

## CAST PACKAGING FILMS (PRIVATE) LIMITED

| RATING DETAILS        |                  |            |
|-----------------------|------------------|------------|
| RATINGS CATEGORY      | Latest Rating    |            |
|                       | Long Term        | Short Term |
| ENTITY                | A-               | A2         |
| RATING OUTLOOK/ WATCH | Stable           |            |
| RATING ACTION         | Initial          |            |
| RATING DATE           | January 21, 2026 |            |

| Shareholding (5% or More)            | Other Information                         |
|--------------------------------------|---|
| International Packaging Films ~ 100% | Incorporated in 2020                      |
|                                      | Private Limited Company                   |
|                                      | Chief Executive Officer: Naveed Godil     |
|                                      | External Auditor: PWC A.F. Ferguson & Co. |

## Applicable Rating Methodology

VIS Entity Rating Criteria Methodology – Corporates Ratings  
<https://docs.vis.com.pk/docs/CorporateMethodology.pdf>

## Rating Scale

<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

## Rating Rationale

The rating of Cast Packaging Films (Private) Limited (“CPAK” or “the Company”) reflects its stable operating performance, strong capacity utilization, and sound financial risk profile. Ratings also incorporate its position as a wholly owned subsidiary of International Packaging Films Limited. Business risk is moderate, underpinned by steady demand for CPP films from FMCG, food, and pharmaceutical sectors, though exposed to imported raw material price volatility, energy costs, and competitive pressures. Financial risk is low, characterized by conservative leverage, minimal gearing, stable profitability and strong debt servicing coverage. Ratings remain underpinned on prudent financial management, operational stability, and continued parent support.

## Credit Rating Company Limited

## Company Profile

Cast Packaging Films (Private) Limited was incorporated in Pakistan on April 01, 2020, as a private limited company under the Companies Act, 2017. The registered office of the Company is located at Plot No. 40-L-1, P.E.C.H.S, Block-6, Karachi. CPAK commenced commercial operations on April 01, 2021.

The Company is principally engaged in the manufacturing and sale of flexible packaging materials, primarily Cast Polypropylene (CPP) films and allied products. CPP is a Polypropylene film produced through casting process and has good sealing performance, high elongation and mostly used for the inner layer of the composite packaging bag.

CPAK is a wholly owned subsidiary of International Packaging Films Limited (IPAK), representing 100% ownership as at June 30, 2025. CPAK operates a state-of-the-art manufacturing facility located at Manga Chowk, Roohinala, Raiwind By-Pass Road, Lahore. The plant is equipped with a five-layer co-extruded CPP production line imported in 2021 from SML Maschinengesellschaft, Austria, one of the leading global manufacturers of CPP film production lines. The facility has a nameplate capacity of 9,900 tons per annum with a working width of 3,300 mm. In addition, the Company has advanced metallizing and slitting units, enabling it to cater to a wide range of value-added flexible packaging applications.

## Management and Governance

CPP is a 100% owned subsidiary of IPAK which has a shareholding distributed among five distinct business families, with the largest stake held by Mr. Naveed Godil. Other key shareholders include Mr. Mushtaq Ali Tejani, Mr. Aftab Zahoor Raja, Mr. Taimoor Iqbal, and Mr. Arsalan Pirani.

The Board of directors of CPP comprises of 2 members only, namely Mr. Naveed Godil and Mr. Mushtaq Ali Tejani. Mr. Naved Godil serves as the Chief Executive Officer (CEO) of the Company.

## Business Risk

## INDUSTRY

The packaging industry in Pakistan is assessed as high to medium risk, marked by strong demand drivers but significant cost-side vulnerabilities. Demand is primarily supported by the FMCG, food, beverage, and pharmaceutical sectors, which continue to grow in line with rising population, urbanization, and consumer preference for branded products. Flexible packaging, in particular, has gained traction due to cost efficiency, adaptability and suitability for modern retail and e-commerce channels.

The CPP films industry in Pakistan is a relatively small but growing segment of the broader flexible packaging market. Demand, estimated at around 35,000-40,000 tonnes, is primarily driven by the food, FMCG, confectionery, textile, and pharmaceutical sectors, where CPP films are used for heat-sealable, laminated, and specialty packaging applications. The industry benefits from structural growth in packaged food consumption, urbanization, and a gradual shift from traditional to flexible packaging solutions.

The local CPP market is characterized by limited domestic capacity of around 40,000 tonnes and a small number of established producers, namely Astro Films, Tripack and Macpac Films, resulting in reliance on imports for certain grades, particularly high-quality and specialty CPP films. This provides local manufacturers with import substitution opportunities; however, competition remains intense due to price-sensitive customers and availability of imported material, mainly from China and the Middle East. The industry is exposed to volatility in polypropylene (PP) resin prices, which are largely imported and linked to global oil prices, as well as rising energy costs.

## OPERATIONAL UPDATE:

The Company has a nameplate capacity of 9,900 metric tonnes, of which 8,000 metric tonnes is available capacity. The plant became operational in 2021. Capacity utilization has remained high. Capacity utilization against available capacity during FY25 was recorded at ~86%.

| Plant Capacity and Production | FY24  | FY25  |
|-------------------------------|-------|-------|
| Production Capacity (Tons)    | 9,900 | 9,900 |
| Actual Production (Tons)      | 6,500 | 6,885 |
| Capacity Utilization          | 65.6% | 69.5% |

## PROFITABILITY:

## Credit Rating Company Limited

The Company has maintained stable turnover of around Rs 3-3.6B over the last three years. However, margins have remained volatile over the years reflecting the raw material price volatility. In FY25, gross margins were recorded at 15.8% which slid further to 14.8% in Q1FY26. Net margins of the business remain fairly strong averaging around 13%. Going forward, profitability profile is expected to remain rangebound.

### Financial Risk

#### CAPITAL STRUCTURE

The business is relatively small, with total assets of Rs. 4.7 billion as of September 30, 2025, financed through Rs. 2.9 billion in equity and the balance through debt. As a result, leverage remains low at 0.63x, while gearing is minimal at 0.2x. The debt profile is predominantly short-term, supporting working capital requirements. Full profit retention continues to support equity growth.

#### DEBT COVERAGE & LIQUIDITY

Owing to sustained profitability and low debt levels, funds from operations (FFO) coverages remain strong, with the debt service coverage ratio (DSCR) maintained at a sound level of around 2.0x. The liquidity profile is adequate, supported by a current ratio of 1.2x and short-term borrowing coverage of approximately 2.0x. Furthermore, the cash conversion cycle has shown an improving trend over time, reflecting enhanced working capital management.

| <b>Financial Summary</b>                  |                 | <b>Appendix I</b> |                 |                 |
|---|-----------------|-------------------|-----------------|-----------------|
| <b>Balance Sheet (PKR Millions)</b>       | <b>FY23A</b>    | <b>FY24A</b>      | <b>FY25A</b>    | <b>3MFY26M</b>  |
| Property, plant and equipment             | 1,326.96        | 1,249.76          | 1,173.87        | 1,154.06        |
| Right-of-use Assets                       | 0.00            | 0.00              | 0.00            | 0.00            |
| Intangible Assets                         | 0.00            | 0.00              | 0.00            | 0.00            |
| Long-term Investments                     | 0.00            | 0.00              | 1,583.05        | 1,583.05        |
| Stock-in-trade                            | 604.50          | 686.18            | 412.84          | 586.33          |
| Trade debts                               | 879.55          | 529.89            | 785.88          | 816.91          |
| Short-term Investments                    | 0.00            | 0.00              | 0.00            | 0.00            |
| Cash & Bank Balances                      | 48.11           | 17.26             | 23.95           | 41.16           |
| Other Assets                              | 256.40          | 1,822.83          | 479.78          | 559.31          |
| <b>Total Assets</b>                       | <b>3,115.52</b> | <b>4,305.92</b>   | <b>4,459.37</b> | <b>4,740.82</b> |
| Creditors                                 | 176.57          | 348.64            | 422.78          | 930.73          |
| Long-term Debt (incl. current portion)    | 27.47           | 25.76             | 23.45           | 23.56           |
| Short-Term Borrowings                     | 502.69          | 1,063.28          | 666.45          | 569.59          |
| <b>Total Debt</b>                         | <b>530.16</b>   | <b>1,089.04</b>   | <b>689.90</b>   | <b>593.15</b>   |
| Other Liabilities                         | 461.16          | 423.50            | 513.33          | 306.92          |
| <b>Total Liabilities</b>                  | <b>1,167.89</b> | <b>1,861.18</b>   | <b>1,626.01</b> | <b>1,830.80</b> |
| Paid up Capital                           | 1,588.00        | 1,588.00          | 1,588.00        | 1,588.00        |
| Revenue Reserve                           | 359.63          | 856.73            | 1,245.37        | 1,322.03        |
| Other Equity (excl. Revaluation Surplus)  | 0.00            | 0.00              | 0.00            | 0.00            |
| Sponsor Loan                              | 0.00            | 0.00              | 0.00            | 0.00            |
| <b>Equity (excl. Revaluation Surplus)</b> | <b>1,947.63</b> | <b>2,444.73</b>   | <b>2,833.37</b> | <b>2,910.03</b> |
| <b>Income Statement (PKR Millions)</b>    |                 | <b>FY23A</b>      | <b>FY24A</b>    | <b>3MFY26M</b>  |
| Net Sales                                 | 3,277.39        | 3,185.51          | 3,664.55        | 895.55          |
| Gross Profit                              | 953.20          | 692.85            | 580.97          | 133.10          |
| Operating Profit                          | 722.33          | 641.44            | 597.06          | 98.08           |
| Finance Costs                             | 116.45          | 138.39            | 182.65          | 21.11           |
| Profit Before Tax                         | 605.88          | 503.05            | 414.41          | 76.97           |
| Profit After Tax                          | 418.63          | 497.45            | 388.69          | 76.66           |
| <b>Ratio Analysis</b>                     |                 | <b>FY23A</b>      | <b>FY24A</b>    | <b>3MFY26M</b>  |
| Gross Margin (%)                          | 29.08%          | 21.75%            | 15.85%          | 14.86%          |
| Operating Margin (%)                      | 22.04%          | 20.14%            | 16.29%          | 10.95%          |
| Net Margin (%)                            | 12.77%          | 15.62%            | 10.61%          | 8.56%           |
| Funds from Operation (FFO) (PKR Millions) | 624.41          | 532.42            | 186.36          | 76.97           |
| FFO to Total Debt* (%)                    | 117.78%         | 48.89%            | 27.01%          | 51.91%          |
| FFO to Long Term Debt* (%)                | 2273.06%        | 2066.85%          | 794.71%         | 1306.79%        |
| Gearing (x)                               | 0.27            | 0.45              | 0.24            | 0.20            |
| Leverage (x)                              | 0.60            | 0.76              | 0.57            | 0.63            |
| Debt Servicing Coverage Ratio* (x)        | 6.23            | 4.45              | 2.09            | 3.42            |
| Current Ratio (x)                         | 1.90            | 0.97              | 1.24            | 1.27            |
| (Stock in trade + trade debts) / STD (x)  | 2.98            | 1.17              | 1.88            | 2.56            |
| Return on Average Assets* (%)             | 13.44%          | 13.41%            | 8.87%           | 6.67%           |
| Return on Average Equity* (%)             | 21.49%          | 22.65%            | 14.73%          | 10.68%          |
| Cash Conversion Cycle (days)              | 165.16          | 136.79            | 84.92           | 60.45           |

\*Annualized, if required

A - Actual Accounts

P - Projected Accounts

M - Management Accounts

| REGULATORY DISCLOSURES           |  |                     |            |                | Appendix II   |      |             |      |                        |                     |  |                      |                         |  |                  |                       |  |                                |                         |                   |
|----------------------------------|--|---------------------|------------|----------------|---------------|------|-------------|------|------------------------|---------------------|--|----------------------|-------------------------|--|------------------|-----------------------|--|--------------------------------|-------------------------|-------------------|
| Name of Rated Entity             | Cast Packaging Films (Private) Limited   |                     |            |                |               |      |             |      |                        |                     |  |                      |                         |  |                  |                       |  |                                |                         |                   |
| Sector                           | Packaging  |                     |            |                |               |      |             |      |                        |                     |  |                      |                         |  |                  |                       |  |                                |                         |                   |
| Type of Relationship             | Solicited  |                     |            |                |               |      |             |      |                        |                     |  |                      |                         |  |                  |                       |  |                                |                         |                   |
| Purpose of Rating                | Entity Ratings   |                     |            |                |               |      |             |      |                        |                     |  |                      |                         |  |                  |                       |  |                                |                         |                   |
| Rating History                   | Rating Date  | Medium to Long Term | Short Term | Rating Outlook | Rating Action |      |             |      |                        |                     |  |                      |                         |  |                  |                       |  |                                |                         |                   |
|                                  | RATING TYPE: ENTITY  |                     |            |                |               |      |             |      |                        |                     |  |                      |                         |  |                  |                       |  |                                |                         |                   |
|                                  | 1/21/2026  | A-                  | A2         | Stable         | Initial       |      |             |      |                        |                     |  |                      |                         |  |                  |                       |  |                                |                         |                   |
| Instrument Structure             | N/A  |                     |            |                |               |      |             |      |                        |                     |  |                      |                         |  |                  |                       |  |                                |                         |                   |
| Statement by the Rating Team     | VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.   |                     |            |                |               |      |             |      |                        |                     |  |                      |                         |  |                  |                       |  |                                |                         |                   |
| Probability of Default           | VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.   |                     |            |                |               |      |             |      |                        |                     |  |                      |                         |  |                  |                       |  |                                |                         |                   |
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| Due Diligence Meetings Conducted | <table border="1"> <thead> <tr> <th>Name</th> <th>Designation</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Mr. Abdul Razzak Chini</td> <td>Group Head Treasury</td> <td></td> </tr> <tr> <td>Mr. Syed Haris Salim</td> <td>Chief Financial Officer</td> <td></td> </tr> <tr> <td>Mr. Waqas Younas</td> <td>Group Manager Finance</td> <td></td> </tr> <tr> <td>Mr. Syed Mohammad Faisal Zafar</td> <td>Senior Rating Executive</td> <td>December 08, 2025</td> </tr> </tbody> </table> |                     |            |                |               | Name | Designation | Date | Mr. Abdul Razzak Chini | Group Head Treasury |  | Mr. Syed Haris Salim | Chief Financial Officer |  | Mr. Waqas Younas | Group Manager Finance |  | Mr. Syed Mohammad Faisal Zafar | Senior Rating Executive | December 08, 2025 |
| Name                             | Designation  | Date                |            |                |               |      |             |      |                        |                     |  |                      |                         |  |                  |                       |  |                                |                         |                   |
| Mr. Abdul Razzak Chini           | Group Head Treasury  |                     |            |                |               |      |             |      |                        |                     |  |                      |                         |  |                  |                       |  |                                |                         |                   |
| Mr. Syed Haris Salim             | Chief Financial Officer  |                     |            |                |               |      |             |      |                        |                     |  |                      |                         |  |                  |                       |  |                                |                         |                   |
| Mr. Waqas Younas                 | Group Manager Finance  |                     |            |                |               |      |             |      |                        |                     |  |                      |                         |  |                  |                       |  |                                |                         |                   |
| Mr. Syed Mohammad Faisal Zafar   | Senior Rating Executive  | December 08, 2025   |            |                |               |      |             |      |                        |                     |  |                      |                         |  |                  |                       |  |                                |                         |                   |