 425,000 | 0.2128 |
| 1 | 445001 | 450000 | 450,000 | 0.2253 |
| 1 | 495001 | 500000 | 500,000 | 0.2503 |
| 1 | 600001 | 605000 | 600,865 | 0.3008 |
| 2 | 605001 | 610000 | 1,214,474 | 0.6080 |

# Pattern of Shareholding
as on 30 June 2026

| | Shareholdings | | | |
|---|---|---|---|---|
| No. of Shareholders | From | To | Shares Held | Percentage |
| 1 | 695001 | 700000 | 700,000 | 0.3505 |
| 1 | 735001 | 740000 | 736,794 | 0.3689 |
| 1 | 805001 | 810000 | 805,751 | 0.4034 |
| 1 | 920001 | 925000 | 924,470 | 0.4628 |
| 1 | 1105001 | 1110000 | 1,109,718 | 0.5556 |
| 1 | 1170001 | 1175000 | 1,170,450 | 0.5860 |
| 1 | 1380001 | 1385000 | 1,382,834 | 0.6923 |
| 1 | 1495001 | 1500000 | 1,500,000 | 0.7510 |
| 1 | 1540001 | 1545000 | 1,542,714 | 0.7724 |
| 1 | 1670001 | 1675000 | 1,673,658 | 0.8379 |
| 1 | 1925001 | 1930000 | 1,925,776 | 0.9642 |
| 1 | 2230001 | 2235000 | 2,232,927 | 1.1179 |
| 1 | 9985001 | 9990000 | 9,986,801 | 5.0000 |
| 2 | 30430001 | 30435000 | 60,865,917 | 30.4732 |
| 1 | 85325001 | 85330000 | 85,328,659 | 42.7207 |
| 5,398 | Total | | 199,736,016 | 100.000 |



# Category of Shareholders
as on 30 June 2026

| Sr. No. | Particulars | No. of Shares | Percentage |
|---|---|---|---|
| | | | |
| 1. | **Directors, CEO and their spouses and minor children** | | |
| | Mr. Almas Hyder* | 85,328,659 | 42.72% |
| | Mr. Zia Hyder Naqi* | 31,815,793 | 15.93% |
| | Mr. Haroon Sharif | 672 | 0.00% |
| | Dr. Syed Sohail Hussain Naqvi | 3,080 | 0.00% |
| | Mr. Ameen Ahsan | 500 | 0.00% |
| | Dr. Nighat Arshad | 257,048 | 0.13% |
| | Mr. Abid Saleem Khan | 1,080 | 0.00% |
| | | | |
| 2. | **Insurance Companies** | 136,700 | 0.07% |
| | | | |
| 3. | **Modarabas and Mutual Funds** | 3,556,062 | 1.78% |
| | | | |
| 4. | **General Public** | | |
| | a) Local | 56,630,857 | 28.35% |
| | | | |
| | b) Foreign | 3,452,995 | 1.73% |
| | | | |
| 5. | **Others** | 18,552,570 | 9.29% |
| | | | |
| | **Total** | 199,736,016 | 100.00% |

* Shareholders having more than 10% shareholding.

# Notice of 44th Annual General Meeting

Notice is hereby given that the 44th Annual General Meeting of the shareholders of SPEL Limited (the "Company") will be held on **Friday 09 October 2026** at **03:30 PM** at **ICMA Pakistan Building, 42-Ferozepur Road, Lahore** to transact the following business:

## A) Ordinary Business

1. To receive, consider and adopt the audited financial statements for the year ended 30 June 2026 together with Directors' and Auditors' Report thereon and Chairman's Review Report.

2. To approve final cash dividend for the year ended 30 June 2026 @ Rs. 0.5 per share i.e. 10% as recommended by the Board of Directors. This is in addition to the interim dividend @ Rs 0.5 per share i.e. 10% already paid.

3. To appoint auditors for the financial year 2026–27 and fix their remuneration. The Board, based on the recommendation of the Board Audit Committee, has recommended the appointment of M/s RSM Avais Hyder Liaquat Nauman, Chartered Accountants, as the auditors of the Company for the financial year 2026–27.

## B) Any Other Business

4. To transact, with the permission of the Chairman, any other business which may be transacted at an Annual General Meeting.

By Order of the Board

18 September 2026
Lahore

**Khalil Ahmad Hashmi** (FCA)
Company Secretary

## NOTES:

**1. Closure of Share Transfer Books**

The Share Transfer Books of the Company shall remain closed from **03 October 2026** to **09 October 2026** (both days inclusive). Transfers received in order at the Company's Share Registrar, **M/s THK Associates (Pvt.) Limited**, Plot No. 32-C, Jami Commercial Street 2, D.H.A. Phase VII, Karachi, Pakistan, by the close of business on **02 October 2026** shall be treated as timely for the purpose of attending, participating in, and voting at the Annual General Meeting.

**2. Participation in the AGM, via physical presence including through proxy**

Members whose names appear in the Register of Members as of **02 October 2026**, are entitled to attend and vote at the AGM. A member entitled to attend and vote may appoint a proxy to attend, speak and vote on his/her behalf.

An instrument of proxy applicable for the AGM is being provided with the Notice sent to the members. Proxy form may also be downloaded from the Company's website: http://www.spelgroup.com. The proxy instrument, duly completed and signed by the member or his/her attorney duly authorized in writing, or, in the case of a body corporate, by an authorized officer or attorney, must be deposited at the Company's Registered Office at **127-S, Q.I.E., Township, Kot Lakhpat, Lahore,** at least forty-eight (48) hours before the time scheduled for the Annual General Meeting.Members are requested to submit, along with the proxy form, a copy of their and proxy's valid Computerized National Identity Card (CNIC) or Passport.

If a member appoints more than one proxy and more than one instrument of proxy is deposited by a member, all such instruments of proxy shall be rendered invalid.



**3. Video Conference Facility**

Pursuant to SECP's Circular No 10 dated 21 May 2014 read with section 132(2) & 134(1)(b) of the Companies Act 2017, if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a city, to participate in the meeting through video conference at least 7 days prior to the date of the meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard please fill the following and submit it to the registered address of the Company at least 7 days before the date of AGM.

I/We _______________ of _______________, being member(s) of SPEL Limited holder _______________ Ordinary share(s) as per Register Folio No. _______________ hereby opt for video conference facility at _______________.

_________________
Signature of Member

**4. Video Link Facility**

Pursuant to SECP's Circular No 4 of 2021 shareholders can attend the meeting through video link facility.

The shareholders who wish to attend the Annual General Meeting through video link are requested to get themselves registered by sending their particulars at the designated email address corporate@spelgroup.com, giving particulars as per below table on or before **07 October 2026.**

(i) Name of Member;
(ii) CNIC / NTN No.;
(iii) Folio No. / CDC IAS No.;
(iv) Cell No.; and
(v) Email Address.

**5. Guidelines for Central Depository Company of Pakistan Limited ('CDC') Investor Account Holders:**

CDC Investor Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP).

**a. For attending the AGM:**

(i) In case of individuals, the investor account holder or sub-account holder and / or the person whose securities are in group account where registration details are uploaded as per the CDC Regulations, shall authenticate his / her identity by showing his/ her original CNIC or valid passport at the time of attending the AGM.

(ii) In 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 AGM.

**b. For appointing Proxies:**

(i) In case of individuals, the investor account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.

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

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

(iv) The proxy shall produce his original CNIC or original valid passport at the time of the AGM.

(v) In case of a corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

**6. Prohibition of Gifts Distribution**

In accordance with company policy and regulatory guidelines, no gifts or incentives shall be distributed at the Annual General Meeting. Members are expected to comply with this policy and regulatory requirements.

**7. Availability of Audited Financial Statements on Company's Website**

In accordance with the Provision of Sections 223(7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2026 are available on the Company's website which can be accessed/ downloaded from the following link and QR code: www.spelgroup.com

Notwithstanding the above, pursuant to the provisions of the Companies Act, 2017, the Company will provide hard copies of the audited financial statements to any Member upon their request at their registered address, on payment of such fee as may be fixed by the Company, within seven (7) days of receiving such request.

**8. Withholding tax on Dividend**

In compliance with Section 150 read with Division I of Part III of the First Schedule to the Income Tax Ordinance, 2001, withholding tax on dividend income shall be deducted at the rate of 15% for persons whose names appear on the Active Taxpayers List (ATL) of the Federal Board of Revenue (FBR) and at the rate of 30% for persons not appearing on the ATL (Non-ATL). The ATL refers to the latest Active Taxpayers List issued by the FBR and available on its website. To avail the lower rate of 15%, members are advised to ensure that their names appear in the latest ATL; otherwise, tax on their cash dividend will be deducted at 30%.

Withholding tax exemption on dividend income shall only be allowed if a copy of a valid tax exemption certificate is submitted to the Company's Share Registrar, M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A. Phase VII, Karachi, by the first day of book closure.

As clarified by the FBR, in the case of joint shareholdings, the withholding tax will be applied separately based on the ATL/Non-ATL status of the principal shareholder as well as the status of the joint holder(s), in proportion to their respective shareholdings. Members holding shares jointly are therefore requested to provide, in writing, the shareholding proportions of the principal member and the joint holder(s) to the Company's Share Registrar. In the absence of such information, it will be assumed that the shares are held in equal proportion by the principal and joint holder(s).

**9. Provision of International Banking Account Number (IBAN Detail)**

In accordance with the provisions of Section 242 of the Companies Act, 2017 and SECP's Circular No.421(I) 2018 , it is mandatory for a listed Company to pay cash dividend to its members only through electronic mode directly into bank account designated by the entitled member. To receive dividends directly into the bank account, the following is recommended:

- **Members having shareholding in physical form** are requested to provide their IBAN details duly signed along with a copy of CNIC to the Registrar of the Company, THK Associates (Pvt.) Limited, Plot no. 32-C Jami Commercial Street 2, D.H.A. Phase VII, Karachi, Pakistan;
- **Members having shareholding in book entry form** in CDS are advised to submit their IBAN details directly to relevant broker/ participant/ CDC Investor Account Services.

In case of non-receipt of information, the Company will be constrained to withhold payment of dividend to members.

**10. Unclaimed shares and dividend:**

As per the provision of section 244 of the Act, any shares issued, or dividend declared by the Company which have remained unclaimed / unpaid for a period of three years from the date on which it was due and payable are required to be deposited with SECP for the credit of Federal Government after issuance of notices to the Shareholders to file their claim. The letters related to the dividend, unclaimed for more than three years, have been sent to the respective shareholders.

The shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case, no claim is lodged with the Company in the given time, the Company shall, after giving notice in the newspaper, proceed to deposit the unclaimed / unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of the Act.

**11. Conversion of Physical Shares in to Book Entry Form (CDC-Account)**

The SECP through its letter No. CSD/ED/Misc/2016- 639-640 dated March 26, 2021 has advised listed companies to adhere to provisions of Section 72 of the Companies Act, 2017 by replacing physical shares issued by them into book entry form.

Members having physical shareholding are encouraged to open CDC sub - account with any of the brokers or Investor Account directly with the CDC to convert their physical shares into scrip less form, this will facilitate them in many ways.



# شیئر ہولڈرز کو ڈائریکٹرز کی رپورٹ

برائے مختتمہ سال 30 جون 2026ء

(DE&I) کی اہمیت کوتسلیم کرتے ہیں۔ ہم کمپنی کی تمام سطحوں پر DE&I کو فروغ دینے کے لیے متعدد اقدامات کریں گے، اس بات کو یقینی بناتے ہوئے کہ ہماری افرادی قوت ان متنوع کمیونٹیز کی عکاسی کرے جن کی ہم خدمت کرتے ہیں اور تمام ملازمین کو مساوی مواقع میسر ہوں۔ یہ کوششیں ہماری طویل مدتی کامیابی کالازمی حصہ ہیں اور بہترین طریقوں اور اسٹیک ہولڈرز کی ابھرتی ہوئی توقعات کے ساتھ ہم آہنگ رہنے کے لیے مسلسل بہتر بنائی جارہی ہیں۔

## کاروبار کا تسلسل اور ڈیزاسٹر ریکوری

بورڈ نے کاروباری تسلسل اور ڈزاسٹر ریکوری کے منصوبوں کا باریک بینی سے جائزہ لیا اور انہیں مضبوط کیا۔ ان اقدامات کا مقصد ممکنہ مشکلات کو کم کرنا اور اس بات کو یقینی بنانا ہے کہ غیر متوقع حالات میں بھی ہمارے آپریشنز ہموار انداز میں چلتے رہیں۔

## کمپنی کے کاروباری شعبوں سے متعلق حکومتی پالیسیاں

سال کے دوران حکومتِ پاکستان کی مالیاتی اور صنعتی پالیسیوں کا کمپنی کے آپریشنز پر سازگار اثر پڑا۔ اسٹیٹ بینک آف پاکستان کے مانیٹری نرمی کے سلسلے کے بعد، سال کے دوران پالیسی سود کی شرحوں میں کمی آئی، جس سے کمپنی کی مالیاتی لاگت میں کمی ہوئی۔ حکومت کی صنعتی پالیسی مسلسل مقامی مینوفیکچرنگ، ٹیکنالوجی کی بہتری، پیداواری صلاحیت اور ویلیو ایڈیشن پر مرکوز رہی۔ کمپنی قابلِ اطلاق قوانین وضوابط کی پابند ہے اور دستیاب مراعات اور فریم ورکس سے فائدہ اٹھانے کے لیے حکومتی پالیسیوں کی نگرانی جاری رکھے ہوئے ہے۔

## سائبر رسک مینجمنٹ اور نفاذ

سائبر خطرات کے بدلتے ہوئے منظر نامے کوتسلیم کرتے ہوئے، بورڈ سائبر رسک مینجمنٹ کی حکمت عملیوں کے جائزے، نگرانی اور نفاذ میں اپنے کردار کو سمجھتا ہے۔ بورڈ نے حساس معلومات کی حفاظت اور ڈیٹا کی پرائیویسی کو برقرار رکھنے کے لیے انتظامی ٹیم پر اعتماد کیا ہے۔ کسی بھی خلاف ورزی کی صورت میں، انتظامیہ کو اثرات کو کم کرنے کے لیے فوری اقدام کرنا ہوگا، تاکہ ہمارے اسٹیک ہولڈرز کے مفادات کا تحفظ یقینی بنایا جاسکے اور ہمارے ڈیجیٹل آپریشنز میں اعتماد برقرار رہے۔

## مالیاتی اکاؤنٹنگ اور رپورٹنگ کے معیارات کی تعمیل

بورڈ پاکستان میں قابلِ اطلاق فنانشل اکاؤنٹنگ اور رپورٹنگ اسٹینڈرڈز کی مکمل تعمیل کو برقرار رکھنے کے لیے پرعزم ہے، بشمول انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز بورڈ (IASB) کے جاری کردہ انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRSs)، انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے جاری کردہ اسلامک فنانشل اکاؤنٹنگ اسٹینڈرڈز (IFAS) اور کمپنیز ایکٹ 2017 کے احکامات و ہدایات۔ ہم درست اور شفاف مالیاتی رپورٹنگ کی اہمیت کوتسلیم کرتے ہیں، اور ان معیارات کی پاسداری کا ہمارا عزم دیانت داری اور جوابدہی کی اعلیٰ ترین سطحوں کو برقرار رکھنے پر زور دیتا ہے۔

## بیرونی آڈیٹرز

موجودہ قانونی آڈیٹرز، میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، آنے والے سالانہ عام اجلاس (AGM) کے اختتام پر ریٹائر ہوجائیں گے۔

کارپوریٹ گورننس کے تقاضوں کے مطابق آڈیٹرز کے متواتر جائزے اور تبدیلی کو یقینی بنانے کی غرض سے، آڈٹ کمیٹی نے میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی جگہ مالی سال 2026-27 کے لیے میسرز آر ایس ایم اویس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس کی بطور قانونی آڈیٹرز تقرری کی سفارش کی۔

آڈٹ کمیٹی کی سفارش کی بورڈ آف ڈائریکٹرز نے توثیق کی، اور یہ معاملہ اب آنے والے سالانہ عام اجلاس میں منظوری کے لیے شیئر ہولڈرز کے سامنے پیش کیا جائے گا۔ آڈیٹرز کا معاوضہ مذکورہ سالانہ عام اجلاس میں شیئر ہولڈرز کی منظوری کے مطابق طے کیا جائے گا۔

## مستقبل کا نقطہ نظر

مالیاتی سال 2026-27 پر نظر ڈالتے ہوئے، کمپنی پائیدار ترقی، آپریٹنگ کارکردگی اور اپنی مارکیٹ پوزیشن کو مضبوط بنانے پر مرکوز ہے۔ کمپنی خاص طور پر فوڈ اور FMCG سیکٹرز کی بڑھتی ہوئی طلب کو پورا کرنے کے لیے ٹیکنالوجی، صلاحیت کی افزائش اور عمل کی بہتری میں سرمایہ کاری جاری رکھے گی۔

کمپنی کا مقصد اپنی پروڈکٹ پورٹ فولیو کو وسعت دینا، صارفین کے تعلقات کو مضبوط بنانا اور نئی مارکیٹوں میں مواقع کی تلاش کے ساتھ ساتھ پائیداری، ڈیجیٹل تبدیلی اور آٹومیشن پر اپنی توجہ برقرار رکھنا ہے۔ بورڈ محتاط رسک مینجمنٹ اور تمام اسٹیک ہولڈرز کے لیے پائیدار قدر پیدا کرنے کے لیے پرعزم ہے۔

## اظہارِ تشکر

ہم یہ تسلیم کرتے ہوئے خوشی محسوس کرتے ہیں کہ تمام سال کے دوران ملازمین کے ساتھ تعلقات خوشگوار رہے۔ انتظامیہ تمام ملازمین کی مسلسل لگن، عزم اور محنت کی سچے دل سے تعریف کرتی ہے اور اسے ریکارڈ پر لاتی ہے، جس کے بغیر یہ حاصلات ممکن نہ ہوتیں۔

ہم اپنے باقدر صارفین کے مسلسل تعاون اور ہماری پروڈکٹس پر اعتماد کی بھی تعریف کرتے ہیں۔ مالیاتی اداروں کی طرف سے فراہم کردہ تعاون طاقت کا ذریعہ تھا اور ہم ان کا بھی شکریہ ادا کرتے ہیں۔

چیف ایگزیکٹو آفیسر

ڈائریکٹر

مورخہ: 17 اگست 2026ء

مقام: لاہور

# شیئر ہولڈرز کو ڈائریکٹرز کی رپورٹ

برائے مختتمہ سال 30 جون 2026ء

## بورڈ کے اجلاس اور حاضری

زیر جائزہ سال کے دوران بورڈ کے چار (04) اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی حاضری درج ذیل ہے:

| نام | عہدہ | اجلاس میں شرکت اہل / اجلاس |
|---|---|---|
| جناب الماس حیدر | چیئرمین / نان ایگزیکٹو ڈائریکٹر | 4/4 |
| جناب ضیاء حیدر نقی | چیف ایگزیکٹو آفیسر / ایگزیکٹو ڈائریکٹر | 4/4 |
| جناب ہارون شریف | آزاد نان ایگزیکٹو ڈائریکٹر | 4/4 |
| جناب ڈاکٹر سید سہیل حسین نقوی | آزاد نان ایگزیکٹو ڈائریکٹر | 4/4 |
| جناب امین احسن | آزاد نان ایگزیکٹو ڈائریکٹر | 2/4 |
| جناب عابد سلیم خان | ایگزیکٹو ڈائریکٹر | 4/4 |
| محترمہ ڈاکٹر نگہت ارشد | نان ایگزیکٹو ڈائریکٹر | 3/4 |

اجلاس میں شرکت نہ کر سکنے والے ارکان کو غیر حاضری کی چھٹی دی گئی۔

## بورڈ کی آڈٹ کمیٹی

زیر جائزہ سال کے دوران، بورڈ کی آڈٹ کمیٹی کے چار (04) اجلاس منعقد ہوئے اور ہر رکن کی حاضری مندرجہ ذیل ہے:

| نام | عہدہ | اجلاس میں شرکت اہل / اجلاس |
|---|---|---|
| جناب ہارون شریف | کمیٹی چیئرمین | 4/4 |
| جناب الماس حیدر | رکن | 4/4 |
| جناب امین احسن | رکن | 1/4 |
| محترمہ ڈاکٹر نگہت ارشد | رکن | 3/4 |

## ہیومن ریسورس اور ریمنریشن کمیٹی

ہیومن ریسورس اور ریمنریشن کمیٹی (ایچ آر کمیٹی) کی تشکیل مندرجہ ذیل کے مطابق ہے:

| نام | عہدہ |
|---|---|
| جناب امین احسن | کمیٹی چیئرمین |
| جناب الماس حیدر | رکن |
| جناب ضیاء حیدر نقی | رکن |
| جناب ڈاکٹر سید سہیل حسین نقوی | رکن |
| جناب عابد سلیم خان | رکن |

## فنانس کمیٹی

فنانس کمیٹی کی تشکیل مندرجہ ذیل ہے:

| نام | عہدہ |
|---|---|
| جناب الماس حیدر | کمیٹی چیئرمین |
| جناب ضیاء حیدر نقی | رکن |
| جناب ہارون شریف | رکن |
| جناب ڈاکٹر سید سہیل حسین نقوی | رکن |
| جناب عابد سلیم خان | رکن |

## رسک مینجمنٹ اور پائیداری کمیٹی

رسک مینجمنٹ اور پائیداری کمیٹی کی تشکیل مندرجہ ذیل کے مطابق ہے:

| نام | عہدہ |
|---|---|
| جناب ڈاکٹر سید سہیل حسین نقوی | کمیٹی چیئرمین |
| جناب ضیاء حیدر نقی | رکن |
| جناب ہارون شریف | رکن |
| محترمہ ڈاکٹر نگہت ارشد | رکن |

## نامزدگی کمیٹی

نامزدگی کمیٹی کی تشکیل حسب ذیل ہے:

| نام | عہدہ |
|---|---|
| جناب الماس حیدر | کمیٹی چیئرمین |
| جناب ضیاء حیدر نقی | رکن |
| جناب ڈاکٹر سید سہیل حسین نقوی | رکن |

## ڈائریکٹرز کی ٹریننگ

اس رپورٹ کی تاریخ تک، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے مطابق کمپنی کے چھ (06) ڈائریکٹرز نے ڈائریکٹرز ٹریننگ پروگرام کامیابی سے مکمل کرلیا ہے۔ جبکہ باقی ایک ڈائریکٹر یہ تربیتی پروگرام مکمل کرلیں گے۔

## بورڈ کی کارکردگی کا تجزیہ

بورڈ نے اپنے اور اپنی کمیٹیوں کی کارکردگی کے جائزے کا نظام قائم کیا ہوا ہے۔ زیر جائزہ سال کے دوران، بورڈ کے انفرادی اراکین کی طرف سے ایک باضابطہ جائزہ لیا گیا اور بہتری کے شعبوں پر زور دیتے ہوئے بورڈ کے اجلاس میں اجتماعی نتائج پر تبادلہ خیال کیا گیا۔ مجموعی طور پر کارکردگی تسلی بخش پائی گئی۔



اس تجزیے میں درج ذیل پہلوؤں پر خاص توجہ دی گئی:

- بورڈ کی مجموعی کارکردگی کا جائزہ
- بورڈ کمیٹیوں کا جائزہ
- تمام اراکین کی مہارتوں کا جائزہ
- کاروباری حکمت عملی
- جانشینی کی منصوبہ بندی

## سرمایہ کاری تعلقات/ شکایات

کمپنی سرمایہ کاروں کے ساتھ اپنے تعلقات کو بہت زیادہ اہمیت دیتی ہے اور اس نے ایک مضبوط شکایت رپورٹنگ میکانزم قائم کیا ہے جس میں کسی بھی شکایات یا غیر متعلقہ مسائل کو حل کرنے کی کوشش کی جاتی ہے۔ اس بات کا یقین کرنے کے لئے کہ اسٹیک ہولڈرز اپنی شکایتوں کو آسانی سے درج کر سکتے ہیں، کمپنی کی ویب سائٹ پر ایک آن لائن فارم دستیاب ہے۔ سال کے دوران کمپنی کو کوئی شکایت موصول نہیں ہوئی ہے، تاہم، ڈیویڈینڈ وارنٹس کی ری ویلیڈیشن اور مالی رپورٹس کی ترسیل کے لئے چند درخواستیں وصول ہوئیں جن پر شیئر ہولڈر کا متعلقہ مسئلہ تسلی بخش طریقے سے حل کیا گیا۔

## شیئر ہولڈنگ کا پیٹرن

شیئر ہولڈنگ کا پیٹرن رپورٹ ہذا کے ہمراہ منسلک ہے۔

## کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کمپنی، کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 میں درج شدہ کارپوریٹ اور فنانشل رپورٹنگ فریم ورک کی تمام ضروریات پر عمل پیرا ہے اور ہم اس بات کی تصدیق کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی طرف سے تیار کی گئی، فنانشل سٹیٹمنٹس، کمپنی کے موجودہ امور، اس کے آپریشنز کے نتائج، کیش فلو اور ایکوئٹی میں تبدیلیوں کو ظاہر کرتے ہیں۔
- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- فنانشل سٹیٹمنٹس کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ معیارات کی پیروی کی گئی ہیں، اور کسی بھی غیر مطابقت کو مناسب اور واضح طور پر بیان کیا گیا ہے۔
- انٹرنل کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے رواں دواں رہنے کی صلاحیت پر کوئی قابل ذکر شکوک وشبہات نہیں ہیں۔
- گزشتہ چھ سال کے لئے کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔
- ٹیکس اور لیوی کے بارے میں معلومات فنانشل سٹیٹمنٹس کے نوٹ میں دی گئی ہیں۔
- کمپنی کی طرف سے حاصل کردہ تمام قرضوں کے سلسلہ میں کسی بھی تاخیر سے ادائیگی یا ڈیفالٹ کا کوئی امکان نہیں ہے۔
- ہماری کمپنی کو سیاسی اور اقتصادی خطرات کے سوائے کوئی مادی خطرات اور مخصوص غیر یقینی کی صورت حال درپیش نہیں ہے۔
- ہماری کاروباری سرگرمیوں کے ماحول پر کوئی اہم اثرات نہیں ہیں۔
- ڈائریکٹرز کو ادا کئے جانے والے معاوضہ کی مجموعی رقم فنانشل سٹیٹمنٹس کے نوٹ 42 میں مذکور ہے۔
- کمپنی اپنے تمام اہل ملازمین کے لئے ایک کنٹری بیوٹری پراویڈنٹ فنڈ سکیم چلاتی ہے۔ متعلقہ معلومات فنانشل سٹیٹمنٹس کے نوٹ میں مذکور ہیں۔
- بورڈ نے جائزہ لیا ہے اور فیصلہ کیا ہے کہ سپیل لمیٹڈ کے کسی بھی ملازم کی ماہانہ گراس سیلری 500,000 روپے یا اس سے زیادہ ہو، اسے PSX رول بک کے رول 5.6.4 کے تحت کمپنی کے شیئرز کی خرید وفروخت کی رپورٹنگ کے مقاصد کے لیے "ایگزیکٹو" تصور کیا جائے گا۔
- مزید برآں، 30 جون 2026 سے اس رپورٹ کی تاریخ تک کوئی بڑی تبدیلی واقع نہیں ہوئی ہے اور نہ ہی کمپنی نے اس عرصے کے دوران ایسا کوئی معاہدہ کیا ہے جو کمپنی کی مالی حیثیت پر منفی اثر ڈالے۔

## اہم منصوبے اور فیصلے

رپورٹنگ کی مدت کے دوران، بورڈ آف ڈائریکٹرز نے کمپنی کی ترقی اور کاروباری استحکام کو فروغ دینے کے لیے اہم اسٹریٹجک اقدامات پر غور اور ان پر عمل درآمد کیا۔ اس میں ہمارے کاروباری اثرات کو نئی منڈیوں میں پھیلانا، اور اہم سرمائے کے اخراجات کو منظور کرنا شامل ہے جو ہمارے طویل مدتی وژن کے مطابق ہیں۔ یہ اقدامات ہماری مسابقتی حیثیت کو مستحکم کرنے، پائیدار ترقی کو تقویت دینے اور اسٹیک ہولڈرز کی قدر میں اضافہ کرنے کے لیے اٹھائے گئے تھے۔

اس پورے عمل کے دوران، بورڈ نے مؤثر رسک مینجمنٹ کے عزم کو برقرار رکھا اور اس بات کو یقینی بنایا کہ کمپنی کے خطرات برداشت کرنے کی حد واضح اور متعین پالیسیوں کے ذریعے مقرر ہو۔، مزید برآں، اہم خطرات کا جائزہ لیتے ہوئے کمپنی کے کاروباری ماڈل، مستقبل کی کارکردگی، مالیاتی استحکام اور لیکویڈیٹی کو درپیش ممکنہ خطرات کو بھی مدِنظر رکھا گیا۔

## ESG پر اسٹریٹجک (Strategic) مقاصد اور پائیدار رپورٹنگ

ماحولیاتی، سماجی، اور گورننس (ESG) کی بہترین کارکردگی کے لیے ہمارا عزم مضبوط اور اٹل ہے۔ بورڈ اس بات کے لیے پرعزم ہے کہ ان تقاضوں کو کمپنی کی اسٹریٹجک پہلوؤں اور پائیدار طریقوں کے ساتھ ہم آہنگ بنایا جائے۔ اس کا مقصد یہ ہے کہ ماحول کی حفاظت کو یقینی بنایا جائے، شفافیت کو فروغ دیا جائے اور اچھی کارپوریٹ گورننس کو مزید مضبوط کیا جائے۔

کمپنی ESG کے اصولوں پر عمل کرتے ہوئے نہ صرف اپنی طویل مدتی قدر میں اضافہ کرنا چاہتی ہے بلکہ پائیدار ترقی کے ساتھ اپنی تنظیم کی دیرپا کامیابی کو بھی یقینی بنانا چاہتی ہے۔

## تنوع، مساوات اور شمولیت کو فروغ دینے کے لیے اٹھائے گئے اقدامات (DE&I)

بورڈ آف ڈائریکٹرز اس بات کو یقینی بنانے کے لیے پرعزم ہے کہ پائیداری سے متعلق خطرات کا احتیاط سے جائزہ لیا جائے اور انہیں مؤثر طریقے سے سنبھالا جائے۔ ہمارے طریقہ کار میں اہم ماحولیاتی، سماجی اور گورننس (ESG) کے خطرات کی نشاندہی شامل ہے جو کمپنی کے آپریشنز پر اثر انداز ہو سکتے ہیں اور ان کو کم کرنے کے لیے رسک مینجمنٹ کی حکمت عملیوں کو لاگو کرنا شامل ہے۔ ہم ان خطرات سے نمٹنے کے لیے ایک مؤثر فریم ورک تشکیل دیں گے، جس میں باقاعدہ نگرانی اور رپورٹنگ کے طریقہ کار شامل ہوں گے۔ مزید برآں، ہم ایک جدید اور جامع کام کے ماحول کو فروغ دینے میں تنوع، مساوات، اور شمولیت

# شیئر ہولڈرز کو ڈائریکٹرز کی رپورٹ

برائے مختتمہ سال 30 جون 2026ء

## محترم شیئَر ہولڈرز،

بورڈ آف ڈائریکٹرز 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے ہمراہ سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

## کاروباری کارکردگی

زیر جائزہ سال کے دوران کمپنی کی فروخت 9.41 بلین روپے رہی، جو کہ گزشتہ سال 9.63 بلین روپے کے مقابلے میں تقریباً 2.3 فیصد کی معمولی کمی کو ظاہر کرتی ہے۔ آمدنی میں اس معمولی کمی کے باوجود، مستحکم مارکیٹ طلب، صارفین سے پائیدار تعلقات اور مارکیٹ تک رسائی کو وسیع کرنے کی کوششوں کے باعث کمپنی فروخت کی ایک مضبوط بنیاد برقرار رکھنے میں کامیاب رہی۔

مجموعی منافع 2.47 بلین روپے رہا، جو کہ گزشتہ سال 2.59 بلین روپے تھا۔ اس کے نتیجے میں مجموعی منافع کا مارجن 2025 کے 26.86 فیصد کے مقابلے 26.27 فیصد رہا۔ کمپنی نے آپریشنل سطح پر بھی منافع بخش کارکردگی کا مظاہرہ جاری رکھا، اور مالی سال کے دوران آپریٹنگ منافع 1.94 بلین روپے رہا۔

## مالیاتی نتائج

زیر جائزہ اور گزشتہ سال کے لیے کمپنی کے مالیاتی نتائج مندرجہ ذیل ہیں:

| روپے بلین میں | | |
|---|---|---|
| **2025** | **2026** | |
| 9,633.22 | 9,408.87 | فروخت |
| 2,587.96 | 2,471.37 | مجموعی منافع |
| 2,065.40 | 1,936.43 | آپریٹنگ منافع |
| 1,991.02 | 1,855.25 | قبل از ٹیکس منافع |
| 737.90 | 718.93 | ٹیکس |
| 1,253.12 | 1,136.32 | بعد از ٹیکس منافع |

## فی شیئر آمدنی اور منافع

موجودہ اور پچھلے سال کی فی حصص آمدنی حسب ذیل ہے:

| | |
|---|---|
| روپے 5.99 | بنیادی اور معتدل آمدن فی شیئر مالی سال 2026ء |
| روپے 6.60 | بنیادی اور معتدل آمدن فی شیئر مالی سال 2025ء |

سال کے دوران، کمپنی نے 10 فیصد عبوری کیش ڈیویڈنڈ ادا کیا۔ ڈائریکٹرز آنے والے سالانہ عام اجلاس (AGM) میں شیئر ہولڈرز کی منظوری کے لیے 10 فیصد حتمی کیش ڈیویڈنڈ کی تجویز پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ اس کے مقابلے میں، مالیاتی سال 2025 کے لیے کمپنی نے کل 20 فیصد کیش ڈیویڈنڈ ادا کیا تھا۔

## کارپوریٹ سماجی ذمہ داری

سپیل لمیٹڈ کمیونٹی کی معاونت کو اہمیت دیتا ہے اور کارپوریٹ سماجی ذمہ داری کے اقدامات میں حصہ لینے کی پالیسی پر عمل پیرا ہے۔ ہم پائیداری اور ماحولیاتی دیکھ بھال کی ذمہ داریوں کو تسلیم کرتے ہیں۔ ہم اس بات کو یقینی بنانے کی کوشش کرتے ہیں کہ یہ ذمہ داریاں نہ صرف ہمارے ملازمین اور پلانٹ سائٹس تک محدود رہیں بلکہ ہمارے دائرہ کار سے باہر دیگر تمام متعلقہ افراد بشمول ان کمیونٹیز تک پھیلیں جن میں ہم کام کرتے ہیں۔

مالیاتی سال کے دوران کارپوریٹ سماجی ذمہ داری کے تحت کمپنی کی جانب سے درج ذیل دیگر سرگرمیاں انجام دی گئیں:

- غیر منافع بخش اداروں کو عطیات۔
- تعلیمی و تدریسی مقاصد کے لیے عطیات۔
- ان ملازمین کی مالی امداد جو اپنی تعلیم کو آگے بڑھانا چاہتے ہیں۔

## انسانی وسائل

ہم اپنے ملازمین کی لگن اور عزم کو سراہتے ہیں، جو کمپنی کی ترقی میں مرکزی حیثیت رکھتے ہیں۔ سپل ٹیم ورک، اختراع، باہمی تبادلہ خیال، اور مسلسل سیکھنے اور ترقی کے کلچر کو فروغ دے کر ملازمین کی پیشہ ورانہ ترقی کو ترجیح دیتی ہے۔ زیرِ جائزہ سال کے دوران، کمپنی نے اپنے ملازمین کی تربیت پر 10,142 افرادی گھنٹے (2025: 8,158 افرادی گھنٹے) صرف کیے۔ کمپنی نے اپنے ملازمین کی مہارتوں، علم اور صلاحیتوں کو بہتر بنانے کے لیے اندرونی اور بیرونی دونوں وسائل سے استفادہ کیا۔

تربیت میں سپروائزری کی مہارتیں، فائر اینڈ سیفٹی، Kaizen، QCC، 6S اور مختلف شعبوں کے تکنیکی و انتظامی ماڈیولز کے ساتھ ساتھ ایگزیکٹوز کے لیے بین الاقوامی تربیتی کورس اور نمائش شامل تھی۔

## بورڈ کی تشکیل

بورڈ کی تشکیل کوڈ آف کارپوریٹ گورننس کی مہارت، صلاحیت اور تنوع کی ضروریات کو پورا کرنے اور اس بات کو یقینی بنانے کے لیے کی گئی ہے کہ بورڈ ایک مربوط ادارے کے طور پر صحیح طریقے سے کام کرے۔

کمپنی کے ڈائریکٹرز کی کل تعداد مندرجہ ذیل ہے:

| | |
|---|---|
| 01 | خاتون ڈائریکٹر |
| 06 | مرد ڈائریکٹرز |
| 07 | **ڈائریکٹرز کی کل تعداد** |

بورڈ کی تشکیل مندرجہ ذیل ہے:

| | |
|---|---|
| 03 | انڈیپینڈنٹ نان ایگزیکٹو ڈائریکٹرز |
| 02 | دیگر نان ایگزیکٹو ڈائریکٹرز |
| 02 | ایگزیکٹو ڈائریکٹرز |
| 07 | **ڈائریکٹرز کی کل تعداد** |

## نان ایگزیکٹو ڈائریکٹرز اور آزاد ڈائریکٹرز کے لئے مشاہرہ کی پالیسی

بورڈ نے اپنے ڈائریکٹرز کے لئے معاوضہ کے لئے ایک پالیسی منظور کی ہوئی ہے۔ پالیسی کے مطابق، آزاد ڈائریکٹرز اور نان ایگزیکٹو ڈائریکٹرز بورڈ کی طرف سے وقتاً فوقتاً منظور کردہ پیمانہ کے مطابق بورڈ یا کسی کمیٹی کے اجلاسوں میں شرکت کے لئے میٹنگ فیس وصول کرنے کے اہل ہوں گے۔ اگر کوئی نان ایگزیکٹو ڈائریکٹر اضافی خدمات سرانجام دیتا ہے، تو پھر وہ معاوضہ کا حقدار ہو گا۔ ڈائریکٹرز جو معاوضہ کے اہل ہیں وہ میٹنگ فیس وصول کرنے کے اہل نہیں ہوں گے۔



# Form of Proxy (مختار نامہ)

SPEL

**SPEL Limited**

127-S, Q.I.E. Township Kot Lakhpat, Lahore

I/We ______________________________ of ____________________, being member(s) of SPEL Limited, holder of ______________________________ ordinary share(s) as per Registered Folio/ CDC Account No. hereby appoint Mr. ______________________________________________

CNIC # ________________________ or failing him, Mr. ______________________________

CNIC # _______________ as my / our proxy in my / our absence to attend and vote for me / us and on my/ our behalf at the **44th Annual General Meeting** of the Company to be held on **October 09, 2026 at 03:30 p.m.** and at any adjournment thereof.

Signed under my / our hand(s) this ____________ day of ____________2026.

میں/ہم ______________________________________________

بحیثیت رکن سپیل لمیٹڈ شیئرز کے مالک ______________________________________

فولیو/سی ڈی سی اکاؤنٹ نمبر اپنی جگہ جناب ______________________________________

کو جن کا شناختی کارڈ نمبر______________________________ ہے، کو سپیل لمیٹڈ کے چوالیسواں سالانہ اجلاس میں جو کہ 09 اکتوبر 2026 کو بوقت 03:30 بجے سہ پہر منعقد ہو رہا ہے، یا اسکے ملتوی شدہ اجلاس میں شرکت اور میری/ہماری طرف سے حق رائے دہی استعمال کرنے کے لئے اپنا/ہمارا مختار (پراکسی) مقرر کرتا/ کرتے ہیں۔

مورخہ______________________ 2026 کو میرے / ہمارے دستخط سے جاری ہوا۔

| | | |
|---|---|---|
| ____________<br>Signature of Proxy<br>پراکسی کے دستخط | Revenue Stamp<br>ریوینیو سٹیمپ | ____________<br>Signature of Member<br>ممبر کے دستخط |

**Signed in the presence of witnesses:**

| | |
|---|---|
| Signature دستخط ______________________ | Signature دستخط ______________________ |
| Name نام ______________________ | Name نام ______________________ |
| Address ایڈریس ______________________ | Address ایڈریس ______________________ |
| CNIC No. شناختی کارڈ نمبر ______________________ | CNIC No. شناختی کارڈ نمبر ______________________ |

In order to be effective, this form of proxy duly completed form along with power of attorney (if any) must be deposited at the registered office of the Company at least 48 hours before the time of the meeting.

مکمل پر شدہ مختار نامہ کمپنی کے رجسٹرڈ آفس میں اجلاس سے کم از کم 48 گھنٹے قبل جمع کرانا ضروری ہے۔

AFFIX
CORRECT
POSTAGE

The Company Secretary,
**SPEL Limited**
127-S, Q.I.E., Township,
Kot Lakhpat, Lahore.

www.spelgroup.com

**SPEL Limited**

127-S Quaid-e-Azam Industrial Estate,
Township, Kot Lakhpat, Lahore, Pakistan.
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