



# **Innovating for a Better Tomorrow**

**Annual Report 2025**

# About this Report

We are pleased to present the Annual Report for the year ended June 30, 2025. 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, 2024 to June 30, 2025 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](http://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](mailto:corporate@spelgroup.com)

## Cover Story

**Growing Responsibly, Together**  
With more than 43 years of experience, we have established a strong presence in manufacturing high-quality products, driven by our commitment to excellence. Our focus has always been on delivering superior products and services, powered by advanced technologies and a skilled workforce. We remain dedicated to developing innovative, sustainable, and efficient solutions that create value for our customers and stakeholders.







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## 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 Consultant

**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](http://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 Labeling, and Sticking.

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 System. 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



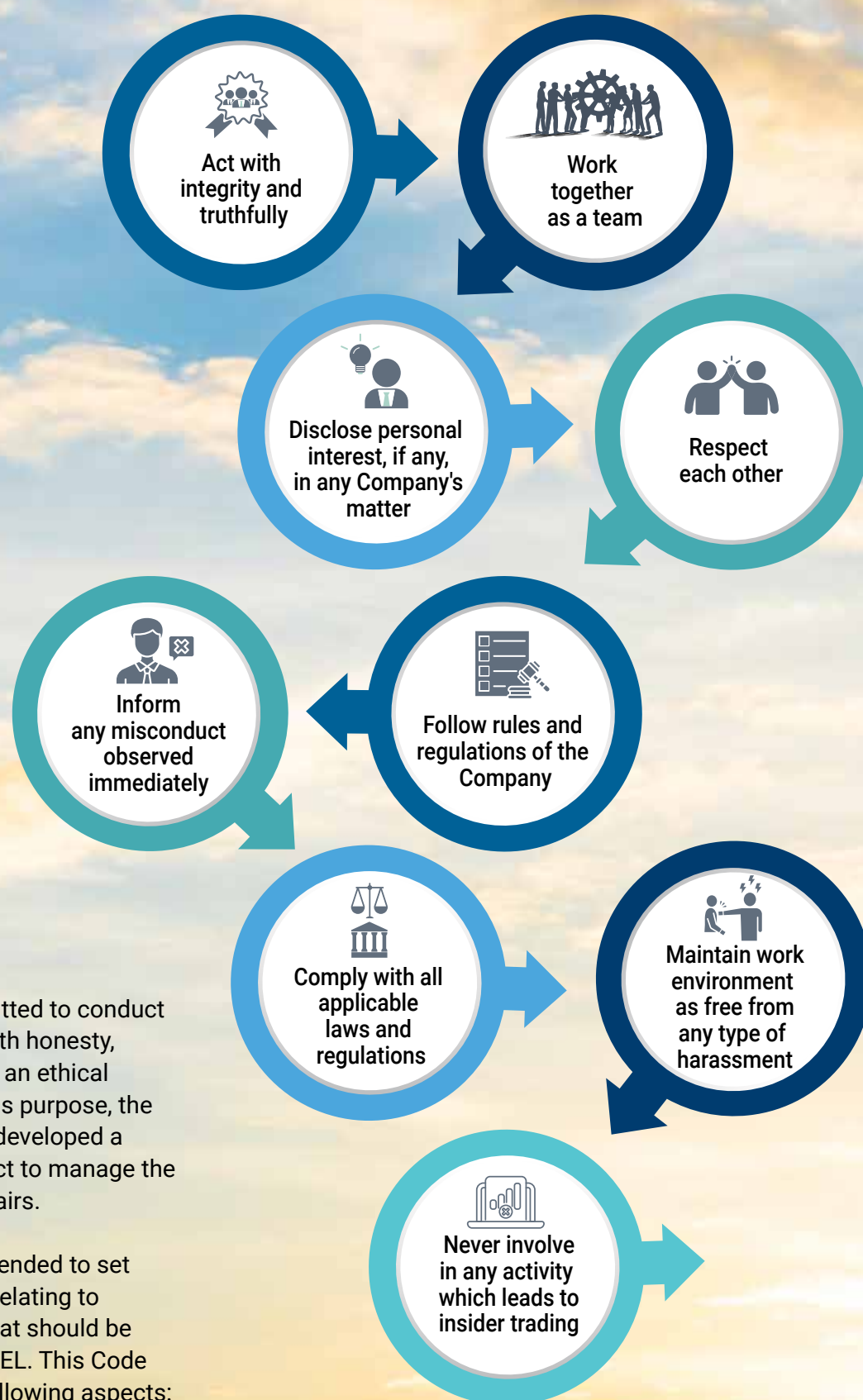
SPEL operates with a workforce of approximately **626** employees out of which **538** employees are working in its factories



## 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.

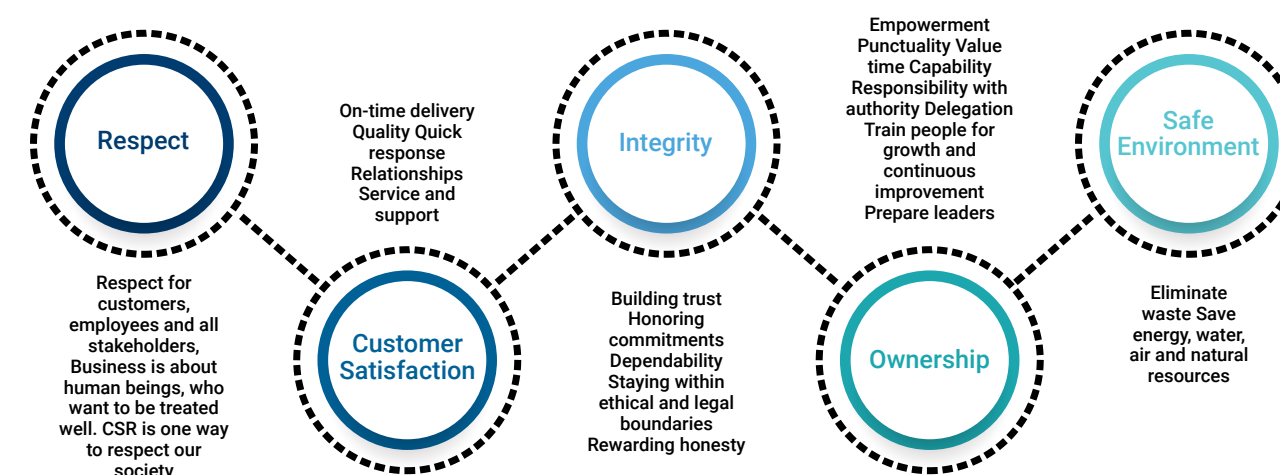
The code is intended to set out principles relating to the behavior that should be observed in SPEL. This Code includes the following aspects:



## Core Values



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



### 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 Halal Certificate for its food packaging products.

The major products for food industry include 19-litre 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, 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

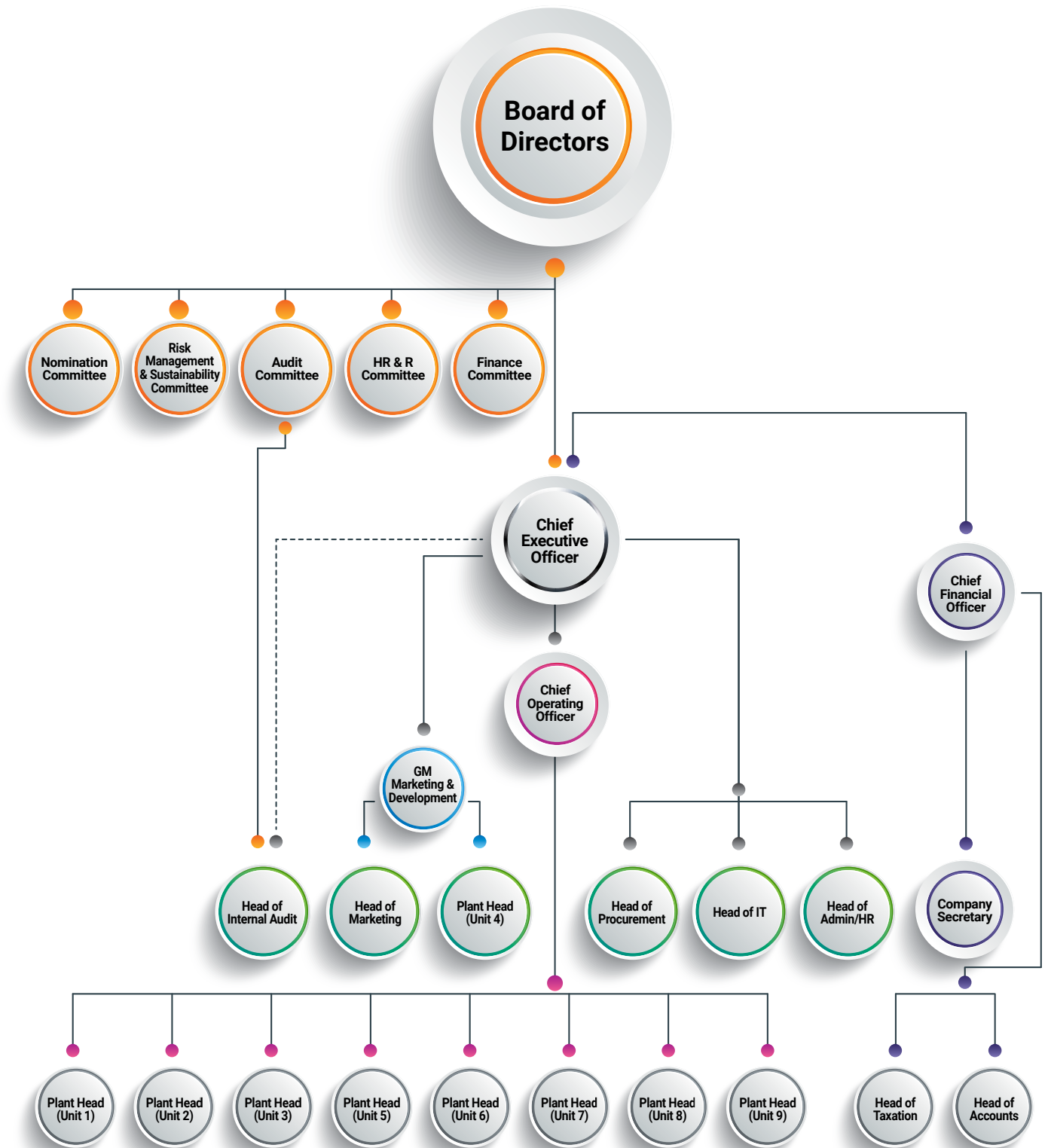
SPEL operates as a publicly-listed entity. Aside from our sponsors, who hold a majority of the shares, our shareholder base comprises a mix of general public investors and institutional stakeholders. Importantly, SPEL has not made strategic investments in any other businesses or companies. All of our 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



———— Functional Reporting  
 - - - - - Administrative Reporting



## General Review of the Performance of the Company

### For the Year and Major Improvements from Last Year

During the year, the Company delivered strong financial performance with net sales increasing by 38% to Rs. 9.63 billion compared to Rs. 6.97 billion in the previous year. This growth translated into a significant improvement in gross profit, which nearly doubled to Rs. 2.59 billion from Rs. 1.32 billion in 2024. Operating profit increased to Rs. 2.10 billion, reflecting improved operating efficiency. Consequently, earnings per share increased to Rs. 6.60 from Rs. 3.36 in the prior year, highlighting the Company's ability to generate enhanced shareholder value.



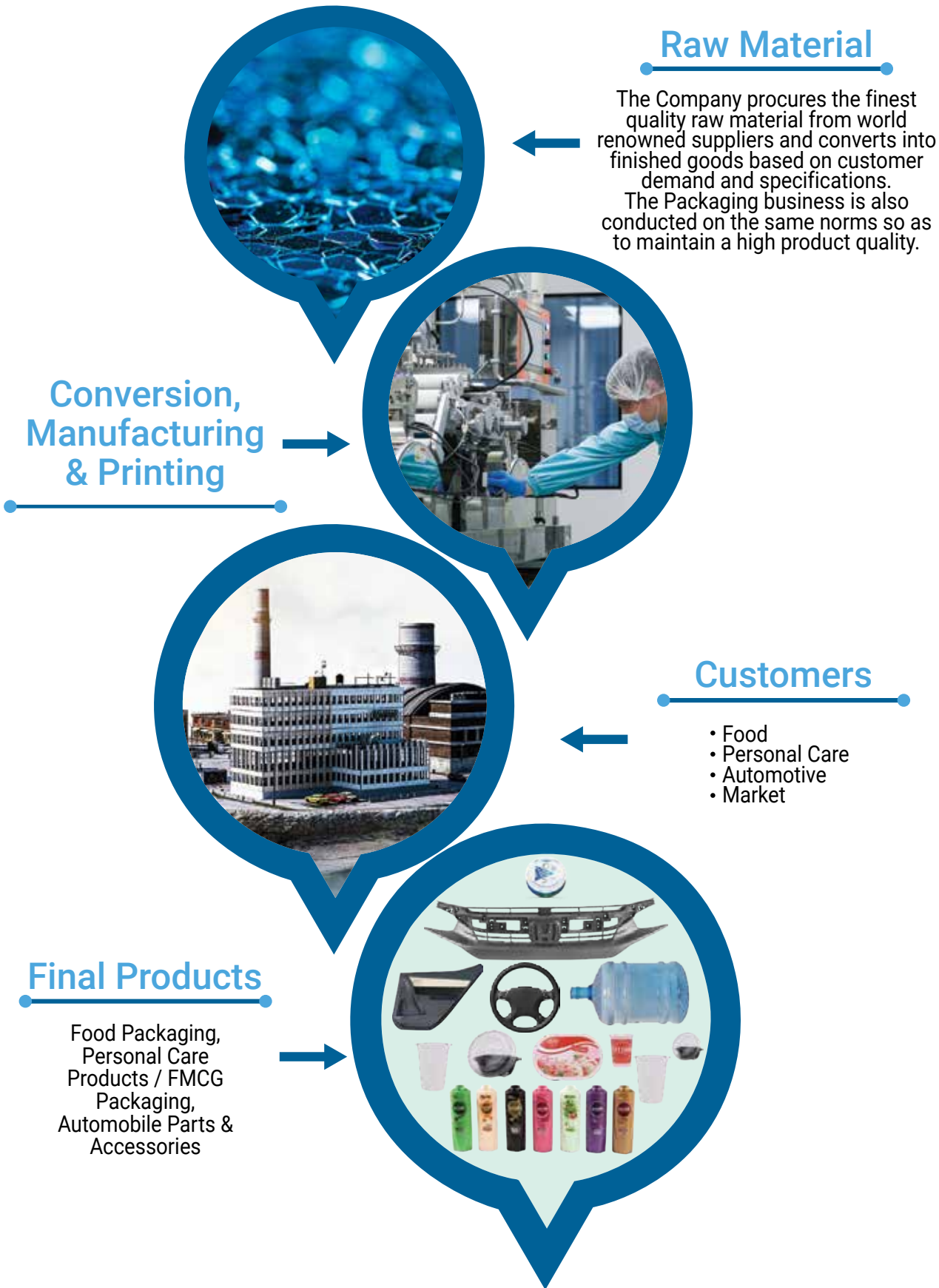
## Description of Performance of the Segments of the Company

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



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. Expansion into export markets reduces reliance on domestic demand.
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



# Awards and Recognitions



SPEL received the Certificate of Merit Award for Best Presented Annual Report 2023 from SAFA at a ceremony held in November 2024 in Colombo, Sri Lanka.

SPEL won the Best Corporate Report Award 2023 from ICAP & ICMA in October 2024.

In 2024, SPEL received the 'Timely Development Award' from Indus Motor Company.

SPEL was honored with the 'Supplier Excellence Award' in recognition of its extraordinary performance at a ceremony held in June 2025 in Bali, Indonesia.

SPEL was registered with the Environmental Protection Agency, Government of the Punjab, in June 2025.



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

At SPEL, seasonality has a moderate impact on our business performance, particularly in terms of sales and production. Generally, we observe a pattern where the first two quarters of the fiscal year experience marginally lower sales volumes. This is followed by an uptick in the latter two quarters, where sales figures tend to improve.

This seasonal trend is largely influenced by consumer behavior in the food and personal care sectors. Typically, consumers in these industries demonstrate increased purchasing activity in the latter half of the year, resulting in a corresponding boost in our sales. Consequently, we

adjust our production schedules and inventory management strategies to align with these seasonal shifts, ensuring that we are adequately prepared to meet the elevated demand in the later quarters.

This understanding of seasonality allows us to plan effectively, optimizing resources to meet market demand.

### 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 meeting the legitimate needs and interests of its diverse stakeholders, including shareholders, regulators, customers, employees, suppliers, and the wider community. In the automotive sector, where the Company supplies auto parts to leading vehicle manufacturers, industry trends such as localization, efficiency enhancement, and potential transition towards electric vehicles

are shaping demand patterns. Similarly, in the food and personal care packaging segment, growing consumer preference for high-quality, sustainable, and innovative packaging solutions are driving change, particularly among blue-chip customers and retail markets. The Company actively responds to these dynamics by strengthening its governance and compliance practices, investing in advanced

manufacturing technologies, enhancing its design and R&D capabilities, and maintaining strong customer relationships. Through this balanced approach, SPEL ensures alignment with stakeholder expectations, regulatory frameworks, and evolving industry trends, thereby reinforcing its position as a trusted partner to both industrial and market customers while creating long-term sustainable value.

### STRENGTHS

- Strong relationships with blue-chip customers and OEMs.
- Investment in advanced plastic molding technologies and in-house design capabilities.
- Enhanced corporate governance, transparency, and access to capital.
- Good ranking in customer's database.
- Established reputation for quality, innovation, and reliability.
- Diversified business segments.

### WEAKNESSES

- Seasonality in food and personal care demand affects sales flow.
- Unorganized sector competition.

### OPPORTUNITIES

- Rising demand for packaging driven by growth of FMCG.
- Increasing trend toward localization in automotive industry supported by government policies.
- Growing demand for sustainable and eco-friendly packaging solutions.
- Technological advancement (automation) to drive efficiencies.
- Potential entry into export markets for packaging and auto parts.

### THREATS

- Global supply chain disruptions affecting raw material imports.
- Political situation.
- Government policies.





## Competitive Landscape and Market Positioning



## The Political Environment and Company's Strategy

The political environment in Pakistan, characterized by greater stability and sustained policymaking, has been instrumental in fostering the current favorable macroeconomic conditions. Consistent policy implementation has contributed to inflation rates remaining in the single digits, a steady exchange rate, and a reasonable interest rate structure. This stability, achieved through cohesive government policies, provides a reliable foundation for our long-term business strategy, enabling confident planning and execution for the future.

### Strategic Focus

**Innovation:** We continuously invest in research and development to introduce innovative solutions that meet our customers' evolving needs, thereby adding value to their operations.

### Continuous Improvement

We are committed to the constant refinement of our systems and processes to enhance efficiency, reduce costs, and improve the quality of our products and services.

### Resource Optimization

By leveraging our resources efficiently and effectively, we ensure operational excellence and a strong competitive edge.

Our strategic objectives are aligned to mitigate the risks presented by the political landscape. We employ a proactive approach to monitoring policy changes and economic trends, enabling us to adapt swiftly and maintain business continuity.

In summary, despite the prevailing political uncertainties, SPEL is steadfast in its commitment to meeting customer expectations through innovation, continuous improvement, and resource optimization. Our agile strategy positions us well to navigate challenges while seizing opportunities for sustainable growth.

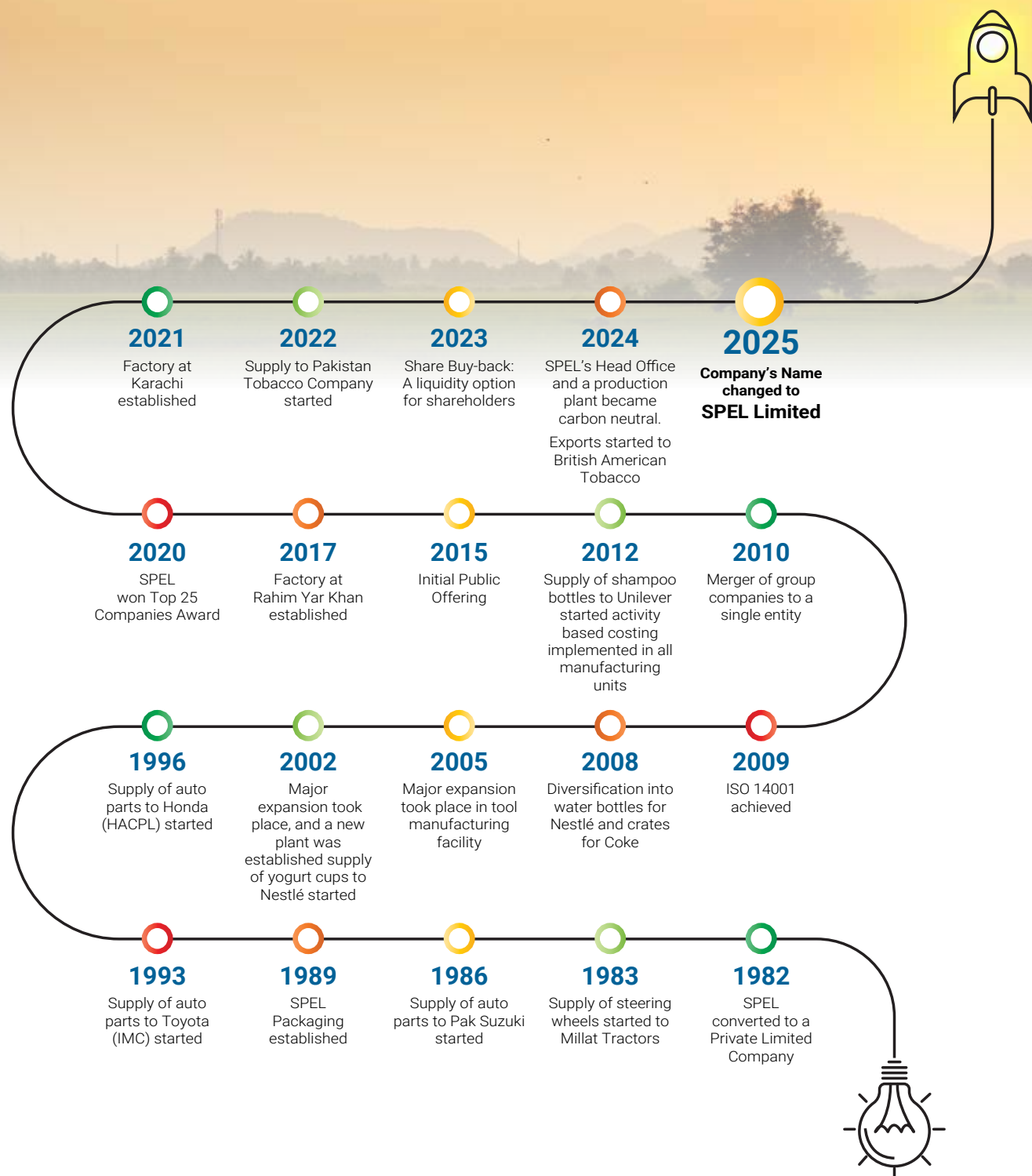
### Significant Changes in the Organization and External Environment

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.



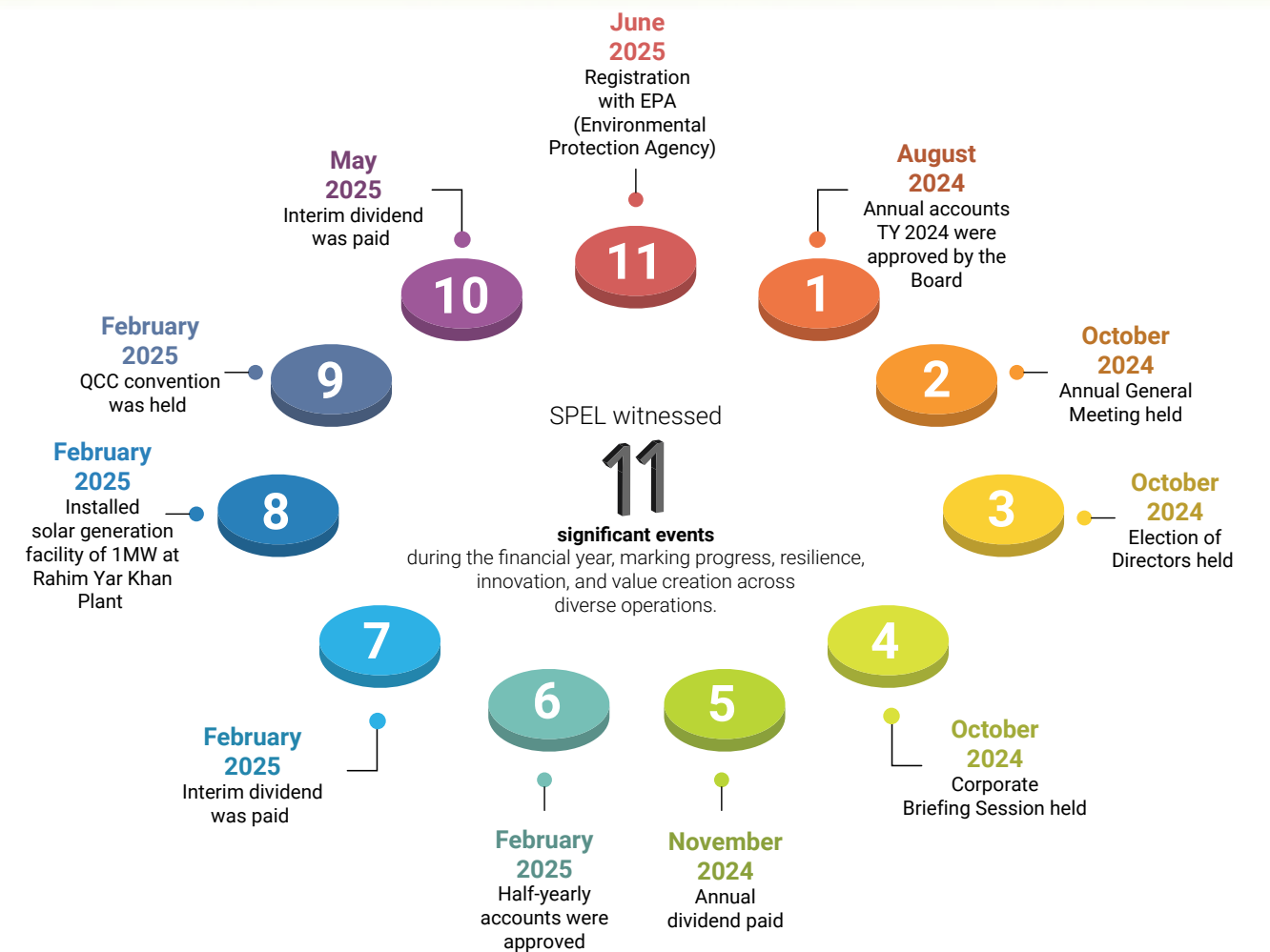


## History of Major Events



## Details of Significant Events

Occurred during the year and after the Reporting Period





# Strategy and Resource Allocation



## STRATEGIC OBJECTIVES

At SPEL, we are committed to being a reliable supplier for our customers by meeting their expectations through innovation, continuous improvement and by utilizing the economic and human resources effectively.

In order to achieve the above our Short, Medium and Long-Term Objectives are as follows:

### Short-Term Objective

- Sustain sales growth and profitability through operational efficiency.
- Strengthen export base by targeting regional markets and compliance with international standards.

- Manage procurement and foreign exchange risks through cost optimization.
- Diversify customer portfolio across auto OEMs and FMCGs

### Medium-Term Objective

- Expand production capacity and invest in modern technologies.
- Introduce sustainable and innovative packaging solutions.
- Enhance brand positioning through service quality and technical support.

### Long-Term Objectives

- Achieve market leadership in auto parts and packaging solutions.
- Transition towards recyclable and biodegradable product lines

- in line with global sustainability standards.
- Invest in digital transformation and automation to enhance competitiveness.
- Capital expenditure on capacity enhancement and plant modernization.
- Long-term partnerships with OEMs, FMCGs, and export distributors.
- Strengthened research and development focus on sustainable products.
- Risk management framework for exchange rate, raw material and regulatory risks.
- Human capital development and workforce upskilling.

## 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	<ul style="list-style-type: none"><li>• Encouraging a culture of innovation and continuous improvement</li><li>• Providing high-quality products to customers</li><li>• Delivering products on time</li></ul>
Create value for shareholders	<ul style="list-style-type: none"><li>• Optimally utilizing economics and human resources</li><li>• Earning the highest returns on investments</li><li>• Growing revenue</li></ul>
Ensure long-term sustainability	<ul style="list-style-type: none"><li>• Constantly upgrading technologies</li><li>• Developing and training employees</li><li>• Committed to the ethical business values</li></ul>
Digital Transformation	<ul style="list-style-type: none"><li>• Automation of production process</li><li>• Automation of repetitive office tasks</li><li>• Data analytics for decision making</li><li>• Workforce upskilling in digital tools</li></ul>

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 deploys its resources and relationships in the optimal way to implement its strategies. The Company has different types of resources and has categorized its resources into financial, manufactured, intellectual, human, social & relationship and natural capital.

### Financial Capital

The Company has a policy to finance the capital expenditure necessary to achieve the strategic objectives through equity or long-term loans. The management continuously monitors its cash flows on daily basis and keeps in view its future needs. It re-aligns the financing facilities to optimize the company's operations constantly.

The Company observes a self-defined formula for sustainable growth which requires that the amount invested in expansion plans should approximate the amount of profits earned in the year, plus depreciation. This has greatly helped in managing a strong liquidity position.

### Human Capital

Human capital is integral to achieving our strategic objectives, and we invest significantly in talent acquisition, development, and retention. Our approach to human capital is data-driven and performance-oriented, ensuring alignment with company goals and optimized outcomes. The management continually assesses the skill sets needed for our evolving business environment and adapts training programs to fill any gaps. This strategic focus on human capital has been pivotal in driving innovation, enhancing productivity, and maintaining a competitive edge.

We are also committed to build a robust leadership pipeline through succession planning and fostering a culture of innovation and continuous learning, thereby ensuring that our workforce remains agile, future-ready, and aligned with strategic growth objectives.

### Manufactured Capital

Manufactured capital includes buildings, equipment and infrastructure. The management has a deliberate focus to utilize its available manufacturing resources optimally to achieve the strategic objectives. The resources are allocated to different parts of business keeping in view their linkage with the objective. The unevenness, if any, created due to changing business environment, is balance out by filling the gap in the relevant resource.

### Intellectual Capital

Intellectual Capital is a cornerstone in achieving our long-term strategic goals and sustaining competitive advantage. The company actively invests in research and development, intellectual property rights, and knowledge management systems to foster innovation and improve operational efficiencies.

### Social and Relationship Capital

Social and relationship capital includes relationships within and between communities, groups of stakeholders and other networks, and the ability to enhance individual and collective well-being. SPEL gives equal importance to social and relationship capital and manages this capital by following the cultural norms of the areas in which it operates.

### Natural Capital

Natural capital includes all renewable and non-renewable environmental resources e.g., air, water, sunlight etc. We are constantly working to



## Strategy and Resource Allocation



reduce and optimize the use of natural resources while having a great focus on environment conservation. SPEL is compliant with the requirements of ISO 14001 – Environmental Management System and is also a certified company.

### CAPABILITIES AND RESOURCES WHICH PROVIDE SUSTAINABLE COMPETITIVE ADVANTAGE

SPEL manufacturing facilities and has trained human resources, in addition the sponsors of the company have in-depth knowledge, experience and skills for managing a manufacturing business. SPEL has long-term business relations with blue chip companies who rely on SPEL and have confidence in Company's capabilities and these relations are reciprocal. All these factors contribute toward a sustainable competitive advantage for SPEL.

SPEL is equipped with state-of-the-art manufacturing facilities complemented by a highly skilled workforce, creating a robust

foundation for operational excellence. Our company's leadership brings unparalleled expertise, deep-rooted experience, and specialized skills in managing sophisticated manufacturing enterprises. We have fostered enduring partnerships with blue-chip organizations that not only trust SPEL's capabilities but also engage in mutually beneficial relationships with us. These synergistic elements collectively confer a sustainable competitive advantage, fortifying SPEL's market position and long-term business prospects.

### CAPABILITIES AND RESOURCES DRIVING SUSTAINABLE COMPETITIVE ADVANTAGE

SPEL Limited's competitive strength is built upon its integrated capabilities, advanced manufacturing facilities, skilled workforce, and strong relationships with leading customers across diverse industries. The Company's commitment to innovation, quality, and operational excellence enables it to consistently

deliver value-added products and services. Investments in modern technology, research and development, and process automation strengthen efficiency and cost competitiveness, while adherence to international quality and safety standards enhances market credibility. Furthermore, SPEL's financial stability, experienced management team, and long-standing reputation in the plastics and packaging industry ensure resilience against market challenges and support long-term sustainable 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 adopting following strategies:

- Offering and enhancing our distribution networks
- Participating in trade shows and exhibitions
- Positioning our products as premium quality among the prestigious customers
- Customer satisfaction through state-of-the-art quality products.
- Advanced manufacturing technologies

In terms of product development, the Company is committed to innovation:

- By adopting advanced manufacturing techniques
- By quality control circles
- Through arranging brainstorming sessions
- Customer feedback
- Staying updated with global trends in plastic manufacturing.

### THE EFFECT OF TECHNOLOGICAL CHANGE, ESG 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 side, they enable us to automate processes, enhance efficiency, and improve product quality. Conversely, the rapid pace of technological change necessitates investments in upskilling our workforce and updating our equipment. To effectively respond to these dynamics, SPEL adopts a proactive approach, monitoring technological trends and strategically integrating beneficial innovations into our operations.

#### ESG Reporting & Challenges

SPEL recognizes the increasing importance of Environmental, Social, and Governance (ESG) considerations in today's business landscape. We are committed to transparent and comprehensive ESG reporting to meet stakeholder expectations and regulatory requirements. However, balancing short-term financial goals with long-term sustainability targets poses a unique set of challenges. We are actively developing frameworks to align our ESG objectives with our strategic goals, ensuring responsible corporate behavior.

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

Innovation is an integral part of our corporate ethos and strategic planning. One of our key initiatives

is the Quality Control Circle (QCC), designed to tap into the collective intelligence of our workforce. Through the QCC, employees from various departments collaborate to identify areas for improvement and propose innovative solutions, thereby fostering a culture of continuous improvement and collective problem-solving.

Additionally, we have allocated a dedicated budget specifically for Research & Development (R&D). This financial commitment enables us to invest in new technologies. We also collaborate with universities to

promote innovation and to encourage initiatives. Together, these initiatives not only promote a culture of innovation but also position SPEL as a forward-thinking leader in our industry

#### Resource Shortages

The global market has seen increased volatility, leading to occasional shortages in key resources. SPEL has developed a multi-faceted strategy to mitigate this risk. This includes diversifying supplier networks, maintaining strategic stockpiles, and implementing resource-efficient manufacturing processes.





## 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 our business model. Our commitment to sustainable practices aligns with our broader business goals of delivering value to our shareholders, empowering our workforce, and making a positive impact on communities and the environment.

**Below are our key sustainability objectives:**

#### Environmental Sustainability

- Reduce Carbon Footprint
- Waste Management
- Energy Efficiency

#### Social Responsibility

- Employee Wellbeing
- Community Investment

#### Economic Sustainability

- Supply Chain Responsibility
- Sustainable Products
- Transparency
- Ethical Conduct
- Board Diversity

Each of these objectives is periodically reviewed and updated

to ensure alignment with global sustainability standards and best practices. By putting these measurable objectives into action, we aim to achieve long-term sustainability that harmonizes with our financial and operational goals, thereby creating a lasting legacy for generations to come.

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

SPEL's strategic objectives are designed to align with its mission and vision. To achieve operational excellence, the company focuses on enhancing efficiency and effectiveness. Leveraging state-of-the-art technology supports the goal of becoming a premium market player. Building a culture of professionalism aligns with the vision of creating a professional organization. Expanding the product range through new launches strengthens market position, while driving industry leadership through innovation supports both the mission of leadership and the vision of being progressive and profitable. Enhancing customer satisfaction through continuous innovation aligns with the mission's commitment to innovation. Detailed action plans and KPIs will guide and measure progress, ensuring alignment with the company's long-term goals.

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

The Directors have given their statement on maintaining a robust system of internal controls covering all key areas of operations, including risk management, financial

discipline, governance, and IT security. Investments in modern infrastructure, cybersecurity, and regular internal audits ensure the safeguarding of assets, reliability of financial reporting, and compliance with 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 reporting period, the Board of Directors undertook and implemented key strategic initiatives to propel the company's growth and fortify its resilience. This included expanding into new markets and authorizing significant capital expenditures that align with our long-term vision. These actions were aimed at strengthening our competitive advantage, fostering sustainable growth, and maximizing stakeholder value. Throughout this process, the Board remained steadfast in its commitment to rigorous risk management, establishing clear risk tolerance policies and assessing principal risks, including potential threats to our business model, future performance, solvency, and liquidity.

### 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

SPEL has fully repaid its short-term finances and now maintains a net cash surplus position, with short-term investments exceeding the outstanding short-term borrowings. In addition, the aggregate of short-term investments and bank balances is higher than the combined short- and long-term loan balances,

reflecting a solid liquidity profile. 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 our 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.

Our financial health has been instrumental in fostering sustainable growth, managing profitability, and ensuring overall business stability. We actively manage our financial leverage, or gearing, to keep it in sync with our 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 Company on a regular basis, including those that would threaten the company’s operations, business model, future performance, relations with its customers, solvency and liquidity.

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 maintain an appropriate mix between various sources of finance to minimize risks. The 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 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. Major customers of the company are blue-chip organizations where credit risk is at minimal.
Pricing Risk			
With new entrants in the market, there is a likelihood of price competition which might squeeze margins.	External	Moderate	The Company is constantly sourcing competitive suppliers, improving its technology, efficiency and productivity. Also, since SPEL has in-house capability to develop products with a fast turnaround time, that by itself obviates the possibilities of competition affecting SPEL. The Company has developed interdependence with its customers and is considered a strategic supplier.
Competition Risk			
Increasing entrants making their way into the plastic 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 the problem. Adequate spares are also 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.	Internal	Moderate	The Company's HR practices include arranging training and developing programs for its employees; a conducive work environment and competitive packages. Constant efforts in improving and training tend to offset this risk. In addition, a formal succession planning framework is in place to ensure sustained human resource development and leadership continuity in the future.
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/enhancement of duties, taxes, levies and other conditions may adversely affect the operations.	External	Moderate	New levies go across the board, so we stay competitive.
Supply Chain & Raw Material Risk			
Supply Chain & Raw Material Risk is the risk that 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	To mitigate this, 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, while long-term contracts safeguard availability. In addition, supply chain monitoring systems are used to enhance visibility of lead times, supplier performance, and potential disruptions.
Macroeconomic & Political Risk			
Macroeconomic & Political Risk	External	Moderate	Inflationary pressures, currency volatility, and policy uncertainty can impact input costs and demand. Mitigants include hedging foreign currency exposures, diversifying export markets, and maintaining financial flexibility to absorb shocks.
IT & Cybersecurity Risk			
IT & Cybersecurity Risk	Internal/ External	Moderate	With increasing digitalization, cybersecurity threats are growing. SPEL has implemented robust IT controls, firewalls, disaster recovery plans, and employee training on data security. Regular system audits further reduce risk.
Sustainability & ESG Risk			
Imposition/enhancement of duties, taxes, levies and other conditions may adversely affect the operations.	External	Moderate	Climate change, plastic usage regulations, and ESG expectations can impact operations. SPEL addresses these through sustainable material usage, energy efficiency programs, recycling initiatives, and transparent ESG reporting.

## OPPORTUNITIES

### Modern Technology:

SPEL is using state-of-the-art modern technology which provides an opportunity to lead in the market for premium quality products.

### In-House Mold Shop:

The in-house design and mold shop is the strength that gives a competitive advantage through which SPEL produced most of its innovations. The design & mold shop was established soon after the inception of SPEL. It is now one of the biggest mold shops in Pakistan.

### Long-Term Business Relationships:

SPEL maintains long-term business relationships with its customers and trade partners. Most of the major customers are blue-chip companies and are working with us for many years.

### Export Growth:

Rising global demand for sustainable plastic packaging provides export opportunities. SPEL's capability to meet international quality standards positions it well to expand geographically.

### 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 market positioning.



## Risks and Opportunities

## 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 the Management of the Company identify the Company's potential risks through a structured process that includes stakeholder input, surveys, detailed data analysis, and brainstorming sessions with management. 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 the key risks and related opportunities. These sessions focused on strengthening risk mitigation plans, ensuring alignment with the Company's strategic objectives, and embedding sustainability 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 that may arise from the dynamic business environment.

## RISK MANAGEMENT FRAMEWORK AND RISK MANAGEMENT METHODOLOGY

At SPEL, we view risk management as a continual, adaptive process that is crucial for both operational and strategic planning. The risk landscape is ever-changing due to technological advances, regulatory shifts, and market dynamics, and as such, SPEL's approach to risk management is flexible and iterative. Risk mitigation in SPEL is carried out as per the above table, however the below framework is in place to ensure the risk management.

## 1. Risk Governance Structure

- The Board of Directors has acknowledged the importance of specialized focus on risk management by establishing a **Risk Management and Sustainability Committee**. This committee supervises the risk management process, reviews risk assessments, and ensures alignment with strategic objectives.
- Management** is responsible for identifying, evaluating, and managing risks within their 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 &amp; 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 &amp; 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 timelines for implementation.

## 5. Risk Appetite &amp; 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 &amp; 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 &amp; 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 adoption of new technologies, export growth, and sustainable packaging solutions.

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

At SPEL, we adopt a proactive and systematic approach to managing key risks while simultaneously seeking opportunities for value creation. Our strategy involves the following specific steps:

## 1. Risk Identification and Analysis

We rigorously identify and assess a broad spectrum of potential risks using both qualitative and quantitative methods. This includes evaluating technological, regulatory, and market-related risks.

## 2. Risk Limits and Controls

We establish clear risk limits and implement control measures to manage identified risks. These controls are designed to mitigate the impact of adverse events and ensure risks remain within acceptable levels.

## 3. Regular Monitoring and Review

Our risk management policies are continuously monitored and reviewed to adapt to the evolving business environment and external factors. This iterative process ensures that our risk



management strategies remain relevant and effective.

## 4. Governance and Oversight

The Risk Management and Sustainability Committee oversees the development, revision, and implementation of risk management policies. This committee ensures that our risk appetite aligns with our strategic objectives and provides recommendations to the Board for any necessary adjustments.

## 5. Risk Reporting and Transparency

We maintain a robust framework for risk reporting. Regular reports, including risk assessments and control measures, are shared with the Audit Committee and the Board of Directors to support informed decision-making.

## 6. Opportunity Optimization

By carefully analyzing and managing risks, we are better positioned to seize opportunities that arise. This approach helps us leverage favorable conditions and create additional value for the company.

Through these steps, SPEL aims to not only mitigate potential risks but also 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:** Quarterly 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.

## Credit Risk Management

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

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



## Risks and Opportunities



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

**Targets:** Bad debts (if any) should not exceed 2% of annual revenue.

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

#### Pricing and Competition Risk Management

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

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

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

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

**Policies:** Develop and implement sector-specific risk policies that are reviewed semi-annually.

### SUPPLY CHAIN DISRUPTION RISKS (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, we believe that protecting the environment and investing in the welfare of society are imperative for sustainable development. SPEL supports the community by spending on health, education, community welfare and on social and national causes.

## BOARD'S STATEMENT FOR ADOPTION OF BEST PRACTICES FOR CSR AS PER SECP GUIDELINES

At SPEL, Corporate Social Responsibility (CSR) is a core element of our business philosophy. We are committed to adopting responsible practices that support sustainable growth, ethical governance, and positive community impact.

### Board's Commitment to Best Practices:

The Board is dedicated to:

- Sustainability and Ethics:** Ensuring that our business operations are ethical and sustainable, contributing to environmental protection and social well-being.
- Community Engagement:** Focusing on programs that support education, health, and economic empowerment in the communities we serve.
- Governance:** Upholding high standards of transparency, ethics, and accountability throughout the organization and our supply chain.

### Commitment to Continuous Improvement:

We acknowledge that CSR must evolve with changing societal expectations and business priorities.

The Board is committed to:

- Periodic Reviews:** Regularly reviewing and updating our CSR initiatives to ensure they remain relevant and effective.
- Progress Updates:** Providing periodic reports to stakeholders on the implementation of CSR strategies and achievements.
- Strategic Integration:** Embedding CSR practices into our broader business strategies and decision-making processes.

By continuously improving our CSR practices, we aim to create long-term value for all stakeholders while promoting positive social and environmental impact.



## Disclosures of company specific sustainability-related risks and opportunities and their impact on the financial performance in 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.



## DISCLOSURES ON FOUR-PILLARS CORE CONTENT



SPEL Limited remains dedicated to delivering clear and comprehensive reporting on its sustainability initiatives. This document outlines the core content across four primary pillars: Governance, Strategy, Risk Management, and Metrics and Targets. Additionally, we present the key metrics designed to illustrate our performance and progress within these areas.

### 1. GOVERNANCE

#### A. Governance Framework

SPEL's governance system ensures strong oversight, accountability, and commitment to sustainable practices. Key components of our governance structure include:

- **Board of Directors:** Tasked with establishing strategic objectives, monitoring sustainability progress, and upholding governance standards.
- **Sustainability Oversight Committee:** A specialized committee within the Board focused on sustainability policies, execution, and reporting. This body ensures the alignment of SPEL's operations with its sustainability goals.
- **Management Team:** Responsible for the day-to-day implementation of sustainability programs, monitoring operational performance, and reporting progress to the Board.

#### B. Governance Metrics

- **Board Composition:** The proportion of board members from diverse backgrounds.
- **Sustainability Education:** Percentage of board members and senior leaders who have completed training on sustainability topics.

### 2. STRATEGY

#### A. Strategic Vision

SPEL's sustainability approach emphasizes the integration of environmental care, social responsibility and transparent governance throughout its operations. Key areas of focus include:

- **Environmental Responsibility:** Focusing on reducing greenhouse gas emissions, improving energy efficiency and adopting sustainable practices.
- **Social Commitment:** Emphasizing community engagement, enhancing employee well-being and promoting inclusion and diversity.
- **Governance Excellence:** Ensuring transparency, accountability and strong ethical conduct across the organization.
- **Technological Innovation:** Utilizing advancements in technology to support sustainable growth and operational improvements.

#### B. Strategic Metrics

- **Reduction in Carbon Emissions:** Reduction in total emissions relative to a defined baseline.
- **Community Investment:** Annual contributions towards community upliftment projects.
- **Employee Development:** Total training hours provided to employees each year.

### 3. RISK MANAGEMENT

#### A. Risk Management Approach

SPEL has established a comprehensive risk management process to identify, assess, and mitigate risks related to sustainability. This includes:

- **Risk Identification:** Regular evaluations to identify potential risks stemming from environmental, social, or governance factors.
- **Risk Evaluation:** Assessing the impact and likelihood of identified risks on SPEL's business operations and reputation.
- **Risk Mitigation:** Implementing preventive measures such as policy changes, process improvements, and contingency plans to address potential risks.

#### B. Risk Management Metrics

- **Mitigation Success:** The percentage of risks with clear mitigation strategies in place.
- **Incident Resolution:** The number of sustainability-related incidents reported and resolved within a specific timeframe.



### 4. METRICS AND TARGETS

#### A. Performance Indicators

SPEL tracks and reports on its sustainability performance using specific metrics, such as:

- **Energy Usage:** Total energy consumed in relation to production volumes.
- **Water Utilization:** Total water usage relative to production output.
- **Waste Management:** Total waste generated in proportion to production activities.

#### B. Sustainability Goals

- **Achieving Carbon Neutrality:** Aiming for carbon neutrality through emissions reduction initiatives and carbon offset projects.
- **Gender Diversity:** Targeting female representation in senior leadership positions.
- **Sustainable Supply Chain:** Ensuring that our suppliers adhere to sustainability standards.

#### C. Reporting Progress

- **Annual Sustainability Review:** A detailed report on sustainability progress, highlighting key metrics and achievements.
- **Periodic Updates:** Quarterly reports to the Board and stakeholders, providing progress on sustainability goals and adjustments as needed.

SPEL's focus on governance, strategic planning, risk management, and performance tracking underscores its commitment to ensuring that sustainability initiatives are effectively executed and transparently communicated. Through these four

pillars, SPEL seeks to continually enhance its contribution to environmental, social, and governance goals.

### SUSTAINABILITY AND DE&I STRATEGY, PRIORITIES AND PERFORMANCE

#### Our Commitment

The Company views sustainability and DE&I (Diversity, Equity & Inclusion) as central to its long-term success. By embedding these values into our operations and culture, we not only enhance competitiveness but also foster an inclusive environment that drives innovation, engagement, and resilience.

#### Strategy and Priorities Sustainability

- Innovate in packaging and automotive components through recyclable, lightweight, and energy-efficient product designs.
- Lower our environmental footprint by increasing the share of renewable energy, reducing production waste, and enhancing water efficiency.
- Strengthen relationships with global FMCG and automotive customers by aligning with their sustainability ambitions.
- Promote a culture where every employee has equal opportunity to grow and succeed.
- Increase participation of women and underrepresented groups in leadership and technical roles.
- Build an inclusive, future-ready workforce through continuous training and development.



## Sustainability and Corporate Social Responsibility



## Measures and Progress

## During the year, we:

- Expanded use of solar energy and energy-saving technologies, reducing operating costs and emissions.
- Introduced new recyclable packaging designs that are well-received by our 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 as per the Sustainability established framework ensuring that our commitments are consistently translated into action. This oversight provides confidence that our sustainability and DE&I journey is creating tangible results reducing costs, opening new growth



opportunities, and strengthening our culture.

## HIGHLIGHTS OF SUSTAINABILITY PERFORMANCE, POLICIES, INITIATIVES AND PLANS

## 1 Social Initiatives

SPEL recognizes that its success is closely tied to the prosperity of its people and communities. Our social initiatives are designed to create inclusive growth and shared value:

**Financial Inclusion:** Supporting local suppliers and SMEs by ensuring fair payment practices and providing capacity-building opportunities.

**Research and Development:** Investing in R&D to develop innovative, sustainable packaging and



automotive components that meet customer expectations and global trends.

**Employment Generation:** The Company continues to be a significant employer, directly creating skilled and semi-skilled jobs, and indirectly supporting employment across its supply chain.

## Community Health and Education:

Through CSR programs, we contribute to local health and education projects, improving quality of life in the communities where we operate.

## Health &amp; Safety of Staff:

Occupational health and safety remain top priorities, with ongoing investment in safe equipment, regular training, and a culture of care to ensure zero-harm workplaces.

## 2 Environmental Initiatives

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

- Climate Change Mitigation:** Investments in solar power and energy-efficient technologies have reduced our reliance on fossil fuels, lowering carbon emissions.
- Reduce:** Streamlined processes and energy optimization programs 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.

## 3 Technological Innovation

**Solar Power Installation:** We have added 1.0 MW of solar power to our operations, significantly reducing our reliance on non-renewable energy sources and minimizing our carbon footprint. This investment reflects our commitment to green energy and environmental sustainability.

**Investment in Energy-Efficient Plant and Machinery:** To further our commitment to sustainability and operational efficiency, we have made reasonable investments in new plant and machinery designed with energy efficiency in mind. This modern equipment not only enhances our production capabilities but also reduces energy consumption, contributing to lower operational costs and a smaller environmental footprint. By adopting these advanced



## Sustainability and Corporate Social Responsibility



technologies, we aim to support our sustainability goals while maintaining high standards of productivity and efficiency across our operations.

**Product Innovation:** Introduction of recyclable, lightweight packaging and auto components that minimize resource usage while meeting customer performance standards.

**Digitalization:** Implementation of monitoring and control systems for energy and water usage, enabling real-time efficiency improvements.

#### 4 Information on consumption and management of materials, energy, water, emissions and waste

SPEL is committed to the responsible consumption and management of resources, focusing on minimizing our environmental impact. We have implemented energy-efficient systems, including the installation of 3,569KW solar power, to reduce our energy footprint. Water conservation is another key focus, with initiatives to raise awareness and reduce consumption throughout our operations. To manage emissions, we continuously monitor and aim to minimize greenhouse gas output,

striving towards carbon neutrality in our head office and production facilities. Additionally, we have established comprehensive waste management protocols, ensuring that waste is either recycled or disposed of in an environmentally responsible manner.

#### 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 practices. The Committee is mandated to provide focused oversight of sustainability matters, including the integration of sustainability principles into the Company's strategy and operations to enhance long-term corporate value. In line with its responsibilities, the Committee submits a comprehensive report to the Board at least once a year, highlighting progress on key initiatives, compliance with applicable disclosure requirements, and recommendations for further strengthening sustainability performance.

A detailed description of the

Committee's composition, scope, and responsibilities is provided under the section **"Terms of Reference of the Board Committees"**.

#### Annual Sustainability Report Submission to the Board

In accordance with SECP's ESG Disclosure Guidelines, the Risk Management and Sustainability Committee formally submits its annual report to the Board. This report outlines the integration of sustainability principles into SPEL Limited's corporate strategy and operational framework, reinforcing the Company's commitment to long-term value creation, responsible growth, and stakeholder trust.

The report captures strategic initiatives undertaken across key environmental impact areas, demonstrating measurable progress and forward-looking vision.

#### 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. We believe that responsible business conduct and sustainable practices are integral to long-term success and value creation. The Board continues to guide management in embedding CSR into the Company's culture, policies, and decision-making, ensuring that our activities contribute positively to society, the environment, and our stakeholders.

Our CSR and sustainability initiatives — including community development programs, employee well-being, environmental stewardship, and investment in energy-efficient technologies — not only strengthen our reputation but also enhance operational efficiency and reduce

business risks. These efforts translate into improved customer loyalty, stronger brand equity, and cost savings, thereby positively influencing the financial performance and resilience of the Company.

The Board reaffirms its commitment to continuously enhance CSR practices, aligning them with both national priorities and international standards, with the objective of driving sustainable growth and creating long-term shareholder value.

### HIGHLIGHTS OF THE COMPANY'S PERFORMANCE, POLICIES, INITIATIVES AND PLANS IN PLACE RELATING TO THE VARIOUS ASPECTS OF SUSTAINABILITY AND CSR

During the year Company has taken multiple initiatives and plans relating to the various aspects of sustainability and corporate social responsibility. The details are given below:

#### Community and Social Impact Initiatives:

##### Medical Outreach:

To enhance the well-being of our local community, we organized

several medical camps throughout the year. These camps provided free health consultations by a team of qualified doctors and specialists, addressing a wide range of medical issues. In addition to personalized consultations, we distributed essential medicines to those in need, completely free of charge. This initiative sought to support individuals who might not have easy access to healthcare services, improving community health and raising awareness about disease prevention and healthy living practices.

##### Educational Support:

Understanding the transformative power of education, we implemented a scholarship program aimed at both deserving students and employees. These scholarships were based on merit and financial need, ensuring that individuals with potential could pursue their academic ambitions without financial constraints. This initiative not only aimed to foster academic growth but also to enhance the skill set of our workforce, empowering employees through professional development opportunities. Additionally, to further expand educational access, we organized seminars at our factory to inform employees about the free educational opportunities available



through well-known colleges and universities under Social Security programs. These seminars helped raise awareness and guided participants on how to leverage these resources to further their education and career prospects.

#### Annual Sports Day at SPEL:

SPEL successfully organized its Annual Sports Day during the year, bringing together employees from all departments in an atmosphere of teamwork, camaraderie, and healthy competition. The event featured a variety of sports and recreational activities that encouraged participation across all levels of staff.





## Sustainability and Corporate Social Responsibility



By promoting physical well-being, team spirit, and inclusivity, the Sports Day reflected SPEL's commitment to fostering a positive workplace culture. The enthusiastic involvement of employees made the event a memorable occasion, strengthening bonds within the SPEL community and reinforcing our belief that an engaged and motivated workforce is central to sustainable success.

#### Research and Development Initiatives:

##### Financial Support to Polymer Endowment Fund (UET):

As part of our commitment to sustainability and environmental responsibility, we have made donation to the **Polymer Endowment Fund** at the **University of Engineering and Technology (UET)** for carrying our research and development. This fund is dedicated to advancing research on **recycling materials**, with a focus on developing innovative methods for the efficient reuse of plastics and polymers. By supporting this initiative, we aim to contribute to the reduction of waste and the promotion of circular economy practices in the polymer industry, ensuring a more sustainable future for both our business and the community at large.

##### Donation to PCSIR Labs Skardu:

In our efforts to support scientific

research and community development, we donated a 5KW generator to PCSIR Labs Skardu, a facility located in a remote area, to assist them in meeting their electricity needs. This contribution will help ensure that PCSIR's operations, including essential research and development activities, continue uninterrupted. In return, PCSIR Labs Skardu has committed to giving back to the local community by conducting free training programs for both male and female participants. These programs will focus on gemstone cutting and polishing, woodworking, and textile designing, offering valuable skills development and employment opportunities in these specialized fields.

##### Donation to Flood Victims:

SPEL extended its support to communities affected by severe floods in Pakistan by contributing towards **flood relief efforts**. This initiative reflects our commitment to social responsibility and our role as a responsible corporate citizen. The contribution was directed to credible relief organizations to provide essential supplies, healthcare, and shelter to affected families. Through this effort, SPEL stood alongside the nation in a time of need, reaffirming our values of compassion, care, and community support.

#### Environmental Initiatives:

##### Policy and Legislative Contributions:

Leveraging our industry expertise, we contributed to a government body in the creation of laws and regulations pertaining to environmental protection. Our participation ensures that the regulations reflect practical, sustainable approaches that benefit both the industry and the environment.

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

As active members of CoRE, an incorporated company NGO dedicated to Collect and Recycle initiatives, we have participated in discussions and actions aimed at promoting sustainable waste management practices. Our involvement supports efforts to reduce waste and foster a circular economy.

##### Carbon Neutral Initiatives:

We have successfully made both our head office and one of our production facilities carbon neutral. This is just the first step in our broader vision of achieving carbon neutrality across all our facilities in the near future.

##### Tree Plantation and Green Initiatives:

As part of our ecological commitment, we have undertaken tree plantation drives, contributing to carbon sequestration and promoting biodiversity. These efforts also align with our broader goal of environmental preservation.

##### Water Conservation Awareness:

Understanding the importance of water as a critical resource, we have worked to spread awareness about water conservation. Our efforts focus on educating employees, stakeholders, and the community on how to use water responsibly and reduce wastage.





Director’s Profile



Mr. Almas Hyder  
Chairman

Mr. Almas Hyder is a renowned and respected figure amongst the business community of the country. He has a good understanding of economy. He has a passion to steer the businesses out of the shackles of unnecessary and redundant processes and red tapes. His efforts on EASE OF DOING BUSINESS are recognized by both the business community and the Government.

Mr. Hyder Graduated from the University of Engineering & Technology Lahore. He did his OPM from Harvard Business School.

He has served many public organizations and Universities.

To his credit are the ‘Engineering Vision 2012 for Pakistan’ and the establishment of TUSDEC (Technology up-gradation and Skill Development Company) where he was the Founder Chairman.

He has been the Chairman of the Engineering Development Board, Ministry of Industries and Production.

He has been the President of Lahore Chamber of Commerce & Industry.

He was also the first President of the Quaid-e-Azam Industrial Estate Board set up by the Government of Punjab to manage and upgrade the infrastructure of Kot Lakhpat Industrial Estate, Lahore.

He has also held the following positions:

- Member of the Board of National Transmission and Dispatch Company Ltd. (NTDC)
- Member of the Board of Small and Medium Enterprise Development Authority (SMEDA)
- Director, Pakistan Industrial Development Corporation (PIDC).
- President, Pakistan Industrial Technical Assistance Centre (PITAC)
- Member of the Governing Body of Punjab Industrial Estates Development and Management Company (PIEDMC)
- Member of the Board of Technical Education & Vocational Training Authority (TEVTA)
- Member of Board, Punjab Vocational Training Council (PVTC).
- Vice President of Harvard Club of Pakistan.
- Member of the Senate of UET Taxila University
- Member of the Senate of PTUT University
- Member of the Syndicate, Pakistan Institute of Development Economics (PIDE)



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 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 three major 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, where he mentors students and shares 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

Mr. Zia Hyder Naqi  
Chief Executive Officer / Executive Director

Engineering and Technology Lahore, followed by an MBA in Finance from the Institute of Management Sciences. He is a certified 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, MST Power 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.



Mr. Haroon Sharif  
Independent Director

Mr. Haroon Sharif is a well-known global expert of international development, economic diplomacy, corporate governance and regional cooperation. He has negotiated transformational regional initiatives in South and Central Asia. He is currently providing policy and strategic advice to several governments, think tanks, companies and the United Nations. He is the founder and Chairman of Pakistan Regional Economic Forum (PREF) which provides a strategic convening and advisory space for China and partner countries to leverage the potential of regional connectivity. As a renowned public policy speaker, he delivers lectures at the leading universities and think tanks across the globe.

Mr. Sharif served as the Minister of State and Chairman of Pakistan’s Board of Investment in 2018-19. As a senior member of Prime Minister’s economic team, he remained a member of key Cabinet Committees including the Economic Coordination Committee, Cabinet Committee for Privatisation and Investment. He was Pakistan’s Lead Representative for Industrial Cooperation in the Joint Cooperation Committee (JCC) of China-Pakistan Economic Corridor (CPEC). He championed various reforms for improving Ease of Doing Business, Specialized Economic Zones and facilitating foreign direct investment from China, the Arabian Gulf and East Asia. Pakistan’s ranking on Ease of Doing Business Index improved by 28 places under his leadership. 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.



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 'Palme 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 launched a new venture focusing on developing manpower for the IT Industry.



**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 engagement(s) 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)



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

Mr. Abid Saleem Khan holds an MBA from the Institute of Management Sciences and is a graduate of the Management Development Program at the Lahore University of Management Sciences (LUMS). He has participated in numerous professional training programs, both in Pakistan and abroad.

With 29 years of dedicated service at SPEL, Mr. Khan possesses in-depth knowledge of the Automotive and FMCG industries, along with a strong understanding of Japanese management systems. His leadership has been pivotal in driving operational excellence across the organization.

Mr. Khan's core strengths lie in improving production efficiency, managing man power effectively, and implementing strategic cost-cutting initiatives. His sharp analytical abilities and results-oriented approach have consistently contributed to the company's growth and sustainability.



# Governance



## THE BOARD STRUCTURE AND ITS COMMITTEES

### Composition of the Board

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 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 of the Board is to manage and to provide leadership to the Board of Directors of the Company. The Chairman is accountable to the Board and acts as a direct liaison between the Board and the management of the Company, through the Chief Executive Officer ("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.
- 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.

## 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



## Governance



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, procedures and 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. One Director, appointed during the year, has not yet completed the training but is within the statutory timeframe allowed to complete the 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 full 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 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.



## Significant Policies

**1. Succession Planning:** SPEL shall establish and maintain a comprehensive succession plan to identify and prepare potential leaders within the organization. This plan will be reviewed and updated on a regular basis to align with the Company's long-term strategic goals and operational needs.

**2. Merit-Based Recruitment:** All recruitment activities at SPEL will be conducted on a merit-based basis. The Company will ensure that hiring decisions are made based on the qualifications, skills, and potential of candidates, thereby fostering fairness and objectivity in the recruitment process.

**3. Performance-Based Appraisal System:** The employees will be evaluated on a performance-based appraisal system. This system will form the basis for decisions related to promotions, rewards, and other recognitions.

**4. Promotion, Reward and Motivation:** The Company is committed to promoting individuals based on their performance and achievements. SPEL will establish mechanisms to reward and recognize high performers and will create an environment that motivates employees to excel.

**5. Training and Development:** SPEL will invest in continuous training and development programs to enhance employee skills and support career advancement. Employees will have access to opportunities for professional growth that align with their career aspirations.

**6. Diversity, Equity and Inclusion (DE&I):** SPEL Limited is committed to promoting 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.

## 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.

## 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"

## 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.



## 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](http://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 Web site 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](http://www.spelgroup.com).

## 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.



Significant Policies



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

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.

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.

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, five (05) Board meetings were held and attendance by each director is given below:

Name	Status	Meetings Attended
Mr. Almas Hyder	Chairman/Non-Executive Director	5/5
Mr. Zia Hyder Naqi	CEO/Executive Director	5/5
Mr. Haroon Sharif	Independent Non-Executive Director	5/5
Dr. Syed Sohail Hussain Naqvi	Independent Non-Executive Director	5/5
Mr. Abid Saleem Khan	Executive Director	5/5
Mr. Ameen Ahsan	Independent Non-Executive Director	3/3*
Dr. Nighat Arshad	Non-Executive Director	5/5
Mr. Raza Haider Naqi	Non-Executive Director	2/2**
Mr. Khawar Anwar Khawaja	Independent Non-Executive Director	2/2**
Mr. Sheikh Naseer Hyder	Non-Executive Director	2/2**

- \* Elected at the AGM held on 26 October 2024 and therefore, eligible to attend three meetings during his tenure in FY 2025.
- \*\* Retired upon completion of term at the AGM held on 26 October 2024 and therefore, eligible to attend only two meetings during their tenure in FY 2025.

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	2/2*
Dr. Nighat Arshad	Member	2/2*
Mr. Khawar Anwar Khawaja	Member	2/2**
Mr. Raza Haider Naqi	Member	2/2**

- \* Became a member of the Committee on 29th October 2024 and, therefore, eligible to attend two meetings during his tenure in FY 2025.
- \*\* Retired upon completion of term at the AGM held on 26 October 2024 and, therefore, Eligible to attend only two meetings during their tenure in FY 2025.



Significant Policies



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.

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



Significant Policies

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 16 August 2025.

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.

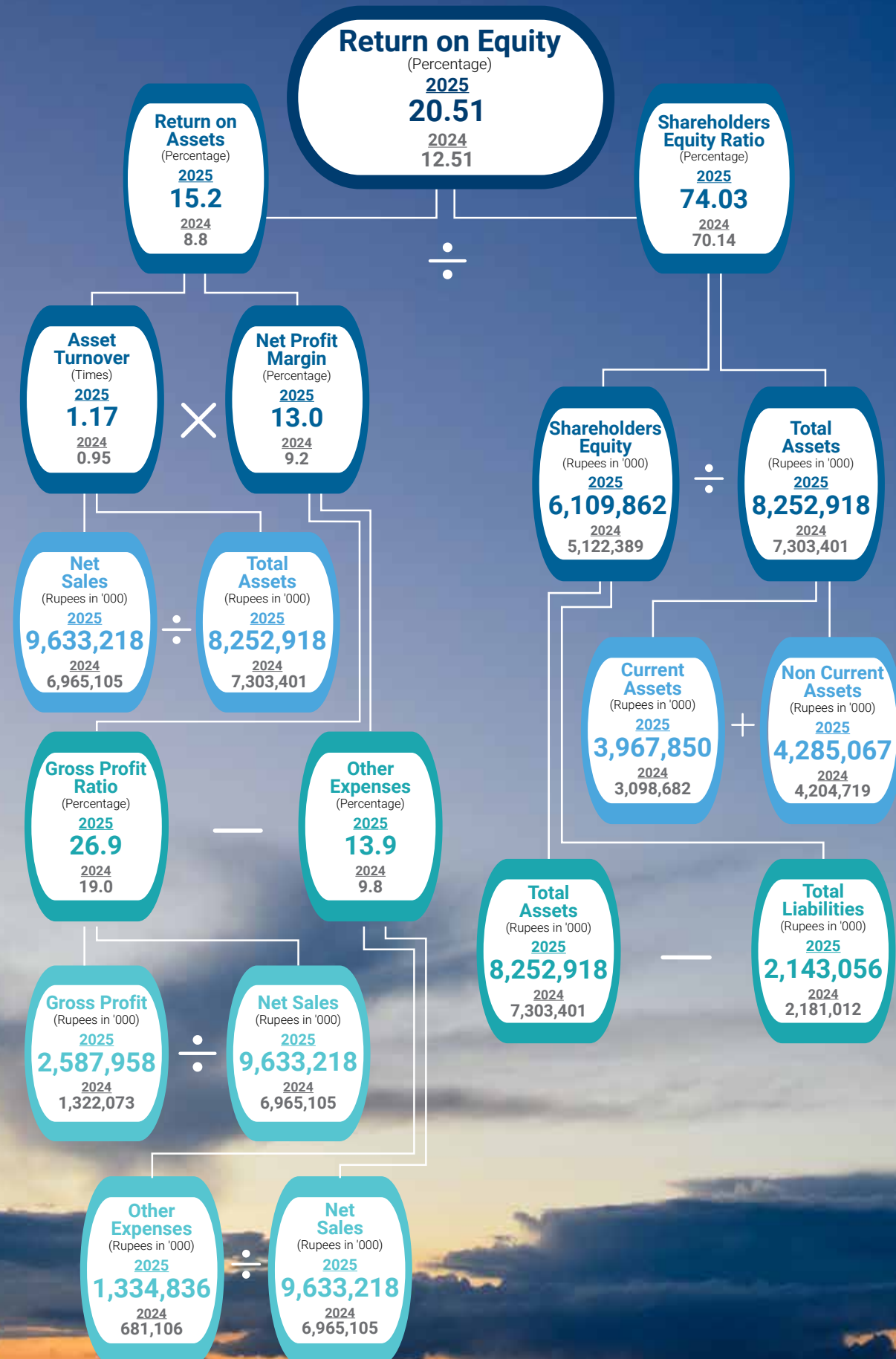
CONTRIBUTION TO NATIONAL EXCHEQUER AND ECONOMY

During the year we have made payments to national exchequer in terms of duty, income tax and sales tax amounting Rs. 2,405 million. The export sales of the Company have increased to 1,272 million which was 256 million in last financial year with tremendous growth of 397%.



## DuPont Analysis

as at 30 June 2025



## Analysis of Financial Information



### EXPLANATION OF CHANGES IN PERFORMANCE

During the year, SPEL achieved strong financial performance with all key indicators, including profitability, sales growth, and financial ratios, showing significant improvement over the previous year. The Company's results reflected favorable trends as compared to last year. The analysis confirms that the Company has maintained a resilient financial position, reflecting management's effective strategy execution and operational efficiency. Accordingly, the performance remained entirely positive during the year.

### 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:

	2025	2024
Rupees in million		
Turnover	9,633.22	6,965.10
Gross profit	2,587.96	1,322.07
Operating profit	2,097.74	938.02
Profit before taxation	1,991.02	907.82
Taxation	737.90	266.85
Profit after tax	1,253.12	640.97

#### Qualitative Analysis

During the financial year 2025, SPEL delivered sales growth of 38.3%, with net sales reaching Rs. 9.63 billion compared to Rs. 6.97 billion in the previous year. This performance was driven by strategic measures focused on expanding market coverage, strengthening relationships with customers, and improving delivery efficiency.

The gross profit margin also strengthened significantly, rising from 18.9% in 2024 to 26.9% in 2025. This improvement resulted from lower electricity costs following solarization of facilities, better utilization of fixed overheads owing to higher production volumes, and the transition of export shipments from air to sea freight, which considerably reduced logistics costs. These operational efficiencies collectively enhanced margins and contributed to stronger profitability.

### 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

#### Key Highlights:

**Sales Growth:** We managed to grow our sales volume, by having focus on product quality and customer service.

**Profitability:** The Company's net profit margin improved compared to the previous financial year, reflecting operational efficiency and prudent financial management.

**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



## Analysis of Financial Information

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. The recent increase in the Company's share price is primarily attributed to its exceptional performance during challenging times.

To gain insights 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 positive trajectory. This positive trend is primarily a result of increased turnover, improved profit margins, and efficient management of working capital.

## 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.

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

SPEL maintains a strong position in the plastic packaging segment for the 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, significant revenue growth was achieved in FMCG packaging, reflecting successful 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 is 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 uptick in demand for our products can lead to improved profitability and earnings per share (EPS), ultimately boosting the share price.
- 2. Variable Cost Fluctuations:** Any rise in variable costs can have a notable impact on gross margins. If these cost increases cannot be passed on to customers, it may lead to reduced profitability and EPS, negatively affecting our share price.
- 3. Raw Material Price Volatility:** The cost of raw material plays a pivotal role in product costs. Fluctuations in raw material prices, especially when they cannot be transferred to customers, can impact 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](http://www.spelgroup.com)

# Comments on Financial Analysis

## COMMENTS ON RATIOS

### Profitability:

The Company's profitability has strengthened notably. The Company delivered a significant improvement in overall profitability during 2025 with net profit ratio increased to 13% in 2025 (2024: 9%), demonstrating resilience and strong financial discipline in a challenging operating environment. Enhanced operational efficiency, better cost controls, and effective utilization of resources contributed to higher margins and stronger returns. The improvement in profitability is also attributed to better absorption of fixed costs, prudent financial management, and reinvestment of earnings into core operations. These measures not only strengthened the bottom line but also enhanced shareholder value through improved returns on equity and capital employed. The Company remains committed to sustaining this growth trajectory by focusing on efficiency, innovation, and long-term value creation for all stakeholders.

### Liquidity:

The Company's liquidity position continued to strengthen during 2025, underpinned by steady cash generation and prudent financial management. The improvement in key liquidity indicators reflects the Company's ability to efficiently manage its working capital cycle, meet short-term obligations, and maintain adequate financial flexibility. Strong operating cash flows and improved coverage ratios demonstrate that the Company is well positioned to support ongoing operational requirements, finance capital expenditure programs, and respond to emerging business opportunities without relying excessively on external financing. This healthy liquidity profile provides a solid foundation for sustainable



growth and reinforces stakeholder confidence in the Company's financial stability.

### Activity / Efficiency:

The Company continues to maintain inventory and receivables turnover. Given its reliance on imported raw materials, prudent stock levels are maintained to ensure continuity in production. Long-standing supplier relationships ensure smooth procurement, contributing to an efficient creditors' turnover position.

### Capital Structure:

Shareholders' equity increased to Rs. 6.1 billion in 2025 (2024: Rs. 5.1 billion), strengthening the 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 continued to deliver enhanced value to its shareholders during 2025, reflecting the strength of its business model and effective execution of strategic initiatives. Improved profitability and efficient utilization of capital contributed to a higher return on investment, while the significant increase in total shareholder return demonstrates the market's confidence in the Company's growth prospects. These results highlight the

Company's commitment to maximizing shareholder wealth through sustainable earnings growth, prudent capital allocation, and a long-term focus on value creation.

## COMMENTS ON HORIZONTAL ANALYSIS

Over the six-year period, the Company has recorded consistent growth in revenues and profitability. Liquidity has improved significantly, 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 strong financial performance and improved cost structure during 2025, despite the challenging economic conditions in Pakistan. The gross profit ratio increased to 26.9% in 2025 (2024: 18.9%), primarily due to higher sales volumes and improved operational efficiency. Operating profit nearly doubled, reaching 21.8% of sales in 2025 (2024: 13.5%).



## Future Outlook



### FORWARD LOOKING STATEMENT

As we look ahead to the fiscal year 2025–26 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 rates in single digits, a 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 in solarization, and the increasing demand for reliable packaging solutions in the food and FMCG industries. The Company is also undertaking a significant BMRE program in 2025–26, aimed 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. These include the installation of an additional solar power facility at our Karachi plant, expansion of production capacities, and balancing, modernization and replacement of selected equipment to improve efficiency. Furthermore, the Company has successfully achieved zero net carbon status for one of its manufacturing facilities. These initiatives reflect our ongoing focus on sustainability, efficiency, and long-term value creation.

### AI Adoption and Future Outlook:

As a first step towards AI adoption, the Company has initiated the use of Robotic Process Automation (RPA)

to streamline repetitive and rule-based tasks. This will help 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 has taken initiative for research and development in collaboration with University of Engineering and Technology (UET) for recycling of plastic waste. Moreover, Company also supports the delegates from different institutions for research and development programs. We also promote the quality control circles 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 for 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.

### 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. 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.



IT Governance and Cybersecurity

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.

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

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.

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**, 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.

By embedding these technologies into its operations, SPEL is building a foundation for long-

term efficiency, innovation, and sustainability. The integration of AI, RPA, 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. 2. Expect a fair return on their investment. 3. Decisions are made in line with increasing shareholder value.	1. AGM 2. EOGM 3. Interim reports 4. Annual report 5. Website	1. Annually 2. If/when needed 3. Quarterly 4. Annually 5. Continuously available
Customers	1. Buy our products, which drives our revenue. 2. Customer feedback help us to refine our products 3. Are our business partners.	1. Direct relationships 2. Connecting with customers on personal level by aligning with their values, beliefs and preferences 3. Continuous meetings 4. Website	1. Continuous/ongoing 2. Regularly 3. Regularly 4. Continuously available

Stakeholders	Why they are important	Nature of engagement	Frequency
Employees	1. Are our key assets. 2. Deliver the Company's success in achieving the highest possible stakeholder value. 3. Skilled employees enable organizations to adapt to changes in the market, technology and industry trends.	1. Open door policy of Interaction with management 2. Performance appraisals 3. Employee events 4. Training & development	1. At all times 2. Annual 3. Annually 4. Regularly
Suppliers	1. Reliable and reasonable provision of raw materials. 2. Are our business partners.	1. Direct relationships 2. Meetings 3. Trade shows	1. Continuous/ongoing 2. Regularly 3. Regularly
Regulators	Determine and implement policies that could positively or negatively impact the Company.	1. Specific meetings/ discussions/ correspondence 2. Submission of statutory returns & reports 3. Attending seminars held by regulators 4. Website	1. As required 2. As per legal requirement 3. As required 4. Continuously available
Local Community	1. Provide manpower for our operations. 2. Positive engagements with local community enhance the Company's image and build trust 3. Key target of our CSR initiatives	1. Free medical camp 2. Education support program to students in different universities 3. Donations to welfare institutions	1. Annual 2. Continuous 3. Continuous
Banks	Provision of finance and trade facilities	1. Direct relationships 2. Meetings 3. Financial reporting 4. Website	1. Continuous/ongoing 2. As needed 3. Periodic 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 42nd Annual General Meeting of Synthetic Products Enterprises Limited was held on 26 October

2024 at Jinnah Auditorium, Lahore Chamber of Commerce & Industries. The meeting was attended by shareholders representing 75% 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 2024 were addressed by the CFO, ensuring transparency and clarity. Resolutions on the adoption of the financial statements, approval of a final cash dividend of Rs. 0.8 per share (16%), and re-appointment of statutory auditors M/s KPMG Taseer Hadi & Co. were all passed unanimously. The election of seven directors, including one female director and independent directors, was conducted in accordance with regulatory requirements, with all nominated candidates elected unopposed. No additional business was raised, and the meeting concluded with a vote of thanks to the Chairman.



## Stakeholders Relationship and Engagement

### 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 30 October 2024 at the Pakistan Stock Exchange auditorium to engage with the investment community. The event was well attended by brokers, investors, and analysts, reflecting strong 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.

### 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 did not receive any complaint or grievances, however,

certain requests for payment of unclaimed dividends and dispatch of physical reports 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 20% dividend to our valued shareholders, reflecting our strong performance and commitment to sharing our success. Our earnings per share (EPS) have seen a significant increase, rising to PKR 6.6 compared to PKR 3.36 last year. This marked improvement in profitability and operational efficiency has been reflected in a notable increase in our share price on the Pakistan Stock Exchange. 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

There were no material changes in the Company's business model during the year. The Company continued to operate under the same business framework, maintaining its focus on delivering quality products and services to its customers while pursuing sustainable growth.

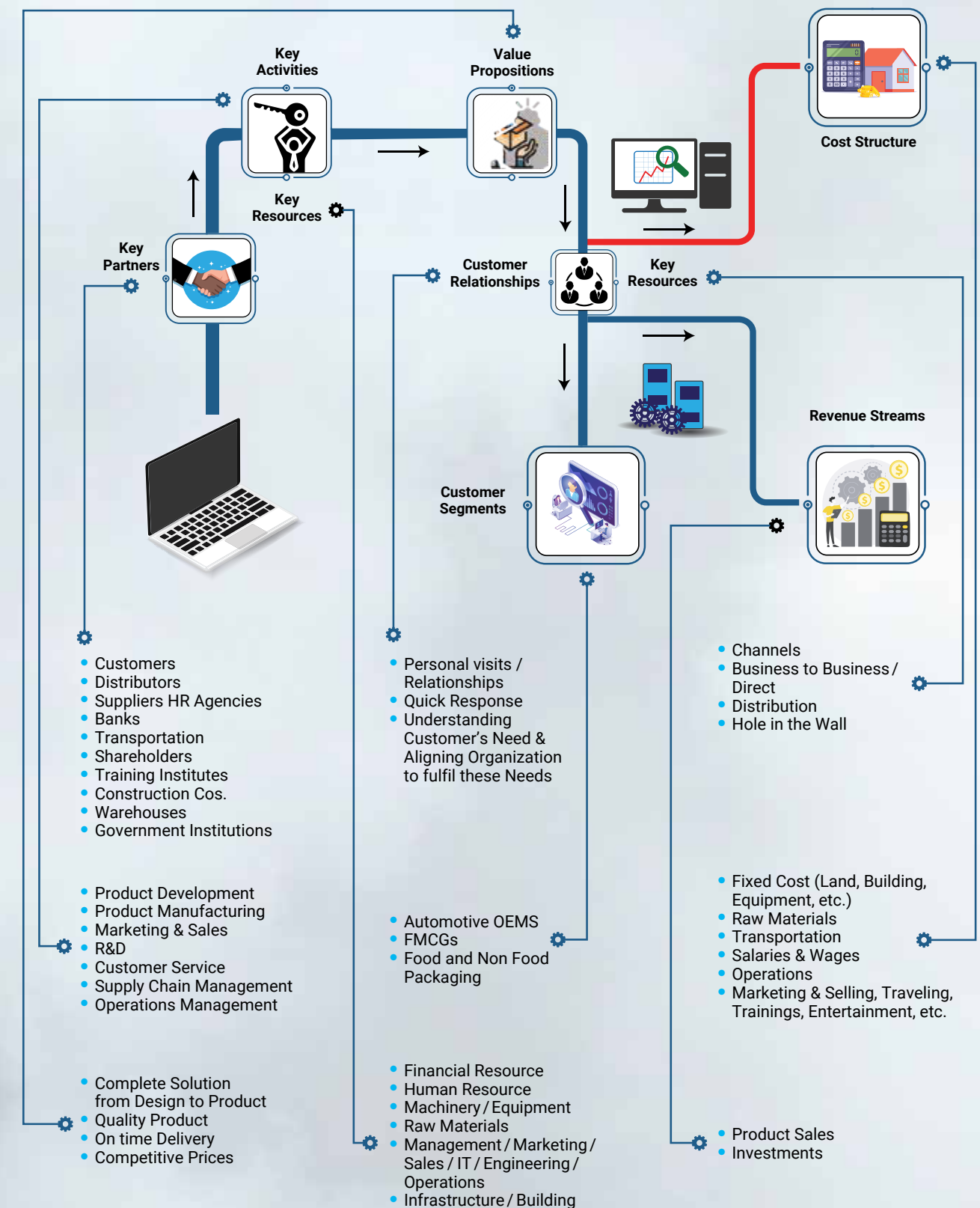
### STRIVING FOR EXCELLENCE IN CORPORATE REPORTING

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.

## SPEL's Business Model



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

During the year 2025, 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 evaluation of the Committee's performance was conducted by the Board, and the results reflect a level of satisfaction that underscores our commitment to excellence.

### 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: 16 August 2025

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, 2025. This year has been of remarkable progress, demonstrating the strength of our strategy, resilience of our operations, commitment to long-term value creation, and the commitment and teamwork of our team members.

### FINANCIAL PERFORMANCE

The Company delivered exceptional financial results. Net sales increased by 38% to Rs. 9.63 billion due to strong demand in our core markets. Gross profit nearly doubled to Rs. 2.59 billion, reflecting improved margins and disciplined cost management. Operating profit grew by 124% to Rs. 2.10 billion, while profit after tax reached Rs. 1.25 billion, almost double the previous year. Earnings per share stood at Rs. 6.60, a significant improvement over Rs. 3.36 last year.

These results highlight not only top-line growth but also enhanced efficiency and effective management of resources, positioning the Company for sustainable expansion.

### STRATEGY, SUSTAINABILITY AND GOVERNANCE

At the heart of our progress lies our strategy of innovation, efficiency, and sustainability. We continue to enhance productivity by using modern technologies, energy-efficient practices, and optimized processes.

On sustainability, we remain committed to our Carbon Neutrality journey, having achieved certification for our Head Office and our Kot Lakhpat facility. Solar energy supplies a meaningful portion of our energy requirements, reducing both cost pressures and environmental impact. Our employee wellness initiatives have improved retention and productivity, while sustainable procurement practices have supported margin stability.

### BOARD'S EFFECTIVENESS AND GOVERNANCE

The Board has played a pivotal role in steering the Company towards its objectives by providing strategic directions, closely monitoring risks,



and supporting management in executing key initiatives. During the year, the Board conducted a comprehensive self-evaluation, identifying areas for continuous improvement and aligning its performance with global best practices.

I remained personally committed to the strategic, financial, CSR, and ESG priorities of the Company. Compared to last year, we placed even greater emphasis on integrating ESG principles into business decisions, accelerating renewable energy initiatives, and strengthening community engagement programs.

The Board reaffirms that the Company's structure and processes ensure effective governance with clear accountability. Our internal control system—reviewed regularly through the Audit Committee and supported by the Chief Internal Auditor—remains adequate and effective. The Board has reviewed these controls during the year and is satisfied that they safeguard assets, ensure accurate financial reporting, and comply with regulatory requirements.

The board has initiated a serious effort on succession planning which will be a continued exercise

for the future. All team members upto supervisors are nominating and training their successors in this exercise.

### RISKS AND OPPORTUNITIES

The external environment remains challenging with currency volatility, inflationary pressures, and regulatory complexities. The Company views these challenges as opportunities to build resilience through:

- Leveraging technology for operational excellence.
- Strengthening supply chain.
- Expanding renewable energy's use to reduce costs and reliance on conventional sources.

### FUTURE OUTLOOK

Looking ahead, the Company will continue to invest in innovation, digitization, and sustainability. In line with this vision, we are planning to invest a significant amount in a comprehensive Balancing, Modernization, Replacement, and Expansion (BMRE) program. Profits earned this year will be significantly reinvested. The new initiatives will enhance production efficiency, ensure technology upgrades, and expand capacity to meet growing customer needs.

With an emphasis on customer-centric solutions, operational efficiency, and greater energy independence, we are confident in sustaining our growth trajectory while creating long-term value for all stakeholders.

### ACKNOWLEDGMENT OF STAKEHOLDERS

On behalf of the Board, I express my sincere gratitude to our shareholders for their trust, to our employees for their dedication, 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: 16 August 2025



# Directors’ Report to the Shareholders

for the year ended 30 June 2025



Dear Shareholders,

The Board of Directors is pleased to present the Annual Report together with the audited financial statements of the Company for the year ended 30 June 2025. The year under review reflects strong operational execution, solid financial performance, and continued progress on strategic priorities. These results highlight the resilience of the business and the unwavering dedication of our employees.

## BUSINESS PERFORMANCE

During the financial year 2025, SPEL delivered sales growth of 38.3%, with net sales reaching Rs. 9.63 billion compared to Rs. 6.97 billion in the previous year. This performance was driven by strategic measures focused on expanding market coverage, strengthening relationships with customers, and improving delivery efficiency.

The gross profit margin also strengthened significantly, rising from 18.9% in 2024 to 26.9% in 2025. This improvement resulted from lower electricity costs following solarization of facilities, better utilization of fixed overheads owing to higher production volumes, and the transition of export shipments from air to sea freight, which considerably reduced logistics costs. These operational efficiencies collectively enhanced margins and contributed to stronger profitability.

## FINANCIAL RESULTS

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

	2025	2024
	Rupees in million	
Turnover	9,633.22	6,965.10
Gross profit	2,587.96	1,322.07
Operating profit	2,097.74	938.02
Profit before taxation	1,991.02	907.82
Taxation	737.90	266.85
Profit after tax	1,253.12	640.97

## EARNINGS PER SHARE & DIVIDENDS

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

Basic and diluted EPS – 2025	Rs. 6.60
Basic and diluted EPS – 2024	Rs. 3.36

During the year, the Company distributed an interim cash dividend of 12%. In addition, the Board of Directors is pleased to recommend a final cash dividend of 8%, subject to approval by the shareholders at the forthcoming Annual General Meeting. This will bring in an aggregate distribution of 20% for the year 2025, as compared to 16% in the previous financial year.

## CORPORATE SOCIAL RESPONSIBILITY

SPEL believes in supporting the community and has a policy to contribute as our CSR. 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.

During the year, we have spent on various CSR initiatives aimed at contributing positively to the community and environment. These initiatives included organizing medical camps for the nearby community, as well as making donations to non-profit organizations, research institutions, and initiatives supporting education and learning. We also carried out tree plantation drives and provided financial assistance to employees who wished to enhance their education. In addition to these initiatives, we have also invested on solarization, which reflects our continued commitment to sustainable energy and reducing our carbon footprint.



## HUMAN RESOURCE

We value the dedication and commitment of our employees, who remain central to the Company's progress. SPEL continues to prioritize employee development by promoting a culture of teamwork, innovation, open communication, and continuous learning. During the year under review, the Company invested 8,158 man-hours in training compared to 4,749 man-hours in 2024. Training sessions covered a wide range of areas across all departments, including supervisory skills, fire and safety, Kaizen, 6S, quality control circles, and various technical and managerial modules.

The Company has also invested in training of its employees in emerging fields such as Artificial Intelligence, Robotic Process Automation, Data Analytics, Power BI, Microsoft Power Tools. These initiatives reflect the Company's commitment to equipping its workforce with the skills and knowledge required to meet evolving business challenges.

## 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, five (05) Board meetings were held and attendance by each director is given below:

Name	Status	Meetings Attended/ Eligible
Mr. Almas Hyder	Chairman/Non-Executive Director	5/5
Mr. Zia Hyder Naqi	CEO/Executive Director	5/5
Mr. Haroon Sharif	Independent Non-Executive Director	5/5
Dr. Syed Sohail Hussain Naqvi	Independent Non-Executive Director	5/5
Mr. Ameen Ahsan	Independent Non-Executive Director	3/3*
Mr. Abid Saleem Khan	Executive Director	5/5
Dr. Nighat Arshad	Non-Executive Director	5/5
Mr. Sheikh Naseer Hyder	Non-Executive Director	2/2**
Mr. Khawar Anwar Khawaja	Independent Non-Executive Director	2/2**
Mr. Raza Haider Naqi	Non-Executive Director	2/2**

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

- \* Elected at the AGM held on 26 October 2024 and, therefore, eligible to attend three meetings during his tenure in FY 2025.
- \*\* Retired upon completion of term at the AGM held on 26 October 2024 and, therefore, eligible to attend only two meetings during their tenure in FY 2025.



**Directors' Report to the Shareholders****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	2/2*
Dr. Nighat Arshad	Member	2/2*
Mr. Khawar Anwar Khawaja	Member	2/2**
Mr. Raza Haider Naqi	Member	2/2**

- \* Became a member of the Committee on 29th October 2024 and, therefore, eligible to attend three meetings during his tenure in FY 2025.
- \*\* Retired upon completion of term at the AGM held on 26 October 2024 and, therefore, eligible to attend only two meetings during their tenure in FY 2025.

**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**

As of the reporting date, six (06) directors of the Company have successfully completed the Directors' Training Program (DTP) in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019. The remaining director, who was appointed at the last Annual General Meeting, is planning to complete the training program in the future.

**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 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 complaint or grievances, however, certain requests for revalidation of dividend warrants and despatch 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 is no material risks and uncertainties specific to our Company except political and economic risks.
- There is 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 above should be considered as "Executive" for the purposes



Directors’ Report to the Shareholders



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 2025 to the date of this report and the Company has not entered into any commitments during this period, which would have an adverse impact on the financial position of the Company.

SIGNIFICANT PLANS AND DECISIONS

During the year, the Board of Directors undertook several key strategic decisions to strengthen the Company's future growth and sustainability. These included the expansion of business operations into new markets and the approval of major capital investments aligned with the Company's strategic vision. Such initiatives are designed to enhance competitiveness, ensure sustainable growth, and deliver greater value to stakeholders.

The Board also reinforced its commitment to robust risk management practices. Clear risk tolerance levels were defined, and a comprehensive review of principal risks was conducted,

addressing potential impacts on the Company's business model, future performance, solvency, and liquidity. These measures provide a strong foundation for sustainable success and effective governance.

STRATEGIC OBJECTIVES ON ESG AND SUSTAINABILITY REPORTING

Our organization places great importance on Environmental, Social, and Governance (ESG) practices, reflecting a strong and consistent commitment to sustainability. The Board actively integrates these principles into the Company's long-term strategy by emphasizing environmental responsibility, advancing social equity, and ensuring transparency and accountability in governance. By embedding ESG into our operations, we aim to deliver sustainable value, enhance stakeholder trust, and support the enduring growth and resilience of the Company.

SUSTAINABILITY-RELATED RISKS AND THEIR MITIGATION

The Board of Directors remains fully committed to identifying and mitigating sustainability-related risks that may impact the Company's

performance and long-term resilience. During the year, we focused on environmental stewardship, energy efficiency, and community well-being. Key measures included continued investment in solarization to reduce dependency on conventional energy sources, plantation drives to promote a greener environment, and financial assistance to employees pursuing higher education. In addition, these initiatives included organizing medical camps for the nearby community, along with donations to non-profit organizations, research institutions, and programs aimed at promoting education. These actions not only mitigate environmental and social risks but also strengthen the Company's reputation as a responsible corporate citizen.

MEASURES TAKEN TO PROMOTE DIVERSITY, EQUITY & INCLUSION (DE&I)

The Company views diversity, equity, and inclusion as essential to fostering innovation and organizational strength. During the year, significant steps were taken to enhance female representation and inclusivity across governance and operations. A seat was reserved for a female candidate on the Board at the time of the election of directors, and the Risk Management and Sustainability Committee of the Board was established with ensured female participation. At the Head Office, nearly 30% of the workforce now comprises female employees, demonstrating our commitment to gender balance and equal opportunity. These measures reflect the Company's ongoing efforts to embed DE&I principles into its culture, ensuring that all employees are empowered to contribute meaningfully to the Company's success.

DISCLOSURE ON DIVERSITY UNDER CIRCULAR NUMBER 10 OF SECP

The Company is committed to promoting gender diversity and providing equal opportunities to all employees. Compensation is determined strictly on the basis of role and responsibilities, without any gender-based differentiation. In compliance with the requirements of the SECP, a statement on the gender pay gap has been prepared and published, and is also available on the Company's website.

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.

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. SPEL has done Vulnerability Assessment and Penetration Testing to mitigate the risk of cyber-attacks, data breaches, and system vulnerabilities by identifying and remediating security weaknesses before they can be exploited.

GOVERNMENT POLICIES RELATED TO THE COMPANY'S BUSINESS SECTOR

The Government of Pakistan continues to place emphasis on industrial growth, environmental sustainability, and renewable energy adoption, all of which directly impact our business sector. Policies encouraging local manufacturing, import substitution, and the use of clean energy provide opportunities for growth and competitiveness. At the same time, increasing focus on compliance with environmental regulations, responsible waste management, and energy efficiency aligns with our commitment to sustainability. The Company remains compliant with all applicable laws, rules, and regulations, and continues to monitor government policies to timely adapt and benefit from the incentives and frameworks introduced

BOARD'S STATEMENT ON INTERNAL CONTROLS INCLUDING IT CONTROLS

The Board is committed to maintaining a robust system of internal controls designed to safeguard the Company's assets, ensure accuracy and reliability of financial reporting, and promote compliance with regulatory requirements. Our internal control framework covers all areas of operations, including risk management, financial discipline, and governance processes. Specific emphasis is placed on IT controls, given their critical role in data protection and business continuity. The Company has invested in modern IT infrastructure, cybersecurity protocols, and access controls to mitigate risks and ensure the integrity of information systems. Regular internal audits, monitoring, and review mechanisms are in place to provide assurance to the Board and



stakeholders on the effectiveness of these controls.

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.



Directors’ Report to the Shareholders

FUTURE OUTLOOK

The overall economic environment of the country remains favorable, and the Company anticipates that industry conditions will stay stable in the short to medium term, with a positive trajectory over the long run. Demand from both the Auto and FMCG sectors continues to remain consistent, providing a solid foundation for business growth.

With a strong financial position and healthy cash flow generation, SPEL is well-positioned to pursue its strategic priorities. The Company remains focused on enhancing operational efficiencies, optimizing resources, and making well-considered strategic investments. These initiatives are designed to strengthen competitiveness, drive sustainable

sales growth, improve productivity, and maximize long-term value creation for shareholders.

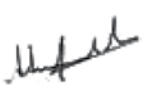
ACKNOWLEDGEMENT

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

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: 16 August, 2025  
Place: Lahore

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

For the year ended 30 June 2025

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, 2025, the gender pay gap of relevant employees is as follows:

- Mean Gender Pay Gap: – 2.70% \*
- Median Gender Pay Gap: – 1.58%

\* The negative mean and median values reflect that female pay levels are comparatively higher than those of male employees.

Notes:

It is important to note that the remuneration philosophy at SPEL Limited does not differentiate based

on gender. Employee pay is determined by multiple factors, including professional experience, tenure, education, job role, performance, market dynamics, and geographical location.

1. While calculating the gender pay gap, comparisons were made only within cadres where females are employed by considering all relevant employees in specific departments where females are working. Female employees in our organization are employed in head office and the gap is calculated based on the relevant representation in relevant functions. This approach ensures a more accurate and meaningful representation of the gap.
2. 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 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: 16 August 2025

Six Years Financial Information

FINANCIAL SUMMARY		2025	2024	2023	2022	2021	2020
Balance Sheet							
Share capital	Rs. in 000	998,680	998,680	998,680	998,680	924,704	884,884
No of shares (closing)	No. in 000	199,736	199,736	199,736	199,736	92,470	88,488
Fixed assets	Rs. in 000	4,268,478	4,166,688	4,195,700	4,014,130	2,784,822	2,344,473
Total assets	Rs. in 000	8,252,918	7,303,401	6,848,666	6,176,166	4,532,441	3,872,619
Equity	Rs. in 000	6,109,862	5,122,389	4,635,839	4,250,205	3,361,164	2,863,572
Long term loans & leases	Rs. in 000	314,788	365,567	519,684	634,658	296,215	282,522
Current assets	Rs. in 000	3,967,850	3,098,682	2,626,309	2,140,209	1,729,801	1,515,028
Stocks	Rs. in 000	1,784,548	1,635,728	1,592,636	1,304,465	757,803	669,672
Debtors	Rs. in 000	1,302,075	712,937	628,875	605,194	593,929	509,335
Cash and bank Balances	Rs. in 000	272,988	161,134	37,653	100,258	67,999	8,880
Creditors	Rs. in 000	747,410	600,343	530,020	324,184	292,210	146,828
Current liabilities	Rs. in 000	1,214,236	1,316,706	1,155,558	848,628	655,190	507,617
Non-Current liabilities	Rs. in 000	928,820	864,306	1,057,269	1,077,333	516,087	501,431
Total liabilities	Rs. in 000	2,143,056	2,181,012	2,212,827	1,925,961	1,171,277	1,009,048
Short term finances	Rs. in 000	435,412	656,760	586,278	488,046	351,105	352,830
Working capital	Rs. in 000	2,269,705	1,684,297	1,627,264	1,536,773	1,010,027	1,001,965
Profit or Loss Account							
Sales	Rs. in 000	9,633,218	6,965,105	6,430,965	6,308,361	4,171,022	3,097,558
Cost of sales	Rs. in 000	7,045,259	5,643,032	5,117,719	5,063,811	3,272,352	2,524,615
Gross profit	Rs. in 000	2,587,958	1,322,073	1,313,246	1,244,550	898,670	572,943
Profit before taxation	Rs. in 000	1,991,021	907,819	859,594	852,164	638,835	322,005
Depreciation	Rs. in 000	351,572	323,869	319,604	273,380	190,088	182,575
Amortization	Rs. in 000	164	164	164	106	135	140
Financial cost	Rs. in 000	127,549	133,274	135,481	102,860	46,158	73,715
Profit after tax	Rs. in 000	1,253,122	640,967	491,098	538,925	460,233	258,814
EBIT	Rs. in 000	2,118,570	1,041,093	995,075	955,025	684,993	395,720
EBITDA	Rs. in 000	2,470,306	1,365,127	1,314,843	1,228,511	875,216	578,435
Cash Flow Statement							
Cash flow from operating activities	Rs. in 000	1,224,133	869,633	756,080	466,282	780,232	377,347
Cash flow from investing activities	Rs. in 000	(596,945)	(90,151)	(453,318)	(986,114)	(617,784)	(296,424)
Cash flow from financing activities	Rs. in 000	(861,871)	(370,713)	(398,981)	442,354	(82,603)	(45,461)
Opening cash & cash equivalents	Rs. in 000	368,617	(40,152)	56,066	133,543	(111,507)	(146,969)
Closing cash & cash equivalents	Rs. in 000	133,934	368,617	(40,152)	56,066	(31,663)	(111,507)
Free Cash flows	Rs. in 000	627,187	779,482	302,763	(519,831)	162,448	80,922

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



Six Years Financial Information

SIGNIFICANT RATIOS		2025	2024	2023	2022	2021	2020
Profitability							
Gross profit ratio	%age	27%	19%	20%	20%	22%	18%
Net profit ratio	%age	13%	9%	8%	9%	11%	8%
EBITDA margin to sales	%age	26%	20%	20%	19%	21%	19%
Operating leverage ratio	%age	40%	9%	33%	13%	27%	-9%
Return on equity	%age	21%	13%	11%	13%	14%	9%
Return on capital employed	%age	21%	12%	10%	13%	14%	9%
Shareholders' Funds	Rs.	6,109,862	5,122,389	4,635,839	4,250,205	3,361,164	2,863,572
Return on Shareholders' Funds	%age	21%	13%	11%	13%	14%	9%
Return on Investment	%age	20%	12%	10%	11%	13%	8%
Liquidity / Leverage							
Current ratio	Times	3.27	2.35	2.27	2.52	2.64	2.98
Quick/Acid test ratio	Times	1.80	1.11	0.89	0.98	1.48	1.67
Cash to current liabilities	%age	22%	12%	3%	12%	10%	2%
Cash flow from operations to sales	%age	20%	19%	18%	11%	22%	17%
Cash flow to capital expenditures	Times	2.70	2.95	1.51	0.31	1.24	1.27
Cash flow coverage ratio	Times	2.26	1.21	1.05	0.58	1.53	0.93
Activity / Turnover Ratios							
Inventory turnover ratio	Times	4.12	3.50	3.53	4.91	4.58	3.99
No of days in inventory	Days	89	104	103	74.32	79.61	91.39
Debtor turnover ratio	Times	9.56	10.38	10.42	10.52	7.56	6.22
No of days in receivables	Days	38	35	35	34.69	48.27	58.70
Creditor turnover ratio	Times	10.45	9.98	11.98	16.43	14.91	16.13
No of days in payables	Days	35	37	30	22.21	24.49	22.63
Fixed assets turnover ratio	Times	2.26	1.67	1.53	1.57	1.50	1.32
Total assets turnover ratio	Times	1.17	0.95	0.94	1.02	0.92	0.80
Operating cycle	Days	92	103	108	86.80	103.40	127.46
Investment / Market Ratios							
Earning per share - Reported	Rs.	6.60	3.36	2.47	2.70	2.30	2.89
Price earnings ratio	Times	6.90	4.74	4.21	5.28	18.73	14.53
Price to book ratio	Times	1.49	0.62	0.45	0.67	1.19	1.30
Dividend yield ratio	%age	2.2%	5.0%	7.2%	3.5%	3.0%	2.4%
Dividend payout ratio	%age	15.2%	23.8%	30.4%	18.5%	56.5%	34.6%
Dividend cover ratio	Times	6.60	4.20	3.29	5.40	1.77	2.89
Dividend per share**	Rs.	1.00	0.80	0.75	0.50	1.30	1.00
Market value per share at the year/period end*	Rs.	45.55	15.92	10.4	14.26	43.08	42.00
Breakup value per share (without land's revaluation surplus)	Rs.	27.84	22.63	19.07	17.14	32.78	28.63
Breakup value per share (with land's revaluation surplus)	Rs.	32.20	27.00	23.21	21.28	36.35	32.36
Free Cash flows	Rs. in 000	627,187	779,482	302,763	(519,831)	162,448	80,922
Capital Structure Ratios							
Financial leverage ratio	Times	0.12	0.20	0.24	0.26	0.19	0.22
Weighted average cost of debt	%age	14%	13%	12%	12%	7%	11%
Debt to equity ratio - Book Value	Times	0.11	0.19	0.16	0.19	0.15	0.14
Debt to equity ratio - Market Value	Times	0.03	0.23	0.35	0.28	0.13	0.11
Net Asset Per Share	Times	32.20	27.00	23.21	21.28	36.35	32.36
Interest cover ratio	Times	16.61	7.81	7.34	9.28	14.84	5.37
Return to Shareholders							
R.O.E. before tax	%age	33%	18%	19%	20%	19%	11%
R.O.E. after tax	%age	21%	13%	11%	13%	14%	9%
EPS	Rs.	6.60	3.36	2.47	2.70	2.30	2.89
Solvency							
Debtors turnover	Times	9.56	10.38	10.42	10.52	7.56	6.22
Creditors turnover	Times	10.45	9.98	11.98	16.43	14.91	16.13
Other Information							
Sale growth rate	%age	38%	8%	2%	51%	35%	-10%
Non-Financial Ratios							
% of Plant Availability	%age	66%	51%	55%	62%	52%	55%
Production per Employee	Tons	25.40	21.15	20.73	20.06	17.88	21.97
Revenue per Employee	Rs. In 000	15,389	12,922	11,088	9,661	7,382	5,957
Staff turnover ratio	%age	7%	7%	7%	-17%	-2%	6%

\* Source of information is Pakistan stocks exchange website.

Cash Flow Statement - Direct Method

	2025 Rupees	2024 Rupees
Cash flows from operating activities		
Cash receipts from customers	8,963,263,188	6,935,615,799
Cash paid to suppliers/ service providers and employees	(7,055,863,662)	(5,578,404,783)
Cash generated from operations	1,907,399,526	1,357,211,016
Worker's Profit Participation Fund paid	(48892601)	(46,165,096)
Workers' Welfare Fund paid	(18,479,057)	(14,338,720)
Mark up paid on Islamic mode of financing	(34,641,845)	(4,802,166)
Interest paid on conventional loans	(66,544,806)	(78,218,603)
Final taxes paid	(640,817)	(1,920,553)
Taxes paid	(513,644,546)	(325,113,722)
Long term deposits - net	(423,001)	(17,019,025)
	(683,266,673)	(487,577,885)
Cash generated from operating activities	1,224,132,853	869,633,131
Cash flows from investing activities		
Acquisition of property, plant and equipment	(137,891,490)	(327,679,736)
Acquisition of intangibles	-	-
Advances to suppliers	-	(19,993,000)
Investment in treasury bills	(507,600,504)	-
Proceeds from disposal of long term investment	-	-
Proceeds from disposal of property, plant and equipment	48,546,520	257,521,534
Net cash used in investing activities	(596,945,474)	(90,151,202)
Cash flows from financing activities		
Principal repayment of lease liability	(415,374,517)	(55,490,363)
Repurchase of treasury shares	-	(59,542,295)
Long term loan repaid	(134,033,039)	(81,626,541)
Diminishing musharika paid	(18,750,016)	(26,422,218)
Short term borrowings (repaid)/ received	(29,996,799)	(53,356,201)
Cash dividend paid	(263,716,442)	(94,275,138)
Net (used in) / cash generated from financing activities	(861,870,813)	(370,712,756)
Net (decrease) in cash and cash equivalents	(234,683,434)	408,769,173
Cash and cash equivalents at beginning of the year	368,617,150	(40,152,023)
Cash and cash equivalents at end of the year	133,933,716	368,617,150



# Graphic Presentation

## EQUITY AND LIABILITIES

(Rupees in thousand)



## FIXED AND CURRENT ASSETS

(Rupees in thousand)



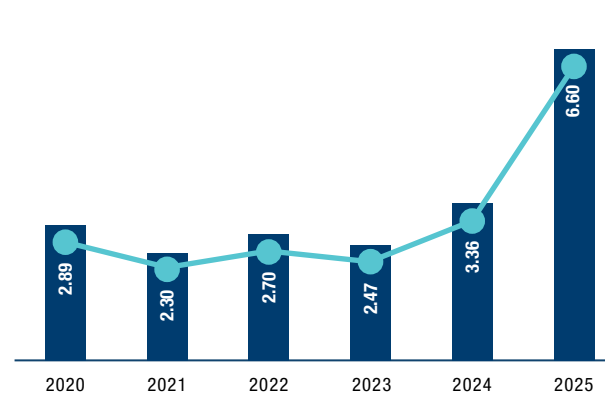
## CURRENT RATIO

(Times)



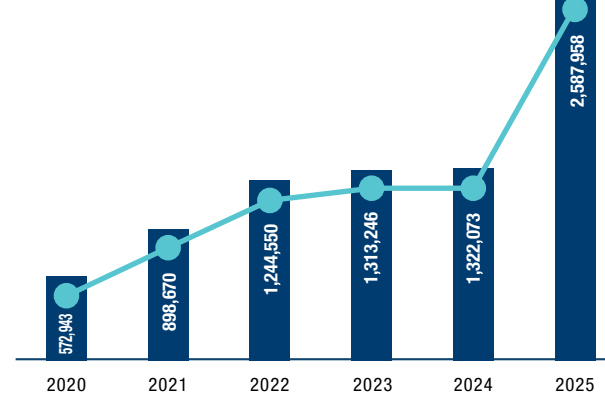
## EPS

(Rupees)



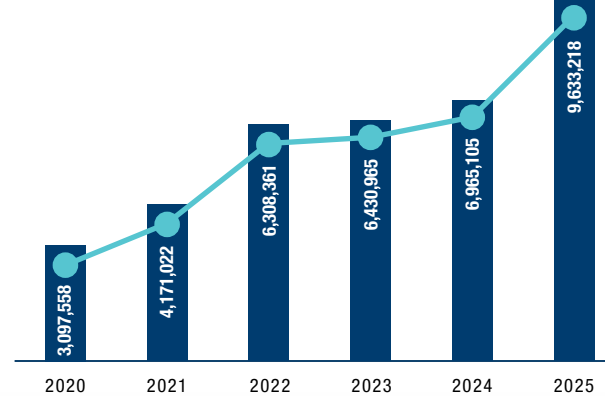
## GROSS PROFIT

(Rupees in thousand)



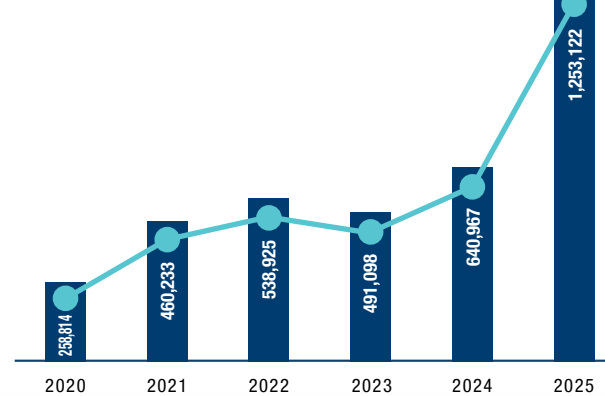
## SALES

(Rupees in thousand)



## PROFIT AFTER TAX

(Rupees in thousand)





Horizontal Financial Analysis

Nomenclature	2025		2024		2023		2022		2021		2020	
	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%
<b>Nomenclature</b>												
Equity and reserves	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	2,533,540	8.96
Surplus on revaluation of land	827,709	-	827,709	-	827,709	-	827,709	150.80	330,032	-	330,032	-
Long term loans	287,919	(18.58)	353,625	(29.38)	500,752	(19.48)	621,875	114.53	289,883	5.25	275,420	4.94
Non current liabilities	640,901	25.50	510,681	(8.24)	556,517	22.19	455,458	101.35	226,204	0.09	226,010	4.16
Total current liabilities	1,214,236	(7.78)	1,316,706	13.95	1,155,558	36.17	848,628	29.52	655,190	29.07	507,617	(14.11)
	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	3,872,619	3.95
Property plant and equipment	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	2,344,473	5.12
Long term investments	-	-	-	-	-	-	1,199	(54.85)	2,657	46.92	1,808	67.81
Non current assets - others	16,590	(56.38)	38,031	42.67	26,657	29.23	20,628	36.07	15,161	34.04	11,310	(83.18)
Stores spares and loose tools	69,508	8.56	64,025	(0.31)	64,227	31.88	48,701	(1.60)	49,495	63.81	30,214	17.65
Stock in trade	1,715,041	9.12	1,571,703	2.83	1,528,409	21.71	1,255,763	77.29	708,308	10.77	639,457	12.41
Trade debts	1,302,075	82.64	712,937	13.37	628,875	3.91	605,194	1.90	593,929	16.61	509,335	4.59
Income tax receivables	16,421	(84.82)	108,171	55.62	69,508	(21.43)	88,471	(46.81)	166,332	(38.81)	271,851	4.74
Short term investment	507,601	30.93	387,693	84.25	210,418	100.00	-	-	130,000	100.00	-	-
Advances, deposits, prepayments and other receivables	84,217	(9.46)	93,018	6.65	87,220	108.55	41,822	204.44	13,738	(75.15)	55,291	26.05
Cash and bank balances	272,988	69.42	161,135	327.93	37,654	(62.44)	100,258	47.44	67,999	665.77	8,880	(78.87)
	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	3,872,619	3.95
<b>Nomenclature</b>												
Sales - net	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	3,097,558	(9.72)
Cost of sales	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	2,524,615	(11.66)
<b>Gross profit</b>	2,587,958	95.75	1,322,073	0.67	1,313,246	5.52	1,244,550	38.49	898,670	56.85	572,943	(0.05)
Admin expenses	413,267	26.97	325,483	23.42	263,712	11.82	235,840	39.65	168,885	9.43	154,336	(6.78)
Selling and distribution expenses	76,956	31.40	58,565	23.81	47,301	16.56	40,580	20.97	33,546	30.71	25,663	19.76
<b>Operating profit</b>	2,097,735	123.63	938,025	(6.41)	1,002,233	3.52	968,130	39.05	696,240	77.19	392,944	1.74
Other charges	213,940	160.25	82,205	20.12	68,433	10.97	61,670	14.11	54,045	64.04	32,946	(9.19)
Finance cost	127,549	(4.30)	133,274	(1.63)	135,481	31.71	102,860	122.84	46,158	(37.38)	73,715	(3.06)
	1,756,246	143.06	722,546	(9.49)	798,319	(0.66)	803,600	34.82	596,037	108.20	286,283	4.52
Other income	234,775	24.99	187,834	206.54	61,275	26.17	48,564	13.47	42,798	19.81	35,722	151.60
<b>Profit before final tax and income tax</b>	1,991,021	118.70	910,380	5.91	859,594	0.87	852,164	33.39	638,835	98.39	322,005	11.77
Final tax	-	-	2,561	100.00								
<b>Profit before Taxation</b>	1,991,021	119.32	907,819	(5.61)	859,594	0.87	852,164	33.39	638,835	98.39	322,005	11.77
Taxation	737,899	176.52	266,852	(27.58)	368,496	17.64	313,239	75.38	178,602	182.64	63,191	34.73
<b>Profit after tax</b>	1,253,122	95.50	640,967	30.52	491,098	(8.87)	538,925	17.10	460,233	77.82	258,814	7.31

Vertical Financial Analysis

Nomenclature	2025		2024		2023		2022		2021		2020	
	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%
<b>Nomenclature</b>												
Equity and reserves	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	2,533,540	65.42
Surplus on revaluation of land	827,709	10.03	827,709	11.33	827,709	12.09	827,709	13.40	330,032	7.28	330,032	8.52
Long term loans	287,919	3.49	353,625	4.84	500,752	7.31	621,875	10.07	289,883	6.40	275,420	7.11
Non current liabilities	640,901	7.77	510,681	6.99	556,517	8.13	455,458	7.37	226,204	4.99	226,010	5.84
Total current liabilities	1,214,236	14.71	1,316,706	18.03	1,155,558	16.87	848,628	13.74	655,190	14.46	507,617	13.11
	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	3,872,619	100.00
Property plant and equipment	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	2,344,473	60.54
Long term investments	-	-	-	-	-	-	1,199	0.02	2,657	0.06	1,808	0.05
Non current assets - others	16,590	0.20	38,031	0.52	26,657	0.39	20,628	0.33	15,161	0.33	11,310	0.29
Stores, spares and loose tools	69,508	0.84	64,025	0.88	64,227	0.94	48,701	0.79	49,495	1.09	30,214	0.78
Stock in trade	1,715,041	20.78	1,571,703	21.52	1,528,409	22.32	1,255,763	20.33	708,308	15.63	639,457	16.51
Trade debts	1,302,075	15.78	712,937	9.76	628,875	9.18	605,194	9.80	593,929	13.10	509,335	13.15
Income tax receivables	16,421	0.20	108,171	1.48	69,508	1.01	88,471	1.43	166,332	3.67	271,851	7.02
Short term investment	507,601	6.15	387,693	5.31	210,418	3.07	-	-	130,000	2.87	-	-
Advances, deposits, prepayments and other receivables	84,217	1.02	93,018	1.27	87,220	1.27	41,822	0.68	13,738	0.30	55,291	1.43
Cash and bank balances	272,988	3.31	161,135	2.21	37,654	0.55	100,258	1.62	67,999	1.50	8,880	0.23
	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	3,872,619	100.00
<b>Nomenclature</b>												
Sales - net	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	3,097,558	100.00
Cost of sales	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	2,524,615	81.50
<b>Gross profit</b>	2,587,958	26.86	1,322,073	20.56	1,313,246	20.82	1,244,550	19.73	898,670	21.55	572,943	18.50
Admin expenses	413,267	4.29	325,483	4.67	263,712	4.10	235,840	3.74	168,885	4.05	154,336	4.98
Selling and distribution expenses	76,956	0.80	58,565	0.84	47,301	0.74	40,580	0.64	33,546	0.80	25,663	0.83
<b>Operating profit</b>	2,097,735	21.78	938,025	13.47	1,002,233	15.58	968,130	15.35	696,240	16.69	392,944	12.69
Other charges	213,940	2.22	82,205	1.18	68,433	1.06	61,670	0.98	54,045	1.30	32,946	1.06
Finance cost	127,549	1.32	133,274	1.91	135,481	2.11	102,860	1.63	46,158	1.11	73,715	2.38
	1,756,246	18.23	722,546	10.37	798,319	12.41	803,600	12.74	596,037	14.29	286,283	9.24
Other income	234,775	2.44	187,834	2.70	61,275	0.95	48,564	0.77	42,798	1.03	35,722	1.15
<b>Profit before final tax and income tax</b>	1,991,021	20.67	910,380	13.03	859,594	13.37	852,164	13.51	638,835	15.32	322,005	10.40
Final tax	-	-	2,561	0.04								
<b>Profit before taxation</b>	1,991,021	20.67	907,819	13.07	859,594	13.37	852,164	13.51	638,835	15.32	322,005	10.40
Taxation	737,899	7.66	266,852	3.83	368,496	5.73	313,239	4.97	178,602	4.28	63,191	2.04
<b>Profit after tax</b>	1,253,122	13.01	640,967	9.20	491,098	7.64	538,925	8.54	460,233	11.03	258,814	8.36



Statement of Value Added and its Distribution with Graphical Presentation

	2025		2024	
	Rs. 000	%	Rs. 000	%
Total Revenue inclusive of sales tax	11,213,221	97.9%	8,265,040	97.8%
Other Income	234,775	2.1%	187,835	2.2%
	11,447,996	100.0%	8,452,875	100.0%
Wealth Distribiton				
Employees as remuneration	1,058,648	9.2%	716,717	8.5%
Government as direct taxes	778,532	6.8%	287,992	3.4%
Government as indirect taxes	1,885,905	16.5%	1,443,809	17.1%
Shareholders as dividends	189,749	1.7%	151,800	1.8%
Providers of financial capital as financial charges	127,549	1.1%	133,274	1.6%
Cost of Sales excluding employees' remuneration	6,047,699	52.8%	5,019,868	59.4%
Distribution, administration and other expenses	294,237	2.6%	207,709	2.5%
Society as donation	2,305	0.0%	2,538	0.0%
Retained within the business	1,063,373	9.3%	489,167	5.8%
	11,447,996	100.0%	8,452,875	100.0%



52.8 ■ Cost of sales  
2.6 ■ Distribution, admin & other expenses  
9.3 ■ Retained profit  
9.2 ■ Employees remuneration  
6.8 ■ Direct taxes  
16.5 ■ Indirect taxes  
1.1 ■ Financial charges  
1.7 ■ Shareholders as dividends

59.4 ■  
2.5 ■  
5.8 ■  
8.5 ■  
3.4 ■  
17.1 ■  
1.6 ■  
1.8 ■



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

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of SPEL Limited (formerly known as Synthetic Products Enterprises 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** (formerly Synthetic Products Enterprises Limited) ("the Company") for the year ended 30 June 2025 in accordance with the requirements of regulation 36 of the Regulations.

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

As part of our audit of 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 the recommendation of the Audit Committee.

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

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

Lahore

Date: 08 September 2025

UDIN: CR202510119WULFyaxCA

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



## Statement of Compliance

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



### SPEL Limited

Year Ending 30 June 2025

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. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of 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 remining one director was appointed during the year.

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



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

## 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
Mr. Abid Saleem Khan	Member

## d) RISK MANAGEMENT COMMITTEE &amp; 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

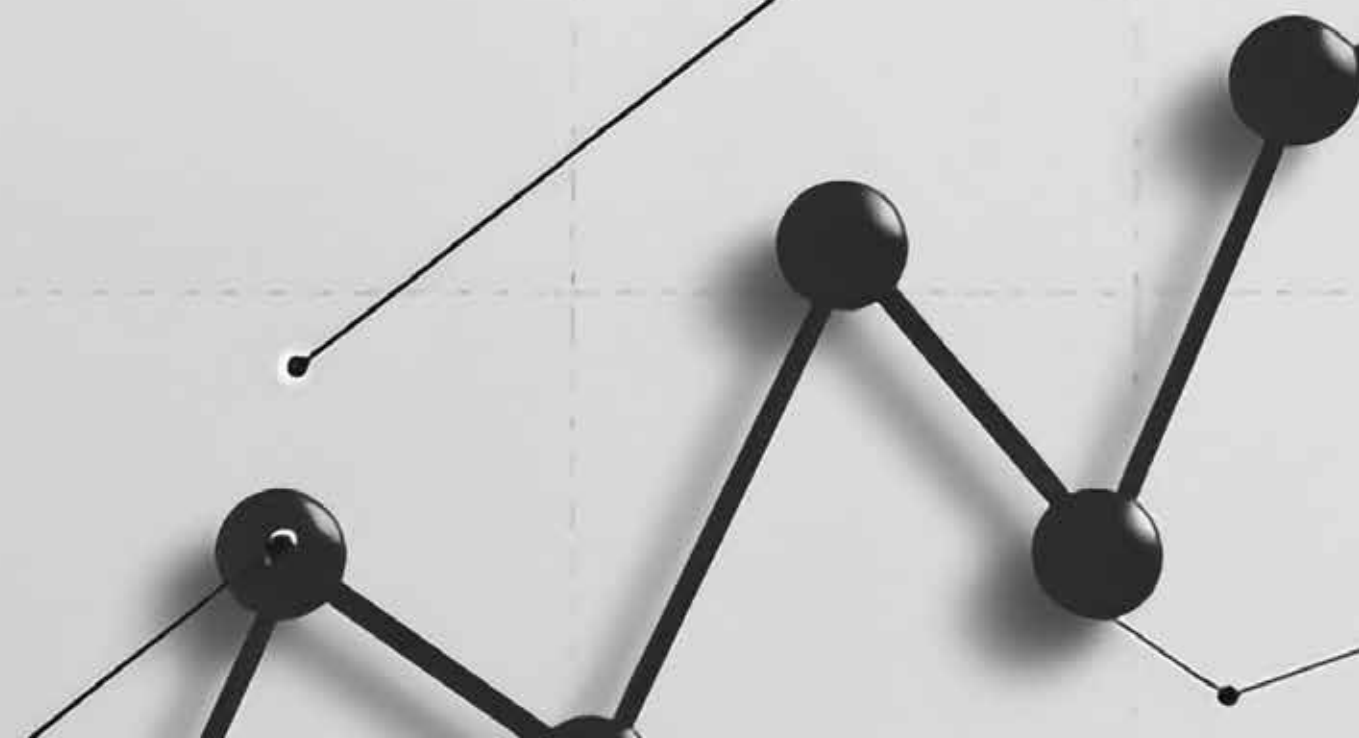
Dated: 16 August 2025  
Place: Lahore





## Financial Statements

For the year ended 30 June 2025







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 (formerly Synthetic Products Enterprises Limited)

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of SPEL Limited (formerly Synthetic Products Enterprises Limited) ("the Company"), which comprise the statement of financial position as at 30 June 2025, 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 2025 and of the profit, and other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



KPMG Taseer Hadi & Co.

Following is the key audit matter:

Sr. No.	Key audit matter	How the matter was addressed in our audit
1.	<b>Revenue recognition</b> Refer to notes 3.10 and 27 to the financial statements The Company recognized revenue of Rs. 9.63 billion from the sale of goods to domestic as well as export customers during the year ended 30 June 2025. 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: <ul style="list-style-type: none"> <li>• 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;</li> <li>• Assessing the appropriateness of the Company's accounting policies for recording of revenue and compliance of those policies with applicable accounting standards;</li> <li>• 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</li> <li>• 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.</li> </ul>

#### 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 2025 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.





## KPMG Taseer Hadi & Co.

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.

*Signature*



## KPMG Taseer Hadi & Co.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

Lahore

Date: 08 September 2025

UDIN: AR202510119aDrKTNhuW

*Signature*  
KPMG Taseer Hadi & Co.  
Chartered Accountants



Statement of Financial Position

As at 30 June 2025

	Note	2025 Rupees	2024 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital of Rs. 5 each (2024: 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		4,039,749,923	3,052,276,831
Surplus on revaluation of land	8	827,709,345	827,709,345
Shareholders' equity		6,109,862,203	5,122,389,111
LIABILITIES			
Non-current liabilities			
Long term loans - secured	9	287,918,702	353,624,878
Deferred grant	10	48,324,723	65,536,099
Lease liabilities	11	26,869,081	11,941,731
Deferred taxation	12	565,707,282	433,203,097
		928,819,788	864,305,805
Current liabilities			
Trade and other payables	13	747,410,279	600,343,233
Short term borrowings	14	139,054,595	210,207,336
Contract liabilities	15	68,308,951	93,515,854
Current maturity of long term liabilities	16	228,048,405	353,037,211
Unclaimed dividend		6,957,766	5,025,308
Accrued mark up	17	24,455,847	54,577,231
		1,214,235,843	1,316,706,173
		8,252,917,834	7,303,401,089
Contingencies and commitments	18		

The annexed notes 1 to 48 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

	Note	2025 Rupees	2024 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment			
- Operating fixed assets	19.1	3,820,404,475	3,798,403,398
- Capital work in progress	19.7	48,360,995	141,906,550
- Right of use assets	19.8	399,712,232	226,377,906
Advances to suppliers		-	19,993,000
Intangible assets	20	44,545	208,549
Long term deposits	21	16,545,243	17,829,242
		4,285,067,490	4,204,718,645
Current assets			
Stores, spares and loose tools		69,507,564	64,025,147
Stock-in-trade	22	1,715,040,617	1,571,703,297
Trade debts - unsecured	23	1,302,074,648	712,937,157
Advance income tax - net of provision		16,421,284	108,171,128
Advances, deposits, prepayments and other receivables	24	84,217,416	93,018,028
Short term investments	25	507,600,504	387,693,281
Cash and bank balances	26	272,988,311	161,134,406
		3,967,850,344	3,098,682,444
		8,252,917,834	7,303,401,089

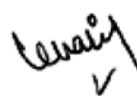
The annexed notes 1 to 48 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer



## Statement of Profit or Loss

For the year ended 30 June 2025

	Note	2025 Rupees	2024 Rupees
Sales - net	27	9,633,217,530	6,965,104,667
Cost of sales	28	(7,045,259,088)	(5,643,031,815)
Gross profit		2,587,958,442	1,322,072,852
Administrative expenses	29	(413,266,707)	(325,482,587)
Selling and distribution expenses	30	(76,956,282)	(58,565,460)
Operating profit		2,097,735,453	938,024,805
Other income	31	234,774,698	187,834,600
Other charges	32	(213,940,160)	(82,204,920)
Finance cost	33	(127,549,424)	(133,274,247)
Profit before income taxes and final taxes		1,991,020,567	910,380,238
Final taxes	34	-	(2,561,370)
Profit before taxation		1,991,020,567	907,818,868
Taxation	34	(737,898,575)	(266,851,728)
Profit after taxation		1,253,121,992	640,967,140
		Rupees	Rupees
Earnings per share - basic and diluted	35	6.60	3.36

The annexed notes 1 to 48 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 2025

	2025 Rupees	2024 Rupees
Profit after taxation	1,253,121,992	640,967,140
Other comprehensive income		
Other comprehensive income for the year	-	-
Total comprehensive income for the year	1,253,121,992	640,967,140

The annexed notes 1 to 48 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 2025

	Note	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 2023		998,680,080	(55,362,743)	358,627,893	827,709,345	2,506,184,337	4,635,838,912
<b>Total comprehensive income for the year</b>							
Profit after taxation		-	-	-	-	640,967,140	640,967,140
Other comprehensive income for the year		-	-	-	-	-	-
		-	-	-	-	640,967,140	640,967,140
<b>Transactions with owners of the Company</b>							
Purchase of treasury shares	6	-	(59,542,295)	-	-	-	(59,542,295)
Final cash dividend for the year ended 30 June 2023							
@ Rs. 0.5 per share		-	-	-	-	(94,874,646)	(94,874,646)
		-	(59,542,295)	-	-	(94,874,646)	(154,416,941)
Balance 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
<b>Total comprehensive income for the year</b>							
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
<b>Transaction with owners of the Company</b>							
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)
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

The annexed notes 1 to 48 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 2025

	Note	2025 Rupees	2024 Rupees
Cash flows from operating activities			
Cash generated from operations	36	1,907,399,526	1,357,211,016
Workers' Profit Participation Fund paid	13.1	(48,892,601)	(46,165,096)
Workers' Welfare Fund paid	13.2	(18,479,057)	(14,338,720)
Mark up paid on Islamic mode of financing		(34,641,845)	(4,802,166)
Interest paid on conventional loans		(66,544,806)	(78,218,603)
Final taxes paid		(640,817)	(1,920,553)
Income taxes paid		(513,644,546)	(325,113,722)
Long term deposits - net		(423,001)	(17,019,025)
Net cash generated from operating activities		1,224,132,853	869,633,131
Cash flows from investing activities			
Acquisition of property, plant and equipment		(137,891,490)	(327,679,736)
Advances to suppliers		-	(19,993,000)
Investment in treasury bills		(507,600,504)	-
Proceeds from disposal of property, plant and equipment		48,546,520	257,521,534
Net cash used in investing activities		(596,945,474)	(90,151,202)
Cash flows from financing activities			
Principal repayment of lease liability		(415,374,517)	(55,490,363)
Repurchase of treasury shares		-	(59,542,295)
Long term loan repaid-net		(134,033,039)	(81,626,541)
Diminishing musharika paid- net		(18,750,016)	(26,422,218)
Short term borrowings repaid - net		(29,996,799)	(53,356,201)
Cash dividend paid		(263,716,442)	(94,275,138)
Net cash used in financing activities		(861,870,813)	(370,712,756)
Net (decrease) / increase in cash and cash equivalents		(234,683,434)	408,769,173
Cash and cash equivalents at beginning of the year		368,617,150	(40,152,023)
Cash and cash equivalents at end of the year	37	133,933,716	368,617,150

The annexed notes 1 to 48 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 2025

## 1. CORPORATE AND GENERAL INFORMATION

### 1.1 Legal status and nature of business

SPEL Limited (formerly Synthetic Products Enterprises 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 Synthentic 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. The accounting and reporting standards applicable in Pakistan comprise of:

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

In case requirements of provisions and directives issued under the Companies Act, 2017 differ from requirements of IFRS and IFAS , 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.

Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent years are as follows:

#### 2.3.1 Depreciation method, rates and useful lives of property, plant and equipment

The management of the Company reassesses useful lives, depreciation method and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from that item and the maximum period up to which such benefits are expected to be available. The rates of depreciation are specified in note 19.1.

### 2.3.2 Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on its judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the reporting date.

### 2.3.3 Provisions

Estimates of the amount of provisions recognized are based on current legal and constructive obligations. Because actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes.

### 2.3.4 Expected credit loss / loss allowances against trade debts, deposits, advances and other receivables

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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 including forward-looking information.

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.

Impairment on financial assets other than trade debts has been measured on 12 - months expected loss basis and reflects the short maturities of the exposure.

### 2.3.5 Taxation

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

### 2.3.6 Stock-in-trade

The Company reviews the net realisable value of stock-in-trade to assess any diminution in the respective carrying values at each reporting date. Net realisable value is determined with reference to estimated selling price less estimated expenditure to make the sales.

### 2.4 Functional and presentation currency

These financial statements are presented in Pakistani Rupees ("Rs."), 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 POLICY INFORMATION

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, unless otherwise stated.

### 3.1 Amendment to IAS 1 -Non-current liabilities with covenants

During the year an amendment to IAS 1 'Presentation of Financial Statements' (IAS-1) was introduced addressing the classification of non-current liabilities subject to covenants. This amendment clarifies that liabilities should be classified as either current or non-current based on the rights available at the end of the reporting period, without consideration of future expectations or events occurring after this date. The amendment also mandates specific disclosures if a liability is classified as non-current but is subject to covenants that must be complied with within twelve months of the reporting date. The related amendments are presented in the note 9.3 of the financial statements.



## Notes to the Financial Statements

For the year ended 30 June 2025

### 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	2025 Rupees	2024 Rupees
Statement of financial position - liability side				
Short term financing - secured	Financing obtained as per Islamic mode	14.2	79,845,062	129,862,512
Short term financing - secured	Markup accrued on conventional loan	17	3,418,346	3,710,356
Long term financing	Markup accrued on conventional loan	17	19,438,651	35,023,787
Current portion of				
long term financing - secured	Financing obtained as per Islamic mode	9.1	-	18,750,016
Statement of financial position - asset side				
Cash and bank balances	Shariah compliant bank balances	26.2	50,222,203	102,712,127
Statement of profit or loss				
Revenue	Revenue earned from shariah compliant business segment	27	9,633,217,530	6,965,104,667
Other income				
- Profit on bank deposits	Profit earned from shariah compliant bank balances	31.1	6,183,292	1,180,000
- Foreign exchange gain - net	Exchange gain earned from actual currency	31	55,700,356	-
Finance cost				
Profit paid on Islamic mode of financing	Profit paid under shariah compliant transactions		34,641,845	4,802,166
Source and detailed breakup of other income				
Earned from shariah compliant transactions				
- Income from financial assets				
Profit on bank deposits	Profit earned under shariah permissible arrangements	31	6,183,292	1,180,000
Gain on foreign currency transactions - net	Earned from shariah compliant transactions	31	55,700,356	-
- Income from non-financial assets				
Scrap Sales	Earned from shariah compliant transactions	31	21,202,110	16,057,918
Other income	Earned from shariah compliant transactions	31	66,375,797	5,484,941
Gain on disposal of property, plant and equipment	Earned from shariah compliant transactions	31	-	60,997,970
Earned from non-shariah compliant transactions				
- Income from financial assets				
Profit on bank deposits	Earned from non-shariah compliant transactions	31	66,066,084	83,452,014
- Income from non-financial assets				
Amortization of deferred grant	Earned from non-shariah compliant transactions	31	19,247,059	20,661,757

### 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. Further, the revaluation surplus on land shall be utilized in accordance with IAS 16 - Property, plant and equipment.

### 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.



# Notes to the Financial Statements

For the year ended 30 June 2025

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.

### 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



# Notes to the Financial Statements

For the year ended 30 June 2025

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.

### 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'.

# Notes to the Financial Statements

For the year ended 30 June 2025

### 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.

### 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.



# Notes to the Financial Statements

For the year ended 30 June 2025

### 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.

### 4. NEW OR AMENDMENTS / INTERPRETATIONS TO EXISTING STANDARDS, INTERPRETATIONS

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 2024. However, these do not have any significant impact on the Company's financial statements except for changes disclosed in note 3.1.

#### 4.1 Standards, interpretations and amendments to published 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 2025:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets.

The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted.

- Lack of Exchangeability (amendments to IAS 21) clarify:
  - when a currency is exchangeable into another currency; and
  - how a company estimates a spot rate when a currency lacks exchangeability.

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

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used
- the estimation process; and
- risks to the Company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures:

##### Financial Assets with ESG-Linked features:

Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

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 1 First-time Adoption of International Financial Reporting Standards;
- 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

- The amendments to IFRS 9 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 amendment on trade receivables may require some companies to change their accounting policy.

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.

## Notes to the Financial Statements

For the year ended 30 June 2025

Contracts Referencing Nature-dependent Electricity – (Amendments to IFRS 9 and IFRS 7) address the challenges faced by Companies in applying IFRS 9 Financial Instruments to contracts referencing nature-dependent electricity – sometimes referred to as renewable power purchase agreements (PPAs). The IASB has also added new disclosure requirements for certain PPAs to IFRS 7 Financial Instruments: Disclosures.

- The amendments include guidance on:

-

The ‘own-use’ exemption for purchasers of electricity under such PPAs; and

-

Hedge accounting requirements for companies that hedge their purchases or sales of electricity using PPAs.
- The amendments for the own-use exemption:

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Existing IFRS 9 guidance left ambiguity on whether PPAs could qualify for the own-use exemption (i.e., not accounted for as derivatives).

-

The amendments allow a company to apply the own-use exemption to PPAs if the company has been, and expects to be, a net-purchaser of electricity for the contract period.

-

The amendments apply retrospectively using facts and circumstances at the beginning of the reporting period of initial application, without requiring prior periods to be restated.
- The amendments for hedge accounting:

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Virtual PPAs and other PPAs that do not meet the own-use exemption are accounted for as derivatives and measured at FVTPL. Hedge accounting under IFRS 9 can help reduce volatility by reflecting how PPAs hedge future electricity purchases or sales, but applying it presents challenges.

A key issue arises from a mismatch between the P50 estimate used to measure the PPA and the P90 estimate required for the highly probable hedged transaction, which may prevent hedge accounting qualification. Subject to certain conditions, the amendments permit designation of a variable nominal volume of forecasted renewable electricity sales or purchases as the hedged transaction, rather than a fixed volume based on P90 estimates. This variable volume reflects what is expected to be delivered by the referenced generation facility, supporting an economic offset and enabling hedge accounting. A P50 estimate indicates the volume of energy production expected to be exceeded with 50 percent probability. A P90 estimate indicates the volume of energy production expected to be exceeded with 90 percent probability.

-

The amendments apply prospectively to new hedging relationships designated on or after the date of initial application. They also allow companies to discontinue an existing hedging relationship if the same hedging instrument is designated under the new requirements.
- The new disclosure requirements:

-

A company may apply the own-use exemption to certain PPAs under the amendments and therefore would not recognise these PPAs in its statement of financial position. Where this is the case, a company is required to disclose further information such as:

-

contractual features exposing the company to variability in electricity volume and risk of oversupply;

-

estimated future cash flows from unrecognised contractual commitments to buy electricity in appropriate time bands;

-

qualitative information about how the company assessed whether a contract might become onerous; and

-

qualitative and quantitative information about the costs and proceeds associated with purchases and sales of electricity, based on the information used for the ‘net-purchaser’ assessment.

In addition, for PPAs designated in a cash flow hedging relationship, companies need to disaggregate the information disclosed about terms and conditions by risk category.

The amendments apply for reporting periods beginning on or after 1 January 2026. Early application is permitted.

The above amendments and interpretations are not expected to have any significant impact on financial statements of the Company.

### 5. SHARE CAPITAL

#### 5.1 Authorized share capital

	2025 (Number of shares)	2024	2025 Rupees	2024 Rupees
Ordinary shares of Rs. 5 each (2024: 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

Ordinary shares of Rs. 5 each (2024: 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 (2024: Rs. 5 each)	136,858,180	136,858,180	684,290,900	684,290,900
Shares of Rs. 5 each (30 June 2024: 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

#### 5.2.1 Reconciliation of share capital

Balance as at 1 July	199,736,016	199,736,016	998,680,080	998,680,080
Issue of bonus shares	-	-	-	-
Sub division of shares	-	-	-	-
Balance as at 30 June	199,736,016	199,736,016	998,680,080	998,680,080

5.3 Directors hold 117,406,832 (30 June 2024: 149,876,812) ordinary shares of Rs. 5 each (30 June 2024: Rs. 5 each) of the Company.

### 6. TREASURY SHARES

The reserve comprises 9,986,801 (2024: 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 have approved to buy back shares of the Company through Pakistan Stock Exchange Limited up to maximum of 9,986,801 shares constituting 5% of the issued and paid up ordinary shares of the face value of Rs. 5/- each and to held these as Treasury Shares under Section 88 of the Companies Act, 2017 read with Listed Companies (Buy Back of Shares) Regulations, 2019. The purchase period has been started on 31 March 2023 and shall end on 20 September 2023 or till such date the purchase is complete, whichever is earlier. The entire purchase has been completed during the year. The movement in treasury shares is as follows;

	2025 Rupees	2024 Rupees
Balance as at 1 July	114,905,038	55,362,743
Treasury shares purchased	-	59,542,295
Balance as at 30 June	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”.



## Notes to the Financial Statements

For the year ended 30 June 2025

	2025 Rupees	2024 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 years 2014, 2018 and 2022 . The latest revaluation was conducted by M/s Hamid Mukhtar & Co. (Private) Limited, an independent valuer not connected with the Company and approved by Pakistan Banks' Association (PBA) as at 30 June 2022, that resulted in a further surplus of Rs. 497.68 million. These revaluations had resulted in a cumulative surplus of Rs. 827.71 million, which has been included in the carrying values of free hold land and credited to the surplus on revaluation of property plant and equipment. The basis of revaluation for freehold land is as follows:

#### Freehold Land:

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	2025 Rupees	2024 Rupees
9.1 Islamic mode of financing - Diminishing Musharika			
- Habib Bank Limited	9.1.1	-	18,750,016
Less: Current maturity	16	-	(18,750,016)
		-	-
9.2 Conventional loans			
- Habib Bank Limited - Sales and lease back	9.2.1	-	67,333,333
- MCB Bank Limited - For renewable energy	9.2.2 & 9.3.1	77,234,680	91,240,321
- MCB and Allied Bank Limited - TERF	9.2.3 & 9.3.2	330,027,656	382,721,721
- Loan from customer	9.2.4 & 9.2.5	20,194,430	64,974,592
- Less: Impact of government grant	9.2.6	(65,536,099)	(84,783,158)
- Less: Current maturity	16	(74,001,965)	(167,861,931)
		287,918,702	353,624,878
		287,918,702	353,624,878

9.1.1 The facility amounting to Rs. 280 million (2024: Rs. 280 million) has been obtained from Habib Bank Limited to finance the import of machinery and equipment. As per the terms of the DMA, musharika units are repayable in forty-eight monthly instalments. As per agreement, profit payment starts from the month of disbursement and principal payment starts to redeem from 13th month from the date of disbursement in arrears. The facility carries mark-up at three months KIBOR plus spread of 0.90% per annum (2024: three months KIBOR plus a spread of 0.90% per annum), payable monthly. The facility is secured in favor of HBL by way of specific charge over the diminishing musharika assets. The Company has fully repaid the total outstanding loan during the year.

9.2.1 The facility amounting to Rs. 101 million (2024: Rs. 101 million) obtained from Habib Bank Limited under sale and lease back arrangement of different plastic injection molding and cap assembling machines. As the transfer of the assets did not meet the criteria of sales under IFRS 15 Revenue from Contracts with Customers therefore the said transaction has been treated under IFRS 9. The facility carries mark-up of 3 months KIBOR + 1% per annum and is repayable in 6 equal quarterly instalments. The mark-up rate charged during the year on the outstanding balance ranged from 14.76% to 22.75% per annum (2024: 21.66% to 22.54% per annum). The facility is secured in favor of HBL by way of exclusive charge of Rs. 144 million over plant and machinery. The Company has fully repaid the total outstanding loan during the period.

9.2.2 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 (2024: 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 instalments 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 ( 2024: 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.

9.2.3 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 (2024: 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. (2024: 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.

9.2.4 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. 108 million (2024: Rs. 108 million). After successful achievement of desired quality requirements the Company will payback the above mentioned amount along with interest rate of 3 months KIBOR + 1.25% per annum (2024: 3 months KIBOR + 1.25% per annum) in 36 equal monthly instalments from mass production. In case of failure of meeting desired quality requirements, Company will pay back the above mentioned amount in 12 equal instalments along with interest rate of 3 month KIBOR + 1.25% per annum. KIBOR will reset at every calendar quarter however, the initial rate of KIBOR will be of the date of disbursement.

9.2.5 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. 3.67 million (2024: Rs. Nil). After successful achievement of desired quality requirements the Company will payback the above mentioned amount along with interest rate of 3 months KIBOR + 1.25% per annum (2024: Nil) in 36 equal monthly instalments from mass production. In case of failure of meeting desired quality requirements, Company will pay back the above mentioned amount in 12 equal instalments along with interest rate of 3 month KIBOR + 1.25% per annum. KIBOR will reset at every calendar quarter however, the initial rate of KIBOR will be of the date of disbursement.

## Notes to the Financial Statements

For the year ended 30 June 2025

**9.2.6** This represents deferred government grant on financing at discounted rates, obtained under schemes from the Government of Pakistan. Total deferred grant amounts to Rs. 65.54 million (2024: 84.78 million), comprising of loan under Temporary Economic Refinance Facility (TERF).

### 9.3 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.

#### 9.3.1 MCB Bank Limited - For Renewable energy

Under the terms of a non current borrowing from MCB bank, which has a carrying amount of Rs. 77.23 million (2024: Rs. 91.24 million). However, the loan contains these covenant stating that the company is required to comply with the following financial covenants at the end of each yearly period. The covenants stated are current ratio of greater than 1 times to be ensured, debt / equity ratio to be maintained at 75:25 and debt service coverage ratio should be greater than 1.25 times. Otherwise, the loan will be repayable on demand. The company has been complied with the above mentioned covenants throughout the period. Accordingly, the loan is classified as non-current at 30 June 2025. The company expects to comply with the yearly covenants within 12 months after the reporting date.

#### 9.3.2 MCB and Allied Bank Limited - TERF

Under the terms of a non current borrowing of TERF Facility from MCB bank and Allied bank, which has a carrying amount of Rs. 330.03 million (2024: Rs. 382.72 million). However, the loan contains these covenant stating that the company is required to comply with the following financial covenants at the end of each yearly period. The covenants stated are current ratio of at least 1.0 times to be ensured, debt / equity ratio to be maintained at 75:25, project debt to equity not exceed 65:35 and debt service coverage ratio should be greater than 1.3 times. Otherwise, the loan will be repayable on demand. The company has been complied with the above mentioned covenants throughout the period. Accordingly, the loan is classified as non-current at 30 June 2025. The company expects to comply with the yearly covenants within 12 months after the reporting date.

### 10. DEFERRED GRANT

	Note	2025 Rupees	2024 Rupees
Balance as at 01 July		84,783,158	105,444,915
Recognized during the year		-	-
Amortization during the year	31	(19,247,059)	(20,661,757)
Balance as at 30 June	9.2.6	65,536,099	84,783,158
Current portion	16	17,211,376	19,247,059
Non - current portion		48,324,723	65,536,099

### 11. LEASE LIABILITIES

#### Salient features of the leases are as follows:

	2025	2024
Discounting factor for vehicles	12%	12%
Discounting factor for Solar Plant	12.61%-12.68%	KIBOR+1.5%
Period of lease	12 to 36 months	12 to 36 months
Maturity range	2025-2027	2024 to 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 instalments. 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 Allied Bank Limited having capacity of 1 MW and new machines. The liabilities under this arrangement are payable in monthly instalments. 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 1.32 MW. The liabilities under this arrangement are payable in monthly instalments. 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 on respective assets by the leased amount.

All lease agreements carry purchase option at the end of lease term and the Company intends to exercise its option to purchase the leased assets upon completion of the respective lease terms. Residual value of the leased assets has been already paid by the Company at inception of the lease in the form of security deposit. There are no financial restrictions imposed by lessors except the lease of Solar Plant which is secured by exclusive charge of Rs. 200 million over specified moulding and labeling machines. Taxes, repairs, replacements and insurance costs are borne by the lessee.

The amount of future minimum lease payments along with their present values and the periods during which they will fall due are:

	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

	2024		
	Total future minimum lease payments	Finance charges allocated to future periods	Principal
	Rupees		
Not later than one year	148,825,175	1,646,970	147,178,205
Later than 1 year and not later than 5 year	12,418,248	476,517	11,941,731
	161,243,423	2,123,487	159,119,936



# Notes to the Financial Statements

For the year ended 30 June 2025

## 12. DEFERRED TAXATION

The liability for deferred taxation comprises temporary differences relating to:

	Note	2025 Rupees	2024 Rupees
<i>Deferred tax liability arising on:</i>			
- Accelerated tax depreciation		490,643,080	427,578,751
- Lease transactions - net		85,613,921	19,659,078
<i>Deferred tax asset arising on:</i>			
- Lease transactions - net		-	-
- Effect of rate change		-	-
- Others		10,549,719	14,034,732
		565,707,282	433,203,097

### 12.1 Movement in deferred tax balances is as follows:

As at 01 July		433,203,097	452,801,701
Recognized in profit or loss:			
- Accelerated tax depreciation		63,064,329	16,968,804
- Lease transactions - net		65,954,843	13,411,528
- Effect of rate change		-	-
- Provisions and others		3,485,013	(49,978,936)
		132,504,185	(19,598,604)
		565,707,282	433,203,097

## 13. TRADE AND OTHER PAYABLES

Trade and other creditors		325,388,069	362,080,354
Accrued liabilities		144,476,412	100,870,578
Workers' Profit Participation Fund	13.1	106,929,139	48,892,601
Workers' Welfare Fund	13.2	43,881,283	21,727,267
Withholding tax payable		6,018,513	1,260,177
Sales tax payable		46,805,585	3,827,691
Provident fund payable		4,167,667	3,282,414
Final tax payable		-	640,817
Others	13.3	69,743,611	57,761,334
		747,410,279	600,343,233

### 13.1 Workers' Profit Participation Fund

Balance as at July 01		48,892,601	46,165,096
Expense charged for the year	32	106,929,139	48,892,601
Payment during the year		(48,892,601)	(46,165,096)
Balance as at June 30		106,929,139	48,892,601

	Note	2025 Rupees	2024 Rupees
<b>13.2 Workers' Welfare Fund</b>			
Balance as at July 01		21,727,267	17,486,798
Expense charged for the year	32	40,633,073	18,579,189
Payment during the year		(18,479,057)	(14,338,720)
Balance as at June 30		43,881,283	21,727,267

**13.3** This includes an amount of Rs. 50.34 million (2024: Rs.49.89 million) representing deductions made from employees salary against the cars provided by the Company as per Company's policy.

	Note	2025 Rupees	2024 Rupees
<b>14. SHORT TERM BORROWINGS</b>			
<b>Secured:</b>			
- Conventional Interest / mark-up based loans	14.1	59,209,533	80,344,824
- Islamic mode of financing	14.2	79,845,062	129,862,512
		139,054,595	210,207,336

### Types of short term borrowings

#### 14.1 Conventional Interest / mark-up based loans

Short term running finance	14.1.1	59,209,533	80,344,824
		59,209,533	80,344,824

#### 14.2 Islamic mode of financing

Murabaha and Istisna	14.2.1	-	29,996,799
Running Musharika	14.2.2	79,845,062	99,865,713
		79,845,062	129,862,512

## Notes to the Financial Statements

For the year ended 30 June 2025

- 14.1.1** This represents short term facilities of running finance from commercial banks aggregating Rs. 550 million (2024: Rs.400 million). These carry mark-up rates ranging from one month to three months KIBOR plus a spread of 0.4% to 0.5% (2024: one month to three months KIBOR plus a spread of 0.4% to 0.5% ) per annum.
- 14.2.1** This represents short term facilities of murabaha and istisna aggregating Rs. 300 million (2024: Rs. 300 million). These carry mark-up rates ranging from three months KIBOR plus a spread of 0.4% (2024:one month to three months KIBOR plus a spread of 0.4%) per annum.
- 14.2.2** This represents short term facilities of running musharika aggregating Rs. 600 million (2024: Rs. 450 million). These carry mark-up rate of one month to three months KIBOR plus a spread of 0.35% to 0.5% (2024: one month to three months KIBOR plus a spread of 0.4% 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	2025 Rupees	2024 Rupees
<b>15. CONTRACT LIABILITIES</b>			
Balance as at 1 July		93,515,854	11,226,518
Advance received during the year		60,963,614	93,515,854
Revenue recognized during the year	15.1	(86,170,517)	(11,226,518)
Balance as at 30 June		68,308,951	93,515,854

- 15.1** The contract liabilities primarily relates to the advances received from customers out of which Rs. 86.17 million (2024: Rs.11.23 million) pertains to the revenue recognized at point in time. Further, the Company has received advances amounting to Rs. 60.96 million (2024: Rs. 93.52 million).

	Note	2025 Rupees	2024 Rupees
<b>16. CURRENT MATURITY OF LONG TERM LIABILITIES</b>			
Long term loans - secured	9	74,001,965	186,611,947
Deferred grant	10	17,211,376	19,247,059
Lease liabilities	11	136,835,064	147,178,205
		228,048,405	353,037,211

**17. ACCRUED MARK UP**

**Long term loans - secured**

- Conventional Interest / mark-up based loans	19,438,651	35,023,787
- Islamic mode of financing	-	317,782

**Short term borrowings**

- Conventional Interest / mark-up based loans	3,418,346	3,710,356
- Islamic mode of financing	1,598,850	15,525,306
	24,455,847	54,577,231

**18. CONTINGENCIES AND COMMITMENTS**

**18.1 Contingencies**

The Company, being a trans-provincial entity, discharges its WWF liability by depositing the amount under the relevant Federal law, i.e. Workers Welfare Fund Ordinance,1971. However, the Deputy Commissioner Sindh Revenue Board (SRB), through orders issued on 28 November 2023, raised a demand on account of WWF amounting to Rs. 6.3 million for FY 2019-20, Rs. 13 million for FY 2020-21, and Rs. 13.6 million for FY 2021-22, and directed the Company to deposit these amounts into the account of Sindh's Worker Welfare Fund. The Company has filed appeals against these orders before the Commissioner SRB (Appeals-III) and obtained a stay order against the recovery on 01 January 2024. The matter is still pending for adjudication. However, a notification was issued by the Government bearing no. WWF/Receipt/I(745)/2025 dated 28 February 2025, wherein, pursuant to the orders of the Honorable High Court, the department has directed all trans provincial entities to transfer their undisturbed WWF/WPPF contributions to the WWF Trust Fund Account maintained at the federal level, instead of depositing the same at the provincial level. Based on the opinion of the advisor, the Company is expecting a favorable outcome.

**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. 139.06 million (2024: Rs. 145.86 million).

	Note	2025 Rupees	2024 Rupees
<b>18.2.2</b> Commitments under irrevocable letters of credit for:			
- Purchase of machinery		71,969,655	132,811,225
- Purchase of raw material		484,849,818	279,564,685
		556,819,473	412,375,910

**19. PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets	19.1	3,820,404,475	3,798,403,398
Capital work in progress	19.7	48,360,995	141,906,550
Right of use assets	19.8	399,712,232	226,377,906
		4,268,477,702	4,166,687,854



Notes to the Financial Statements

For the year ended 30 June 2025

19.1 Operating fixed assets

	2025						2024					
	Cost / Revalued amount			Accumulated depreciation			Cost / Revalued amount			Accumulated depreciation		
	As at 1 July 2024	Additions	Revaluation surplus for the year	Disposals	Transfers	As at 30 June 2025	As at 1 July 2024	For the year	Disposals	Transfers	As at 30 June 2024	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	-	-	-	10%	361,376,925	155,135,682	19,989,603	-	-	175,107,285
Buildings on leasehold land												
	201,658,184	-	-	-	-	10%	201,658,184	52,702,963	14,988,494	-	-	67,691,457
Plant and machinery												
	4,220,572,694	161,725,443	-	(238,908,737)	150,000,000	10%	4,283,489,400	1,794,695,918	248,822,491	(170,886,739)	16,955,265	2,403,902,465
Office equipment												
	19,042,601	4,258,691	-	(668,457)	-	10%	22,632,835	8,258,547	1,469,482	(451,601)	-	13,356,407
Tools and equipment												
	101,698,197	2,447,340	-	-	-	10%	104,145,537	33,682,306	8,083,550	-	-	41,765,856
Computer equipment												
	18,274,120	4,914,324	-	-	-	30%	23,188,444	11,101,378	2,980,854	-	-	14,082,232
Furniture and fittings												
	15,374,712	3,326,300	-	(121,024)	-	10-20%	18,579,988	6,869,909	1,650,851	(84,749)	-	10,143,977
Vehicles												
	47,279,073	49,509,532	-	(17,226,302)	40,225,439	20%	119,787,742	27,667,908	11,986,648	(5,225,103)	12,571,842	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	3,820,404,475
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												
	322,473,209	13,655,300	-	-	-	10%	336,128,509	136,326,181	18,812,501	-	-	155,138,682
Buildings on leasehold land												
	201,658,184	-	-	-	-	10%	201,658,184	36,049,080	16,653,883	-	-	52,702,963
Plant and machinery												
	4,204,787,680	249,060,003	-	(233,274,989)	-	10%	4,220,572,694	1,570,940,551	255,323,042	(31,567,675)	-	1,794,695,918
Office equipment												
	16,975,662	2,066,939	-	-	-	10%	19,042,601	7,252,292	1,006,255	-	-	10,784,054
Tools and equipment												
	94,700,364	6,997,833	-	-	-	10%	101,698,197	26,910,724	6,771,982	-	-	33,682,306
Computer equipment												
	13,742,837	4,531,283	-	-	-	30%	18,274,120	9,260,279	1,841,089	-	-	11,101,378
Furniture and fittings												
	14,346,377	1,028,335	-	-	-	10%	15,374,712	5,373,840	1,496,069	-	-	6,869,909
Vehicles												
	46,218,055	3,120,300	-	(2,059,282)	-	20%	47,279,073	24,771,075	4,667,666	(1,770,833)	-	27,667,908
	5,843,395,287	280,459,993	-	(235,334,271)	-		5,888,521,009	1,816,884,022	306,572,097	(33,338,508)	-	2,090,117,611
												3,798,403,398

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 as mentioned in note to these financial statements respectively.

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

	Note	2025 Rupees	2024 Rupees
Cost of sales	28	275,856,365	272,174,708
Capital work in progress		3,099,510	3,065,721
Administrative expenses	29	15,497,549	15,665,834
Selling and distribution expenses	30	15,497,549	15,665,834
		309,950,973	306,572,097

19.4 As at 30 June 2025, the carrying value of freehold land would have been Rs. 100.78 million (2024: Rs. 100.78 million), had there been no revaluation.

19.5 As per the revaluation conducted as at 30 June 2022, the forced sale value of land is Rs. 778.35 million.

19.6 Disposal of property, plant and equipment

Particulars	Cost (Note 19.1)	Accumulated depreciation (Note 19.1)	Written down value	Sale proceeds	Gain / (loss) (Note 31 & 32)	Mode of disposal	Relationship with the Company	Particulars of purchaser
Rupees								
Extruder -E3	32,407,344	25,111,833	7,295,511	3,729,984	(3,565,527)	Negotiation	Third party	Israr Khan
Thermoforming Machine HF-2	24,921,780	15,288,655	9,633,125	1,061,631	(8,571,494)	Negotiation	Third party	Israr Khan
WAPDA 4 Km Express line	2,500,000	1,779,411	720,589	2,371,800	1,651,211	Insurance reimbursement	Third party	UBL Insurers Limited
IMM FCS 420 Ton M-09	5,000,000	3,922,425	1,077,575	2,234,262	1,156,687	Negotiation	Third party	Ghulam Abbas
IMM Haixing 218 Ton - FPD M-02	2,500,000	1,901,347	598,653	911,840	313,187	Negotiation	Third party	Ghulam Abbas
IMM FCS 320 Ton M-11	6,157,172	4,336,921	1,820,251	1,813,525	(6,726)	Negotiation	Third party	Ghulam Abbas
Thermoforming Machine HF-5	30,691,438	15,250,554	15,440,884	1,423,124	(14,017,760)	Negotiation	Third party	Adeel Qudoos
Printing Machine-P13	20,770,024	10,939,540	9,830,484	906,035	(8,924,449)	Negotiation	Third party	Ghulam Sabir
Thermoforming Machine HF-1	30,103,559	21,795,970	8,307,589	765,677	(7,541,912)	Negotiation	Third party	Adeel Qudoos
Lid Printing Machine P-10	2,105,895	1,343,834	762,061	69,613	(692,448)	Negotiation	Third party	Adeel Qudoos
Air Compressor - M75	4,250,000	3,341,858	908,142	340,820	(567,322)	Negotiation	Third party	Adeel Qudoos
Air Compressor L-18	3,398,520	2,619,901	778,619	52,016	(726,603)	Negotiation	Third party	Adeel Qudoos
Air Compressor	4,993,000	3,925,698	1,067,302	56,673	(1,010,629)	Negotiation	Third party	Adeel Qudoos
PET Machine 70DPH	25,080,000	20,184,642	4,895,358	1,311,475	(3,583,883)	Negotiation	Third party	Israr Khan
Suzuki Wagon R VXL Amir Amin (APH-713)	3,412,000	727,894	2,684,106	3,412,000	727,894	Negotiation	Employee	Amir Amin
Suzuki Swift GL CVT Mr Fiaz (ANW-463)	4,404,359	997,343	3,407,016	4,355,000	947,984	Negotiation	Employee	Fiaz Hussain
Suzuki Swift GLX CVT Col Athar Ali (AQE-991)	4,960,000	955,695	4,004,305	4,960,000	955,695	Negotiation	Employee	Athar Ali
Suzuki Alto VXR 658CC ABE-842 (Mr. Ali Haider)	1,509,495	884,426	625,069	1,433,000	807,931	Negotiation	Employee	Ali Hyder
Cultus VXL AEU 706 1000CC Leased (Mr. Usman Ashfaq)	1,894,164	985,835	908,529	1,830,000	921,471	Negotiation	Employee	Usman Ashfaq
	211,058,750	136,293,582	74,765,168	33,038,475	(41,726,693)			
Various assets having net book value								
less than Rs. 500,000	45,765,770	40,354,610	5,411,160	17,879,846	12,468,686	Negotiation	Third party	Miscellaneous
2025	256,824,520	176,648,192	80,176,328	50,918,321	(29,258,007)			
2024	235,334,271	33,338,508	201,995,763	257,521,534	55,525,771			

# Notes to the Financial Statements

For the year ended 30 June 2025

## 19.7 Capital Work In Progress

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

2024					
	As at 01 July 2023	Additions	Reversals	Transfers	As at 30 June 2024 (Note 19.7.1)
Rupees					
Capital Work In Progress	94,686,807	317,982,517	-	(270,762,774)	141,906,550

	2025 Rupees	2024 Rupees
19.7.1 The breakup is as follows:		
Plant, machinery and others	47,652,817	118,641,679
Building	708,178	23,264,871
	48,360,995	141,906,550

## 19.8 Right of use assets

2025						
Cost						
	Note	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 / transfered during the year	19.8.1	-	-	(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						
	Note	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	28	364,864	8,995,234	17,140,667	15,120,062	41,620,827
Matured / transferred during the year	19.8.2	-	-	(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. 190 million.

19.8.2 This amount also includes the transfer during the year to operating fixed assets amounting to Rs. 29 million.

2024					
Cost					
	Leasehold land	Leased Plant & Machinery	Leased Solar	Leased Vehicles	Total
Rupees					
Opening as at 01 July 2023	22,083,915	-	-	68,044,973	90,128,888
Additions during the year	-	-	150,000,000	27,955,000	177,955,000
Matured / transferred during the year	-	-	-	(14,481,294)	(14,481,294)
Closing as at 30 June 2024	22,083,915	-	150,000,000	81,518,679	253,602,594

2024					
Accumulated depreciation					
	Leasehold land	Leased Plant & Machinery	Leased Solar	Leased Vehicles	Total
Rupees					
Opening as at 01 July 2023	4,902,579	-	-	10,724,309	15,626,888
Depreciation for the year	331,259	-	2,172,599	14,793,431	17,297,289
Matured / transferred during the year	-	-	-	(5,699,489)	(5,699,489)
Closing as at 30 June 2024	5,233,838	-	2,172,599	19,818,251	27,224,688

Net Book Value as at 30 June 2024	16,850,077	-	147,827,401	61,700,428	226,377,906
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## 19.8.3 Disposal of right of use assets

Particulars	Cost	Accumulated depreciation	Written down value	Adjustment against total deductions against salary	Gain (Note 32 & 31)	Mode of disposal	Relationship with the Company
Rupees							
Leased Vehicles							
Suzuki Swift GLX CVT							
Haris Islam (APT-534)	4,960,000	1,058,134	3,901,866	4,960,000	1,058,134	Company Policy	Employee
Suzuki Alto AGS 660CC							
Muhammad Shahid (AQM 169)	2,935,000	621,431	2,313,569	2,934,996	621,427	Company Policy	Employee
Suzuki Alto VXL AGS							
Mr. Syed Abbas Raza (CAM-855)	3,045,000	403,775	2,641,225	3,045,000	403,775	Company Policy	Employee
Honda HRV-VTI							
Abubakar (APU 859)	7,909,000	2,410,316	5,498,684	7,909,089	2,410,405	Company Policy	Employee
2025	18,849,000	4,493,656	14,355,344	18,849,085	4,493,741		
2024	14,481,294	5,699,489	8,781,805	14,254,004	5,472,199		

19.8.4 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.



## Notes to the Financial Statements

For the year ended 30 June 2025

	Note	2025 Rupees	2024 Rupees
<b>20. INTANGIBLE ASSETS</b>			
Cost		10,915,816	10,915,816
Accumulated amortization		(10,871,271)	(10,707,267)
As at 30 June	20.1	44,545	208,549
<b>20.1</b> Balance as at 01 July		208,549	372,553
Additions during the year		-	-
Amortization charge for the year	20.2	(164,004)	(164,004)
Balance as at 30 June		44,545	208,549
Amortization rate		20%	20%
<b>20.2</b>	As mentioned in note 29, amortisation charge is included in administrative expenses.		
<b>21. LONG TERM DEPOSITS</b>			
Utility companies and regulatory authorities		10,439,805	10,439,805
Others		6,105,438	7,389,437
		16,545,243	17,829,242
<b>22 STOCK-IN-TRADE</b>			
Raw and packing material		1,121,891,130	954,394,915
Stock in transit		240,251,425	285,191,176
Work in process		185,840,120	192,396,924
Finished goods		167,057,942	139,720,282
		1,715,040,617	1,571,703,297
<b>22.1</b>	The amount of stock-in-trade recognized as at year end on account of adjustment to net realizable value (NRV) amounted to Rs. 12.84 million (2024: Rs. 27.24 million).		

	Note	2025 Rupees	2024 Rupees
<b>23. TRADE DEBTS - unsecured</b>			
Considered good		1,302,074,648	712,937,157
Considered doubtful		43,486,416	11,149,643
		1,345,561,064	724,086,800
Less: Impairment loss allowance (ECL)	23.1	(43,486,416)	(11,149,643)
		1,302,074,648	712,937,157
<b>23.1 Movement of impairment loss allowance</b>			
Balance as at 01 July		11,149,643	4,322,831
Expected credit loss charge for the year	32	32,336,773	6,826,812
Balance as at 30 June		43,486,416	11,149,643
<b>24. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
<i>Advances - unsecured, considered good:</i>			
- Advances to suppliers for supplies and services		42,534,521	25,005,044
- Amounts paid against future shipments		-	8,489,473
<i>Advances - secured, considered good:</i>			
- Amounts due from employees		1,449,959	16,886
Prepaid insurance		23,756,409	15,956,654
Short term deposits		4,035	4,035
Other receivables		16,472,492	43,545,936
		84,217,416	93,018,028
<b>25. SHORT TERM INVESTMENTS</b>			
Treasury bills - at amortized cost	25.1	507,600,504	387,693,281
<b>25.1</b>	These carry mark-up rates ranging from 10.85% to 18.42% per annum (2024: 18.49% to 21.34% per annum), with maturities ranging from three to twelve months, having maturity up to 29 May 2026.		

Notes to the Financial Statements

For the year ended 30 June 2025

	Note	2025 Rupees	2024 Rupees
26. CASH AND BANK BALANCES			
Cash in hand		1,669,743	848,658
Cash at bank			
- Conventional banks	26.1	221,096,365	57,573,621
- Islamic banks	26.2	50,222,203	102,712,127
		271,318,568	160,285,748
		272,988,311	161,134,406
26.1 Conventional Banks			
- Current accounts in local currency		92,321,338	38,066,750
- Current accounts in foreign currency		124,326,471	19,460,226
- Savings accounts in local currency	26.1.1	4,448,556	46,645
		221,096,365	57,573,621
26.2 Islamic Banks			
- Current accounts in local currency		49,662,902	42,711,961
- Savings accounts in local currency	26.2.1	559,301	60,000,166
		50,222,203	102,712,127
26.1.1	These carry mark-up rates ranging from 5.87% to 11.50% per annum (2024: 15.08% to 20.50% per annum).		
26.2.1	These carry profit at rates ranging from 8% per annum (2024: 8% to 20% per annum). This represents deposits placed under an arrangement permissible under Shariah - compliant arrangement.		
	Note	2025 Rupees	2024 Rupees
27. SALES-NET			
Local		10,060,386,550	8,180,794,182
Export		1,272,249,890	256,137,033
		11,332,636,440	8,436,931,215
Less: Sales tax		(1,580,003,746)	(1,299,935,687)
Discounts		(119,415,164)	(171,890,861)
	27.1	9,633,217,530	6,965,104,667
27.1 Disaggregation of Revenue			
27.1.1 Primary Products			
Automobile parts and accessories sector		2,009,429,938	1,502,482,448
Food and personal care products sector - packaging		7,623,787,592	5,462,622,219
		9,633,217,530	6,965,104,667

		2025 Rupees	2024 Rupees
27.1.2 Primary Geographical Markets (Net Sales)			
Pakistan		8,360,967,640	6,708,967,634
Hungary		-	180,956,713
Turkey		3,775,986	5,515,239
Belgium		-	5,801,435
France		3,102,627	4,990,510
Italy		19,691,229	26,168,530
United Kingdom		1,230,319,271	13,110,733
United States of America		14,547,783	18,217,970
Taiwan		812,994	-
China		-	1,375,903
Total		9,633,217,530	6,965,104,667
	Note	2025 Rupees	2024 Rupees
28. COST OF SALES			
Raw and packing materials consumed		5,087,342,012	3,843,380,442
Stores, spares and loose tools consumed		34,322,865	26,913,091
Salaries, wages and benefits	28.1	666,664,479	459,826,055
Security guard expense		24,995,127	19,464,109
Electricity, fuel and water charges		650,168,064	703,552,491
Depreciation on property, plant and equipment	19.3	275,856,365	272,174,708
Depreciation on right of use asset	19.8	41,620,827	17,297,289
Repairs and maintenance		165,810,322	102,603,828
Insurance		18,848,175	12,154,054
Oil and lubricants		5,319,300	4,539,538
		6,970,947,536	5,461,905,605
Work in process:			
- At beginning of the year	22	192,396,924	125,531,231
- At end of the year	22	(185,840,120)	(192,396,924)
Cost of goods manufactured		6,977,504,340	5,395,039,912
Finished goods			
- At beginning of the year	22	139,720,282	190,890,883
- At end of the year	22	(167,057,942)	(139,720,282)
		6,950,166,680	5,446,210,513
Other cost of sale - Freight and forwarding	28.2	95,092,408	196,821,302
		7,045,259,088	5,643,031,815

28.1 Salaries, wages and benefits include Rs. 16.7 million (2024: Rs. 13.8 million) in respect of defined contribution plan.

28.2 Other cost of sales- Freight and forwarding includes export freight of Rs. 0.4 million (2024: Rs. 115.76 million) paid during the year.



Notes to the Financial Statements

For the year ended 30 June 2025

	Note	2025 Rupees	2024 Rupees
29. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	29.1	113,096,790	76,915,645
Directors' remuneration	42 & 29.2	94,662,919	76,515,102
Meeting fee	42	2,740,000	2,995,000
Traveling expenses		80,034,069	71,878,350
Legal and professional charges		1,482,032	1,739,000
Vehicle running expenses		22,305,699	19,332,422
Security guard expense		3,837,397	2,670,281
Insurance		5,364,273	4,046,673
Repairs and maintenance		8,726,859	5,400,201
Telephone and postage		11,205,801	8,590,330
Depreciation on property, plant and equipment	19.3	15,497,549	15,665,834
Amortization on intangibles	20.1	164,004	164,004
Printing and stationery		8,628,054	6,744,229
Staff training and development		4,683,593	3,071,243
Fee and subscription		31,146,878	21,612,263
Rent, rates and taxes		3,213,320	2,005,456
Entertainment		5,229,003	5,488,417
Miscellaneous expenses		1,248,467	648,137
		413,266,707	325,482,587

- 29.1 Salaries, wages and benefits include Rs. 4.25 million (2024: Rs. 3.15 million) in respect of defined contribution plan.
- 29.2 Director's remuneration includes Rs. 1.07 million (2024: Rs. 0.91 million) in respect of defined contribution plan opted by one of the executive directors.

	Note	2025 Rupees	2024 Rupees
30. SELLING AND DISTRIBUTION EXPENSES			
Salaries and benefits	30.1	49,559,114	32,108,196
Depreciation on property, plant and equipment	19.3	15,497,549	15,665,834
Advertisement		4,308,202	9,121,956
Sales promotion expenses		7,591,417	1,669,474
		76,956,282	58,565,460

- 30.1 Salaries, wages and benefits include Rs. 1.91 million (2024: Rs. 1.50 million) in respect of defined contribution plan.

	Note	2025 Rupees	2024 Rupees
31. OTHER INCOME			
Income from financial assets			
Profit on bank deposits	31.1	72,249,376	84,632,014
Gain on foreign currency transactions- net	31.2	55,700,356	-
		127,949,732	84,632,014
Income from non-financial assets			
Scrap sales		21,202,110	16,057,918
Amortization of deferred grant	10	19,247,059	20,661,757
Gain on disposal of property, plant and equipment	19.6 & 19.8.3	-	60,997,970
Other income	31.3	66,375,797	5,484,941
		106,824,966	103,202,585
		234,774,698	187,834,600

- 31.1 This includes profit of Rs. 6.18 million (2024: Rs. 1.18 million) earned on deposits maintained under Shariah compliant arrangements.
- 31.2 This includes unrealized gain amounting to Rs. 29.27 million (2024: Nil) majorly on trade debts and foreign currency.
- 31.3 During the year, the Company received insurance proceeds amounting to Rs. 2.37 million in relation to an item of property, plant and equipment that was damaged and written off.

	Note	2025 Rupees	2024 Rupees
32. OTHER CHARGES			
Workers' Profit Participation Fund	13.1	106,929,139	48,892,601
Workers' Welfare Fund	13.2	40,633,073	18,579,189
Loss on disposal of property, plant and equipment	19.6, 19.8.3 & 32.3	27,136,066	-
Loss on foreign currency transactions- net		-	2,363,174
Auditors' remuneration	32.1	4,600,000	3,005,004
Charity and donations	32.2	2,305,109	2,538,140
Expected credit loss charge for the year	23.1	32,336,773	6,826,812
		213,940,160	82,204,920

- 32.1 Auditors' remuneration
- |                           |           |           |
|---------------------------|-----------|-----------|
| Statutory audit fee       | 3,150,000 | 2,100,000 |
| Half yearly review        | 600,000   | 400,000   |
| Certifications and others | 450,000   | 300,000   |
| Out of pocket expenses    | 400,000   | 205,004   |
|                           | 4,600,000 | 3,005,004 |

- 32.2 Charity and Donations
- |  |        |           |           |
|--|--------|-----------|-----------|
| University of Engineering and Technology | 32.2.1 | -         | 1,150,000 |
| Other donees                             | 32.2.1 | 2,305,109 | 1,388,140 |
|  |        | 2,305,109 | 2,538,140 |

## Notes to the Financial Statements

For the year ended 30 June 2025

**32.2.1** None of the directors or their spouses have any interest in the University of Engineering and Technology and other donees.

**32.3** An item of property, plant and equipment with a net book value of Rs. 0.72 million was damaged and written off during the year, with the full amount recognized as a loss in profit or loss due to no recoverable value. Subsequently, an insurance claim was received in relation to the damaged asset.

	Note	2025 Rupees	2024 Rupees
<b>33. FINANCE COST</b>			
<i>Mark-up on:</i>			
- Long term finance - secured	33.1	51,410,741	80,194,302
- Lease liabilities		31,656,897	8,144,303
- Short term borrowings - secured	33.2	38,901,585	43,231,080
- Workers' Profit Participation Fund		1,375,168	-
Bank charges		4,205,033	1,704,562
		127,549,424	133,274,247
<b>33.1 Long term finance - secured</b>			
- Conventional Interest / mark-up based loans		50,265,408	72,387,756
- Islamic mode of financing		1,145,333	7,806,546
		51,410,741	80,194,302
<b>33.2 Short term borrowings - secured</b>			
- Conventional Interest / mark-up based loans		19,649,311	35,345,028
- Islamic mode of financing		19,252,274	7,886,052
		38,901,585	43,231,080
<b>34. INCOME TAXES AND FINAL TAXES</b>			
<i>Final taxes</i>			
- Taxes on exports	34.1	-	2,561,370
		-	2,561,370

**34.1** This represents final taxes paid under section 154 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

	2025 Rupees	2024 Rupees
<b>Income taxes</b>		
<i>Current:</i>		
- For the year	591,099,580	318,698,917
- Prior year adjustment	14,294,810	(32,248,585)
	605,394,390	286,450,332
<i>Deferred:</i>		
- For the year	132,504,185	(19,598,604)
	737,898,575	266,851,728

	2025 Rupees	2024 Rupees
<b>34.2 Relationship between tax expense and accounting profit</b>		
Profit before taxation	1,991,020,567	907,818,868
Tax at 29%	577,395,964	263,267,472
<i>Tax effect of:</i>		
- Super tax under section 4C	166,215,699	90,730,733
- Effect of rate change	-	-
- Prior year tax	14,294,810	(32,248,585)
- Income under Final Tax Regime	-	-
- Tax credits	(59,703,017)	(32,589,572)
- Others	39,695,119	(22,308,320)
	737,898,575	266,851,728

**34.3** Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognized in the profit and loss account, is as follows:

	2025 Rupees	2024 Rupees
Current tax liability for the year as per applicable tax laws	605,394,390	289,011,702
Portion of current tax liability as per tax laws, representing		
income tax under IAS 12	(605,394,390)	(286,450,332)
Portion of current tax computed as per tax laws, representing		
levy in terms of requirements of IFRIC 21/IAS 37	-	(2,561,370)
Difference	-	-

**34.4** The aggregate of final tax and income taxes, amounting to 605.39 million (2024: 289.01 million) represents the tax liability of the company under the relevant provisions of the income tax ordinance, 2001.

**34.5** The deferred tax amount does not affect cash flows of current year and it is an accounting adjustment in accordance with International Financial Reporting Standards (IFRS).

	2025	2024
<b>35. EARNING PER SHARE - BASIC AND DILUTED</b>		
<b>35.1 Basic earning per share</b>		
Profit for the year after taxation	Rupees	1,253,121,992
		640,967,140
Weighted average number of ordinary		
shares in issue during the year	Number	189,749,215
		190,708,728
Earning per share	Rupees	6.60
		3.36



## Notes to the Financial Statements

For the year ended 30 June 2025

	Note	2025 Rupees	2024 Rupees
<b>35.2 Weighted average number of ordinary shares</b>			
Outstanding number of shares		199,736,016	198,801,008
Add: Element of bonus Issue in number of shares		-	-
Add: Effect of shares split		-	-
Less: Effect of treasury shares	6	(9,986,801)	(8,092,280)
		189,749,215	190,708,728
<b>35.3</b>	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.		
	Note	2025 Rupees	2024 Rupees
<b>36. CASH GENERATED FROM OPERATIONS</b>			
Profit before income taxes and final taxes		1,991,020,567	910,380,238
<i>Adjustments for non-cash items:</i>			
Finance cost	33	123,344,391	131,569,685
Depreciation on property, plant and equipment	19.3	309,950,973	306,572,097
Depreciation on right of use assets	19.8	41,620,827	17,297,289
Amortization of intangibles	29	164,004	164,004
Amortization of deferred grant	31	(19,247,059)	(20,661,757)
Loss / (gain) on disposal of property, plant and equipment	32 & 31	27,136,066	(60,997,970)
Expected credit loss charge for the year	31 & 32	32,336,773	6,826,812
Net realisable value (reversal) / adjustment for the year- net	22.1	(14,633,881)	10,015,483
Provision for Workers' Profit Participation Fund	32	106,929,139	48,892,601
Provision for Workers' Welfare Fund	32	40,633,073	18,579,189
		648,234,306	458,257,433
<b>Operating profit before working capital changes</b>		2,639,254,873	1,368,637,671
<i>(Increase) / decrease in current assets:</i>			
Stores, spares and loose tools		(5,482,417)	201,590
Stock-in-trade		(128,703,439)	(53,309,703)
Trade debts		(669,954,342)	(111,778,204)
Advances, deposits, prepayments and other receivables		8,800,612	(5,798,269)
		(795,339,586)	(170,684,586)
<i>Increase / (decrease) in current liabilities:</i>			
Trade and other payables		84,991,226	76,968,595
Contract liabilities		(21,506,987)	82,289,336
Cash generated from operations		1,907,399,526	1,357,211,016

	Note	2025 Rupees	2024 Rupees		
<b>37. CASH AND CASH EQUIVALENTS</b>					
Short term running finance	14	(59,209,533)	(80,344,824)		
Running musharika	14	(79,845,062)	(99,865,713)		
Cash and bank balances	26	272,988,311	161,134,406		
Short term investments	25	-	387,693,281		
		133,933,716	368,617,150		
<b>38. RELATED PARTY TRANSACTIONS AND BALANCES</b>					
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:					
<b>Name of parties</b>	<b>Relationship</b>	<b>Transactions</b>	<b>Note</b>	<b>2025 Rupees</b>	<b>2024 Rupees</b>
a) Provident Fund Trust	Post employment benefit fund	Contribution		46,550,279	38,029,654
		Payable balance at year end	13	4,167,667	3,282,414
b) Directors	Directors and their relatives	Cash dividend - as shareholders		210,558,003	75,217,954
	Directors - Other than key management personnel	Remuneration	42	25,960,189	24,210,008
	Non-Executive Directors	Meeting Fee	42	2,740,000	2,995,000
c) Key Management Personnel	Key Management Personnel	Remuneration	42	96,677,373	70,533,611
		Cash dividend - as shareholders		15,562	29,455
<b>38.1</b> 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.					
<b>39. FINANCIAL RISK MANAGEMENT</b>					
The Company has exposure to the following risks from its use of financial instruments:					
- Credit risk					
- Liquidity risk					
- Market risk					
<b>Risk Management Framework</b>					
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.					

## Notes to the Financial Statements

For the year ended 30 June 2025

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.

**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	2025 Rupees	2024 Rupees
Long term deposits	21	10,439,805	10,439,805
Trade debts	23	1,345,561,064	724,086,800
Deposits and other receivables	24	17,922,451	43,562,822
Short term investments	25	507,600,504	387,693,281
Bank balances	26	271,318,568	160,285,748
		2,152,842,392	1,326,068,456

### 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:

	2025 Rupees	2024 Rupees
Trade debts	1,345,561,064	712,937,157
Banking companies	271,318,568	547,979,029
Government debt securities	507,600,504	387,693,281
Others	535,962,760	54,002,627
	2,660,442,896	1,702,612,094

### 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 agency	2025 Rupees	2024 Rupees
	Short term	Long term			
<b>Bank</b>					
Bank Islami Pakistan Limited	A1	AA-	PACRA	49,616,658	42,151,845
Habib Bank Limited	A1+	AAA	JCR-VIS	215,887,092	46,200,806
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	-	336,065
MCB Bank Limited	A1+	AAA	PACRA	3,270,757	1,440,362
Meezan Bank Limited	A1+	AAA	JCR-VIS	1,184,056	-
National Bank of Pakistan	A1+	AAA	PACRA	100,159	100,159
United Bank Limited	A-1+	AAA	JCR-VIS	607,505	60,048,370
Askari Bank Limited	A1+	AA+	PACRA	652,341	10,008,141
				271,318,568	160,285,748
<b>Margin deposits against letters of credit</b>					
MCB Bank Limited	A1+	AAA	PACRA	-	8,489,473
				271,318,568	168,775,221

### 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 2025 was determined as follows:

The aging of trade debts at the reporting date is:

	2025		2024	
	Gross carrying amount	Loss Allowance	Gross carrying amount	Loss Allowance
	Rupees			
Not due	1,129,868,124	3,224,986	599,796,942	1,802,191
Past due 0 - 90 days	144,524,136	1,716,574	104,332,884	1,555,040
Past due 91 - 180 days	33,144,166	8,343,443	9,955,602	2,655,659
Past due 181 - 270 days	7,371,421	3,088,157	7,454,399	3,239,469
Past due 271 - 360 days	9,968,518	6,428,557	1,859,354	1,209,665
Past due 360 days	20,684,699	20,684,699	687,619	687,619
	1,345,561,064	43,486,416	724,086,800	11,149,643



## Notes to the Financial Statements

For the year ended 30 June 2025

### 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.

			2025				
	Note	Carrying amount	Contractual cash flows	One year or less	One to three years	Three to five years	More than five years
Rupees							
<i>Financial liabilities at amortized cost</i>							
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

			2024				
	Note	Carrying amount	Contractual cash flows	One year or less	One to three years	Three to five years	More than five years
Rupees							
<i>Financial liabilities at amortized cost</i>							
Long term finances	9	625,019,981	658,021,299	195,131,303	233,788,861	137,222,550	91,878,585
Lease liabilities	11	159,119,936	161,243,423	148,825,175	12,418,248	-	-
Trade and other payables	13	520,712,266	520,712,266	520,712,266	-	-	-
Unclaimed dividend		5,025,308	5,025,308	5,025,308	-	-	-
Short term borrowings	14	210,207,336	210,207,336	210,207,336	-	-	-
Accrued mark up	17	54,577,231	54,577,231	54,577,231	-	-	-
		1,574,662,058	1,609,786,863	1,134,478,619	246,207,109	137,222,550	91,878,585

### 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:

	2025					
	YUAN	EURO	YEN	USD	Qatar-Riyal	AED
Total Rupees						
<i>Assets</i>						
Cash in hand	408	-	23,000	1,987	600	300
Bank balances	-	359,249	-	17,511	-	-
Trade debtors	-	1,208,732	-	412	-	-
<i>Liabilities</i>						
Net exposure	408	1,567,981	23,000	19,910	600	300

	2024					
	YUAN	EURO	YEN	USD	Qatar-Riyal	AED
Total Rupees						
<i>Assets</i>						
Cash in Hand	408	-	23,000	1,287	-	-
Bank balances	-	49,567	-	16,871	-	-
Debtors	-	215,126	-	-	-	-
<i>Liabilities</i>						
Net exposure	408	264,693	(2,004,853)	(539,754)	-	-

## Notes to the Financial Statements

For the year ended 30 June 2025

### 39.3.2.2 Exchange rates applied during the year

The following significant exchange rates have been applied during the year:

	YUAN		EURO		YEN		USD		AED		Qatar - Riyal	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	Rupees											
Reporting date spot rate												
- buying	39.59	38.47	332.25	297.88	1.97	1.73	283.60	278.30	77.76	76.23	78.00	76.28
- selling	39.66	38.53	332.83	298.41	1.97	1.73	284.10	278.80	77.90	76.37	78.14	76.42
Average rate for the year	39.06	39.22	315.34	306.07	1.85	1.87	281.20	282.70	77.07	76.30	77.21	76.35

### 39.3.2.3 Sensitivity analysis

A reasonably possible strengthening / (weakening) of 10% in Pak Rupee against the YUAN, EURO, YEN, US Dollar, AED and Qatar - Riyal 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.

	2025 Rupees	2024 Rupees
Effect on profit and loss		
YUAN	1,615	1,570
EURO	52,096,169	7,884,675
YEN	4,531	(346,840)
USD	564,648	(53,975)
AED	4,666	-
Qatar - Riyal	2,340	-
	52,673,969	7,485,430

### 39.3.2.4 Currency risk management

Since the maximum amount exposed to currency risk is only 2.45% (2024: 0.56%) of the Company's financial assets, any adverse / favorable movement in functional currency with respect to YUAN, EURO, YEN, US Dollar, AED and Qatar - Riyal 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:

	2025		2024	
	Financial asset	Financial liability	Financial asset	Financial liability
	Rupees			
Non-derivative financial instruments				
Fixed rate instruments	507,600,504	570,966,481	387,693,281	498,081,978
Variable rate instruments	5,007,857	159,249,025	60,046,811	496,265,275

### 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	
	2025 Rupees	2024 Rupees
Increase of 100 basis points	(1,542,412)	(4,362,185)
Decrease of 100 basis points	1,542,412	4,362,185

### 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.



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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:

	Note	Carrying Amount				Fair Value		
		Investments - FVOCI	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
		Rupees						
On-Balance sheet financial instruments								
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 measured at amortized cost								
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	-	-	-

	Note	Carrying Amount				Fair Value		
		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 2024								
Financial assets measured at fair value								
Investment classified at FVOCI		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets at amortized cost								
Cash and bank balances	26	-	161,134,406	-	161,134,406	-	-	-
Deposits and other receivables	24	-	43,562,822	-	43,562,822	-	-	-
Long term deposits	21	-	10,439,805	-	10,439,805	-	-	-
Short term Investment	25	-	387,693,281	-	387,693,281	-	-	-
Trade debts - unsecured, considered good	23	-	712,937,157	-	712,937,157	-	-	-
	39.4.2	-	1,315,767,471	-	1,315,767,471	-	-	-
Financial liabilities measured at fair value								
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term finances and diminishing musharika	9	-	-	625,019,981	625,019,981	-	-	-
Lease liabilities	11	-	-	159,119,936	159,119,936	-	-	-
Trade and other payables	13	-	-	520,712,266	520,712,266	-	-	-
Unclaimed dividend		-	-	5,025,308	5,025,308	-	-	-
Short term borrowing	14	-	-	210,207,336	210,207,336	-	-	-
Accrued mark up	17	-	-	54,577,231	54,577,231	-	-	-
	39.4.2	-	-	1,574,662,058	1,574,662,058	-	-	-

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:

- 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
- to provide an adequate return to shareholders.

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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	2025	2024
Total debt	Rupees	689,135,254	964,141,326
Total Equity	Rupees	6,109,862,203	5,122,389,111
Total capital employed	Rupees	6,798,997,457	6,086,530,437
Gearing ratio		10.14%	15.84%

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 (2024: 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.

	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

	2024									
	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7	Unit 8	Unit 9	Total
	Rupees									
Segment net sales	713,201,839	1,621,517,863	790,158,739	158,911,609	1,768,375,605	569,996,406	444,387,523	712,748,359	185,806,724	6,965,104,667
Segment cost of sales	(586,050,228)	(1,479,510,322)	(668,914,973)	(188,818,405)	(1,268,540,269)	(409,358,892)	(318,943,412)	(572,012,553)	(150,882,761)	(5,643,031,815)
Segment gross profit	127,151,611	142,007,541	121,243,766	(29,906,796)	499,835,336	160,637,514	125,444,111	140,735,806	34,923,963	1,322,072,852
Segment assets - plant and machinery	128,239,346	317,286,656	650,000,910	107,338,702	418,011,144	128,844,855	323,795,582	275,581,434	76,778,147	2,425,876,776

41.2.1 Sales to four customers (2024: four customers) represent approximately Rs. 5,305 million (2024: Rs. 3,930 million) of the Company's total net sales.

### 41.3 Reconciliations of information on reportable segments to IFRS measures

	2025 Rupees	2024 Rupees
41.3.1 Assets		
Total assets for reportable segments	2,403,902,465	2,425,876,776
Other unallocated amounts	5,849,015,369	4,877,524,313
Total assets	8,252,917,834	7,303,401,089

## 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:

	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
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

	2024				
	Directors				
	Chairman	Chief Executive	Non-Executive / Independent	Executive	Executives
	Rupees				
Managerial remuneration	16,080,000	20,000,000	-	9,280,000	52,301,338
Utilities and house rent	7,920,000	10,000,000	-	4,640,000	25,760,360
Post employment benefits	-	-	-	912,000	3,984,270
Advisory fee	-	-	-	-	3,981,852
Meeting fees	-	-	2,995,000	-	-
Bonus and rewards	-	4,166,667	-	1,933,333	10,830,105
Others benefits	210,008	1,182,767	-	190,327	-
	24,210,008	35,349,434	2,995,000	16,955,660	96,857,925
Number of persons	1	1	6	1	20

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 2025

### 43. PLANT CAPACITY AND ACTUAL PRODUCTION

	Installed processing capacity		Actual processing	
	2025	2024	2025	2024
Small, medium and large				
Moulds making facility	60 to 70 molds	60 to 70 molds	11 Molds	15 Molds
Injection molds facility	7,900 tons of plastic	7,700 tons of plastic	3,500 tons plastic	1,600 tons plastic
Blow molding facility	5,600 tons of plastic	5,600 tons of plastic	2,900 tons plastic	2,900 tons plastic
Extrusion	6,800 tons of plastic	6,500 tons of plastic	6,500 tons plastic	4,800 tons plastic
Thermoforming	3,700 tons of plastic	3,200 tons of plastic	3,000 tons plastic	2,400 tons plastic

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 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 - net	-	-	-	(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 adjustments	-	-	-	-	-	(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
Closing 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

	30 June 2024									
	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 2023	998,680,080	358,627,893	(55,362,743)	45,172,234	708,785,398	53,985,296	371,575,980	4,425,800	34,834,375	2,520,724,313
<i>Changes from financing activities</i>										
Repurchase of treasury shares	-	-	(59,542,295)	-	-	-	-	-	-	(59,542,295)
Repayment of short term borrowings - net	-	-	-	-	-	-	(161,368,644)	-	-	(161,368,644)
Long term loan repayment	-	-	-	-	(169,848,766)	-	-	-	-	(169,848,766)
Long term loan obtained	-	-	-	-	67,333,333	-	-	-	-	67,333,333
Diminishing Musharika paid	-	-	-	(26,422,218)	-	-	-	-	-	(26,422,218)
Repayment of finance lease liabilities	-	-	-	-	-	(55,490,363)	-	-	-	(55,490,363)
Other adjustment	-	-	-	-	-	(25,474,300)	-	-	-	(25,474,300)
Markup paid on borrowings	-	-	-	-	-	-	-	-	(83,020,769)	(83,020,769)
Dividend paid	-	-	-	-	-	-	-	(94,275,138)	-	(94,275,138)
Total changes from financing cash flows	-	-	(59,542,295)	(26,422,218)	(102,515,433)	(80,964,663)	(161,368,644)	(94,275,138)	(83,020,769)	(608,109,160)
<i>Other liability related changes</i>										
Additions in lease liabilities	-	-	-	-	-	177,955,000	-	-	-	177,955,000
Unwinding of interest	-	-	-	-	-	8,144,303	-	-	-	8,144,303
Dividend declared	-	-	-	-	-	-	-	94,874,646	-	94,874,646
Amortization of deferred grant	-	-	-	-	-	-	-	-	(20,661,757)	(20,661,757)
Mark-up on borrowings	-	-	-	-	-	-	-	-	123,425,382	123,425,382
Total liability related other changes	-	-	-	-	-	186,099,303	-	94,874,646	102,763,625	383,737,574
Balance as at 30 June 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

### 46. NUMBER OF EMPLOYEES

The Company has employed following number of persons including permanent and contractual staff:

	Number of Employees	
	2025	2024
Number of employees as at 30 June	626	539
Average number of employees during the year	581	539

46.1 The number of factory employees as at 30 June 2025 are 538 employees (30 June 2024: 440 employees).

### 47. EVENTS AFTER THE REPORTING DATE

The Board of Directors of the Company in its meeting held on 16 August 2025 has proposed a final cash dividend of Rs.0.40 per share, for the year ended 30 June 2025, for approval of the members in the Annual General Meeting to be held on 30 September 2025.

### 48. GENERAL

48.1 These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 16 August 2025.

48.2 Figures have been rounded off to the nearest rupee.

Chief Executive Officer

Director

Chief Financial Officer

## Pattern of Shareholding

as on 30 June 2025

	Shareholdings			
No. of Shareholders	From	To	Shares Held	Percentage
904	1	100	31,130	0.0156
936	101	500	305,423	0.1529
620	501	1000	541,875	0.2713
1,954	1001	5000	4,338,942	2.1723
371	5001	10000	2,898,304	1.4511
122	10001	15000	1,569,082	0.7856
83	15001	20000	1,525,004	0.7635
59	20001	25000	1,370,120	0.6860
35	25001	30000	975,946	0.4886
33	30001	35000	1,078,495	0.5400
26	35001	40000	990,667	0.4960
11	40001	45000	472,112	0.2364
18	45001	50000	881,277	0.4412
12	50001	55000	627,853	0.3143
9	55001	60000	525,876	0.2633
5	60001	65000	319,164	0.1598
6	65001	70000	401,497	0.2010
2	70001	75000	150,000	0.0751
4	75001	80000	316,500	0.1585
3	80001	85000	245,841	0.1231
2	85001	90000	179,500	0.0899
4	90001	95000	371,880	0.1862
14	95001	100000	1,393,139	0.6975
2	100001	105000	204,067	0.1022
3	105001	110000	324,450	0.1624
2	110001	115000	225,670	0.1130
3	115001	120000	353,720	0.1771
1	125001	130000	128,540	0.0644
1	145001	150000	150,000	0.0751
1	160001	165000	165,000	0.0826
1	170001	175000	173,044	0.0866
2	175001	180000	355,885	0.1782
1	180001	185000	184,484	0.0924
3	195001	200000	595,589	0.2982
1	205001	210000	210,000	0.1051
1	210001	215000	213,000	0.1066
1	250001	255000	254,700	0.1275
4	255001	260000	1,029,366	0.5154
2	295001	300000	599,241	0.3000
2	370001	375000	750,000	0.3755
1	390001	395000	392,052	0.1963
1	395001	400000	400,000	0.2003
1	450001	455000	450,610	0.2256
1	460001	465000	462,529	0.2316
2	495001	500000	1,000,000	0.5007
1	545001	550000	550,000	0.2754

	Shareholdings			
No. of Shareholders	From	To	Shares Held	Percentage
1	560001	565000	565,000	0.2829
1	570001	575000	572,000	0.2864
1	655001	660000	655,474	0.3282
1	725001	730000	727,865	0.3644
1	735001	740000	736,794	0.3689
1	920001	925000	924,470	0.4628
1	1105001	1110000	1,109,718	0.5556
1	1260001	1265000	1,261,850	0.6318
1	1270001	1275000	1,271,473	0.6366
1	1380001	1385000	1,382,834	0.6923
1	1495001	1500000	1,500,000	0.7510
1	2165001	2170000	2,165,587	1.0842
1	9985001	9990000	9,986,801	5.0000
2	30430001	30435000	60,865,917	30.4732
1	85325001	85330000	85,328,659	42.7207
5,287			199,736,016	100.0000



## Category of Shareholders

as on 30 June 2025

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%
	Mr. Syed Sohail Hussain Naqvi	3,080	0.00%
	Mr. Ameen Ahsan	500	0.00%
	Ms. Nighat Arshad	257,048	0.13%
	Mr. Abid Saleem Khan	1,080	0.00%
2.	Banks, DFI and NBFI	400,000	0.20%
3.	Insurance Companies	60,000	0.03%
4.	Modarabas and Mututal Funds	3,077,051	1.54%
5.	General Public		
	a) Local	62,526,657	31.30%
	b) Foreign	4,141,653	2.07%
6.	Others	12,123,823	6.07%
	Total	199,736,016	100.0000%

\* Shareholders having more than 10% shareholding.

## Notice of 43<sup>rd</sup> Annual General Meeting

Notice is hereby given that the 43rd Annual General Meeting of the shareholders of **SPEL Limited** (Formerly Synthetic Products Enterprises Limited) (the “Company”) will be held on **Tuesday 30 September 2025 at 11:00 AM** at ICMA Pakistan Building, 42-Ferozepur Road, Near Mozang Chungi Lahore to transact the following business:

### A) Ordinary Business

- To receive, consider and adopt the audited financial statements for the year ended 30 June 2025 together with Directors’ and Auditors’ Report thereon.
- To approve final cash dividend for the year ended 30 June 2025 @ Rs. 0.4 per share i.e. 8%. This is in addition to the interim dividend @ Rs 0.6 per share i.e. 12% already paid.
- To appoint auditors for the financial year 2025-26 and fix their remuneration. The Board has recommended, as suggested by the Board Audit Committee, the appointment of M/s KPMG Taseer Hadi and Co., Chartered Accountants. They are the retiring auditors and being eligible, have offered themselves for re-appointment.

### B) Any Other Business

- 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

**Khalil Ahmad Hashmi** (FCA)  
Company Secretary

09 September 2025  
Lahore

### NOTES:

#### 1. Closure of Share Transfer Books

The share transfer books of the Company will remain closed from **24 September 2025 to 30 September 2025 (both days inclusive)**. Transfers received in order at the Shares Department of M/s THK Associates (Pvt.) Limited, Plot no. 32-C, Jami Commercial Street 2, D.H.A. Phase VII, Karachi, Pakistan at the close of business on **23 September 2025** will be treated. Only those persons whose names appear in the Register of Members of the Company as on **23 September 2025** are entitled to attend, participate in and vote 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 **23 September 2025**, are entitled to attend and vote at the AGM. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend, speak and vote for him / her.

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>. An instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a certified true copy of such power or authority duly notarized must, to be valid, be deposited at the registered address of the Company’s, **127-S, Q.I.E. Township Kot Lakhpat, Lahore** not less than forty-eight (48) hours before the time of AGM. 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.

## Notice of Annual General Meeting

### 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 \_\_\_\_\_.

### 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 28 September 2025.

- (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. Availability of Audited Financial Statements on Company's Website

In accordance with the Provision of Sections 223(6) and (7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2025 are available on the Company's website which can be accessed/ downloaded from the following link and QR code: www.spelgroup.com



Notwithstanding the above, the Company will provide hard copies of the audited financial statements, to any Member on their request, at their registered address, free of cost, within one (1) week of receiving such request.

### 7. 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).

### 8. 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 dated March 19, 2021, it is mandatory for a listed Company to pay cash dividend to its members only through electronic mode directly into bank account designated by the entitled member. 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.

### 9. 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.

### 10. 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.



## شینئر ہولڈرز کو ڈائریکٹرز کی رپورٹ

برائے مختتمہ سال 30 جون 2024ء

- بورڈ کی مجموعی کارکردگی کا جائزہ
- بورڈ کمیٹیوں کی افادیت کا جائزہ
- ڈائریکٹرز کی شمولیت اور کارکردگی
- کارپوریٹ گورننس کی پالیسیوں پر عملدرآمد

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 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 کرسکتے ہیں، کمپنی کی ویب سائٹ پر ایک آن لائن فارم دستیاب ہے۔ سال کے دوران کمپنی کو کوئی شکایت موصول نہیں ہوئی ہے، تاہم، ڈیویڈنڈ وارنٹس کی ری ویلیدیشن اور مالی رپورٹس کی تریل کے لئے چند درخواستیں وصول ہوئیں جن پر شیئر ہولڈر کا متعلقہ مسئلہ تسلی بخش طریقے سے حل کیا گیا۔

### شینئر ہولڈنگ کا بیژن

شینئر ہولڈنگ کا بیژن رپورٹ ہڈا کے ساتھ منسلک ہے۔

### کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

آپ کی 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 لیکوئٹی 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۔
- فنانسل 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۔
- انٹرئل 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 و شبہات نہیں ہیں۔
- گزشتہ چھ سال کے لئے کلیدی آپرینٹگ اور مالیاتی ڈیٹامنٹسک ہے۔
- لیکس 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 فیفاٹ کا کوئی امکان نہیں ہے۔
- ہماری کمپنی کو ملکی سیاسی اور اقتصادی خطرات کے سوائے کوئی بڑے خطرات اور مخصوص غیر یقینی کی صورت حال درپیش نہیں ہے۔
- ہمارے کاروبار کے ماحول پر کوئی اثرات نہیں ہیں۔
- ڈائریکٹرز کو ادا کئے جانے والے معاوضہ کی مجموعی رقم فنانشل سٹیٹمنٹس کے متعلقہ نوٹ میں مذکور ہے۔
- کمپنی اپنے تمام اہل ملازمین کے لئے ایک کنٹری بیوٹری پروویڈنٹ فنڈسکیم چلاتی ہے۔ متعلقہ معلومات فنانشل سٹیٹمنٹس کے نوٹ میں مذکور ہیں۔
- بورڈ نے جائزہ لینے کے بعد فیصلہ کیا ہے کہ SPEL کا کوئی بھی ملازم جس کی ملانہ تنخواہ 500,000 روپے یا اس سے زیادہ ہو، اسے پاکستان سٹاک ایکچین (PSX) رول بک کے رول 5.6.4 کے تقاضوں کے مطابق کمپنی کے شیئرز میں رپورٹنگ ٹرانزیکشن کے مقاصد کے لیے ”ایگزیکٹو“ تصور کیا جائے گا۔
- مزید برآں، 30 جون 2025 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 مدت کے دوران، بورڈ آف ڈائریکٹرز نے کمپنی کی ترقی اور استحکام کو چلانے 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 برتری کو بڑھانے، پائیدار ترقی کو فروغ دینے اور اسٹیک ہولڈر کی قدر کو زیادہ سے زیادہ کرنے کے لیے کیے گئے تھے۔

بورڈ نے رسک مینجمنٹ کے مضبوط طریقوں کے لیے اپنے عزم کو بھی تقویت دی۔ واضح خطرے کو برداشت کرنے کی صلاحیت کی وضاحت کی گئی، اور کمپنی کے کاروباری ماڈل، مستقبل کی کارکردگی، سالیونسی، اور لیکویڈیٹی پر ممکنہ اثرات سے نمٹنے کے لیے بنیادی خطرات کا ایک جامع جائزہ لیا گیا۔ یہ اقدامات پائیدار کامیابی اور مؤثر حکمرانی کے لیے ایک مضبوط بنیاد فراہم کرتے ہیں۔

### ESG پر اسٹریٹجک مقاصد اور پائیدار رپورٹنگ

ESG کے تقاضوں کو پورا کرنے کے لیے کمپنی نے ایک مضبوط پالیسی فریم ورک تشکیل دیا 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

### پائیداری سے متعلق خطرات اور ان کی تخفیف

بورڈ آف ڈائریکٹرز پائیداری سے متعلق خطرات کی نشاندہی اور ان کو کم کرنے کے لیے پوری طرح پرعزم ہے جو کمپنی کی کارکردگی اور طویل مدتی پائیداری کو متاثر کرسکتے ہیں۔ سال کے دوران، ہم نے ماحولیاتی ذمہ داری، توانائی کی کارکردگی، اور کمیونٹی کی فلاح و بہبود پر توجہ مرکوز کی۔ کلیدی اقدامات میں توانائی کے روایتی ذرائع پر انحصار کم کرنے کے لیے شمسی توانائی میں مسلسل سرمایہ کاری، گرین ماحول کو فروغ دینے کے لیے شجرکاری مہم، اور اعلیٰ تعلیم حاصل کرنے والے ملازمین کے لیے مالی امداد شامل ہے۔ اس کے علاوہ، ان اقدامات میں قریبی کمیونٹی کے لیے طبی کمیونوں کا انعقاد، غیر منافع بخش تنظیموں، تحقیقی اداروں، اور تعلیم کو فروغ دینے کے لیے عطیات کے پروگرام شامل تھے۔ یہ اقدامات نہ صرف ماحولیاتی اور سماجی خطرات کو کم کرتے ہیں بلکہ ایک ذمہ دار کارپوریٹ شہری کے طور پر کمپنی کی ساکھ کو بھی مضبوط کرتے ہیں۔

## تنوع ، مساوات اور شمولیت کو فروغ دینے کے لیے اقدامات (DE&I)

کمپنی تنوع، مساوات اور شمولیت کو جدت اور تنظیمی طاقت کو فروغ دینے کے لیے ضروری سمجھتی ہے۔ سال کے دوران، گورننس اور آپریشنز میں خواتین کی نمائندگی اور شمولیت کو بڑھانے کے لیے اہم اقدامات کیے گئے۔ ڈائریکٹرز کے انتخاب کے وقت بورڈ میں ایک خاتون امیدوار کے لیے ایک نشست مختص کی گئی تھی، اور بورڈ کی رسک مینجمنٹ اینڈ سٹینڈی کمیٹی قائم کی گئی جس میں خواتین کی شرکت کو یقینی بنایا گیا۔ ہیڈ آفس میں، تقریباً 30 فیصد افرادی قوت اب خواتین ملازمین پر مشتمل ہے، جو صنفی توازن اور مساوی مواقع کے لیے ہماری دلیکٹی کو ظاہر کرتی ہے۔

یہ اقدامات DE&I اصولوں کو اپنی ثقافت میں شامل کرنے کے لیے کمپنی کی جاری کوششوں کی عکاسی کرتے ہیں، اس بات کو یقینی بناتے ہوئے کہ تمام ملازمین کو کمپنی کی کامیابی میں با معنی حصہ ڈالنے کا اختیار حاصل ہے۔

### ہلس ای سی پی کے سرکلر نمبر 10 کے تحت تنوع کا انکشاف

کمپنی صنفی تنوع کو فروغ دینے اور تمام ملازمین کو مساوی مواقع فراہم کرنے کے لیے پرعزم ہے۔ معاوضے کا تعین، کسی صنف کی بنیاد پر تفریق کے بغیر سختی سے تعلیم، صلاحیت اور ذمہ داریوں کی بنیاد پر کیا جاتا ہے۔ ہلس ای سی پی کے تقاضوں کی تعمیل میں، صنفی تنخواہ کے فرق پر ایک واضح بیان شائع کیا گیا ہے، جو کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔

### کاروبار کا تسلسل اور ڈیزاسٹر ریکوری

بورڈ نے کاروبار کے تسلسل اور ممکنہ آفات سے بچنے کے منصوبوں کا تفصیلی جائزہ لیا اور ان میں مزید بہتری کی ہے۔ ان اقدامات کا مقصد ممکنہ خطرات کو کم سے کم کرنا اور یہ یقینی بنانا ہے کہ غیر متوقع حالات میں بھی ہمارا کاروبار جاری رہے۔

### سائبر رسک مینجمنٹ اینڈ انفورسمنٹ

بورڈ کمپنی کے اثاثوں کی حفاظت، مالیاتی رپورٹنگ کی درستگی اور انحصار کو یقینی بنانے اور ریگولیٹری تقاضوں کی تعمیل کو فروغ دینے کے لیے ڈیزائن کردہ اندرونی کنٹرول کے ایک مضبوط نظام کو برقرار رکھنے کے لیے پرعزم ہیں۔ ہمارا اندرونی کنٹرول فریم ورک رسک مینجمنٹ، مالیاتی نظم و ضبط اور گورننس کے عمل سمیت آپریشنز کے تمام شعبوں کا احاطہ کرتا ہے۔ ڈیٹا کے تحفظ اور کاروبار کے تسلسل میں ان کے اہم کردار کو دیکھتے ہوئے آئی ٹی کنٹرولز پر خاص زور دیا جاتا ہے۔ کمپنی نے خطرات کو کم کرنے اور انفارمیشن سسٹم کی سالمیت کو یقینی بنانے جدید آئی ٹی انفراسٹرکچر، سائبر سیکیورٹی پروٹوکولز اور رسائی کنٹرول میں سرمایہ کاری کی ہے۔ ان کنٹرول کے مؤثر ہونے میں یقین دہانی حاصل کرنے کے لیے باقاعدہ انٹرئل آڈٹ، نگرانی اور جائزہ لینے کا طریقہ کار موجود ہے۔

### کمپنی کے کاروباری شعبوں سے متعلق حکومتی پالیسیاں

حکومت پاکستان صنعتی ترقی، ماحولیاتی پائیداری، اور قابل تجدید توانائی کو اپنانے پر مسلسل زور دے رہی ہے، یہ سب ہمارے کاروباری شعبوں پر براہ راست اثر ڈالتے ہیں۔ مقامی مینولیکچرنگ، درآمدی متبادل، اور صاف توانائی کے استعمال کی حوصلہ افزائی کرنے والی پالیسیاں، ترقی اور مسابقت کے مواقع فراہم کرتی ہیں۔ ایک ہی وقت میں، ماحولیاتی ضوابط، ذمہ دار فضلہ کا انتظام، اور توانائی کی کارکردگی کی تعمیل پر بڑھتی ہوئی توجہ ہمارے عزم کے مطابق ہے۔ کمپنی تمام قابل اطلاق قوانین، قواعد و ضوابط کی تعمیل کرتی ہے، اور متعارف کرائی گئی مراعات اور فریم ورک سے بروقت موافقت اور فائدہ اٹھانے کے لیے حکومتی پالیسیوں کی نگرانی کرتی رہتی ہے۔

### انٹرئل کنٹرول بشول آئی ٹی کنٹرولز پر بورڈ کا بیان

بورڈ کمپنی کے اثاثوں کی حفاظت، مالیاتی رپورٹنگ کی درستگی اور انحصار کو یقینی بنانے، اور ریگولیٹری تقاضوں کی تعمیل کو فروغ دینے کے لیے ڈیزائن کردہ انٹرئل کنٹرول کے ایک مضبوط نظام کو برقرار رکھنے کے لیے پرعزم ہے۔ ہمارا کنٹرول فریم ورک رسک مینجمنٹ، مالیاتی نظم و ضبط، اور گورننس کے عمل سمیت آپریشنز کے تمام شعبوں کا احاطہ کرتا ہے۔ ڈیٹا کے تحفظ اور کاروبار کے تسلسل میں ان کے اہم کردار کو دیکھتے ہوئے آئی ٹی کنٹرولز پر خاص زور دیا جاتا ہے۔ کمپنی نے خطرات کو کم کرنے اور انفارمیشن سسٹم کی سالمیت کو یقینی بنانے کے لیے جدید آئی ٹی انفراسٹرکچر، سائبر سیکیورٹی پروٹوکولز اور رسائی کنٹرول میں سرمایہ کاری کی ہے۔ بورڈ اور اسٹیک ہولڈرز کو ان کنٹرولز کی تاثیر کے بارے میں یقین دہانی فراہم کرنے کے لیے باقاعدہ آڈٹ، نگرانی، اور جائزہ لینے کا طریقہ کار موجود ہے۔

### مالیاتی اکاؤنٹنگ اور رپورٹنگ کے معیارات کی تعمیل

بورڈ پاکستان میں قابل اطلاق مالیاتی اکاؤنٹنگ اور رپورٹنگ کے معیارات کی مکمل تعمیل کرنے کے لیے پرعزم ہے، جس میں انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز (IASB) بورڈ کے جاری کردہ انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) شامل ہیں۔

ہم مؤثر اور شفاف مالیاتی رپورٹنگ کی اہمیت کو تسلیم کرتے ہیں، اور ان معیارات پر عمل کرنے کے لیے ہماری ٹگن سالمیت اور جوابدہی اعلیٰ سطحوں کو برقرار رکھنے کے لیے ہمارے عزم کو واضح کرتی ہے۔

### مستقبل کا نقطہ نظر

ملک کا مجموعی اقتصادی ماحول سازگار ہے، اور کمپنی کو توقع ہے کہ صنعت کے حالات طویل مدت میں مثبت رفتار کے ساتھ، مختصر سے درمیانی مدت میں مستحکم رہیں گے۔ آٹو اور ایف ایم سی جی دونوں شعبوں کی طلب مسلسل برقرار ہے، جو کاروبار کی ترقی کے لیے ٹھوس بنیاد فراہم کرتی ہے۔

مضبوط مالی پوزیشن اور صحت مند کیش فلو جزییشن کے ساتھ، کمپنی اپنی اسٹریٹجک ترجیحات کو آگے بڑھانے کی اچھی پوزیشن میں ہے۔ کمپنی آپریشنل افادیت کو بڑھانے، وسائل کو بہتر بنانے، اور موزوں اسٹریٹجک سرمایہ کاری کرنے پر مرکوز ہے۔ یہ اقدامات مسابقت کو مضبوط بنانے، فروخت میں پائیدار ترقی، پیداواری صلاحیت کو بہتر بنانے اور شیئر ہولڈرز کے لیے طویل مدتی قدر میں اضافہ کرنے کے لیے ڈیزائن کیے گئے ہیں۔

### اظہار تشکر

ہمارا ملازمین کے ساتھ تعلق سال بھر میں خوشگوار رہا ہے۔ انتظامیہ تمام ملازمین کی مسلسل لگن، عزم اور محنت جس کے بغیر یہ کارکردگی ممکن نہیں ہو سکتی تھی، کو تسلیم اور ان کی تعریف کرتی ہے۔

ہم اپنے قابل قدر صارفین کے مسلسل تعاون اور اپنی مصنوعات پر ریلائینس اور معیار کی بھی تعریف کرنا چاہیں گے۔ ہمارے مالیاتی اداروں کی طرف سے تعاون میں اضافہ بھی ہمارے لئے حوصلہ افزاء ہے، اور ہم ان کے نہایت ہی شکرگزار ہیں۔

  
چیف ایگزیکٹو آفیسر

مورخہ: 16 اگست 2025ء  
مقام: لاہور

  
ڈائریکٹر

## شیئر ہولڈرز کو ڈائریکٹرز کی رپورٹ

برائے مختصر سال 30 جون 2025ء

### محترم شیئر ہولڈرز،

بورڈ آف ڈائریکٹرز 30 جون 2025 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۔ زیر جائزہ سال مضبوط آپریشنل عمل درآمد، بہتر مالی کارکردگی، اور اسٹریٹجک ترجیحات پر مسلسل پیشرفت کی عکاسی کرتا ہے۔ یہ نتائج کاروبار کی چلک اور ہمارے ملازمین کی غیر متزلزل لگن کو اجاگر کرتے ہیں۔

### کاروباری کارکردگی

اللہ تعالیٰ کے فضل سے مالی سال 2025 کے دوران، SPEL کی سیل میں 38.3 فیصد اضافہ ہوا، جس کی مجموعی مالیت 9.63 بلین روپے تک پہنچ گئی، جو گزشتہ سال 6.97 بلین روپے تھی۔ یہ کارکردگی مارکیٹ کوریج میں توسیع، گاہکوں کے ساتھ مستحکم تعلقات، اور ترسیلی کارکردگی میں بہتری پر مرکوز اسٹریٹجک اقدامات کے نتیجے میں حاصل ہوئی۔

مجموعی منافع (گروس پرافٹ) نمایاں طور پر مضبوط ہوا، جو مالی سال 2024 میں 18.9 فیصد سے بڑھ کر مالی سال 2025 میں 26.9 فیصد ہو گیا۔ یہ بہتری سہولیات کی سولرائزیشن کے بعد بجلی کی کم لاگت، زیادہ پیداواری حجم کے باعث مقررہ اوور ہیڈز کے بہتر جذب اور برآمدی ترسیل کو ہوائی نقل و حمل کی بجائے سے بحری نقل و حمل پہ شفٹ کیا، جس کی وجہ سے لاگت میں کمی واقع ہوئی۔ ان آپریشنل فوائد نے مجموعی طور پر مارجن میں اضافہ اور منافع میں استحکام میں حاصل کیا۔

### مالیاتی نتائج

زیر جائزہ اور گزشتہ سال کے لیے کمپنی کے مالیاتی نتائج مندرجہ ذیل ہیں:

روپے بلین میں		
	2025	2024
آمدنی	9,633.22	6,965.10
مجموعی منافع	2,587.96	1,322.07
آپریٹنگ منافع	2,097.74	938.02
قبل از ٹیکس منافع	1,991.02	907.82
ٹیکس	737.90	266.85
بعد از ٹیکس منافع	1,253.12	640.97

### فی شیئر آمدنی اور منافع

موجودہ اور پچھلے سال کی فی حصص آمدنی حسب ذیل ہے:

بنیادی اور معتدل آمدن فی شیئر مالی سال 2025 ء	روپے 6.60
بنیادی اور معتدل آمدن فی شیئر مالی سال 2024 ء	روپے 3.36

سال کے دوران، کمپنی نے 12 فیصد کار عبوری نقد منافع (ڈیویڈنڈ) تقسیم کیا۔ اس کے علاوہ، بورڈ آف ڈائریکٹرز 8 فیصد کے حقیقی نقد منافع کی سفارش کرتے ہیں، جو آئندہ سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔ اس سے مالی سال 2025 کے لیے مجموعی طور پر تقسیم شدہ منافع ڈیویڈنڈ 20 فیصد ہو جائے گا، جو کہ پچھلے مالی سال میں 16 فیصد تھا۔

### کارپوریٹ سماجی ذمہ داری

SPEL کمیونٹی کی مدد پر یقین رکھتی ہے اور اپنے سی ایلس آر کے ذریعے اپنا کردار ادا کرنے کی پالیسی پر عمل کرتی ہے۔ ہم سماجی اور ماحولیاتی تحفظ کی ذمہ داریوں کو تسلیم کرتے ہیں اور کوشش کرتے ہیں کہ یہ ذمہ داریاں نہ صرف ہمارے ملازمین اور پلاٹس کو فائدہ پہنچائیں

بلکہ ان کمیونٹیز اور اسٹیک ہولڈرز تک بھی پہنچیں جہاں ہم کام کرتے ہیں۔

سال کے دوران، ہم نے مختلف سی ایلس آر اقدامات کیے جن کا مقصد کمیونٹی اور ماحول کو مثبت انداز میں فائدہ پہنچانا تھا۔ ان اقدامات میں قریبی کمیونٹیز کے لیے طبی کیمپس کا انعقاد، غیر منافع بخش تنظیموں کو عطیات دینا، تحقیقی اداروں کو سپورٹ کرنا اور تعلیم و بہر مندی کے فروغ کو معاونت فراہم کرنا شامل تھا۔ ہم نے شہرکاری کی مہم بھی چلائی اور ایسے ملازمین کو مالی مدد فراہم کی جو مزید تعلیم حاصل کرنا چاہتے تھے۔ ان سرگرمیوں کے ساتھ ساتھ، ہم نے سولرائزیشن میں بھی سرمایہ کاری کی، جو کہ توانائی کو فروغ دینے اور ہمارے کاربن فوٹ پرنٹ کو کم کرنے کے لیے ہمارے عزم کو ظاہر کرتی ہے۔

### انسانی وسائل:

ہم اپنے ملازمین کی لگن اور عزم کو سراہتے ہیں، جو کمپنی کی ترقی میں بنیادی کردار ادا کرتے ہیں۔ SPEL ٹیم ورک، اختراع، مؤثر مواصلات اور مسلسل سیکھنے کے کچھرو کو فروغ دے کر ملازمین کی ترقی کو ہمیشہ ترجیح دیتی ہے۔

زیر جائزہ سال کے دوران کمپنی نے ملازمین کی تربیت پر 8,158 افرادی کھٹے صرف کیے، جو 2024 میں لگائے گئے 4,749 افرادی کھٹوں کے مقابلے میں زیادہ ہیں۔ تربیتی سیشنز میں کابزن، 6 ایلس، کوالٹی کنٹرول سرکلز، سپروائزری مہارتیں، فائز اینڈ سیفٹی، اور مختلف تکنیکی انتظامی ماڈیولز سمیت تمام محموں کا احاطہ کیا گیا۔

کمپنی نے مصنوعی ذہانت، روبوٹک پروسیس، آٹومیشن، ڈیٹا اینالیٹکس، پاور بی آئی اور مائیکروسافٹ پاور ٹولز جیسے جدید شعبوں میں بھی اپنے ملازمین کی تربیت پر سرمایہ کاری کی ہے۔ یہ اقدامات اس بات کی عکاسی کرتے ہیں کہ کمپنی اپنی افرادی قوت کو ابھرتے ہوئے کاروباری چیلنجز سے نمٹنے کے لیے جدید مہارتوں اور علم سے آراستہ کرنے کے لیے پُر عزم ہے۔

### بورڈ کی تشکیل

بورڈ کی تشکیل مہارت، صلاحیت اور تنوع کو مد نظر رکھتے ہوئے اس طرح کی گئی ہے کہ وہ کمپنی کی ضروریات اور کوڈ آف کارپوریٹ گورننس کی شرائط کو پورا کرے اور یہ یقینی بنائے کہ بورڈ ایک اجتماعی ادارے کے طور پر مؤثر طریقے سے کام کرے۔

کمپنی کے ڈائریکٹرز کی کل تعداد مندرجہ ذیل ہے:

خانوان ڈائریکٹرز	01
مرد ڈائریکٹرز	06
<b>ڈائریکٹرز کی کل تعداد</b>	<b>07</b>

بورڈ کی تشکیل مندرجہ ذیل ہے:

انڈینڈنٹ نان ایگزیکٹو ڈائریکٹرز	03
دیگر نان ایگزیکٹو ڈائریکٹرز	02
ایگزیکٹو ڈائریکٹرز	02
<b>ڈائریکٹرز کی کل تعداد</b>	<b>07</b>

### نان ایگزیکٹو ڈائریکٹرز اور انڈینڈنٹ ڈائریکٹر کے لئے معاوضہ کی پالیسی

بورڈ نے اپنے ڈائریکٹرز کے لئے معاوضہ کی ایک پالیسی منظور کی ہوئی ہے۔ پالیسی کے مطابق، انڈینڈنٹ ڈائریکٹرز اور نان ایگزیکٹو ڈائریکٹرز بورڈ کی طرف سے وقتاً فوقتاً منظور کردہ معاوضے کے مطابق بورڈ یا کسی کمپنی کے اجلاسوں میں شرکت کے لئے میٹنگ فیس وصول کرنے کے اہل ہوں گے۔ اگر کوئی نان ایگزیکٹو ڈائریکٹر اضافی خدمات سر انجام 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۔

### بورڈ کے اجلاس اور حاضری

زیر جائزہ سال کے دوران، بورڈ کے پانچ (05) اجلاس منعقد ہوئے ہیں جس میں ہر ڈائریکٹر کی حاضری مندرجہ ذیل ہے:

نام	عہدہ	اجلاس میں شرکت اہل / اجلاس
جناب الماس حیدر	چیئرمین / نان ایگزیکٹو ڈائریکٹر	5/5
جناب ضیاء حیدر نقی	سی ای او / ایگزیکٹو ڈائریکٹر	5/5
جناب ہارون شریف	انڈینڈنٹ نان ایگزیکٹو ڈائریکٹر	5/5
ڈاکٹر سید سہیل حسین نقوی	انڈینڈنٹ نان ایگزیکٹو ڈائریکٹر	5/5
جناب امین احسن	انڈینڈنٹ نان ایگزیکٹو ڈائریکٹر	3/3*
جناب عابد سلیم خان	ایگزیکٹو ڈائریکٹر	5/5
ڈاکٹر نگہت ارشد	نان ایگزیکٹو ڈائریکٹر	5/5
جناب شیخ نصیر حیدر	نان ایگزیکٹو ڈائریکٹر	2/2**
جناب خاور انور خواجہ	انڈینڈنٹ نان ایگزیکٹو ڈائریکٹر	2/2**
جناب رضا حیدر نقی	نان ایگزیکٹو ڈائریکٹر	2/2**

اجلاس میں شرکت نہ کرنے والے ارکان کو غیر حاضری کی باضابطہ طور پر چھٹی دے دی گئی۔

\* 26 اکتوبر 2024 کو منعقدہ AGM میں منتخب ہوئے اور اس وجہ سے مالی سال 2025 کی مدت میں تین اجلاسوں میں شرکت کے مجاز تھے۔

\*\* 26 اکتوبر 2024 کو منعقدہ AGM میں مدت پوری ہونے پر ریٹائر ہوئے اور مالی سال 2025 کی مدت میں صرف دو اجلاسوں میں شرکت کے مجاز تھے۔

### بورڈ آڈٹ کمیٹی

زیر نظر سال کے دوران، چار (04) بورڈ آڈٹ کمیٹی کے اجلاس منعقد ہوئے اور ہر رکن کی حاضری مندرجہ ذیل ہے:

نام	عہدہ	اجلاس میں شرکت اہل / اجلاس
جناب ہارون شریف	کمپنی چیئرمین	4/4
جناب الماس حیدر	رکن	4/4
جناب امین احسن	رکن	2/2*
ڈاکٹر نگہت ارشد	رکن	2/2*
جناب خاور انور خواجہ	رکن	2/2**
جناب رضا حیدر نقی	رکن	2/2**

\* 29 اکتوبر 2024 کو کمیٹی کے ممبر بنے اور اس وجہ سے مالی سال 2025 کی مدت میں تین اجلاسوں میں شرکت کے مجاز ہیں۔

\*\* 26 اکتوبر 2024 کو منعقدہ AGM میں مدت پوری ہونے پر ریٹائر ہوئے اور مالی سال 2025 میں صرف دو اجلاسوں میں شرکت کے مجاز تھے۔

### پیومن ریسورس اور ریسٹریکشن کمیٹی

پیومن ریسورس اور ریسٹریکشن کمیٹی (ایچ آر کمیٹی) کی تشکیل مندرجہ ذیل کے مطابق ہے:

نام	عہدہ
جناب امین احسن	کمپنی چیئرمین
جناب الماس حیدر	رکن
جناب ضیاء حیدر نقی	رکن
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	کمپنی چیئرمین
جناب ضیاء حیدر نقی	رکن
جناب ہارون شریف	رکن
ڈاکٹر سید سہیل حسین نقوی	رکن
جناب عابد سلیم خان	رکن

### رئسک مینجمنٹ اینڈسٹین ایبلٹی کمیٹی

رئسک مینجمنٹ اینڈسٹین ایبلٹی کمیٹی کی تشکیل مندرجہ ذیل ہے:

نام	عہدہ
ڈاکٹر سید سہیل حسین نقوی	کمپنی چیئرمین
جناب ضیاء حیدر نقی	رکن
جناب ہارون شریف	رکن
ڈاکٹر نگہت ارشد	رکن

### نومینیشن کمیٹی

نومینیشن کمیٹی کی تشکیل مندرجہ ذیل کے مطابق ہے:

نام	عہدہ
جناب الماس حیدر	کمپنی چیئرمین
جناب ضیاء حیدر نقی	رکن
ڈاکٹر سید سہیل حسین نقوی	رکن

### ڈائریکٹرز کی ٹریننگ

اس رپورٹ کی تاریخ تک، اسٹڈ کمپنیز (کوڈآف کارپوریٹ گورننس) ریگولیشنز، 2019 کے مطابق کمپنی کے چھ (06) ڈائریکٹرز نے ڈائریکٹرز ٹریننگ پروگرام DTP کامیابی سے مکمل کر لیا ہے۔ باقی ایک ڈائریکٹر جو گزشتہ سالانہ اجلاس عام میں مقرر ہوئے، مستقبل میں تربیتی پروگرام مکمل کرنے کا ادارہ رکھتے ہیں۔

### بورڈ کی کارکردگی کا تجزیہ

بورڈ نے اپنی مجموعی کارکردگی اور بورڈ کمیٹیوں کی افادیت کا جائزہ لینے کے لیے ایک منظم اور شفاف طریقہ کار اختیار کیا ہے۔ اس عمل کا مقصد یہ یقینی بنانا ہے کہ بورڈ اپنی ذمہ داریوں کو بہترین انداز میں ادا کرے اور کمپنی کے طویل المدتی مقاصد کے ساتھ ہم آہنگ رہے۔

اس تجزیے میں درج ذیل پہلوؤں پر خاص توجہ دی گئی:



## Notes



## Form of Proxy (مختار نامہ)

**SPEL Limited**

(formerly Synthetic Products Enterprises Limited)  
127-S, Q.I.E. Township Kot Lakhpat, Lahore

I/We \_\_\_\_\_ of \_\_\_\_\_, being member(s) of SPEL Limited (*formerly Synthetic Products Enterprises 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 **43rd Annual General Meeting** of the Company to be held on **September 30, 2025 at 11:00 a.m.** and at any adjournment thereof.

Signed under my / our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

میں / ہم \_\_\_\_\_ بحیثیت رکن سینیٹ لینڈ ( سابقہ سینیٹیک پراڈکٹس انٹرپرائز لینڈ )  
 شیئرز کے مالک \_\_\_\_\_ فلیو / سی ڈی سی اکاؤنٹ نمبر اپنی جگہ جناب \_\_\_\_\_  
 کو جن کا شناختی کارڈ نمبر \_\_\_\_\_ ہے، کو سینیٹ لینڈ ( سابقہ سینیٹیک پراڈکٹس انٹرپرائز لینڈ ) کے متعلقہ اس  
 سالانہ اجلاس میں جو کہ 30 ستمبر 2025 کو بوقت 11:00 بجے منعقد ہو رہا ہے، یا اسکے ملوثی شدہ اجلاس میں شرکت اور میری / ہماری طرف سے حق رائے دہی استعمال کرنے کے لئے اپنا / ہمارا اختیار (پراسی) مقرر  
 کرتا / کرتے ہیں۔

مورخہ \_\_\_\_\_ 2025 کو میرے / ہمارے دستخط سے جاری ہوا۔

Signature of Proxy  
پراسی کے دستخط

Revenue Stamp  
راوینو سٹیمپ

Signature of Member  
ممبر کے دستخط

**Signed in the presence of witnesses:**

Signature دستخط \_\_\_\_\_

Name نام \_\_\_\_\_

Address ایڈریس \_\_\_\_\_

CNIC No. شناختی کارڈ نمبر \_\_\_\_\_

Signature دستخط \_\_\_\_\_

Name نام \_\_\_\_\_

Address ایڈریس \_\_\_\_\_

CNIC No. شناختی کارڈ نمبر \_\_\_\_\_

مکمل پر شدہ مختار نامہ کمپنی کے رجسٹرڈ آفس میں اجلاس سے کم از کم 48 گھنٹے قبل جمع کرانا ضروری ہے۔

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.

AFFIX  
CORRECT  
POSTAGE

The Company Secretary,  
**SYNTHETIC PRODUCTS ENTERPRISES LIMITED**  
127-S, Q.I.E. Township,  
Kot Lakhpat, Lahore.







[www.spelgroup.com](http://www.spelgroup.com)



**SPEL Limited**

127-S Quaid-e-Azam Industrial Estate,  
Township, Kot Lakhpat, Lahore, Pakistan.  
Phone: 042 111 005 005 | Fax: 042 351 18507