



PABC

PAKISTAN ALUMINIUM
BEVERAGE CANS LIMITED

Annual
Report
2022



PABBC

PAKISTAN ALUMINIUM
BEVERAGE CANS LIMITED



ABOUT THE COVER

Triangle - simplest of the shapes yet an integral part of every structure. It is a geometric symbol of strength, stability, power, and equilibrium- qualities highly valued in the business world.

A strong company weathers storms and overcomes obstacles, while stability builds trust and credibility with stakeholders. Power enables bold moves and seizing opportunities, while equilibrium is crucial for long-term balance and sustainability.

PABC strives to embody these values to become a strong and stable company with the power to make a difference in its industry. With a focus on balance and equilibrium in all its operations, PABC aims to thrive for years to come.

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COMPANY PROFILE

Pakistan Aluminium Beverage Cans Limited (PABC) is a pioneer in manufacturing beverage cans in Pakistan. PABC began its journey in December 2014 as the Country's first and only manufacturer and exporter of aluminum beverage cans. Its commercial production began in September 2017, with a production capacity of 700 million cans per year. PABC has increased its production capacity over time and achieved a yearly output of 950 million cans in August 2022. Currently, the company is pursuing further expansion that will raise its annual production capacity to 1200 million cans in 2023.

PABC operates from its modern production facility located at M-3 Industrial City, Faisalabad, and provides quality products and services to its customers in Pakistan, South Asia and Central Asia. At PABC, we believe in sustainable and ethical business practices, and our customers' satisfaction is at the forefront of our priorities.

As a company, PABC takes pride in contributing to the industrial diversity of the Country, creating domestic value, and reducing imports. We are proud of our journey, and we look forward to becoming the preferred choice for beverage can solutions.



VISION

To be a regional supplier of beverage cans with efficient manufacturing facility and satisfied customers.

MISSION

To seek increased regional market share by anticipating emerging trends and manufacturing quality products for meeting the demands of our valued customers and ensuring adequate return to our shareholders.

STATEMENT OF CORE CORPORATE VALUES

At our company, we believe that our success is rooted in a set of core values that guide our decisions, actions, and interactions with our stakeholders. These values reflect our identity as a company and what we stand for. We are committed to upholding these values and integrating them into everything we do.

Our core corporate values include:

- * Integrity: We act with honesty, transparency, and ethical standards in all that we do, and we expect the same from our partners, suppliers, and employees.
- * Respect: We treat all individuals with dignity, respect, and fairness, regardless of their background, culture, or beliefs.
- * Innovation: We encourage creativity and innovation in everything we do, and we are committed to constantly improving and finding new ways to exceed the expectations of our customers.
- * Collaboration: We work together as a team, valuing diversity and fostering a culture of cooperation, communication, and mutual support.
- * Customer focus: We put our customers first, striving to understand their needs, providing excellent service, and delivering products and solutions that exceed their expectations.
- * Social responsibility: We are committed to making a positive impact on the communities where we operate, by promoting sustainable practices, supporting local initiatives, and giving back to society.
- * Transparency: We are open and transparent in our communication with all stakeholders, and we strive to provide accurate, timely, and clear information about our operations, policies, and practices.
- * Accountability: We take responsibility for our actions and decisions, and we hold ourselves accountable to our stakeholders for delivering on our commitments and upholding our values.

These values are not merely empty statements, but principles that we embody and apply in our daily operations. We firmly believe that by upholding these values, we will continue to earn the trust and respect of our stakeholders, and achieve sustainable growth and long-term success. Our commitment to these core corporate values is unwavering, and we strive to integrate them into everything we do, from our internal processes to our relationships with customers, partners, and the wider community.



COMPANY INFORMATION

Board of Directors

Mr. Simon Michael Gwyn Jennings
Mr. Azam Sakrani
Mr. Asad Shahid Soorty
Ms. Hamida Salim Mukaty
Mr. Muhammad Jawaid Iqbal
Mr. Salim Parekh
Mr. Zain Ashraf Mukaty

Chairman and Non-Executive Director
Chief Executive Officer and Director
Non-Executive Director
Non-Executive Director
Independent Director
Independent Director
Non-Executive Director

Audit Committee

Mr. Muhammad Jawaid Iqbal
Mr. Asad Shahid Soorty
Mr. Zain Ashraf Mukaty

Chairman
Member
Member

Human Resource and Remuneration Committee

Mr. Salim Parekh
Mr. Simon Michael Gwyn Jennings
Mr. Zain Ashraf Mukaty

Chairman
Member
Member

Chief Financial Officer

Mr. Syed Asad Hussain Zaidi

Company Secretary

Mr. Sohail Akhtar Gogal

Registered Office

PHA Flat No. 04, Block No. 12,
G-8 / 4, Islamabad

Main Office

29 & 30, M-3 Industrial City,
Main Boulevard, Sahianwala,
Faisalabad

Auditors

Kreston Hyder Bhimji &
Co. Chartered Accountants

Legal Advisor

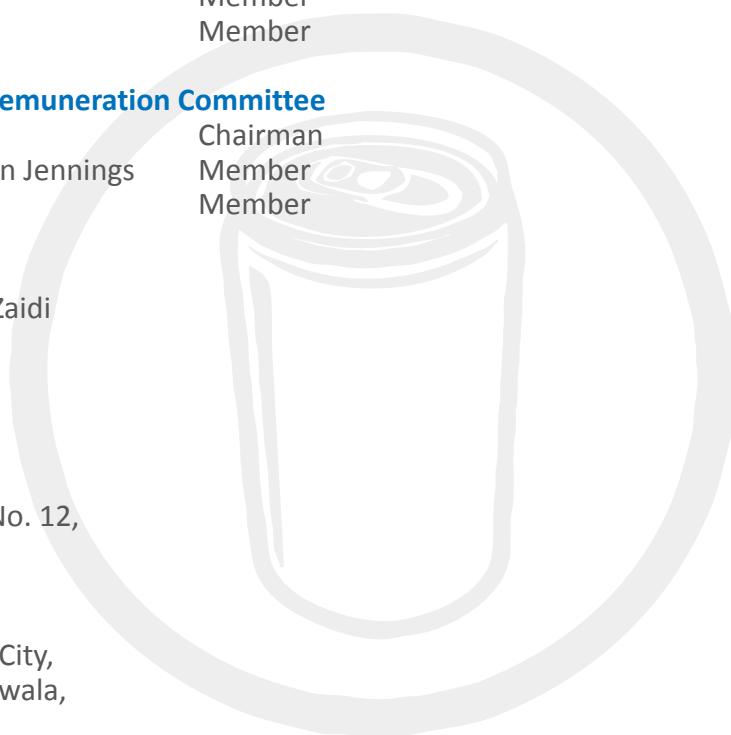
Mr. Muhammad Mehmood Arif

Share Registrar

THK Associates (Pvt) Ltd
Plot No. 32-C, Jami Commercial Street 2,
D.H.A Phase VII, Karachi, 75500 Pakistan.
Tel: +92 111 000 322 Email: it@thk.com.pk

Website

www.pkbevcan.com





BOARD OF DIRECTORS



MR. SIMON MICHAEL GWYN JENNINGS
Chairman (Non-Executive Director)

Mr. Simon is member of Human Resource and Remuneration Committee, and serves as strategic advisor to the Board. He has over 35 years of experience in the global packaging industry. Mr. Simon has previously held key positions at Rexam PLC (British based multinational packaging company) and its subsidiaries. Mr. Simon has been a key member in ensuring that world class industry standards are developed in the plant set-up from equipment, raw material sourcing, and production to the quality and commercialization of the end product.



MR. ZAIN ASHRAF MUKATY
(Non-Executive Director)

Mr. Zain is member of Audit Committee and Human Resource and Remuneration Committee, and serves as strategic advisor to the Board. He has over 9 years of experience in Pakistan's private sector. He is also currently serving on the Board of Feroze 1888 Mills Ltd., and Oncogen Pharma (Pvt.) Ltd.



MR. MUHAMMAD JAWAID IQBAL
(Independent Director)

Mr. Jawaid is Chairman of Audit Committee. He has over 20 years' experience in corporate banking. Mr. Jawaid is currently serving as Director and Chief Executive Officer of Providus Capital (Pvt.) Ltd, which makes investments in Pakistan's public and private markets. Currently, he is serving on the boards of Ghandhara Nissan Ltd., Aisha Steel Mills Ltd., Tata Textile Mills Ltd., Island Textile Mills Ltd., Salfi Textile Mills Ltd., and Tata Best Foods Ltd. He had also served on boards of many other companies including Hub Power, Lucky Cement, Fatima Fertilizer, Atlas Power, Allied Asset Management and Cyan Limited.

MS. HAMIDA SALIM MUKATY
(Non-Executive Director)

Ms. Hamida is engaged in social welfare and philanthropist initiatives of Liberty Group. She is also serving on the board of Liberty Solar Energy Limited.



MR. AZAM SAKRANI

Chief Executive Officer/ Executive Director

Mr. Azam carries over 25 years of diverse corporate management experience. He holds a Bachelors and an MBA in Finance from the USA. He is also serving as Chief Executive Officer Liberty Power Tech Limited and his prior experiences include Head of Islamic Banking Habib Bank AG Zurich plc, UK and Chief Executive Officer Al-Noor Modaraba.



MR. ASAD SHAHID SOORTY

(Non-Executive Director)

Mr. Asad is member of Audit Committee, and serves as strategic advisor to the Board. He holds a B.S. from University of California, Berkeley and has over several years of experience in Pakistan's Denim sector. He is also currently serving on the Board of Soorty Enterprises (Pvt) Limited.



MR. SALIM PAREKH

(Independent Director)

Mr. Salim Parekh is Chairman of Human Resource and Remuneration Committee and carries over 32 years of board experience. He holds Bachelor of Engineering from University of Texas, USA and is currently serving as director of Al Abbas Fabrics which is a leading and prominent manufacturer and exporter of textile products.



CHAIRMAN'S REVIEW

Dear Shareholders,

On behalf of the esteemed Board of Directors at Pakistan Aluminium Beverage Cans Limited (PABC), it is with great pleasure that I present our Annual Report 2022, providing a comprehensive overview of our company's achievements during the year ended December 31, 2022. This report highlights our business, investment, and sustainability initiatives, showcasing the Company's remarkable effectiveness in achieving these objectives.

At PABC, we prioritize excellence in all our business dealings, which is especially vital in the current environment characterized by volatility, uncertainty, and complexity. Looking back on the past year, we are proud to report that our unwavering commitment has fostered stronger relationships with our customers and suppliers, positioning PABC as a trusted long-term partner.

Given the global economic challenges and severe difficulties compounded by political uncertainties in our country, it's clear that stability and continuity are paramount. To this end, the Board is fully committed to reinforcing PABC's fundamentals through sustainable and strategic investments, supporting our cost competitiveness, and meeting our sustainability objectives.

Our Board is comprised of accomplished professionals with diverse and balanced perspectives, including independent Directors with the necessary skills, competencies, and industry knowledge to lead the Company. Throughout the year, the Board demonstrated diligence and effectiveness in performing its duties in accordance with the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019. I am deeply grateful for the invaluable strategic guidance and direction provided by my esteemed fellow Board members, steering the Company towards greater success and prosperity.

We express our sincere gratitude to our shareholders for their unwavering trust in PABC. Additionally, we acknowledge the agility and resilience demonstrated by our dedicated management teams, under the inspiring leadership of our CEO, Azam Sakrani.

As we enter the new year, PABC remains steadfast in our commitment to delivering on our promises to our customers, shareholders, and employees. With a renewed focus on innovation and excellence, we look forward to achieving new heights of success and growth in the future.

Sincerely,

Simon Michael Gwyn Jennings

Chairman and Director
March 29, 2023



CEO'S MESSAGE

Dear Shareholders,

I am delighted to report that our company had a reasonably good year in 2022, achieving record-breaking results. Our highest-ever sales of PKR 14.15 billion in 2022, compared to PKR 7.20 billion in 2021, is a significant increase driven by our unwavering commitment to delivering exceptional value to our customers.

However, we must acknowledge that Pakistan faces several economic challenges and political uncertainties that may make growth challenging for businesses and your Company is also facing the same circumstances. Factors such as inflation, currency devaluation, power shortages, and a foreign currency shortfall pose challenges for companies operating in Pakistan. Despite these challenges, the management is doing its utmost to manage these unprecedented challenges and deliver long-term value to our shareholders. Our experienced management team remains committed to focusing on cost and operational efficiencies to continue delivering value to our stakeholders. While the external environment may present headwinds, we believe that our commitment to excellence, innovation, and customer focus will continue to drive our growth and success in the long run.

We successfully completed the first phase of our expansion project in 2022, and the second phase is scheduled for completion in 2023. We believe that the expansion will enable us to further grow our market share and serve our customers more efficiently.

Our employees are the backbone of our success, and we are committed to investing in their talent, passion, and commitment to drive our growth. We also prioritize values and transparency in all of our operations, and we are proud of the culture of integrity and ethical conduct that we have fostered.

As we move forward, we remain committed to our core values of excellence, innovation, and customer focus. We are excited about the opportunities that lie ahead and remain confident in our ability to continue delivering long-term value to our shareholders.

Thank you for your continued trust and support.

Sincerely,

Azam Sakrani

Chief Executive Officer and Director
March 29, 2023



DIRECTORS' REPORT

The Directors of the Pakistan Aluminium Beverage Cans Limited (the "Company") are pleased to submit the annual report along with audited financial statements of your Company for the year ended December 31, 2022.

Business Performance Review

Pakistan Aluminium Beverage Cans Limited (PABC) is a pioneer in manufacturing beverage cans in Pakistan. PABC began its journey in December 2014 as a strategic investment geared towards import substitution and export of beverage cans in the Country.

Despite facing economic challenges caused by the global and domestic geopolitical situation, your Company has achieved a consistent and impressive performance during the financial year 2022. In the year ended December 31, 2022, the net sales of the Company increased by Rs. 6.92 billion, reaching Rs. 14.15 billion, representing a 95.76% increase compared to the corresponding period last year. The sales growth is attributable to better volumes in local market and further expanding the international market. This remarkable performance resulted in an Earnings per Share of Rs. 7.48 for the year ended December 31, 2022. Moreover, the gross profit during the year under review was 33.41%, compared to 35.48% in the previous year. The profit after tax has also witnessed a remarkable increase of Rs. 1,126 million, reaching Rs. 2,703 million, representing a 71.42% increase compared to the previous year.

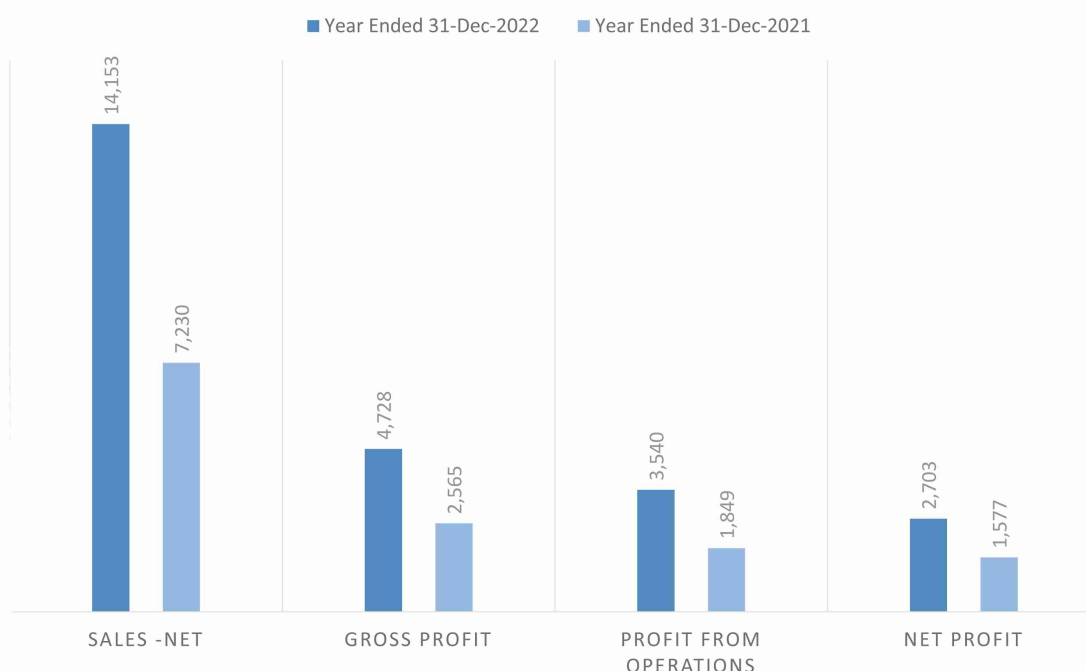
The Company had made provision of current taxation on the basis of minimum tax liability under the Income Tax Ordinance, 2001, exemption of which has been withdrawn during the year through Finance Act 2022. The Company has filed petition against chargeability of minimum tax under section 113 of the Ordinance as the Company is operating in special economic zone so its income is exempt from taxes under section 37(b) of Special Economic Zone Act 2012 which is pending for decision of the Court. However, the Company, as a matter of prudence, has made provision of full amount.

Summarized Financial Results

The operating results of the Company are summarized as follows:

Operating results	Year Ended 31-Dec		Variance %
	2022	2021	
	(Rupees in Million)		
Sales -net	14,153	7,230	95.76%
Gross Profit	4,728	2,565	84.33%
Profit before Tax	3,131	1,571	99.28%
Less: Tax Expense	429	(5)	8122.48%
Profit after Tax	2,703	1,577	71.42%
Earnings per share - basic and diluted (Rs.)	7.48	4.37	71.42%

PKR MILLION





Capacity Expansion

The project to expand rated can manufacturing capacity from 700 million per year to 1200 million cans per year is progressing well. The project was to be completed in two phases wherein rated capacity was to be enhanced by 250 million cans in each phase. The Company announced the commissioning of the first phase of the project with rated capacity enhancement of 250 million cans per year in August 2022. The second phase was also announced in October 2022, which will be commissioned in 2023. The additional capacity will help the Company to achieve operational and cost economies and meet the demand of aluminium beverage cans more effectively.

Principal Risks and uncertainties

- * **Fluctuating international commodity prices:** Escalating fuel costs and volatile geopolitical situations are causing significant inflation in international commodity prices. This could lead to increased production costs and reduced margins for businesses in Pakistan that rely on imported raw materials or finished goods.
- * **Economic challenges in Pakistan:** The high inflation and interest rates in Pakistan have considerably affected both production costs and demand conditions within the country. Businesses in Pakistan may struggle to maintain profitability in such an environment, as customers could have less disposable income to spend on their products or services.
- * **Shortage of foreign exchange:** The shortage of foreign exchange for imports has resulted in restrictions on imports, which have had a severe impact on industrial activities in Pakistan. Businesses that rely on imported raw materials or finished goods could find it challenging to maintain their operations. The restrictions on the imports of raw materials and essentials is also posing challenges for your Company.
- * **Regulatory risks:** The government may introduce new regulations, such as price controls or tariffs, to address the economic challenges. These regulatory changes could create additional uncertainties and risks for businesses in Pakistan.

Dividends

Keeping in view the cash flow requirements for growing business of the Company under the prevailing economic situation, the Board of Directors has not announced any final cash dividend for the year ended December 31, 2022. Future prospects of dividend are dependent on future economic conditions.

Corporate Social Responsibility

The Company wholeheartedly embraces its obligation to serve society, placing a special emphasis on its people and the environment. It steadfastly upholds its commitment to charitable institutions and social causes, driven by a profound vision of fostering a superior economy and healthier environment.

Safety, Health and Environment

The Company is committed to producing environmentally friendly and highly recyclable beverage packaging cans, thereby contributing to a greener revolution. Ensuring the health and safety of its employees is of utmost importance, and the Company maintains high standards in this regard. The production facilities comply with industry standards, overseen by a dedicated HSE department that provides regular fire and safety training to staff and visitors. Personal protective equipment is provided to all who enter the facilities, and waste water treatment is carried out to industry standards. The Company's strong commitment to HSE standards has resulted in a safe workplace, with no major accidents reported during the year.

Statement on Corporate and Financial Reporting Framework

- * The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity
- * Proper books of account of the Company have been maintained
- * Appropriate accounting policies have been consistently applied in 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 therefrom has been adequately disclosed.
- * 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.
- * There has been no material departure from the best practices of Code of Corporate Governance, as detailed in the listing regulations.
- * There is nothing outstanding against Your Company on account of taxes, duties, levies and charges except for those which occur in normal course of business.
- * The value of investments of provident fund, as at December 31, 2022 based on their un-audited accounts is PKR 34.15 million.
- * The pattern of shareholding is disclosed on pages numbered 81 & 82 of the annual report.
- * The change in interest of directors, executives and substantial shareholders is disclosed on page 82 of the annual report.

Board of Directors

Total Number of Directors on the Board is 7. Its composition is as follows:

- * Male Directors 6
- * Female Directors 1

Independent Directors 2

- * Mr. Muhammad Jawaid Iqbal
- * Mr. Salim Parekh



Non-Executive Directors	4
* Mr. Simon Michael Gwyn Jennings (Director and Chairman)	
* Mr. Asad Shahid Soorty	
* Mr. Zain Ashraf Mukaty	
* Ms. Hamida Salim Mukaty	

Executive Director	1
* Mr. Azam Sakrani (Director and Chief Executive Officer)	

Female Director	1
* Ms. Hamida Salim Mukaty	

During the year, 5 meetings of the Board of Directors were convened. The attendance record of each Director is as follows:

* Mr. Simon Michael Gwyn Jennings	5
* Mr. Asad Shahid Soorty *	2
* Mr. Zain Ashraf Mukaty	5
* Mr. Salim Parekh	1
* Mr. Muhammad Jawaid Iqbal	3
* Ms. Hamida Salim Mukaty	3
* Mr. Azam Sakrani	5
* Mr. Muhammad Abdullah Yusuf *	3
* Mr. Ejaz Ahmad	3

* Mr. Asad Shahid Soorty was co-opted by the Board on April 12, 2022, following resignation of Mr. Muhammad Abdullah Yousaf on April 7, 2022.

Further, election of the board of directors was conducted during Annual General Meeting held on May 23, 2022 and following directors were elected to the board of directors for a term of three years.

* Mr. Simon Michael Gwyn Jennings
* Mr. Asad Shahid Soorty
* Mr. Zain Ashraf Mukaty
* Mr. Salim Parekh
* Mr. Muhammad Jawaid Iqbal
* Ms. Hamida Salim Mukaty
* Mr. Azam Sakrani

Committees of Board of Directors are as follows:

Audit Committee	Mr. Muhammad Jawaid Iqbal (Chairman)
	Mr. Asad Shahid Soorty (Member)
	Mr. Zain Ashraf Mukaty

HR and Remuneration Committee	Mr. Salim Parekh (Chairman)
	Mr. Simon Michael Gwyn Jennings (Member)
	Mr. Zain Ashraf Mukaty (Member)

Audit Committee Key Roles and TORs

The Audit Committee is established by the Board of Directors of PABC and comprises non-executive directors and at least one independent Director. The Committee will meet at least once every quarter of the financial year and discuss risks both internal and external faced by the Company in the implementation of its strategy and daily operations. The roles and responsibilities of the Audit Committee include reviewing annual and interim financial statements of the Company, ensuring coordination between the internal and external Auditors, and monitoring compliance with relevant statutory requirements. The Committee reports to the Board of Directors and circulates minutes of meetings to all members, directors, head of internal audit, and the CFO.

HR and Remuneration Committee Key Roles and TORs

The Human Resource and Remuneration (HR&R) Committee is established by the Board of Directors of PABC and comprises at least three members, a majority of whom are non-executive directors, and at least one independent director as the Chairman. The Committee serves for three years or until the expiry of the Board, and meets at least once per year, with additional meetings as necessary. Its roles include recommending remuneration policies, evaluating the Board's performance, recommending human resource management policies, approving recommendations for key management positions, and ensuring transparency when human resource and remuneration consultants are appointed. The Committee's Secretary circulates meeting minutes to all members and Directors prior to the next Board meeting for approval.

Positions of the Chairman and Chief Executive Officer

The Company has clearly identified the role and responsibilities of CEO and Chairman and both these positions are held by separate individuals in compliance with best practices defined in Code of Corporate Governance.



Roles and responsibilities of Chairman

The Chairman leads the board, overseeing strategy, performance, and governance. They preside over meetings, set the agenda, and ensure decisions align with objectives. The Chairman fosters communication between the board, management, and shareholders, and represents the company to stakeholders. The Chairman mentors and advises other board members, promoting accountability and effective decision-making. The Chairman also oversees succession planning and ensures strong leadership for long-term success.

Roles and Responsibilities of Chief Executive Officer

The CEO is responsible for managing the company's operations and strategy, ensuring they align with goals and objectives. The CEO oversees finances, resources, and personnel, making critical decisions on hiring and firing. The CEO also represents the Company to stakeholders and the public, building and maintaining relationships. Accountable to the board, the CEO keeps them informed on company performance and collaborates to develop a long-term strategic plan. Creating a positive work environment that fosters innovation, the CEO ensures the company's sustainability and growth.

Directors' Remuneration

Through the Companies Act 2017 and Articles of the Company, the Board of Directors is authorized to fix remuneration, fee and compensation of Directors including Non-Executive and Independent Directors from time to time. The detail of Directors' fee, remuneration and compensation as fixed and approved specifically by the Board of Directors is disclosed in Note 35 of the Financial Statements for the year ended December 31, 2022.

Future Outlook

Escalating fuel costs and volatile geopolitical situations have led to significant inflation in international commodity prices. Additionally, businesses in Pakistan are currently facing economic challenges, as high inflation and interest rates have considerably affected both production costs and demand conditions within the Country. The shortage of foreign exchange for imports and the ensuing restrictions on imports have had a severe impact on industrial activities in Pakistan.

The management is mindful of the risks and situation and is adopting all necessary measures to effectively tackle these challenges by leveraging its expertise and resources amidst most difficult time of Pakistan's economy.

Subsequent Events

The Board of Directors of the Company in its meeting held on March 29, 2023 has not recommended any dividend or other appropriation of prior profit.

Auditors

The present auditors of the Company M/s Kreston Hyder Bhimji & Co., Chartered Accountants have completed the annual audit for the year ended December 31, 2022 and have issued an unmodified audit report. The auditors will retire on conclusion of the Annual General Meeting of the Company and being eligible; have offered themselves for reappointment for the year ending December 31, 2023.

Acknowledgements

We would like to take this opportunity to thank the shareholders, customers, employees, vendors, lenders and all other stakeholders for their dedication, continuous support and trust in the Company.

On behalf of the Board of Directors

Chief Executive

Director

29 March 2023



ڈائریکٹرز کی رپورٹ

پاکستان ایلو مینیم بیوریج کینز لمیٹڈ ("کمپنی") کے ڈائریکٹرز انتہائی مسرت کے ساتھ 31 دسمبر 2022 کو ختم ہونے والے سال کے لیے آپ کی کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ سالانہ رپورٹ پیش کرتے ہیں۔

کاروباری کارکردگی کا جائزہ

پاکستان ایلو مینیم بیوریج کینز لمیٹڈ (PABC) پاکستان میں مشروبات کے کین تیار کرنے والی پہلی اور واحد کمپنی ہے۔ PABC نے دسمبر 2014 میں اپنے سفر کا آغاز ایک اسٹریٹجک سرمایہ کاری کے طور پر کیا تھا جس کا مقصد ملک میں مشروبات کے کین کی درآمد کا متبادل اور برآمد کا فروغ تھا۔

ملکی اور عالمی جیو پالیٹیکل صورت حال سے پیدا ہونے والے معاشی چیلنجز کے باوجود، آپ کی کمپنی نے مالی سال 2022 کے دوران مثبت کارکردگی کا تسلسل برقرار رکھا ہے۔ 31 دسمبر 2022 کو ختم ہونے والے سال کے دوران خالص سیلز میں پچھلے سال کے مقابلے میں 6.92 ارب روپے کا اضافہ ہوا ہے اور اس سال میں کمپنی نے 14.15 ارب روپے کی سیلز کی جو کہ پچھلے سال کے مقابلے میں 95.76% زیادہ ہے۔ سیلز میں اضافہ مقامی مارکیٹ میں بہتر حجم اور بین الاقوامی مارکیٹ میں مزید توسیع سے منسوب ہے۔ اس کارکردگی کی وجہ سے زیر جائزہ سال کے دوران فی حصص آمدنی 7.48 روپے رہی مزید برآں، زیر جائزہ سال کے دوران مجموعی منافع کی شرح 33.41% رہی، جو پچھلے سال 35.48% تھی۔ اس سال میں بعد از ٹیکس منافع 2,703 ارب روپے رہا جو کہ پچھلے سال کے مقابلے میں 1,126 ارب روپے (یعنی 71.42%) کا اضافہ ہے۔

کمپنی نے انکم ٹیکس آرڈیننس 2001 کے تحت کم از کم ٹیکس کے واجبات کی بنیاد پر موجودہ ٹیکس بک کیا ہے، کیونکہ انکم ٹیکس آرڈیننس 2001 سے استثنیٰ فنانس ایکٹ 2022 کے ذریعے سال کے دوران واپس لے لیا گیا تھا۔ کمپنی نے سیکشن 113 کے تحت کم از کم ٹیکس کی وصولی کے خلاف عدالت میں درخواست دائر کی ہے۔ آرڈیننس کے مطابق کمپنی اسپیشل اکنامک زون میں کام کر رہی ہے اس لیے اس کی آمدنی اسپیشل اکنامک زون ایکٹ 2012 کے سیکشن 37(ب) کے تحت ٹیکس سے مستثنیٰ ہے جو عدالتی فیصلے کے لیے زیر التواء ہے۔ تاہم، کمپنی نے، احتیاط کے پیش نظر پورے واجبات بک کیے ہیں۔

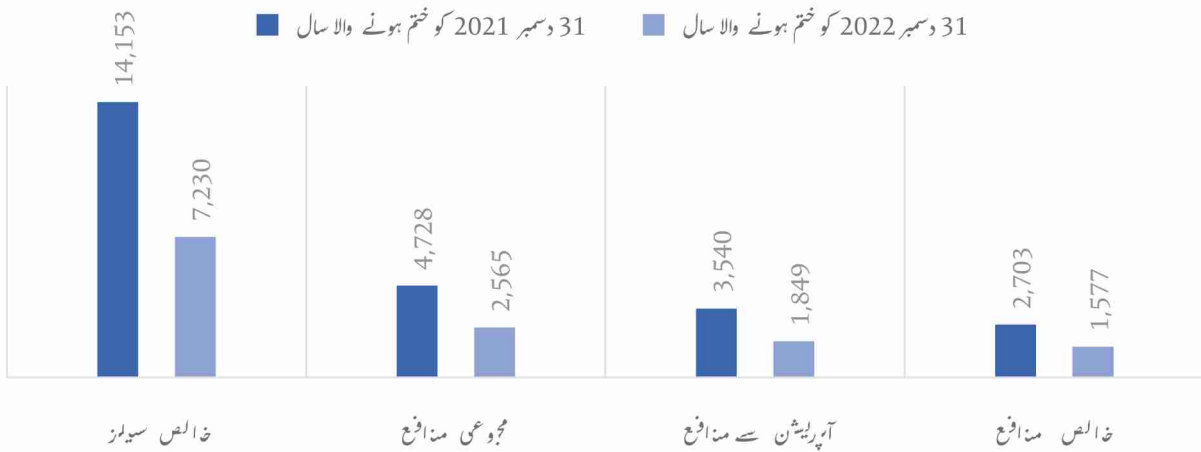


کمپنی کے مالیاتی نتائج کا خلاصہ

کمپنی کے آپریٹنگ نتائج کا خلاصہ درج ذیل ہے:

آپریٹنگ نتائج	31 دسمبر کو ختم ہونے والا سال		
	2022	2021	فرق
	ملین روپے		%
خالص سیلز	14,153	7,230	95.76%
مجموعی منافع	4,728	2,565	84.33%
منافع قبل از ٹیکس	3,131	1,571	99.28%
کم: ٹیکس کا خرچ	429	(5)	8122.48%
بعد از ٹیکس منافع	2,703	1,577	71.42%
فی حصص آمدنی - (روپے)	7.48	4.37	71.42%

ملین روپے





پیداواری صلاحیت کی توسیع

کین مینوفیکچرنگ کی ریٹیڈ پیداواری صلاحیت کو 700 ملین کین سالانہ سے 1200 ملین کین سالانہ تک بڑھانے کا منصوبے پر کام جاری ہے۔ اس منصوبے کو دو مرحلوں میں مکمل کیا جانا تھا، جس میں ہر مرحلے میں پیداواری صلاحیت کو 250 ملین کین سے بڑھایا جانا تھا۔ کمپنی نے اگست 2022 میں سالانہ 250 ملین کین کی پیداواری صلاحیت میں اضافے کے ساتھ منصوبے کے پہلے مرحلے کو مکمل کیا اور دوسرے مرحلے کا بھی اکتوبر 2022 میں اعلان کیا گیا، جو کہ 2023 میں مکمل ہو جائے گا۔ اضافی پیداواری صلاحیت کمپنی کو مقامی اور بین الاقوامی سطح پر طلب کو پورا کرنے میں مدد کرے گی اور آپریشنل کارکردگی میں اضافے اور کاسٹ میں کمی لانے میں زیادہ موثر طریقے سے معاونت کرے گی۔

بنیادی رسک اور غیر یقینی صورتحال

- **بین الاقوامی اجناس کی قیمتوں میں اتار چڑھاؤ:** لبندھن کی بڑھتی قیمتوں اور غیر مستحکم جیو پولیٹیکل حالات بین الاقوامی اجناس کی قیمتوں میں نمایاں اضافے کا باعث بن رہے ہیں، جس سے پیداواری لاگت میں اضافہ ہو سکتا ہے اور پاکستان میں ان کاروباری اداروں کے لیے مارجن کم ہو سکتا ہے جو درآمد شدہ خام یا تیار مال پر انحصار کرتے ہیں۔
- **پاکستان میں اقتصادی چیلنجز:** پاکستان میں بلند افراط زر اور شرح سود نے ملک کے اندر پیداواری لاگت اور طلب کی صورتحال کو کافی حد تک متاثر کیا ہے۔ پاکستان میں کاروباری اداروں کے لیے ایسے ماحول میں منافع کو برقرار رکھنا دشوار ہے، کیونکہ صارفین کو اپنی مصنوعات یا سروسز پر خرچ کرنے کے لیے کم آمدنی دستیاب ہو سکتی ہے۔
- **زرمبادلہ کی کمی:** درآمدات کے لیے زرمبادلہ کی قلت کے نتیجے میں درآمدات پر پابندیاں ہیں، جس سے پاکستان میں صنعتی سرگرمیوں پر شدید اثر پڑا ہے۔ وہ کاروبار جو درآمد شدہ خام مال یا تیار شدہ سامان پر انحصار کرتے ہیں انہیں اپنے کام کو برقرار رکھنا مشکل ہو سکتا ہے۔ آپ کی کمپنی کو بھی درآمدات پر ان پابندیوں کے اثرات اور چیلنجز کا سامنا ہے۔



- **ریگولیسری خطرات:** حکومت اقتصادی چیلنجوں سے نمٹنے کے لیے نئے ضابطے متعارف کروا سکتی ہے، جیسے قیمت کنٹرول یا ٹیرف۔ یہ ریگولیسری تبدیلیاں پاکستان میں کاروبار کے لیے اضافی غیر یقینی صورتحال اور خطرات پیدا کر سکتی ہیں۔

ڈیویڈنڈ

موجودہ معاشی صورتحال کے تناظر میں اور کمپنی کے بڑھتے ہوئے کاروبار کے لیے درکار کیش فلو کی ضروریات کے پیش نظر، بورڈ آف ڈائریکٹرز نے 31 دسمبر 2022 کو ختم ہونے والے سال کے لیے کسی حتمی نقد ڈیویڈنڈ کا اعلان نہیں کیا ہے۔ جبکہ مستقبل میں ڈیویڈنڈ کے امکانات معاشی حالات پر منحصر ہیں۔

کارپوریٹ سوشل ذمہ داری

کمپنی سماجی اور ماحول دوستی کے نظریے کے مطابق پورے دل سے معاشرے کی خدمت کرنے کی اپنی ذمہ داری کو قبول کرتی ہے۔ کمپنی فلاحی اداروں اور سماجی مقاصد کے کاموں سے اپنی وابستگی کو ثابت قدمی سے برقرار رکھے ہوئے ہے، اور ایک بہترین اور صحت مند ماحول کو فروغ دینے کے ورژن پر کارفرما ہے۔

حفاظت، صحت اور ماحولیات

کمپنی ماحول دوست اور ری سائیکل ایبل مشروبات کی کین پیکیجنگ تیار کرنے کے لیے پرعزم ہے، اس طرح ایک گرین رپولوشن میں اپنا حصہ ڈال رہی ہے۔ کمپنی اپنے ملازمین کی صحت اور حفاظت کو یقینی بنانے کو انتہائی اہمیت کا حامل گردانتی ہے، اور کمپنی اس سلسلے میں اعلیٰ معیارات کو برقرار رکھے ہوئے ہے۔ کمپنی اعلیٰ صنعتی معیارات کی تعمیل کرتی ہیں، جس کی نگرانی HSE ڈیپارٹمنٹ کرتا ہے جو عملے اور مہمانوں کو آگ اور اس سے حفاظت کی باقاعدہ تربیت فراہم کرتا ہے۔ ان تمام لوگوں کو ذاتی حفاظتی سامان فراہم کیا جاتا ہے جو فیکٹری میں داخل ہوتے ہیں، اور گندے پانی کی صفائی اعلیٰ صنعتی معیار کے مطابق کی ہے۔ HSE معیارات کے ساتھ کمپنی کی مضبوط وابستگی کے نتیجے میں سال کے دوران کوئی بڑا حادثہ رپورٹ نہیں ہوا۔



کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

- کمپنی کی انتظامیہ کی جانب سے تیار کی جانے والی تمام مالیاتی دستاویزات کمپنی کے معاملات، افعال، نقد رقوم کی ترسیل اور ایکویٹی میں آنے والی تبدیلی کو شفافیت کے ساتھ بیان کرتی ہیں۔
- کمپنی کے کھاتوں کی باقاعدہ کتابوں کو مناسب طریقے سے رکھا گیا ہے۔
- مالیاتی دستاویزات کی تیاری کے سلسلے میں مناسب محاسبی پالیسیوں کو مستقلاً لگایا جاتا ہے اور تمام محاسبی تخمینے معقول اور قرین قیاس ہیں۔
- مالیاتی دستاویزات کی تیاری میں پاکستان میں رائج تمام بین الاقوامی محاسبی معیارات پر عمل کیا گیا اور کسی انحراف کو مناسب طریقے سے ظاہر اور واضح کیا گیا ہے۔
- اندرونی کنٹرول کا ڈیزائن مستحکم ہے اور مؤثر طور پر نافذ العمل اور زیر نگرانی رہتا ہے
- کمپنی کی جانب سے ہمیشگی کی بنیاد پر اپنے کاروبار کو جاری رکھنے کے سلسلے میں کوئی نمایاں شبہ نہیں ہے۔
- لسٹنگ ریگولیشنز میں مرکوز کوڈ آف کارپوریٹ گورننس کی بہترین روایات سے کوئی قابل ذکر روگردانی نہیں کی گئی ہے۔
- ٹیکسوں، لیویز اور دیگر واجبات کی مد میں آپ کی کمپنی کے ذمہ کسی قسم کی کوئی ادائیگی نہیں ہے ماسوائے ان ادائیگیوں کے جو کہ کاروباری معاملات میں معمول کا حصہ ہیں۔
- غیر آڈٹ شدہ کاؤنٹس کی بنیاد پر بتاریخ 31 دسمبر 2022 پراویڈنٹ فنڈ میں سرمایہ کاری کی قدر 34.15 ملین روپے ہے
- شیئر ہولڈنگ کے پیڈن کا خلاصہ سالانہ رپورٹ کے صفحات نمبر 81 اور 82 پر منکشف ہے۔
- ڈائریکٹرز، ایگزیکٹوز اور میجر شیئر ہولڈرز کی کے ملکیٹی شیئرز میں تبدیلی کی تفصیل سالانہ رپورٹ کے صفحہ نمبر 82 پر منکشف ہے۔

بورڈ آف ڈائریکٹرز

بورڈ میں ڈائریکٹرز کی کل تعداد 7 ہے۔ اس کی تشکیل حسب ذیل ہے۔

- مرد ڈائریکٹرز 6
- خاتون ڈائریکٹرز 1



2 آزاد ڈائریکٹرز

- جناب محمد جاوید اقبال
- جناب سلیم پارکھ

4 غیر ایگزیکٹو ڈائریکٹرز

- جناب سائن مائیکل گیون جیننگز (ڈائریکٹر اور چیئرمین)
- جناب اسد شاہد سورتی
- جناب زین اشرف مکتی
- محترمہ حمیدہ سلیم مکتی

1 ایگزیکٹو ڈائریکٹر

- جناب اعظم سکرائی (ڈائریکٹر اور چیف ایگزیکٹو آفیسر)

1 خاتون ڈائریکٹر

- محترمہ حمیدہ سلیم مکتی

سال کے دوران بورڈ آف ڈائریکٹرز کے 5 اجلاس بلائے گئے۔ ہر ڈائریکٹر کی حاضری کا ریکارڈ درج ذیل ہے:

- جناب سائن مائیکل گیون جیننگز 5
- جناب اسد شاہد سورتی* 2
- جناب زین اشرف مکتی 5



- جناب سلیم پارکھ 1
- جناب محمد جاوید اقبال 3
- محترمہ حمیدہ سلیم مکاری 3
- جناب اعظم سکرانی 5
- جناب محمد عبداللہ یوسف* 3
- جناب اعجاز احمد 3

* 7 اپریل 2022 کو جناب محمد عبداللہ یوسف کے استعفیٰ کے بعد، 12 اپریل 2022 کو مسٹر اسد شاہد سوہتی کو بورڈ نے شریک کیا تھا۔

مزید برآں، بورڈ آف ڈائریکٹرز کا انتخاب 23 مئی 2022 کو منعقدہ سالانہ جنرل میٹنگ کے دوران کیا گیا اور مندرجہ ذیل ڈائریکٹرز کو تین سال کی مدت کے لیے بورڈ آف ڈائریکٹرز میں منتخب کیا گیا۔

- جناب سائن مائیکل گیون جیننگز
- جناب اسد شاہد سوہتی
- جناب زین اشرف مکاری
- جناب سلیم پارکھ
- جناب محمد جاوید اقبال
- محترمہ حمیدہ سلیم مکاری
- جناب اعظم سکرانی

بورڈ آف ڈائریکٹرز کی کمیشیاں درج ذیل ہیں۔



آڈٹ کمیٹی

جناب محمد جاوید اقبال (چیئرمین)

جناب اسد شاہد سورتی (ممبر)

جناب زین اشرف مکتی

جناب سلیم پارکھ (چیئرمین)

ایچ آر اینڈ ریمونریشن کمیٹی

جناب سائن مائیکل گیون جیننگز (ممبر)

جناب زین اشرف مکتی (ممبر)

آڈٹ کمیٹی کے کلیدی کردار اور ٹی او آر

آڈٹ کمیٹی PABC کے بورڈ آف ڈائریکٹرز کے ذریعہ قائم کی گئی ہے اور اس میں دو نان ایگزیکٹو ڈائریکٹرز اور کم از کم ایک آزاد ڈائریکٹر شامل ہیں۔ کمیٹی مالی سال کی ہر سہ ماہی میں کم از کم ایک بار ملاقات کرے گی اور کمپنی کے سٹریٹجک اور روزمرہ کے معاملات میں درپیش اندرونی اور بیرونی خطرات پر تبادلہ خیال کرے گی۔ آڈٹ کمیٹی کے کردار اور ذمہ داریوں میں کمپنی کے سالانہ اور عبوری مالیاتی گوشواروں کا جائزہ لینا، اندرونی اور بیرونی آڈیٹرز کے درمیان ہم آہنگی کو یقینی بنانا، اور متعلقہ قانونی تقاضوں کی تعمیل کی نگرانی کرنا شامل ہے۔ کمیٹی بورڈ آف ڈائریکٹرز کو رپورٹ کرتی ہے اور تمام ممبران، ڈائریکٹرز، ہیڈ آف انٹرل آڈٹ، اور سی ایف او کو مینجنگز کے منٹس بھیجتی ہے۔

ہیومن ریسورس اینڈ ریمونریشن کمیٹی کے کلیدی کردار اور ٹی او آر

ہیومن ریسورس اینڈ ریمونریشن (HR&R) کمیٹی PABC کے بورڈ آف ڈائریکٹرز کے ذریعے قائم کی گئی ہے اور اس میں کم از کم تین ممبران ہوتے ہیں، جن میں سے دو غیر ایگزیکٹو ڈائریکٹرز ہوتے ہیں، اور کم از کم ایک آزاد ڈائریکٹر بطور چیئرمین ہوتا ہے۔ کمیٹی تین سال تک یا بورڈ کی میعاد ختم ہونے تک کام کرتی ہے، اور ضرورت



کے مطابق اضافی میٹنگوں کے ساتھ سال میں کم از کم ایک بار ملاقات کرتی ہے۔ اس کے کرداروں میں معاوضے کی پالیسیوں کی سفارش کرنا، بورڈ کی کارکردگی کا جائزہ لینا، ہیومن ریسورس کی انتظامی پالیسیوں کی سفارش کرنا، اہم انتظامی عملوں کے لیے سفارشات کی منظوری، اور ہیومن ریسورس اور معاوضے کے مشیروں کی تقرری کے وقت شفافیت کو یقینی بنانا شامل ہیں۔ کمیٹی کا سیکرٹری منظوری کے لیے بورڈ کے اگلی میٹنگ سے پہلے تمام ممبران اور ڈائریکٹرز کو میٹنگ منٹس بھیجتا ہے

چیئرمین اور چیف ایگزیکٹو آفیسر کے عہدے

کمپنی نے واضح طور پر CEO اور چیئرمین کے کردار اور ذمہ داریوں کی نشاندہی کی ہے اور یہ دونوں عہدوں کو ڈآف کارپوریٹ گورننس میں بیان کردہ بہترین طریقوں کی تعمیل میں الگ الگ افراد کے پاس ہے۔

چیئرمین کے کردار اور ذمہ داریاں

چیئرمین بورڈ کی قیادت کرتا ہے، حکمت عملی، کارکردگی اور گورننس کی نگرانی کرتا ہے۔ چیئرمین بورڈ میٹنگوں کی صدارت کرتا ہے، اجنڈا طے کرتا ہے، اور اس بات کو یقینی بناتا ہے کہ فیصلے اجنڈا کے مطابق ہوں۔ چیئرمین بورڈ، انتظامیہ اور شیئر ہولڈرز کے درمیان رابطے کو فروغ دیتا ہے، اور اسٹیک ہولڈرز سے رابطے میں کمپنی کی نمائندگی کرتا ہے۔ چیئرمین بورڈ کے دیگر اراکین کو رہنمائی اور مشورہ دیتا ہے، احتساب اور موثر فیصلہ سازی کو فروغ دیتا ہے۔ چیئرمین جانشینی کی منصوبہ بندی کی بھی نگرانی کرتا ہے اور طویل مدتی کامیابی کے لیے مضبوط قیادت کو یقینی بناتا ہے۔

چیف ایگزیکٹو آفیسر کے کردار اور ذمہ داریاں

CEO کمپنی کے آپریشنز اور حکمت عملی کو منظم کرنے کے کا ذمہ دار ہے، اس بات کو یقینی بناتا ہے کہ کمپنی کے اہداف اور مقاصد کے مابین ہم آہنگی ہو۔ CEO مالیات، وسائل اور عملے کی نگرانی کرتا ہے، بھرتی اور برطرفی کے بارے میں اہم فیصلے کرتا ہے۔ CEO کمپنی کی نمائندگی اسٹیک ہولڈرز اور عوام سے بھی کرتا ہے، تعلقات استوار اور برقرار رکھتا ہے۔ CEO بورڈ کے سامنے جوابدہ ہوتا ہے، بورڈ کو کمپنی کی کارکردگی سے آگاہ کرتا ہے اور ایک طویل مدتی اسٹریٹجک منصوبہ تیار کرنے کے لیے تعاون فراہم کرتا ہے اور ایک مثبت ماحول بنانے اور جدت کو فروغ دینے میں اہم کردار ادا کرتا ہے۔ CEO کمپنی کی پائیداری اور ترقی کو یقینی بناتا ہے۔



ڈائریکٹرز کا معاوضہ

بورڈ آف ڈائریکٹرز وقتاً فوقتاً غیر ایگزیکٹو اور آزاد ڈائریکٹرز سمیت تمام ڈائریکٹرز کے معاوضے، فیس اور مشاہرے طے کرنے کا اختیار رکھتا ہے۔ ڈائریکٹرز کی فیس، معاوضے اور مشاہرے کی تفصیل جسے بورڈ آف ڈائریکٹرز نے خاص طور پر مقرر اور منظور کیا ہے، 31 دسمبر 2022 کو ختم ہونے والے سال کے مالیاتی گوشواروں کے نوٹ 35 میں منکشف ہے۔

مستقبل کا آؤٹ لک

لینڈھن کی بڑھتی ہوئی قیمتوں اور غیر مستحکم عالمی جیو پولیٹیکل صورت حال نے بین الاقوامی اجناس کی قیمتوں میں نمایاں اضافہ کیا ہے۔ مزید برآں، پاکستان میں کاروباری اداروں کو اس وقت شدید معاشی چیلنجز کا سامنا ہے، کیونکہ بلند افراط زر اور شرح سود نے ملک کے اندر پیداواری لاگت اور طلب کی صورتحال دونوں کو کافی حد تک متاثر کیا ہے۔ درآمدات کے لیے زرمبادلہ کی کمی اور درآمدات پر عائد پابندیوں نے پاکستان میں صنعتی سرگرمیوں پر شدید منفی اثرات مرتب کیے ہیں۔

انتظامیہ ان خطرات اور صورتحال سے پوری طرح آگاہ ہے اور چیلنجز کو موثر طریقے سے سنبھالنے کے لیے تمام ضروری اقدامات کر رہی ہے۔

سال کے اختتام کے بعد کے واقعات

کمپنی کے بورڈ آف ڈائریکٹرز نے 29 مارچ 2023 کو ہونے والی اپنی میٹنگ میں کسی ڈیویڈنڈ یا دیگر اختصاص کی سفارش نہیں کی ہے۔

آڈیٹرز



کمپنی کے موجودہ آڈیٹرز میسرز کرسٹن حیدر بھیجی لینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے 31 دسمبر 2022 کو ختم ہونے والے سال کا آڈٹ مکمل کر لیا ہے اور ایک غیر ترمیم شدہ آڈٹ رپورٹ جاری کر دی ہے۔ آڈیٹرز کمپنی کی سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے۔ مزید برآں آڈیٹرز نے 31 دسمبر 2023 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے خود کو پیش کیا ہے۔

اظہار تشکر

اس موقع سے فائدہ اٹھاتے ہوئے ہم اپنے تمام حصص داران، صارفین، ترسیل کاروں، بینکاروں اور شراکت داروں کے تہ دل سے شکر گزار ہیں کہ کمپنی کو ان کی حمایت، خلوص اور اعتماد حاصل ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

چیف ایگزیکٹو

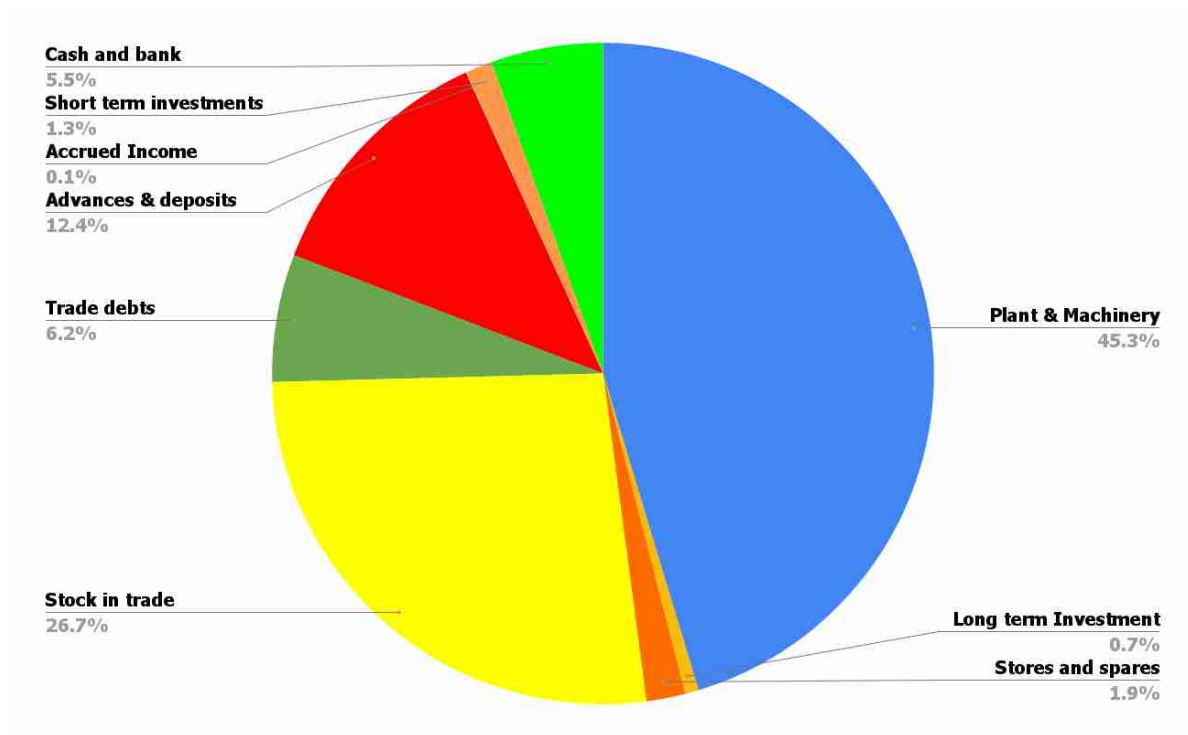
ڈائریکٹر

29 مارچ 2023

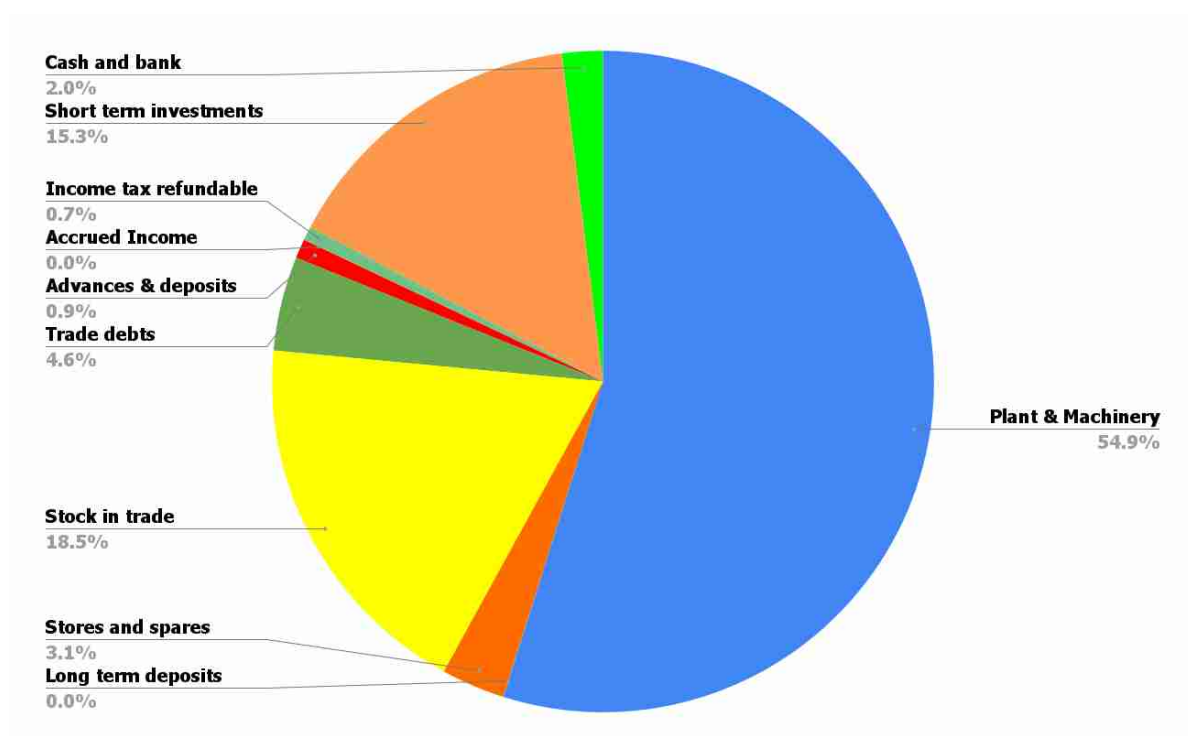


FINANCIALS AT A GLANCE

Assets 2022



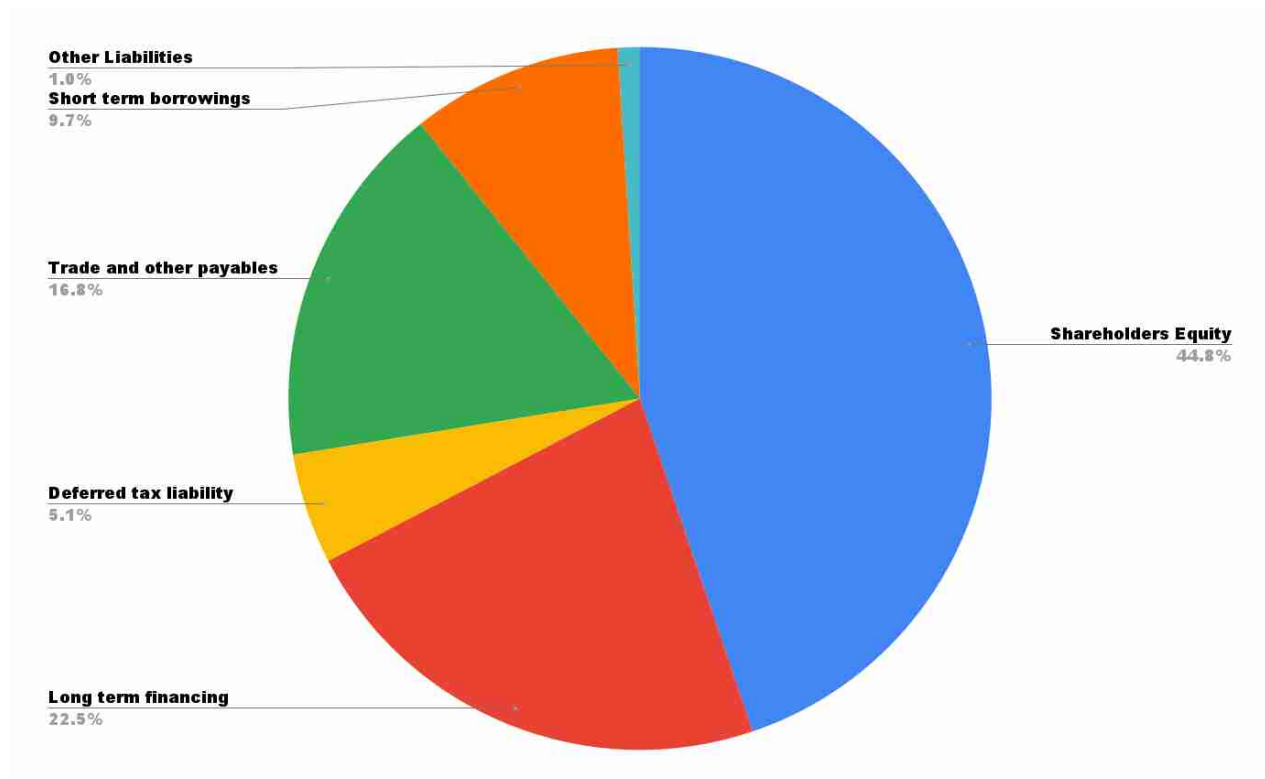
Assets 2021



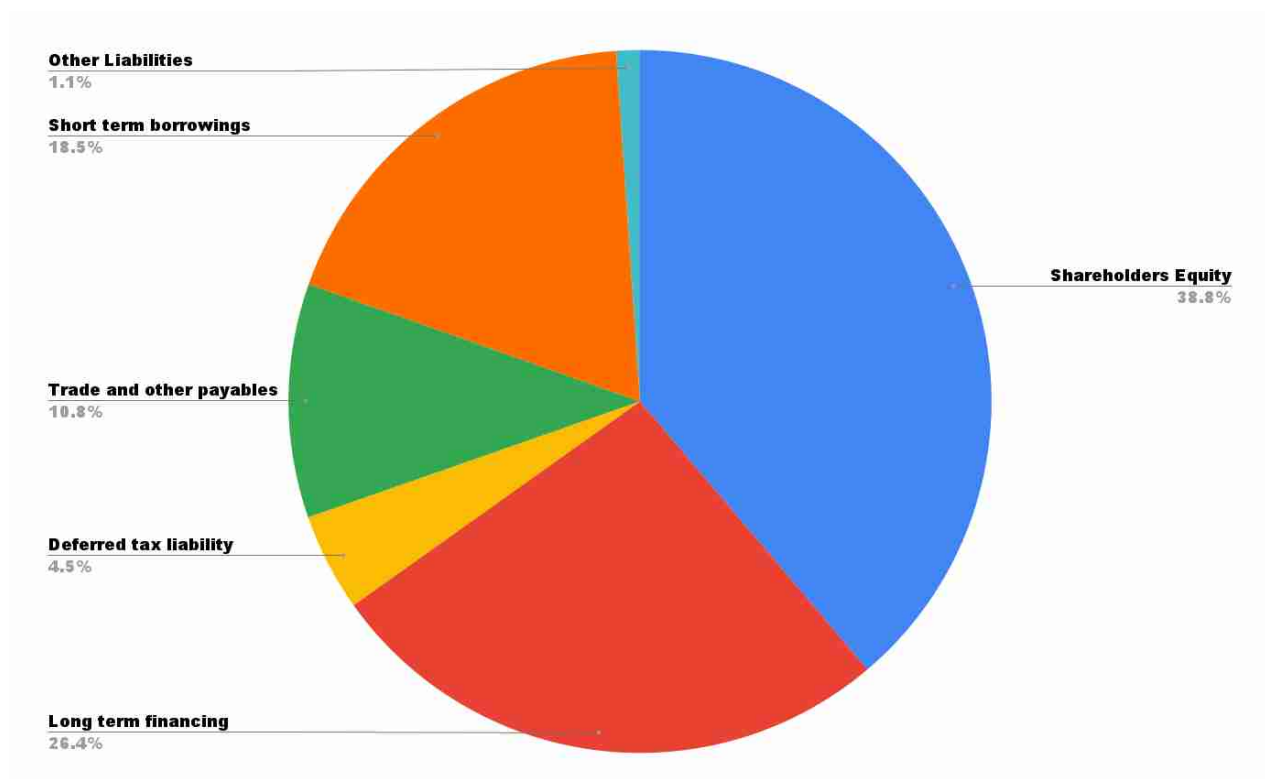


FINANCIALS AT A GLANCE

Equity & Liabilities 2022



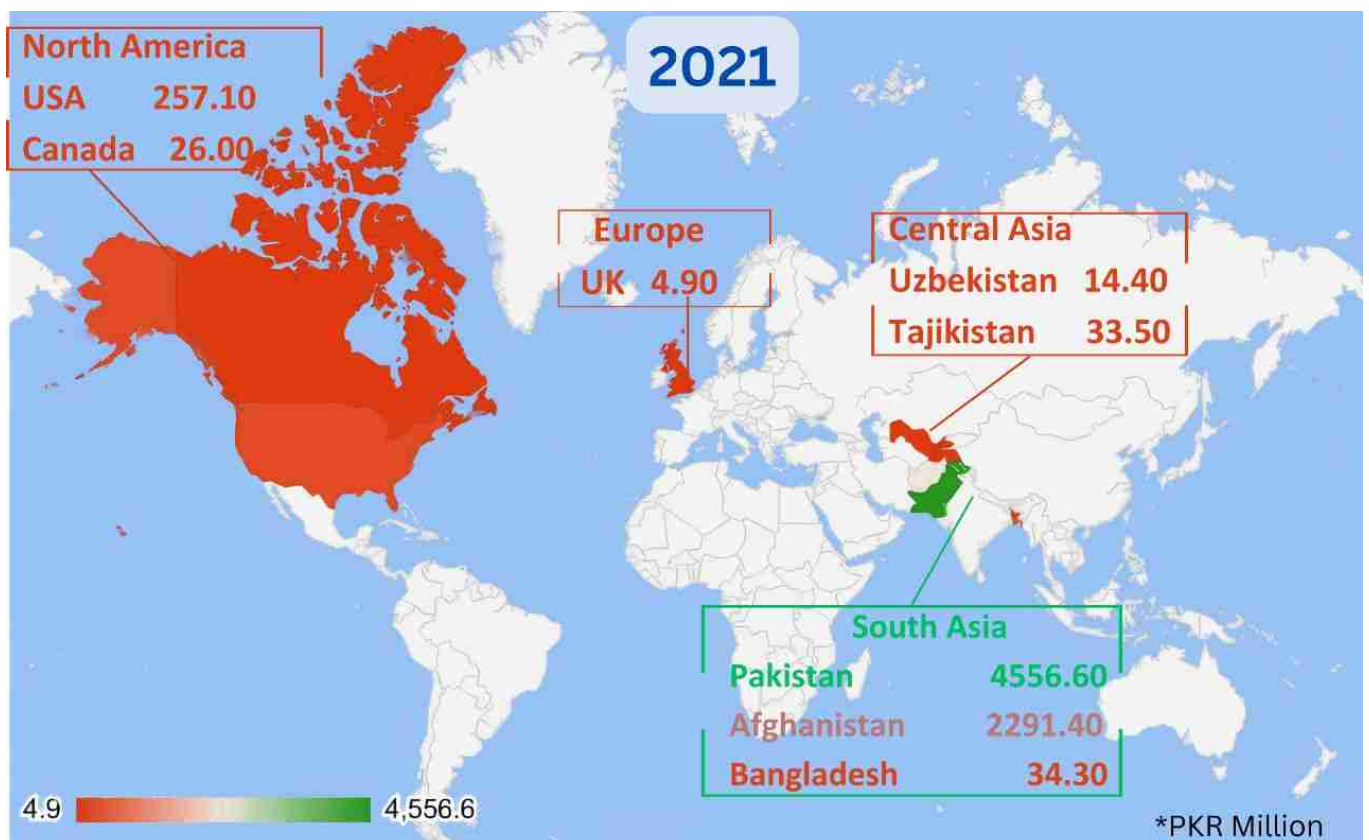
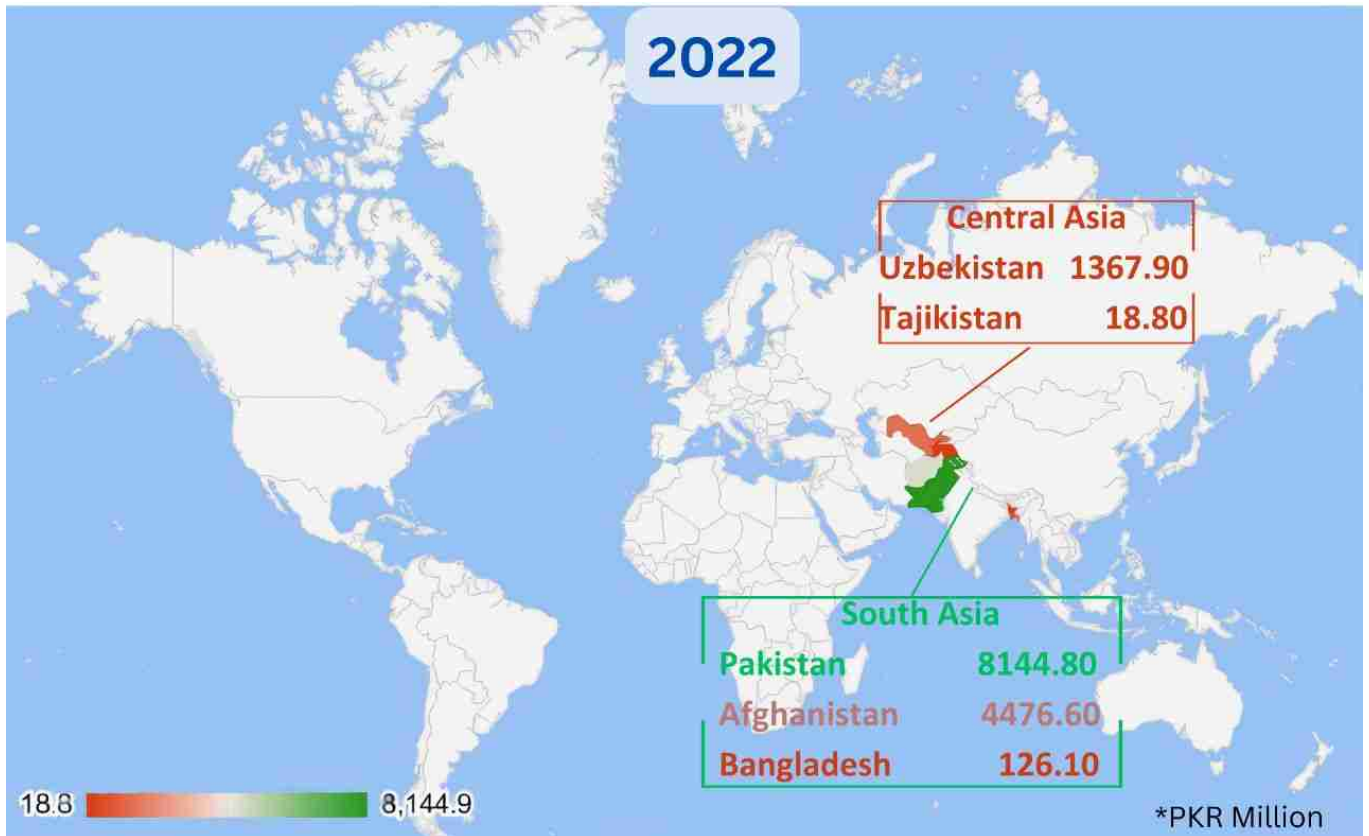
Equity & Liabilities 2021





FINANCIALS AT A GLANCE

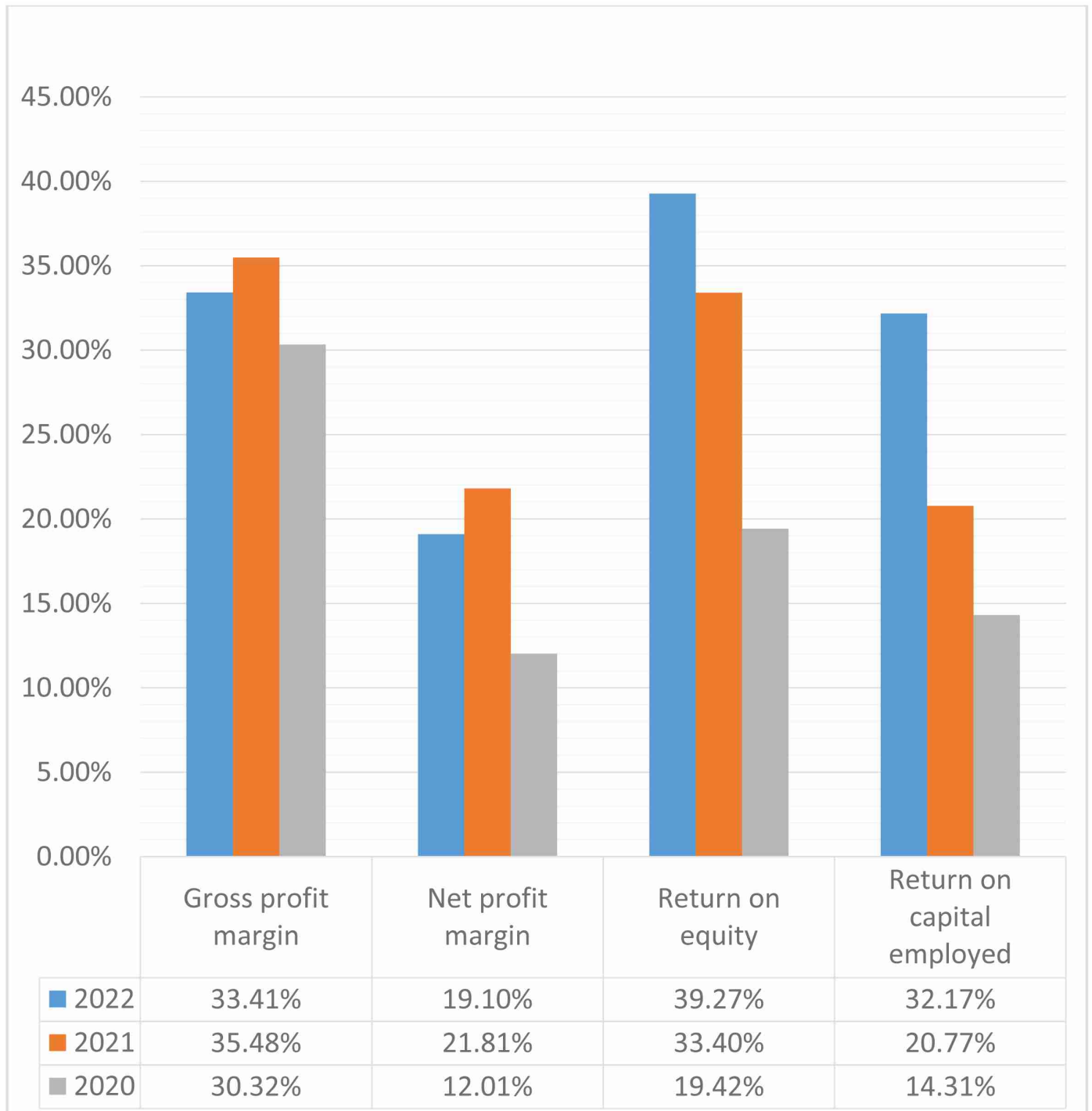
COUNTRY-WISE SALES





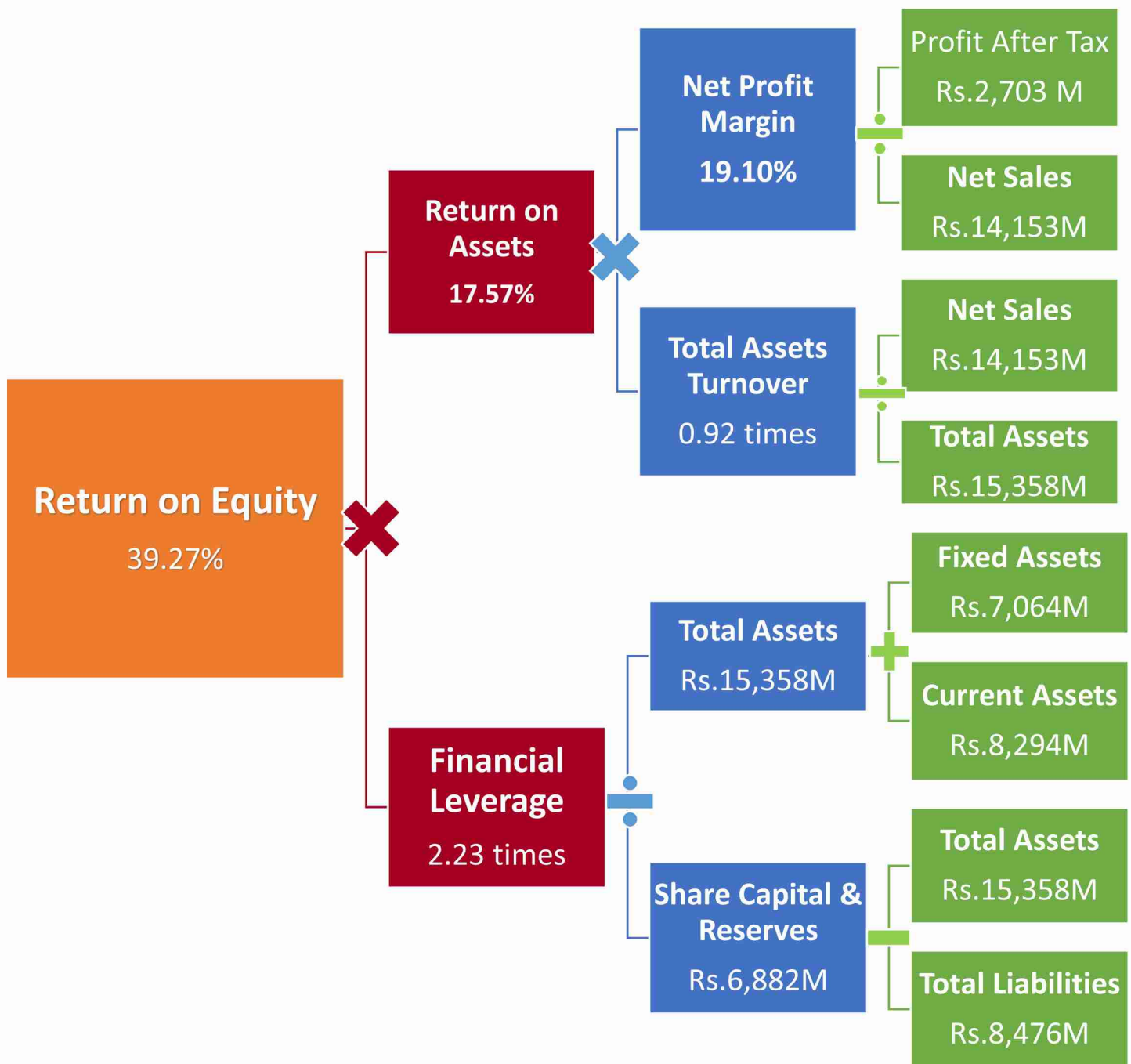
FINANCIALS AT A GLANCE

PROFITABILITY TREND





DUPONT ANALYSIS 2022



Historical

Year	Net Margin	Total Assets Turnover	Equity Multiplier	Return on Equity
2021	22%	59%	2.58	33%
2020	12%	58%	2.80	19%
2019	3%	54%	3.53	6%



KEY FINANCIAL RATIOS

Year ended December 31		2022	2021	2020	2019	2018	2017
Key Indicators							
Operating							
Gross profit margin	%	33.4	35.5	30.3	22.3	(10.7)	(1,114)
Net profit margin	%	19.1	21.8	12.0	3.07	(38.8)	(6,996)
Performance							
Total assets turnover	Times	0.92	0.59	0.58	0.54	0.26	0.00
Debtors' turnover	Times	14.79	12.89	11.50	11.60	7.42	1.63
Return on equity	%	39.27	33.40	19.42	5.82	(46.48)	(43.30)
Return on capital employed	%	32.17	20.77	14.31	10.99	(7.27)	(7.60)
Leverage							
Debt to equity	Ratio	71.95	115.61	1.45	2.15	3.29	1.58
Debt Ratio	%	55.19	61.20	64.29	71.68	78.65	65.29
Liquidity							
Current ratio	Times	1.73	1.29	1.18	0.84	0.26	0.50
Quick ratio	Times	0.81	0.67	0.37	0.39	0.12	0.24
Cash flow from operating activity	Ratio	0.13	(0.05)	(0.46)	(0.56)	(0.34)	(0.65)
Working Capital							
Number of days inventory	Days	176	176	164	116	118	511
Number of days trade debts	Days	25	28	32	31	49	224
Number of days trade creditors	Days	71	59	49	23	17	221
Operating cycle	Days	76	120	127	103	112	259
Valuation							
Earnings per share	Rs.	7.48	4.37	1.69	0.41	(2.71)	(3.70)
Breakup value per share	Rs.	19.06	13.07	8.71	7.02	5.84	8.55
Dividend per share	Rs.	-	1.50	-	-	-	-
Historical Trends							
Operating Results							
Revenue	Rs.(m)	14,153	7,230	5,084	4,809	2,057	16
Profit before tax	Rs.(m)	3,131	1,571	698	265	(979)	(502)
Profit after tax	Rs.(m)	2,703	1,577	611	147	(799)	(1,090)
EBITDA	Rs.(m)	3,540	2,093	1,368	1,088	(272)	(315)
Financial Position							
Share capital	Rs.(m)	3,611	3,611	3,611	3,611	2,943	2,943
Share premium	Rs.(m)	810	810	810	810	810	810
Revenue reserves	Rs.(m)	2,883	299	(1,277)	(1,888)	(2,035)	(1,237)
Shareholders' equity	Rs.(m)	6,882	4,721	3,144	2,533	1,718	2,517
Current assets	Rs.(m)	8,293	5,490	2,713	2,612	1,539	522
Total assets	Rs.(m)	15,358	12,167	8,805	8,945	8,047	7,251
Current liabilities	Rs.(m)	4,804	4,261	2,298	3,121	5,940	1,033
Non-current liabilities	Rs.(m)	3,672	3,186	3,363	3,291	389	3,701



NOTICE OF 8TH ANNUAL GENERAL MEETING

Notice is hereby given that the eighth Annual General Meeting (the 'Meeting') of Pakistan Aluminium Beverage Cans Limited (the 'Company') will be held on April 28, 2023 at 12:00 noon PST at ISE Auditorium, 55-B, ISE Towers, Jinnah Avenue, Islamabad to transact the following business:

Ordinary Business:

1. To confirm minutes of the seventh Annual General Meeting held on May 23, 2022.
2. To receive, consider and adopt the Audited Accounts for the year ended December 31, 2022, together with the Auditors' and Directors' reports.
3. To appoint Auditors for the financial year ending December 31, 2023 and to fix their remuneration.
4. To transact any other business with the permission of the Chair.

By order of the Board


Sohail Akhtar Gogal
Company Secretary

Islamabad
Dated: April 7, 2023

Notes:

1. Closure of Share Transfer Books

The register of members will remain closed from April 20, 2023 to April 28, 2023 (both days inclusive). Shareholders whose names appear in the Register of Members on April 19, 2023 will be entitled to attend the Annual General Meeting (AGM). Transfers received in order at the office of our Share Registrars, THK Associates (Pvt.) Ltd., Plot No. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi, 75500 by the close of business on April 19, 2023 will be treated in time for the purpose of attending the annual general meeting.

2. Postal Ballot

Pursuant to Companies (Postal Ballot) Regulations 2018, for the purpose of election of Directors and for any other agenda item, subject to the requirements of sections 143 and 144 of the Companies Act 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post, in accordance with the requirements and procedure contained in the aforesaid Regulations.

3. Participation in Annual General Meeting

Any member of the Company entitled to attend and vote at this meeting may appoint another person as his/her proxy to attend and vote on his/her behalf. A corporate entity, being a member, may appoint any person, regardless whether he is a member or not, as its proxy. In case of corporate entities, a resolution of the Board of Directors /Power of Attorney with specimen signatures of the person nominated to represent and vote on behalf of the corporate entity shall be submitted to the Company along with a completed proxy form. Proxies in order to be effective must be received by the Company at the Registered Office located at PHA Flat No. 04, Block No. 12, G-8 / 4, Islamabad, not less than 48 hours before the time fixed for holding the meeting.

4. Virtual Participation

Pursuant to the provisions of Companies Act, 2017; members residing in a city and collectively holding at least 10% of the total paid up capital may demand the Company to provide the facility of Video-link for participating in a meeting. In this regard please fill the following and submit to registered address of the Company at least 10 days before holding of the meeting.

I/we _____ of _____ being a member of Pakistan Aluminium Beverage Cans Limited
holder of _____ Ordinary Share(s) as per Registered Folio No. _____ opt for video conference facility at _____.

Signature of member

The video conferencing facility will be provided only 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 10 days prior to date of meeting. The Company will arrange video conference facility in that city subject to availability of such facility in that city.



5. Payment of cash dividend through electronic mode

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividend directly into their bank account, shareholders are requested to have their bank account information and Zakat status updated directly with shareholder's broker/ participant/ CDC account services.

6. Unclaimed Dividend / Shares under Section 244 of the Companies Act, 2017

In compliance of section 244 of the Companies Act, 2017, an updated list for unclaimed shares/dividend declared by Pakistan Aluminium Beverage Cans Limited ("the Company") details whereof are appearing on the Company's website at <https://pkbevcan.com>, have remained unclaimed or unpaid. Claims can be lodged either at the Company's Office or submitted to the Company's Share Registrar, M/s. THK Associates (Pvt.) Ltd for receipt of dividend / shares.

7. Further Guidelines for shareholders

CDC account holders will have to follow the guidelines issued by the SECP through its Circular 1 of January 26, 2000, stated herein below:

A. For Attending the Meeting

- * In case of individuals, the 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 Regulations, shall authenticate his/her identity by showing his/her original CNIC or original passport at the time of attending the Meeting.
- * In case of corporate entity, a resolution of the Board of Directors / Power of Attorney with specimen signature of the nominee shall be produced (unless the same has been provided to the Company earlier) at the time of the Meeting.

B. For appointing Proxies

- * In case of individuals, the 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 Regulations shall submit the proxy form as per the above requirement.
- * The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be stated on the proxy form.
- * Attested copies of CNICs or passports of the beneficiary owner and the proxy shall be attached with the proxy form.
- * The proxy shall produce his/her original CNIC or original passport at the time of the Meeting.
- * In case of corporate entity, a resolution of the Board of Directors/ Power of Attorney with specimen signature should be submitted along with the proxy form to the Company.

Form of Proxy is enclosed

8. Electronic transmission of Audited Financial Statements

- * Annual Financial Statements of the Company for the financial year ended December 31, 2022 have been placed on the Company's (website www.pkbevcan.com).
- * Members are further informed that under Section 223(6) of the Companies Act 2017, circulation of Audited Financial Statements and Notice of Annual General Meeting has been allowed in electronic format. In compliance with the same, soft copies of the Annual Report 2022 are being emailed to the members.
- * Any member requiring printed copy of Annual Report 2022 may send a request using a Standard Request Form placed on Company website. Such members shall be provided printed copy of Annual Report 2022 free of cost within seven days.
- * Members are also requested to intimate any change in their registered email addresses on a timely manner to the Share Registrar, to ensure effective communication by the Company.

9. Intimation of Changes of Address

- * Shareholders are requested to promptly notify any changes in their registered addresses.



آٹھواں سالانہ اجلاس عام

بذریعہ ہذا اطلاع دی جاتی ہے کہ پاکستان ایلو مینیم بیوریج کینز لمیٹڈ ('کمپنی') کا آٹھویں سالانہ اجلاس عام ('اجلاس') 28 اپریل 2023 کو بوقت 12:00 بجے دوپہر بمقام ISE آڈیٹوریم، ISE B 55-ٹاورز، جناح ایونیو، اسلام آباد میں منعقد ہوگا، جس میں درج ذیل امور زیر بحث لائے جائیں گے:

عام امور:

1. ساتویں سالانہ اجلاس عام منعقدہ 23 مئی 2022 کی تحریری کاروائی کی توثیق کرنا۔
2. آڈٹ شدہ اکاؤنٹس بابت مالی سال اختتامیہ 31 دسمبر 2022 بعد آڈیٹرز و ڈائریکٹرز کی رپورٹس کو موصول کرنا، زیر بحث لانا اور انھیں اپنانا۔
3. مالی سال اختتامیہ 31 دسمبر 2023 کیلئے آڈیٹرز کو تعینات کرنا اور ان کے مشاہرے کا تعین کرنا۔
4. چیئرمین کی اجازت سے کسی بھی دیگر امور کو زیر بحث لانا۔

تکمیل بورڈ

سہیل اختر گوگل

کمپنی سیکرٹری

نوٹس:

اسلام آباد

تاریخ: 7 اپریل 2023

1. - کھاتوں کی بندش

ممبران کا رجسٹر 20 اپریل 2023 سے 28 اپریل 2023 تک بند رہے گا (بشمول ایام منکوحہ)۔ جن شئیر ہولڈرز کے نام 19 اپریل 2023 کو رجسٹر آف ممبرز میں موجود ہیں وہ سالانہ جنرل میٹنگ (AGM) میں شرکت کے حقدار ہوں گے۔ ہمارے شئیر رجسٹرارز، THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پلاٹ نمبر C-32، جامی کمرشل اسٹیٹ 2، ڈی



انچ اے فیز VII، کراچی، 75500 کے دفتر میں 19 اپریل 2023 کو کاروبار کے اختتام تک جو شیئر منتقلیاں موصول ہوں گی انہیں سالانہ عام اجلاس میں شرکت کا مستحق تصور کیا جائے گا۔

2. پوسٹل بیٹ

کمپنیز (پوسٹل بیٹ) ریگولیشنز 2018 کی رو سے، ڈائریکٹروں کے انتخاب یا کسی دیگر ایجنڈا آئٹم کیلئے، سیکشنز 143 اور 144 بابت کمپنیز ایکٹ 2017 کے تحت ممبران کو یہ حق حاصل ہو گا کہ وہ اپنا حق رائے دہی بذریعہ پوسٹل بیٹ استعمال کریں یعنی مرکزہ بالا ریگولیشنز میں مرکوز طریق کار کے مطابق اپنا ووٹ بذریعہ ڈاک بھیج سکتے ہیں۔

3. سالانہ اجلاس عام میں شرکت

اس اجلاس میں شرکت کرنے اور ووٹ دینے کا حقدار کمپنی کا کوئی بھی رکن کسی دوسرے شخص کو اپنی طرف سے شرکت کرنے اور ووٹ دینے کے لیے اپنا پراکسی مقرر کر سکتا ہے۔ ایک کارپوریٹ ادارہ، ایک رکن ہونے کے ناطے، کسی بھی شخص کو، قطع نظر اس بات کے کہ ایسا شخص ممبر ہے یا نہیں، اس کو پراکسی کے طور پر مقرر کر سکتا ہے۔ کارپوریٹ اداروں کے معاملے میں، بورڈ آف ڈائریکٹرز کی ایک قرارداد / پاور آف اٹارنی، کارپوریٹ ادارے کی جانب سے نمائندگی اور ووٹ دینے کے لیے نامزد شخص کے دستخط کے نمونے کے ساتھ کمپنی کو ایک مکمل پراکسی فارم کے ساتھ کمپنی میں جمع کروانا ہونگے۔ پراکسی کے کارآمد ہونے کیلئے لازم ہے کہ وہ کمپنی کو PHA فلیٹ نمبر 04، بلاک نمبر 12، G-4/8، اسلام آباد میں واقع رجسٹرڈ آفس میٹنگ کے انعقاد کے لیے مقررہ وقت سے کم از کم 48 گھنٹے پہلے میں موصول ہو جائیں۔

4. ویڈیو کانفرنس سہولت

کمپنیز ایکٹ، 2017 کی دفعات کے مطابق؛ کسی شر میں رہنے والے اور مجموعی طور پر کل ادا شدہ سرمائے کا کم از کم 10% کھنے والے ممبران کمپنی سے میٹنگ میں شرکت کے لیے ویڈیو لنک کی سہولت فراہم کرنے کا مطالبہ کر سکتے ہیں۔ اس سلسلے میں براہ کرم مندرجہ ذیل فارم کو پُر کریں اور میٹنگ کے انعقاد سے کم از کم 10 دن پہلے کمپنی کے رجسٹرڈ پتے پر جمع کرائیں تاکہ ان کی رجسٹریشن کی جاسکے:-

میں/ہم _____ از _____ بطور ممبر / ممبران پاکستان ایلو مینٹیم بیورج کینز لمیٹڈ حامل / حاملین _____ عام حصص (تعداد) بحوالہ رجسٹرڈ شدہ فلیو نمبر _____

ویڈیو کانفرنس کی سہولت سے فائدہ اٹھانے کی درخواست کرتا ہوں / کرتے ہیں۔

دستخط ممبر / ممبران



ویڈیو کانفرنس کی سہولت اسی صورت میں فراہم کی جاسکتی ہے جبکہ کسی شہر یا علاقے میں مقیم کمپنی کے ممبران مجموعی طور پر 10% یا اس سے زائد حصص کے مالک ہوں اور ان کی جانب سے ایسی درخواست موصول ہو اور ایسی درخواست اجلاس شروع ہونے سے کم از کم 10 دن قبل موصول ہونا لازم ہے۔ کمپنی کی جانب سے ایسے علاقے یا شہر میں ویڈیو کانفرنس کی سہولت کا فراہم کیا جانا متعلقہ سہولیات کی موجودگی سے مشروط ہے۔

5. نقد ڈیویڈنڈ کی ادائیگی بذریعہ الیکٹرانک ذرائع

کمپنیز ایکٹ 2017 کے پروویژنز بابت سیکشن 242 کے مطابق تمام لسٹڈ کمپنیوں پر لازم ہے کہ ایسے تمام حصص داران جو کہ نقد ڈیویڈنڈ وصول کرنے کا استحقاق رکھتے ہیں کو نقد ڈیویڈنڈ کی ادائیگی صرف بذریعہ الیکٹرانک ذرائع براہ راست ان کے متعین کردہ بینک اکاؤنٹس میں ہی کی جائے گی۔ لہذا اپنے نقد ڈیویڈنڈ براہ راست اپنے بینک اکاؤنٹس میں وصول کرنے کیلئے ایسے تمام حصص داران سے گزارش کی جاتی ہے کہ اپنے بینک اکاؤنٹس اور زکوٰۃ سے متعلق جدید معلومات براہ راست اپنے حصص بروکر/شرکت دار/سی ڈی سی اکاؤنٹ سروسز کو فراہم کر دیکھیں۔

6. کمپنیز ایکٹ 2017 کے سیکشن 244 کے تحت غیر دعویٰ شدہ ڈیویڈنڈ/حصص:

کمپنیز ایکٹ 2017 کے سیکشن 244 کی تعمیل میں، پاکستان ایلو مینیم ہیورج کینز لمیٹڈ ("کمپنی") کی جانب سے اعلان کردہ دعویٰ شدہ حصص/ڈیویڈنڈ کے لیے ایک تازہ ترین فرسٹ جس کی تفصیلات کمپنی کی ویب سائٹ <https://pkbevcan.com> پر جاری کر دی گئی ہے، اس صورت میں دعویٰ یا تو کمپنی کے دفتر میں درج کیے جاسکتے ہیں یا کمپنی کے شیئر رجسٹرار، M/s THK Associates (Pvt.) Ltd کو جمع کرائے جاسکتے ہیں۔ ڈیویڈنڈ/حصص کی وصولی کے لیے۔

7. حصص داران کیلئے مزید رہنمائی

سی ڈی سی اکاؤنٹ ہولڈر کوائس ای سی پی کی جانب سے جاری کردہ سرکلر نمبر 1 مجریہ 26 جنوری 2000 کے مطابق عمل کرنا ہو گا جیسا کہ ذیل میں بیان کیا جا رہا ہے :

الف - اجلاس میں حاضری

(i) افراد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا ایسے افراد جن کے حصص گروپ اکاؤنٹ میں ہوں اور انکی رجسٹریشن سے متعلق معلومات قواعد کے مطابق اپ لوڈ کی جا چکی ہوں کو بوقت اجلاس اپنی شناخت ثابت کرنے کیلئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ دکھانا ہو گا۔

(ii) بصورت کارپوریٹ ادارہ، اجلاس کے وقت بورڈ آف ڈائریکٹرز کی جانب سے قرار داد/پاور آف اٹارنی مقررہ شخص کے نمونہ دستخطوں کے ساتھ جمع کروانا ہونگے (الایہ کہ یہ تمام کوائف کمپنی کو پہلے ہی فراہم کئے جا چکے ہوں)۔



ب۔ پراکسی کا تقرر

- i. افراد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا ایسے افراد جن کے حصص گروپ اکاؤنٹ میں ہوں اور انکی رجسٹریشن سے متعلق معلومات قواعد کے مطابق اپ لوڈ کی جا چکی ہوں کو قواعد کے مطابق مزکورہ بالا اصولوں کے تحت پراکسی فارم جمع کروانا ہونگے۔
 - ii. پراکسی فارم پر دو افراد بطور گواہ دستخط کریں گے جن کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر پراکسی فارم پر درج کئے جائیں گے۔
 - iii. مستفید مالک اور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی پراکسی فارم کے ساتھ منسلک کرنا لازم ہے۔
 - iv. بوقت اجلاس پراکسی کو اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ دکھانا ہو گا۔
 - v. بصورت کارپوریٹ ادارہ، بورڈ آف ڈائریکٹرز کی جانب سے قرار داد/پاور آف اٹارنی اور نمونہ دستخطوں کے ساتھ پراکسی فارم کمپنی کے پاس جمع کروانا ہونگے۔
- پراکسی کا فارم منسلک ہے۔

8. آڈٹ شدہ مالیاتی گوشواروں کی الیکٹرانک ٹرانسمیشن

- 31 دسمبر 2022 کو ختم ہونے والے مالی سال کے لیے کمپنی کے سالانہ مالی گوشوارے کمپنی کی ویب سائٹ (www.pkbevcan.com) پر رکھ دیے گئے ہیں۔
- اراکین کو مزید مطلع کیا جاتا ہے کہ کمپنیز ایکٹ 2017 کے سیکشن 223(6) کے تحت آڈٹ شدہ مالیاتی گوشواروں اور سالانہ جنرل میٹنگ کے نوٹس کو الیکٹرانک فارمیٹ میں جاری کرنے کی اجازت دی گئی ہے۔ اسی کی تعمیل میں، سالانہ رپورٹ 2022 کی سافٹ کاپیاں ممبران کو ای میل کی جاتی ہیں۔
- کوئی بھی ممبر جسے سالانہ رپورٹ 2022 کی پرنٹ شدہ کاپی درکار ہوتی ہے وہ کمپنی کی ویب سائٹ پر رکھے گئے درخواست فارم کا استعمال کرتے ہوئے درخواست بھیج سکتا ہے۔ ایسے اراکین کو سات دنوں کے اندر سالانہ رپورٹ 2022 کی پرنٹ شدہ کاپی مفت فراہم کی جائے گی۔
- ممبران سے یہ بھی درخواست کی جاتی ہے کہ وہ اپنے رجسٹرڈ ای میل ایڈریس میں کسی بھی تبدیلی کی اطلاع شیئر رجسٹرار کو بروقت دیں، تاکہ کمپنی کی طرف سے موثر رابطے کو یقینی بنایا جاسکے۔

9. پتہ کی تبدیلی کی اطلاع:

حصص یافتگان سے درخواست کی جاتی ہے کہ وہ اپنے رجسٹرڈ پتوں میں کسی بھی قسم کی تبدیلی کو فوری طور پر مطلع کریں۔



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PAKISTAN ALUMINIUM BEVERAGE CANS 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 Pakistan Aluminium Beverage Cans Limited ("the Company") for the year ended December 31, 2022 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2022.

Kreston Hyder Bhimji & CO.
Chartered Accountants

Karachi

Date: April 06, 2023

UDIN: CR202210221ZU4M1xQX8



STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Pakistan Aluminium Beverage Cans Limited

For the period from January 1, 2022 to December 31, 2022

Pakistan Aluminium Beverage Cans Limited ('the Company') has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('the Regulations') in the following manner;

1 The total number of directors are 7 as per the following;

a.	Male:	6
b.	Female:	1

2 The composition of the Board is as follows:

Category	Name
i. Independent directors*	Mr. Salim Parekh Mr. Muhammad Jawaid Iqbal
ii. Non-executive directors	Mr. Simon Michael Gwyn Jennings Mr. Asad Shahid Soorty Mr. Zain Ashraf Mukaty
iii. Executive directors	Mr. Azam Sakrani
iv. Female directors (Non-Executive)	Ms. Hamida Salim Mukaty

* Regulation 6(1) of the Companies (Code of Corporate Governance) Regulations, 2019 stipulates that it is mandatory for each listed company to have at least two or one third members of the Board, whichever is higher, as independent directors. In a Board comprising 7 Directors, one third would equate to 2.33 persons. The fraction contained in such one-third is not rounded up to three in observance of general mathematic principle and also the Company has enough experienced and well reputed independent directors on the Board who perform and carry out their responsibilities diligently.

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 the Board /shareholders as empowered by the relevant provisions of the Companies Act, 2017 (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 the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Three Directors of the Company are certified under the Directors Training Program, namely:
 - a. Mr. Zain Ashraf Mukaty
 - b. Mr. Muhammad Jawaid Iqbal
 - c. Mr. Azam Sakrani
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below;

Audit Committee	Mr. Muhammad Jawaid Iqbal Ahmad (Chairman) (Independent) Mr. Asad Shahid Soorty Member Mr. Zain Ashraf Mukaty Member
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HR and Remuneration (HR&R) Committee	Mr. Saleem Parekh (Chairman) (Independent) Mr. Simon Michael Gwyn Jennings Member Mr. Zain Ashraf Mukaty Member
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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 and number of meetings held during the year were as per following;

Committee	Frequency	Number of Meetings
Audit Committee	Quarterly	4
HR&R Committee	Annually	1

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

S. No.	Reg. No.	Non-Mandatory Requirement	Explanation
1	5	Representation of Minority Shareholders - The minority members as a class shall be facilitated by the Board to contest election of directors.	None of the person representing minority shareholders, filed Consent to act as director with the Company during the timeline as specified in the Election of Directors held on May 23, 2022.
2	10(1)	Responsibilities of the Board of Directors - Adoption of Corporate governance practices by the Company.	Certain non-mandatory provisions of the Regulations are partially complied. The Company is deliberating on full compliance with all the provisions of Regulations.
3	18	All companies shall make appropriate arrangements to carry out orientation for their directors to acquaint them with these Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed company for and on behalf of shareholders.	The Directors of the Company are adequately experienced to perform their duties and are aware of their powers and responsibilities under the relevant laws. Furthermore, though attending directors training program under regulations 19 is optional, however, remaining directors shall endeavour to complete the training at the earliest.
4	29	Nomination Committee - The Board may constitute a separate committee, designated as the nomination committee, of such number and class of Directors, as it may deem appropriate in its circumstances.	The requirement of Nomination Committee is optional and the board itself takes care of the functions of nomination committee, however, the Board may consider to constitute nomination committee in future if necessary.
5	30	Risk Management Committee- The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The requirement of Risk Management Committee is optional and the Risk management carried is out at the overall Company's level by the executive management of the Company. The Company's management monitors potential risks and risk management procedures are carried out to identify, assess and mitigate any identified or potential risks. The Board and audit committee are also briefed about the findings and consulted for recommendations and approvals as and when needed. Therefore, currently it not considered necessary to have a separate committee in this respect.
6	35	Disclosure of Significant Policies on website - The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's Committees on its website and key elements of the Directors' remuneration policy.	All the policies are well circulated among the relevant employees and Directors. Though the requirement with respect to disclosure of significant policies on the website is optional, however, the Company shall place key elements of significant policies and synopsis of terms of reference of Board's Committees on its website in near future, if considered necessary.

(SIMON MICHAEL GWYN JENNINGS)

Chairman

Date: March 29, 2023



INDEPENDENT AUDITOR'S REPORT

To the members of Pakistan Aluminium Beverage Cans Limited Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Pakistan Aluminium Beverage Cans Limited, ("the Company") which comprise the statement of financial position as at December 31, 2022, 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 a summary of significant accounting policies 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 December 31, 2022 and of the profit, total 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 year. 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 matter. Following are the Key audit matters:

S. No.	Key audit matter	How the matter was addressed in our audit
1	<p>Stock in Trade</p> <p>The Company has significant levels of stock in trade amounting to Rs. 4,098.26 million as at the year end being 26.69% of total assets of the Company. A number of estimates and judgments are involved in valuation of stock in trade and in determining the net realizable values of finished goods and intended use of raw materials.</p> <p>The significance of the balance coupled with the estimates and judgments involved in their valuation has resulted in the stock in trade being considered as a key audit matter.</p> <p>(Refer Notes 3.2 (vii), 4.7, 20 to the annexed financial statements)</p>	<p>Our audit procedures in relation to the matter included the following:</p> <ul style="list-style-type: none"> - Attended the year end stock taking to observe and evaluate existence and condition of inventories and internal controls designed by the Company. - Obtained understanding of internal controls designed by the Company over recording of purchases and valuation & costing of the inventories, and tested their operating effectiveness on sample basis. - Assessed historical costs recorded in the inventory valuation by performing test of details on purchases. Performed re-calculation of costs, of selected sample of items, on the basis of accounting policies being used by the Company. - Obtained valuation sheets of the inventories and traced / reconciled quantities from working papers of observation of physical stock taking. - Evaluated whether valuation basis used are appropriate and are being consistently applied and this included analysis of costing of different items on sample basis. - Assessed the management's determination of the net realizable values and expected use of raw material that included performing tests on the sales prices fetched by the Company before and after year end. - Performed analytical and other relevant audit procedures. - Considered the adequacy of the Company's disclosures in respect of inventories.



S. No.	Key audit matter	How the matter was addressed in our audit
2	<p>Recognition of Revenue</p> <p>Revenue from sale of the Company's products has significantly increased by Rs. 6,923.05 (95.76%) as compared to last year. Revenue is recognized at point in time when performance obligations are satisfied by transferring control of promised goods to customer.</p> <p>Significant increase in revenue from last year, revenue being one of key performance indicator of the Company and inherit risk of material misstatement involved in revenue recognition has resulted in the recognition of revenue being considered as a key audit matter.</p> <p>(Refer to note 4.4 and 25 to the financial statements).</p>	<p>Our audit procedures to assess the recognition of revenue included the following:</p> <ul style="list-style-type: none"> - Assessed the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards including management's assessment of impact of IFRS-15 "Revenue from Contracts with Customers". - Obtained an understanding of management's internal controls over the revenue process and tested effectiveness of controls relevant to such process. - Performed test of details by selecting sample of transactions for comparing with sales invoices, dispatch documents and other underlying records. - Compared a sample of revenue transactions recorded around the year end with the sales orders, sales invoices, dispatch documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. - Performed analytical and other related audit procedures. - Reviewed the adequacy of disclosure as required under applicable financial reporting framework.

Information Other than the Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information included in the Annual report of the Company, 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 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- * Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- * Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- * Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

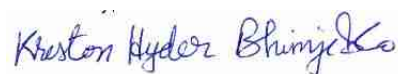
Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other Matter

The financial statements of the Company for the year ended December 31, 2021 were audited by another firm of chartered accountants who expressed an unmodified opinion on those financial statements dated April 26, 2022.

The engagement partner on the audit resulting in this independent auditor's report is Fahad Ali Shaikh



Kreston Hyder Bhimji & CO.

Chartered Accountants

Karachi

Date: April 06, 2023

UDIN: AR202210221RztrLA0KN



FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022



STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

	Note	2022	2021
----- Rupees -----			
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised capital 400,000,000 (2021: 400,000,000) ordinary shares of Rs 10 each		4,000,000,000	4,000,000,000
Issued, subscribed and paid up share capital	5	3,611,082,540	3,611,082,540
Capital reserve - share premium	6	810,040,795	810,040,795
Unappropriated profit		2,460,376,721	299,426,785
		6,881,500,056	4,720,550,120
Non-current liabilities			
Long term financing - secured	7	2,890,938,438	2,638,719,631
Deferred tax liability	8	781,436,605	546,866,996
Deferred income - government grant	9	-	-
		3,672,375,043	3,185,586,627
Current liabilities			
Trade and other payables	10	2,586,566,927	1,310,052,046
Short term borrowings - secured	11	1,489,653,968	2,250,768,169
Accrued finance cost	12	96,800,842	37,569,008
Unclaimed dividend		341,832	-
Derivative financial instruments	13	-	94,760,714
Provision for taxation - net of payments		59,674,158	-
Current portion of long term financing and deferred income	14	570,669,247	568,099,866
		4,803,706,974	4,261,249,803
Contingencies and commitments	15	-	-
		15,357,582,073	12,167,386,550

Chief Executive Officer

Chief Financial Officer

Director

Note 2022 2021

----- Rupees -----

ASSETS

Non-current assets

Property, plant and equipment	16	6,962,632,993	6,675,461,426
Intangible assets	17	-	781,427
Long term Investment	18	100,000,000	-
Long term deposits		1,511,120	999,120
		7,064,144,113	6,677,241,973

Current assets

Stores and spares	19	292,576,461	377,726,932
Stock in trade	20	4,098,263,652	2,252,530,303
Trade debts	21	957,046,665	560,786,974
Advances, deposits, prepayments and other receivables	22	1,901,658,678	114,907,705
Accrued Income		8,171,937	1,231,633
Income tax refundable		-	81,560,033
Short term investments	23	195,653,000	1,859,000,000
Cash and bank balances	24	840,067,567	242,400,997
		8,293,437,960	5,490,144,577
		15,357,582,073	12,167,386,550

The annexed notes 1 to 44 form an integral part of these financial statements.

Agum

Chief Executive Officer

V. Jagannathan

Chief Financial Officer

Hamuda & Mukhtar

Director



STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	2022	2021
		----- Rupees -----	
Sales	25	14,152,967,779	7,229,918,269
Cost of sales	26	(9,424,880,459)	(4,664,900,317)
Gross profit		4,728,087,320	2,565,017,952
Administrative expenses	27	(360,415,891)	(216,441,769)
Selling and distribution cost	28	(513,644,957)	(107,500,346)
Other income	29	223,046,286	46,453,209
Other expenses	30	(537,014,137)	(438,847,985)
Finance costs	31	(408,898,418)	(277,436,232)
Profit before taxation		3,131,160,203	1,571,244,829
Taxation	32	(428,547,886)	5,341,840
Profit for the year		2,702,612,317	1,576,586,669
Earnings per share - basic and diluted	33	7.48	4.37

The annexed notes 1 to 44 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	----- Rupees -----	
Profit for the year	2,702,612,317	1,576,586,669
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss	-	-
Items that will not be reclassified subsequently to profit or loss	-	-
	-	-
Total comprehensive income for the year	2,702,612,317	1,576,586,669

The annexed notes 1 to 44 form an integral part of these financial statements.

Agam

Chief Executive Officer

V. Jagannadi

Chief Financial Officer

Hamuda & Mukhtar

Director



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2022

	Share capital Issued, subscribed and paid up capital	Capital reserve Share premium	Revenue reserve Accumulated profit /(loss)	Total
	----- Rupees -----			
Balance as on December 31, 2020	3,611,082,540	810,040,795	(1,277,159,884)	3,143,963,451
Total comprehensive income for the year ended December 31, 2021				
- Profit for the year	-	-	1,576,586,669	1,576,586,669
- Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	1,576,586,669	1,576,586,669
Balance as on December 31, 2021	3,611,082,540	810,040,795	299,426,785	4,720,550,120
Transaction with owners, recognized directly in equity				
Final dividend for the year ended December 31, 2021	-	-	(541,662,381)	(541,662,381)
Total comprehensive income for the year ended December 31, 2022				
- Profit for the year	-	-	2,702,612,317	2,702,612,317
- Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	2,702,612,317	2,702,612,317
Balance as on December 31, 2022	3,611,082,540	810,040,795	2,460,376,721	6,881,500,056

The annexed notes 1 to 44 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

Director



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	2022	2021
----- Rupees -----			
Cash flows from operating activities			
Cash generated from operations	34	956,924,973	2,158,185,900
Settlement of derivative financial instruments		(102,327,887)	(71,729,172)
Finance cost paid		(345,154,961)	(281,322,257)
Income on investments and deposits received		184,493,574	25,136,865
Long term deposits		(512,000)	-
Payment of income tax during the year		(52,744,085)	(22,068,157)
Net cash generated from operating activities		640,679,614	1,808,203,179
Cash flows from investing activities			
Fixed capital expenditure	16.1 & 16.2	(572,051,117)	(796,325,995)
Long term investment in term finance certificates	18	(100,000,000)	-
Short term investment in term deposit receipts	23	(122,153,000)	(69,000,000)
Net cash used in investing activities		(794,204,117)	(865,325,995)
Cash flows from financing activities			
Proceeds from long term financing - secured	7.7	837,388,695	350,807,498
Repayment of long term financing - secured	7.7	(584,512,644)	(463,329,847)
Dividend Paid		(541,320,549)	-
Net cash used in financing activities		(288,444,498)	(112,522,349)
Net (Decrease) / increase in cash and cash equivalents		(441,969,001)	830,354,835
Cash and cash equivalents at the beginning of the year		(218,367,172)	(1,054,713,215)
Effects of exchange rate changes on cash and cash equivalents		15,249,772	5,991,208
Cash and cash equivalents at the end of the year	34.2	(645,086,401)	(218,367,172)

The annexed notes 1 to 44 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

Director



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

Pakistan Aluminium Beverage Cans Limited (the Company) was incorporated in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017), as a public unlisted company on December 4, 2014. The Company has been listed on Pakistan Stock Exchange on July 16, 2021. The principal activity of the Company is manufacturing and sale of aluminium cans. The Company completed the installation, testing, commissioning of its manufacturing facility at Faisalabad Special Economic Zone commenced commercial operations in September, 2017.

1.1 Geographical location and addresses of all business units are as follows:

Sr. No	Manufacturing units and offices	Address
1	Can manufacturing facility	29 & 30, M-3 Industrial City, Main Boulevard Sahianwalla, Faisalabad
2	Registered office	PHA, Flat No. 4, Block No. 12, Sector G-8 / 4, Islamabad

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; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Standards, interpretations and amendments to published approved accounting standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

2.2.1 Standards, amendments and interpretations to approved accounting standards that are effective in current year

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on January 1, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not disclosed in these financial statements.

2.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The following amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after January 01, 2023 or later periods:

Standards or Interpretations

Effective date Accounting periods beginning on or after:

Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 01, 2023
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.



Standards or Interpretations

IFRS 1 – First time adoption of IFRSs
IFRS 17 – Insurance Contracts

Effective date
Accounting periods beginning on or after:
January 01, 2009
January 01, 2023

The above standards, amendments and interpretations are not expected to have a material impact on the Company's financial statements when they become effective.

3. BASIS OF MEASUREMENT

3.1 These financial statements have been prepared under the historical cost convention except specifically stated wherever applicable.

3.2 Significant accounting estimates and judgements

The Company's significant accounting policies are stated in note 4. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgment and estimation involved in their application and their impact on these financial statements. Judgments and estimates are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

- i) Provision for taxation - note 4.1, 8 and 32;
- ii) Estimated useful lives of property, plant and equipment - note 4.5; and
- iii) Estimated Useful lives of intangible assets - note 4.6;
- iv) Impairment allowance against trade debts, advances and other receivables - note 4.19
- v) Fair values of derivative financial instruments - note 4.14.3 and 13.
- vi) Provision for obsolescence and slow moving stores and spares- note 4.8
- vii) Stock in trade with respect to net realisable value - note 4.7.
- viii) Contingencies - note 4.12.2.

4. SUMMARY OF SIGNIFICANT POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Taxation

Current

Provision of current tax is based on the appropriate benchmark determined in accordance with the prevailing law for taxation.

By virtue of its operations in Faisalabad Special Economic Zone, the income derived by the Company is exempt for ten years from the start of its commercial operations, as defined in the Special Economic Zones Act, 2012 (XX of 2012). However, through Finance Act, 2022 the sub clause (XLII) of clause 11A of part IV of Second Schedule exempting the Company from turnover tax under section 113C has been withdrawn so the Company as a matter of prudence has made provision for turnover tax.

The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and corresponding tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the date of statement of financial position. Deferred tax is charged or credited in the statement of profit or loss and other comprehensive income, except in the case of items credited or charged to equity in which case it is included in equity.

The carrying amount of deferred tax assets is reviewed at statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of deferred tax asset to be utilised.

4.2 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees (PKR), which is the Company's functional and presentation currency.



4.3 Foreign currency transaction and translation

Transactions in foreign currencies are translated into Pakistani Rupees using the exchange rates prevailing on the date of the transaction. All monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees using the exchange rates prevailing at the date of statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary items at the date of statement of financial position, are charged to statement of profit or loss for the year.

4.4 Revenue recognition

The Company contracts with customers for sale of aluminium beverage cans which generally include single performance obligation. Revenue is recognised at a point in time when performance obligations are satisfied by transferring control of products to a customer. Invoices are generated and revenue is recognised at that point in time. Depending on the contract with the customer, performance obligation is satisfied when the products have been shipped or delivered to the customer's destination, the risk of loss have been transferred to the customer and the customer has accepted the product as per the sales contract or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue is measured based on the consideration specified in a contract with the customer, net of any discounts. A receivable is recognised when the performance obligation is satisfied. The payment terms for each customer vary, depending on the contract with the customer. Moreover, there is no significant financing component in the transaction price.

4.5 Property, plant and equipment

Operating fixed assets

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of operating fixed assets consists of cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land is stated at cost less any recognised impairment loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

Depreciation of asset

Depreciation on operating fixed assets is charged to statement of profit or loss applying the straight line method so as to write off the cost of the assets over their estimated useful lives at the rates given in Note 16.1. The Company charges the depreciation on additions from the month when the asset is available for use and on deletions up to the month of de-recognition.

The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted if impact on depreciation is significant. The Company's estimate of the residual value of its operating fixed assets as at December 31, 2022 has not required any adjustment.

Impairment of asset

The Company assesses at each statement of financial position date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognised, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

De-recognition of asset

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in statement of profit or loss in the year the asset is de-recognised as an income or expense.

Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to property, plant and equipment as and when these are available for use.

4.6 Intangible assets

Intangibles are stated at cost less accumulated amortization. Intangibles costs are only capitalized when it is probable that future economic benefits attributable to the intangible will flow to the Company and the same is amortized applying the straight line method at the rates stated in note 17.

Useful lives of intangible assets are reviewed, at each statement financial position date and adjusted if the impact of amortization is significant. The Company's estimate of the useful lives of its intangible assets as at December 31, 2022 has not required any adjustment.



The Company charges the amortization on additions from the date when the asset is available for use and on deletions up to the date of de-recognition.

The Company assesses at each statement of financial position date whether there is any indication that intangible assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognised, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

4.7 Stock in trade

All the stock in trade is stated at the lower of cost and net realizable value. Cost is determined using the FIFO (first in first out) method. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business, less cost of completion and cost necessary to be incurred to make the sale.

Stock in transit is stated at cost comprising invoice value plus other charges paid thereon till the statement of financial position date.

If the expected sales price less completion costs and costs to execute sales (net realizable value) is lower than the carrying amount, a write-down is recognised in statement of profit or loss for the amount by which the carrying amount exceeds its net realizable value. Further, provision is made in the financial statements for obsolete and slow moving stock in trade based on management estimate.

Scrap is valued at net realizable value i.e. sales price less cost to sell. Proceeds from sales of aluminium scrap are deducted from cost of sales.

4.8 Stores and Spares

Stores and spares are valued at FIFO (first in first out) basis, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Provision is made in the financial statements for obsolete and slow moving stores and spares based on management's estimate.

4.9 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

4.10 Borrowing costs

General and specific borrowing cost 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 assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

4.11 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services, whether or not billed to the Company.

Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

4.12 Provisions and contingencies

4.12.1 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow shall be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.



Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions are reviewed at each statement financial position date and adjusted to reflect the current best estimate.

4.12.2 Contingencies

Contingent liabilities are not recognised, except those acquired in business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence of an obligation will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

4.13 Share Capital

Ordinary shares are classified as equity. Incremental costs, if any directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4.14 Financial instruments

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and derecognised when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the statement of profit or loss for the year.

4.14.1 Non-derivative financial assets

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in statement of profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- a) **Amortized cost**
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other operating income using the effective interest rate method on time proportionate basis. Any gain or loss arising on derecognition is recognised directly in statement of profit or loss and presented in other operating income / expenses together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- b) **Fair value through other comprehensive income (FVOCI)**
Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit or loss and recognised in other operating income / expenses. Interest income from these financial assets is included in other operating income using the effective interest rate method. Foreign exchange gains and losses are presented in other operating income / expenses and impairment losses are presented as separate line item in the statement of profit or loss.
- c) **Fair value through profit or loss (FVPL)**
Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the statement of profit or loss and presented net within other operating income / expenses in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the statement of profit or loss following the derecognition of the investment. Dividends from such investments are recognised in the statement of profit or loss as other income when the Company's right to receive payments is established.



Changes in the fair value of financial assets at FVPL are recognised in other operating income / expenses in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts, the Company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance to be recognised from initial recognition of the receivables.

General 3-stage approach is applied for financial assets measured at amortised cost or FVOCI, except for investments in equity instruments i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss is calculated and recognised. The Company determines that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date.

The Company recognises an impairment gain or loss in the statement of profit or loss for financial assets with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

4.14.2 Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Company classifies financial liabilities recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities comprise long term finances secured, trade and other payables, accrued liabilities, accrued finance cost and short term borrowings - secured.

4.14.3 Derivative financial instruments

Derivatives are only used for economic hedging purposes and not as speculative investments. Derivatives are initially recognised at cost on the date a derivative contract is entered into which is the fair value of the instrument, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of item being hedged. The company has not designated any derivative instrument as hedging instrument. These are presented as current assets or liabilities to the extent these are expected to be settled within 12 months after the end of reporting period. Changes in fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the statement of profit or loss and are included in other operating expenses / income.

4.15 Off-setting of financial assets and liabilities

Financial assets and financial liabilities are off-set and the net amount is reported in the statement of financial position only when there is a legally enforceable right to off-set the recognised amount and the Company intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

4.16 Contract balances

Contract liabilities are recognised for consideration received in respect of unsatisfied performance obligations. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

4.17 Retirement benefit - Provident fund

The Company operates a funded unrecognised contributory fund for its permanent employees. Equal monthly contributions at the rate of 8.33% of basic salary are made to the Fund by the Company and employees in accordance with the rules of the Fund. The Company has no further obligation once the contributions has been paid. The contributions made by the Company are recognised as an employee benefit expense in the statement of profit or loss when they are due.



4.18 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, cash at banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and short term borrowings. In the statement of financial position, short term borrowings - secured are included in current liabilities.

4.19 Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortized cost using the effective interest method less any loss allowance.

4.20 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

4.20.1 Lessee

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 Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payment that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is re-measured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in statement of profit or loss if the carrying amount of right-to-use asset has been reduced to zero.

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

The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The Company has elected to apply the practical expedient and not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

4.21 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker. The Chief Executive has been identified as the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the assessing segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment. There are no reportable segments.



4.22 Earning per share

The Holding Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

5. Issued, subscribed and paid up share capital

2022	2021		2022	2021
----- Number of Shares -----			----- Rupees -----	
358,445,010	358,445,010	- Ordinary shares of Rs. 10 each allotted for consideration in cash.	3,584,450,100	3,584,450,100
2,663,244	2,663,244	- Ordinary shares of Rs. 10 each allotted for consideration other than cash (Note 5.2)	26,632,440	26,632,440
361,108,254	361,108,254		3,611,082,540	3,611,082,540

5.1 As at year end Soorty Enterprises (Private) Limited, an associated company, held 72,221,651(20%) (2021: 72,221,651(20%)) ordinary shares of the Company.

5.2 These were issued to Ashmore Mauritius PABC Limited (an ex-shareholder / former parent of the Company) in the year of incorporation as a consideration for expenses incurred on behalf of the Company. During the preceding year Ashmore Mauritius PABC Limited sold its shares to Ms Hamida Slaim Mukaty and Soorty Enterprises (Private) Limited by way of private placement and to general public consequent of listing of the Company on Pakistan Stock Exchange Limited (PSX) in pursuance of the decision of the Board of Directors of the Company in its meeting held on March 12, 2021 to list the Company on PSX.

5.3 The holders of ordinary shares are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to the Company's residual assets.

6. CAPITAL RESERVE - SHARE PREMIUM

This represents share premium of Rs 7.2165 per share received on issuance of 112,247,430 shares to shareholders representing Liberty Group under share subscription agreement dated December 3, 2015.

	Note	2022	2021
		----- Rupees -----	
7. LONG TERM FINANCING - SECURED			
Long term financing under;			
Syndicate term finance facility (STFF)	7.1	1,356,923,702	1,658,304,186
Long term finance facility (LTFF) - 1	7.1	950,009,595	1,150,000,465
Employee refinance scheme	7.2	-	56,807,885
Long term finance facility (LTFF) - 2	7.3	47,736,121	24,608,705
Islamic Long term finance facility (ILTFF)	7.4	1,006,938,400	322,600,400
Long term finance facility for renewable energy	7.5	105,153,461	3,371,393
Diminishing Musharakah Financing	7.6	4,407,294	-
		3,471,168,573	3,215,693,034
		(9,560,888)	(11,473,024)
Transaction costs		3,461,607,685	3,204,220,010
		(570,669,247)	(565,500,379)
Current portion shown under current liabilities	14	2,890,938,438	2,638,719,631

7.1 Syndicate term finance facility and Long term finance facility - 1

This loan has been obtained from a syndicate of banks (with Faysal Bank Limited as the lead bank). Based on the Common Term Agreement dated June 6, 2018 between the Company and the banks, the aggregate facility amounted to Rs 3,600 million and subject to the approval of State Bank of Pakistan (SBP), the Company could convert Rs 1,500 million into LTFF Scheme of SBP. As at December 31, 2022, the Company has utilised the available limit upto Rs 3,600 million (2021: Rs 3,600 million).



Mark-up

It carries mark-up at six months Karachi Inter Bank offered Rate (KIBOR) plus 0.5% per annum for STFF and SBP rate plus 0.5% per annum for LTFF. The effective mark-up charged during the year ranges from 11.87% to 15.92% per annum for STFF (2021: 7.85% to 11.87% per annum) and 3.5% per annum for LTFF (2021: 3.5% per annum). Markup is payable semi annually in arrears for STFF and quarterly in arrears for LTFF.

Tenor and repayment

The tenor of the loan was eight years and the STFF was repayable in fifteen equal semi annual installments and the LTFF was originally repayable in thirty equal quarterly installments after a grace period of six months commencing from first drawdown. The balance of STFF as at year end is repayable in nine equal semi annual installments ending on June 19, 2027 and the balance of LTFF is repayable in nineteen equal quarterly installments ending on July 01, 2027.

Security

The aggregate amount of facilities is secured by first pari passu charge on all present and future fixed and current assets of the Company with 20% margin as well as equitable mortgage charge over land and building with 20% margin.

7.2 Employee refinance scheme

This loan was obtained from Faysal Bank Limited under the Refinance Scheme for payment of wages and salaries to the workers and employees of business concerns by the State Bank of Pakistan. The company has fully utilised the available limit and during the year, the loan stands fully repaid.

Mark-up

It carried mark-up markup at 0.75% per annum. The effective mark-up charged during the year is 0.75% per annum (2021: 0.75% per annum). Mark-up is payable quarterly in arrears.

Tenor and repayment

The loan stands fully repaid as on 31 December 2022.

Security

The aggregate amount of facility is secured by first pari passu charge on present & future fixed and current assets of the Company with 20% margin.

7.3 Long term finance facility - 2

This represents disbursement against aggregate facility of Rs 70 million from Habib Metropolitan Bank Limited to finance the import of plant and machinery. As at December 31, 2022, the company has utilised the available limit upto Rs 63.851 million (2021: Rs 24.617 million).

Mark-up

It carries mark-up at SBP rate plus 1% per annum and the effective markup charged during the year is 4% per annum (2021: 4% per annum). Mark-up is payable quarterly in arrears.

Tenor and repayment

The loan is repayable in 3 years in equal quarterly installments from the respective date of disbursement without any grace period.

Security

It is secured by an aggregate sum of Rs 78 million by a specific charge over plant and machinery of the Company with 10% margin.

7.4 Islamic long term finance facility

This represents disbursement against aggregate facility of Rs 1,100 million obtained from Faysal Bank Limited to finance the import of plant and machinery. As at December 31, 2022, the Company has utilised the available limit upto Rs 1,006.968 million (2021: Rs 322.600 million).

Mark-up

It carries mark-up at SBP rate plus 1% per annum and the effective markup charged during the year is 3% per annum. Mark-up is payable quarterly in arrears.

Tenor and repayment

The loan is repayable in 32 equal quarterly annual installments commencing from two years after the date of respective disbursement.

Security

The aggregate amount of facility is secured by first pari passu hypothecation charge on present & future fixed and current assets of the Company with 20% margin.



7.5 Long term finance facility for renewable energy

This represents disbursement against aggregate facility of Rs 150 million obtained from MCB Bank Limited to finance the project for generation of electricity from solar energy. As at December 31, 2022, the company has utilised the available limit upto Rs 112.937 (2021: Rs. 3.371 million).

Mark-up

It carries mark-up at SBP rate plus 0.5% per annum and the effective markup charged during the year is 2.5% per annum. Mark up is payable quarterly in arrears.

Tenor and repayment

The loan is repayable in 39 equal quarterly installments commencing from April, 2022.

Security

The aggregate amount of facility is secured by first pari passu charge on present & future fixed and current assets of the Company with 20% margin.

7.6 Diminishing Musharakah Financing

This represents disbursement against vehicle aggregate facility of Rs 4.555 million obtained from First Habib Modaraba to finance vehicle. The Company has utilised the available limit upto Rs 4.555 million (2021: Nil).

Mark-up

It carries mark-up at 6 months Kibor plus 1% per annum and Kibor shall be revised on semi annual basis. Mark-up is payable monthly in arrears.

Tenor and repayment

The loan is repayable in 60 equal monthly installments commencing from one month after the date of respective disbursement.

Security

The aggregate amount of facility is secured by charged created on its current / fixed assets in respect of Musharakah assets and demand promissory note. Title of the vehicle is in name of the First Habib Modaraba and will be transferred to Company after final settlement of the loan.

7.7 The reconciliation of the carrying amount is as follows:

	Note	2022	2021
		----- Rupees -----	
Opening balance		3,204,220,010	3,308,716,146
Drawdowns during the year		837,388,695	350,807,498
Repayments during the year		(584,512,644)	(463,329,847)
		3,457,096,061	3,196,193,797
Amortization of transaction cost		1,912,136	1,841,100
Accretion of finance cost on government grant		2,599,487	6,185,113
		3,461,607,684	3,204,220,010
Current portion shown under current liabilities	14	(570,669,247)	(565,500,379)
		2,890,938,437	2,638,719,631

8. DEFERRED TAX LIABILITY

The deferred tax liability comprises of timing differences relating to accelerated tax depreciation allowances:

Opening balance		546,866,996	504,228,543
Charged to statement of profit or loss	32	234,569,609	42,638,453
Closing balance		781,436,605	546,866,996



	Note	2022	2021
		----- Rupees -----	
9. DEFERRED INCOME - GOVERNMENT GRANT			
Opening balance		2,599,487	8,784,600
Government grant recognised in statement of profit or loss	29	(2,599,487)	(6,185,113)
		<hr/>	<hr/>
Current portion shown under current liabilities	14	-	2,599,487
		<hr/>	<hr/>
		-	(2,599,487)
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>

- 9.1** Government grant has been recognised as the difference between the fair value and proceeds received under the Employee Refinance Loan as referred in note 7.2. There are no unfulfilled conditions or contingencies attached to this grant affecting its recognition at the reporting date. Since the said loan has been repaid during the year, hence the related grant has been transferred to statement of profit or loss.

	Note	2022	2021
		----- Rupees -----	
10. TRADE AND OTHER PAYABLES			
Trade creditors		1,429,240,548	539,267,064
Accrued liabilities	10.1 & 10.2	412,937,296	215,310,789
Advances from customers	10.3	464,317,194	371,463,800
Payable to employee provident fund	10.4	2,798,009	1,591,274
Withholding tax payable		11,515,413	4,033,424
Worker's profit participation fund	10.5	169,739,259	138,991,451
Worker's welfare fund	10.6	96,019,208	32,117,979
Sales tax payable		-	7,276,265
		<hr/>	<hr/>
		2,586,566,927	1,310,052,046
		<hr/>	<hr/>

- 10.1** This includes Rs 6.111 million (2021: Rs 3.297 million) payable to directors in respect of directors' fee.

- 10.2** This includes Rs. 215.5 million (2021: Rs.79.5 million) in respect of infrastructure cess on import. The Company had filed a petition in the High Court of Sindh at Karachi challenging the levy of infrastructure cess on imports. The Divisional Bench announced Judgment adjudicating the levy collected as valid. The Company and the respondent filed appeals before the Supreme Court of Pakistan challenging the partial judgment of the High Court of Sindh. The Company has also provided 100% guarantee on levy amount. Till reporting date, the Company has provided bank guarantee in favor of Excise and Taxation Department for Rs.225.4 million (2021: Rs.95.169 million), in respect of consignments cleared from the date of order till year end. Based on the legal advice, the management believes that the case will be decided in favor of the Holding Company. However, full provision has been made in these financial statements as an abundant precaution.

- 10.3** This primarily represents advances received from customers against which sales were made in the subsequent period. Reconciliation of carrying amount is as follows:

	Note	2022	2021
		----- Rupees -----	
Opening balance		371,463,800	12,560,425
Payments received during the year		4,145,509,473	3,716,890,442
Recognised in sales during the year		(4,052,656,079)	(3,357,987,067)
		<hr/>	<hr/>
Closing balance		464,317,194	371,463,800
		<hr/>	<hr/>

- 10.4** Investments out of employees' provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the conditions specified thereunder.

	Note	2022	2021
		----- Rupees -----	
10.5 Worker's profit participation fund			
Opening balance		138,991,451	51,742,072
Provision for the year	30	168,161,128	84,521,459
Markup accrued for the year	31	2,886,389	2,727,920
		<hr/>	<hr/>
		310,038,968	138,991,451
Less: Paid during the year		(140,299,709)	-
		<hr/>	<hr/>
Closing balance		169,739,259	138,991,451
		<hr/>	<hr/>



	Note	2022	2021
		----- Rupees -----	
10.6 Worker's welfare fund			
Opening balance		32,117,979	19,947,365
Provision for the year	30	63,901,229	32,117,979
Payments/adjustments made during the year		-	(19,947,365)
Closing balance		96,019,208	32,117,979
11. SHORT TERM BORROWINGS - SECURED			
Running finances	11.1 & 11.2	59,356,308	402,568,169
Short term finances			
- Export refinance facility	11.4	1,309,000,000	1,248,200,000
- Others short term finance	11.5	121,297,660	600,000,000
		1,430,297,660	1,848,200,000
		1,489,653,968	2,250,768,169
11.1	Running finances (RF) available from various commercial banks under mark-up arrangements amount to Rs. 1,940 million (2021: Rs 2,040 million) including Rs 600 million being available to the Company as a sublimit of export refinance facilities and Rs 200 million as a sublimit of letter of credit facilities as referred to in note 11.3 and 11.7 respectively. The rates of mark-up are based on three months KIBOR plus spread (Ranging from 0.25% to 0.6% per annum) and effective mark-up charged during the year ranges from 10.92% to 16.11% (2021: 7.70% to 8.38%) per annum or part thereof on the balances unpaid. These facilities are secured by hypothecation and joint pari passu charge on present and future fixed assets, current assets and equitable mortgage charge over land and building of the Company. As at December 31, 2022, the unutilised facility amounts to Rs 1,940 million (2021: Rs 2,019.946 million).		
11.2	Running Musharakah facility of Rs. 570 million, Rs. 75 Million and Rs Nil (2021: 600 million) was obtained as a sublimit of export refinance facility, letter of credit facility and Islamic long term finance facility respectively, as referred to in note 11.3, 11.7 and 7.4 respectively. The rate of mark-up on this facility is based on KIBOR plus spread of 1% per annum and the effective interest rate charged during the year is 14.34% (2021: 10.28%) per annum. This facility is secured against first pari passu hypothecation charge with 20% margin on all present and future fixed assets of the Company. As at December 31, 2022, the unutilised facility amounts to Rs 585.64 million (2021: Rs. 217.313 million).		
11.3	These represent Finance Against Trust Receipt (FATR) facilities amounting to Rs 2,630 million (2021: Rs 2,530 million) including Rs 390 million (2021: Rs 500 million) being available to the Company as a sublimit of running finance facilities, Rs 2,240 million (2021: Rs 1,130 million) as a sublimit of letter of credit facilities and Rs Nil (2021: 500 million) as a sublimit of Export refinance facilities as referred to in note 11.1, 11.7 and 11.4 respectively. These are secured by lien over import and export documents and trust receipts duly signed & witnessed by the customer, in addition to securities referred in 11.1, 11.7 and 11.4 respectively. The facilities are subject to mark-up @ 3M KIBOR + 0.25% to 0.75% (effective rate charged during 2021 ranged from 8.71% to 7.69%) per annum. Furthermore, the unutilised amount as at December 31, 2022 is Rs 2,630 million (2021: Rs 2,530 million).		
11.4	These represent Export Refinance Facilities (ERF) of Rs. 3,800 million (2021: Rs 3,550 million) available to the Company, including Rs 1,140 million (2021: Rs 1,140 million) being available to the Company as a sublimit of running finance facilities, Rs 740 million (2021: Rs 490 million) as a sublimit of letter of credit facilities and Rs. 250 million as a sublimit of Istisna as referred to in note 11.1 and 11.7 respectively. These are secured by lien over import and export documents and trust receipts duly signed & witnessed by the customer, in addition to securities referred in 11.1 and 11.7. The effective mark-up charged during the year ranges from 2% to 11% (2021: 2.40% to 3%) per annum. Furthermore, the unutilised amount of ERF facilities amounts to Rs 2,491million (2021: Rs 2,301.8 million) as at the year end.		
11.5	This includes Rs 600 million (2021: Rs. 600 million) as a short term finance facility available to the Company as a sublimit of export refinance facility as referred to in 11.3 and Rs. 1,730 million (2021: Rs. Nil) under export finance scheme including Rs. 390 million as sub limit of running finance facility, Rs. 600 million (2021: Rs. Nil) as sub limit of export refinance, Rs. 490 million as sublimit of letter of credit facilities and Rs. 250 million (2021: Rs. Nil) as sub limit of Istisna facility as referred to in note 11.1, 11.3, 11.7 and 11.11 respectively. These are secured by lien over import and export documents and trust receipts duly signed & witnessed by the customer, in addition to securities referred in 11.3. The effective mark-up charged during the year is 10.29% per annum (2021: 10.29%). Furthermore, the unutilised amount of these facilities amounts to Rs. 2,237 million (Rs. Nil) as at December 31, 2022.		
11.6	Facilities for discounting of bills receivable available from various commercial banks amount to Rs 640 million (2021: Rs 640 million) including Rs 300 million (2021: Rs 300 million) being available to the Company as a sublimit of running finance facilities and Rs 90 million (2021: Rs 90 million) as a sublimit of letter of credit facilities as referred to in note 11.1 and 11.7. The Company has not availed any amount against these facilities as at December 31, 2022 (2021: Nil). Bills discounted from financial institutions are secured by lien on such bills, in addition to securities referred in 11.1 and 11.7. There was no mark-up charged during the year (2021: Nil).		



- 11.7** Of the aggregate facilities of Rs 8,640 million (2021: Rs 6,180 million) available to the Company for opening Letter of Credits (LC), including Rs Nil million (2021: Rs 400 million) available as a sublimit of FATR facilities and Rs 600 million (2021: Rs 800 million) being available to company as sublimit of export refinance facility as referred to in note 11.3 and 11.4 respectively, the amounts unutilised as at December 31, 2022 were Rs 5,073.881 million (2021: Rs 4,118.41 million). These facilities are secured by lien on import bills and hypothecation on present and future fixed assets and current assets of the Company with 20% margin in addition to securities referred in note 11.3 and 11.4.
- 11.8** Of the aggregate facilities for letter of guarantees (LG) of Rs 360 million (2021: Rs 160 million) available to the Company, the amount unutilised as at December 31, 2022 is Rs. 107.6 million (2021: Rs 44.557 million). These are secured by hypothecation on present and future fixed assets, current assets of the Company with 20% margin and lien over TDR certificates.
- 11.9** The aggregate facilities for finance against imported merchandise (FIM) of Rs 600 million (2021: Rs 900 million), available to the Company as a sub limit of letter of credit, as referred to in note 11.7, stand unutilised as at year end (2021: nil). These facilities are secured by pledge over imported stocks in addition to securities referred in note 11.7.
- 11.10** The aggregate foreign currency import facilities of Rs 3,390 million (2021: Rs 3,065 million) including 2,240 million (2021: Rs 2,065 million) being available to the Company as a sublimit of letter of credit facility, Rs 250 million (2021: Rs 250 million) as a sublimit of istisna facility, Rs 500 million (2021: 500 million) as a sublimit to export refinance facility and Rs Nil million (2021: Rs 250 million) as a sublimit to running finance facility as referred to in note 11.7, 11.11, 11.4 and 11.1 respectively, stand unutilised as at the year end (2021: Nil). These are secured by hypothecation on present and future fixed assets and current assets of the Company with 20% margin. There was no mark-up charged during the year (2021: Nil).
- 11.11** The aggregate facilities of IERF Murabaha, IERF Istisna and Tijara finance from various commercial banks of Rs 1,570 million (2021: Rs 500 million) including sublimits of other facilities amounting to Rs. 500 million. These facilities are secured under ranking charge over the current & fixed assets of the Company with 20% margin respectively. Total unutilised facilities amounts to Rs. 841 million (2021: Rs. Nil).

12. ACCRUED FINANCE COST

Accrued mark up on:

- long term loans - secured
- short term borrowings - secured

	2022	2021
	----- Rupees -----	
	50,684,628	21,852,990
	46,116,214	15,716,018
	96,800,842	37,569,008

13. DERIVATIVE FINANCIAL INSTRUMENTS

These represented forward cover against the Company's forecasted export receipts. However, the Company had not designated these derivatives as hedging instrument. These were measured at fair value through profit or loss using level 2 valuation techniques in fair value hierarchy as referred to in note 38.

14. CURRENT PORTION OF LONG TERM FINANCING AND DEFERRED INCOME

	Note	2022	2021
		----- Rupees -----	
Current portion of long term financing - secured	7	570,669,247	565,500,379
Current portion of deferred income - government grant	9	-	2,599,487
		570,669,247	568,099,866

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

- i) Ashmore Mauritius PABC Limited is a company based in Mauritius and is owned by Ashmore Cayman SPC No 2 Limited which is based in the Cayman Islands. During the year 2021, Ashmore Mauritius disposed its shares in the Company, as referred to in note 1.2, and received total sales proceeds of Rs 7,488.4 million in an escrow account in the name of the Company which was opened under the terms of an escrow agreement dated July 07, 2021. The Commissioner Inland Revenue (the CIR) through notice u/s 172 (5) of Income Tax Ordinance (ITO) 2001 dated September 29, 2021, showed intention of declaring the Company as a representative of Ashmore Cayman and to discharge related tax obligations while disregarding Ashmore Mauritius in terms of section 109(1)(d) of ITO 2001. Ashmore Mauritius through its letters to the CIR dated October 05, 2021, and October 15, 2021 submitted that it is in the process of appointing its agent and the CIR will be intimated through properly executed power of attorney and therefore the CIR's notice against the Company should be withdrawn. The Company challenged the notice of the CIR on multiple grounds through its letters dated October 18, 2021, and October 28, 2021, whilst it also filed a writ petition before Islamabad High Court against notice of the CIR and the Court has granted a stay to the proceedings against the Company through order dated November 04, 2021.



Furthermore, Ashmore Mauritius paid Rs 889.47 million to Federal Board of Revenue under protest. The amount in the escrow account has already been paid to the local entity registered in Pakistan by Ashmore Mauritius registered with Federal Board of Revenue through separate registration number (NTN). The case filed by the Company in Islamabad High Court is still pending. Based on the view of its legal counsel, the management of the Company is of the view that as Ashmore Mauritius has been registered in Pakistan, is contesting its case before the CIR through its agent, has requested the CIR to withdraw notices against the Company and has also settled a significant portion of any possible tax liability, therefore, no provision in this respect is required in these financial statements.

- ii) "The company has filed appeal in respect of amended order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2020 in which the Inland Revenue Department of Federal Board of Revenue (FBR) has determined a liability of Rs, 67,820,322/- and the management is optimistic and it very likelihood that the demand will be deleted by the worthy Commissioner Inland Revenue (Appeals).

Furthermore the Company has filed petition against chargeability of minimum tax under section 113 of the Ordinance as the Company is operating in special economic zone so its income is exempt from taxes under section 37(b) of Special Economic Zone Act 2012 which is pending for decision of the court.

However the Company, as a matter of prudence, has made provision of full amount.

15.2 Guarantees

- i) The banks have issued the following guarantees on the Company's behalf in favour of:
- Director, Excise and Taxation, Karachi under direction of Sindh high Court in respect of suit filed for levy of infrastructure cess amounting to Rs. 225.4 million (2021: Rs 95.169 million).
 - Faisalabad Electric Supply Company, Sui Northern Gas Pipe Lines Ltd and others aggregating to Rs 14.274 million, Rs. 11.799 million and Rs 1 million (2021: Rs 14.274 million and Rs 6 million) respectively.
- ii) Post dated cheques issued to Collector of Customs for custom duties on imports amounting to Rs 2,456.861 million (2021: Rs 777.606 million).

15.3 Commitments

- i) Letters of credit for capital expenditure amounting to Rs. 57.478 million (2021: Rs 44.395 million).
- ii) Letter of credits (LCs) other than for capital expenditure amounting to Rs.1,898.414 million (2021: Rs 1,080.879 million).
- iii) The Company has commitment in respect of short term lease rentals against properties amounting to Rs 0.462 million (2021: Rs 0.71 million).

Note **2022** 2021
----- Rupees -----

16. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	16.1	6,880,793,046	5,750,729,137
Capital work in progress [including in transit of Rs 7.797 million (2021: Rs 540.715 million)]	16.2	81,839,947	924,732,289
		6,962,632,993	6,675,461,426



16.1 Operating fixed assets

	Freehold land	Buildings on freehold land	Plant and machinery	Equipments	Computer and related items	Furniture and fixtures	Vehicles	Total
----- Rupees -----								
At December 31, 2022								
Cost	146,407,371	1,316,204,059	5,986,717,126	621,081,155	17,080,639	42,084,309	86,370,829	8,215,945,488
Accumulated Depreciation / Impairment	-	(171,981,177)	(919,881,508)	(166,494,719)	(15,516,107)	(32,967,695)	(28,311,236)	(1,335,152,442)
Net book value	<u>146,407,371</u>	<u>1,144,222,882</u>	<u>5,066,835,618</u>	<u>454,586,436</u>	<u>1,564,532</u>	<u>9,116,614</u>	<u>58,059,593</u>	<u>6,880,793,046</u>
For the year ended December 31, 2022								
Opening net book value	146,407,371	1,174,759,729	3,903,889,324	484,728,584	1,690,951	15,422,378	23,830,800	5,750,729,137
Additions (at cost)	-	2,353,220	1,365,956,154	2,176,592	887,431	-	43,570,062	1,414,943,459
Depreciation - note 16.1.1	-	(32,890,067)	(203,009,860)	(32,318,740)	(1,013,850)	(6,305,764)	(9,341,269)	(284,879,550)
Closing net book value	<u>146,407,371</u>	<u>1,144,222,882</u>	<u>5,066,835,618</u>	<u>454,586,436</u>	<u>1,564,532</u>	<u>9,116,614</u>	<u>58,059,593</u>	<u>6,880,793,046</u>
Rate of depreciation	<u>-</u>	<u>2.50%</u>	<u>3.37% & 20%</u>	<u>5% & 15%</u>	<u>33.33%</u>	<u>15%</u>	<u>15%</u>	
At December 31, 2021								
Cost	146,407,371	1,313,850,839	4,580,838,121	618,904,563	16,193,208	42,084,309	42,800,767	6,761,079,178
Accumulated Depreciation	-	(139,091,110)	(676,948,797)	(134,175,979)	(14,502,257)	(26,661,931)	(18,969,967)	(1,010,350,041)
Net book value	<u>146,407,371</u>	<u>1,174,759,729</u>	<u>3,903,889,324</u>	<u>484,728,584</u>	<u>1,690,951</u>	<u>15,422,378</u>	<u>23,830,800</u>	<u>5,750,729,137</u>
For the year ended December 31, 2021								
Opening net book value	146,407,371	1,207,606,000	4,052,519,481	510,574,449	1,212,418	21,735,024	27,055,813	5,967,110,556
Additions (at cost)	-	-	16,036,511	6,324,786	1,403,110	-	2,905,000	26,669,407
Disposal - note 16.1.3	-	-	(8,604,807)	-	-	-	-	(8,604,807)
Depreciation - note 16.1.1	-	(32,846,271)	(156,061,861)	(32,170,651)	(924,577)	(6,312,646)	(6,130,013)	(234,446,019)
Closing net book value	<u>146,407,371</u>	<u>1,174,759,729</u>	<u>3,903,889,324</u>	<u>484,728,584</u>	<u>1,690,951</u>	<u>15,422,378</u>	<u>23,830,800</u>	<u>5,750,729,137</u>
Rate of depreciation	<u>-</u>	<u>2.50%</u>	<u>3.37%</u>	<u>5% - 15%</u>	<u>33.33%</u>	<u>15%</u>	<u>15%</u>	

	Note	2022	2021
----- Rupees -----			
16.1.1 The depreciation charge has been allocated as follows:			
Cost of sales	26	275,187,426	226,469,736
Administrative expenses	27	9,692,124	7,976,283
		<u>284,879,550</u>	<u>234,446,019</u>

16.1.2 Immovable fixed assets of the Company are situated at plot, 29 & 30, M-3 Industrial City, Main Boulevard Sahianwalla, Faisalabad. Freehold land represents 20.92 Acre of land situated at 29 & 30, M-3 Industrial City, Main Boulevard Sahianwalla, Faisalabad.

16.1.3 This represents plant and machinery acquired at a cost of Rs. Nil (2021: 10.054 million) which has been written off at a net book value of Rs. Nil (2021: Rs 8.605 million).

	Note	2022	2021
----- Rupees -----			
16.2 Capital work-in-progress			
Generator		-	159,922,851
Plant and machinery	16.2.1	73,865,227	800,632,038
Building		7,974,720	-
Others		-	4,100,251
		<u>81,839,947</u>	<u>964,655,140</u>
Less: Accumulated impairment on generator		-	(39,922,851)
		<u>81,839,947</u>	<u>924,732,289</u>

16.2.1 This primarily represents significant expenditure incurred by the Company on its capacity expansion project.



16.2.2 The reconciliation of gross carrying amount is as follows:

	2022			
	Balance as at December 31, 2021	Expenditure incurred / Borrowing cost capitalized during the year	Capitalized in property, plant and equipment during the year	Balance as at December 31, 2022
	----- Rupees -----			
Generator				
Cost	159,922,851	-	(159,922,851)	-
Impairment	-	-	39,922,851	-
Net transferred	-	-	(120,000,000)	-
Plant and machinery	800,632,038	505,928,370	(1,232,695,181)	73,865,227
Building	-	7,974,720	-	7,974,720
Others	4,100,251	9,160,722	(13,260,973)	-
	964,655,140	523,063,812	(1,365,956,154)	81,839,947

	2021			
	Balance as at December 31, 2020	Expenditure incurred / Borrowing cost capitalized during the year	Capitalized in property, plant and equipment during the year	Balance as at December 31, 2021
	----- Rupees -----			
Generator	159,922,851	-	-	159,922,851
Plant and machinery	1,500,000	799,132,038	-	800,632,038
Others	-	4,100,251	-	4,100,251
	161,422,851	803,232,289	-	964,655,140

17. INTANGIBLE ASSETS

Cost		23,402,888	23,402,888
Accumulated amortization		(23,402,888)	(22,621,461)
Net book value	17.1	-	781,427

17.1 The reconciliation of net book value is as follows:

Opening net book value		781,427	2,160,095
Amortization charge	17.3	(781,427)	(1,378,668)
Closing net book value		-	781,427
Amortization rate % per annum		33.33%	33.33%

17.2 Intangible assets represent business management software and though the same has been fully amortised, the software is still in Company's use.

17.3 The amortization charge for the year has been allocated as follows:

Cost of sales	26	703,284	1,240,801
Administrative expenses	27	78,143	137,867
		781,427	1,378,668

18. LONG TERM INVESTMENT

At amortised Cost			
Term Finance Certificate - Held to Maturity			
Soneri Bank Limited	18.1	100,000,000	-

18.1 This represents investment in 1,000 units of Term Finance Certificates of Rs.100,000 each of Soneri Bank Limited for the period of 10 years. These carry profit @ 6 months KIBOR + 1.70% for period of 10 year.



	Note	2022	2021
		----- Rupees -----	
19. STORES AND SPARES			
Mechanical items and spare parts		260,950,366	230,658,261
Lubricants and oil		9,901,744	43,302,561
Consumables		27,979,787	16,108,090
Electrical items		79,389,294	73,321,099
Tools and safety items		15,671,313	14,336,921
		393,892,504	377,726,932
Provision for slow moving stores and spares	19.1	(101,316,043)	-
		292,576,461	377,726,932
19.1 Provision for slow moving stores and spares			
Balance as at January 1		-	-
Provision for the year	30	101,316,043	-
Balance as at December 31		101,316,043	-
20. STOCK IN TRADE			
Raw materials			
- Aluminium coils [including in transit of Rs.501,408,419. (2021: Rs 371,049,058)]		2,155,689,569	1,113,718,934
- Can ends [including in transit of Rs.272,670,335 (2021: Rs 768,609)]		885,390,903	405,848,098
- Others [including in transit of Rs.15,218,480. (2021: Rs 24,547,939)]		309,729,117	165,885,211
		3,350,809,589	1,685,452,243
Finished goods [including in transit of Rs. Nil (2021: 839,595)]	20.1	676,928,451	461,261,848
Aluminium scrap [including in transit of Rs. Nil (2021: 86,069,059)]		103,482,925	126,843,719
		4,131,220,965	2,273,557,810
Provision for slow moving stock	20.2	(32,957,313)	(21,027,507)
		4,098,263,652	2,252,530,303
20.1 Finished goods with a cost of Rs. Nil (2021: Rs 2.621 million) are being valued at a net realisable value of Rs. Nil (2021: Rs 1.421 million).			
	Note	2022	2021
		----- Rupees -----	
20.2 Provision for slow moving stock			
Balance as at January 1		21,027,507	10,774,390
Inventory write off during the year		-	(4,260,034)
Provision for the year		11,929,806	14,513,151
Balance as at December 31		32,957,313	21,027,507
21. TRADE DEBTS			
Considered good	21.1	957,046,665	560,786,974
Considered doubtful		7,908,614	4,247,837
		964,955,279	565,034,811
Loss allowance	21.4	(7,908,614)	(4,247,837)
		957,046,665	560,786,974
21.1 These are considered good and include Rs.230.569 million (2021: Rs 73.135 million) secured against letters of credit.			
21.2 This includes Rs.163.423 million (US\$ 721,835) in respect of foreign trade debts.			
21.3 Aging analysis of the above receivables is disclosed in note 37.1.			



	Note	2022	2021
		----- Rupees -----	
21.4 Loss allowance			
Balance as at January 1		4,247,837	3,769,532
Impairment loss for the year	30	3,660,777	478,305
Balance as at December 31		7,908,614	4,247,837
22. ADVANCES, DEPOSITS, PREPAYMENTS			
Advances to suppliers and others - considered good		146,571,770	53,609,610
Advance to staff for expenses - considered good		4,321,233	2,747,743
Deposits - considered good	22.1	1,478,501,688	40,030,698
Prepayments		5,809,613	10,415,759
Due from related parties - considered good	22.2	-	684,978
Sales tax refundable		266,454,374	-
Other receivables - considered good		-	7,418,917
		1,901,658,678	114,907,705
22.1	This includes cash margins of Rs. 50.154 million (2021: Rs 39.852 million) given for letter of guarantee and Rs. 1,378.269 million against letter of credits margin for raw materials and finished goods.		
22.2	These included interest free receivable of Rs. nil (2021: Rs. 6.662 million) and Rs. Nil (2021: Rs. 0.735 million) from Ashmore Mauritius PABC Limited (former parent) and Liberty Mills Limited (associated company) in respect of expenses incurred by the Company on their behalf. The maximum aggregate amount outstanding at the end of any month during the year was Rs. nil (2021: Rs 20.894 million).		
23. SHORT TERM INVESTMENTS			
This represents investments in various one month to six months Term Deposit Receipts (TDR) amounting to Rs.195.653 million (2021: Rs. 1,859.000 million) of different financial institutions, which bear markup ranging from 4.5% to 17.3% (2021: 5.50% to 11.25%) per annum. The TDRs has been placed with banks and deposited against margin of bank guarantee.			
	Note	2022	2021
		----- Rupees -----	
24. CASH AND BANK BALANCES			
Balance with banks on:			
Current accounts:			
- Local currency		382,967,418	112,093,223
- Foreign currency		346,159,659	55,542,570
[USD 1,528,973.1 (2021: USD 313,094)]		73,162,046	74,729,977
Saving accounts - Local currency	24.1	802,289,123	242,365,770
		37,778,444	35,227
Cash in hand [including USD 43 (2021: USD 43)]		840,067,567	242,400,997
24.1	The balances in saving accounts carry mark-up ranging from 5.73% to 11% (2021: 5.50% to 5.73%) per annum.		
	Note	2022	2021
		----- Rupees -----	
25. SALES			
Local		9,556,026,478	5,330,160,650
Export		5,989,153,616	2,681,557,779
		15,545,180,094	8,011,718,429
Discount on sales		-	(5,109,070)
Sales tax		(1,392,212,315)	(776,691,090)
		14,152,967,779	7,229,918,269



26. COST OF SALES

	Note	2022	2021
		----- Rupees -----	
Raw materials consumed	26.1	8,149,176,656	3,804,296,656
Salaries, wages and benefits	26.2	232,021,072	198,871,714
Fuel and power		423,443,253	251,242,262
Stores and spares consumed		290,428,006	184,802,647
Depreciation	16.1.1	275,187,426	226,469,736
Amortization	17.3	703,284	1,240,801
Repair and maintenance		9,820,685	12,178,914
Consultancy and technical fee		9,952,876	5,590,019
Can designing and printing		105,780,589	80,929,085
Rent, rates and taxes	26.3	111,999,491	60,443,882
Insurance		25,480,996	18,456,155
Others		6,552,728	4,799,778
Cost of goods manufactured		9,640,547,062	4,849,321,649
Opening finished goods	20	461,261,848	276,840,516
Closing finished goods	20	(676,928,451)	(461,261,848)
		9,424,880,459	4,664,900,317

26.1 The net realisable value of aluminium scrap produced amounting to Rs. 498.571 million (2021: Rs 418.540 million) is deducted from cost of raw materials consumed.

26.2 This includes post employment benefit expense in respect of contribution to provident fund of Rs. 7.309 million (2021: Rs 6.196 million).

26.3 This includes rental expense of Rs 6.327 million (2021: 6.858 million) in respect of short term lease of Crane.

27. ADMINISTRATIVE EXPENSES

	Note	2022	2021
		----- Rupees -----	
Salaries, wages and benefits	27.1	167,127,041	115,580,227
Outsourced contractual labour		26,866,501	22,311,023
Legal and professional	27.2	28,743,083	15,850,495
Fees and subscriptions		7,745,879	699,225
Travelling and subsistence		40,196,738	6,082,736
Repair and maintenance		7,897,317	4,931,121
Rent	27.3	-	828,354
Insurance		6,794,822	3,896,919
Entertainment		15,809,914	7,852,070
Utilities		36,293,202	23,774,071
Printing and stationery		2,761,622	1,454,141
Postage		398,872	311,256
Depreciation	16.1.1	9,692,124	7,976,283
Amortization	17.3	78,143	137,867
Others		10,010,633	4,755,981
		360,415,891	216,441,769

27.1 This includes post employment benefit expense in respect of the Companies contribution to provident fund of Rs 3.148 million (2021: Rs 2.919 million).

27.2 The charge for legal and professional services include the following in respect of auditors' services for:

	2022	2021
	----- Rupees -----	
Statutory audit fee	2,000,000	2,000,000
Other assurance services	450,000	1,000,000
Certifications	-	1,075,000
Out of pocket expenses	50,000	69,769
	2,500,000	4,144,769

27.3 This represented rental expense in respect of short term and low values leases of offices.



	Note	2022	2021
		----- Rupees -----	
28. SELLING AND DISTRIBUTION COST			
Freight and other logistic cost		458,126,793	78,532,104
Salaries, wages and benefits	28.1	22,781,132	19,269,650
Travelling and subsistence		239,925	-
Fees and subscriptions		1,892,543	561,513
Marketing expenses		7,793,086	-
Rent	28.2	1,023,150	924,000
Repair and maintenance		205,871	-
Export development surcharge		14,867,957	8,213,079
Others		6,714,500	-
		513,644,957	107,500,346
28.1	This includes post employment benefit expense in respect of the Companies contribution to provident fund of Rs.1.276 million (2021: Rs 1.096 million).		
28.2	This represents rental expense in respect of short term leases of offices.		
	Note	2022	2021
		----- Rupees -----	
29. OTHER INCOME			
Income from financial assets:			
- Profit on Term deposit receipts		176,144,609	19,590,920
- Profit on saving accounts		15,289,269	6,777,578
		191,433,878	26,368,498
Income from non-financial assets:			
- Scrap sales		-	1,030,570
- Insurance claim received		26,067,207	-
		26,067,207	1,030,570
Others:			
- Amortisation of government grant	9	2,599,487	6,185,113
- Liabilities written back		2,945,714	-
- Exchange gain		-	12,869,028
		5,545,201	19,054,141
		223,046,286	46,453,209
30. OTHER EXPENSES			
Worker's profit participation fund		168,161,128	84,521,459
Worker's welfare fund		63,901,229	32,117,979
Exchange loss		165,071,904	-
Donations	30.1	27,335,883	-
Impairment loss on financial assets - trade debts	21.4	3,660,777	478,305
Loss on derivative financial instruments		7,567,173	166,489,886
Expenses on initial public offering		-	146,635,549
Provision slow moving stores and spare parts	19.1	101,316,043	-
Operating fixed assets written off	16.1.3	-	8,604,807
		537,014,137	438,847,985
30.1 Donations			
Saylani Welfare Trust		1,977,000	-
Patient Aid Foundation (PAF) -JPMC		4,200,000	-
The Citizens Foundation		4,510,668	-
Sina Health, Education & Welfare Trust		10,530,828	-
Baitussalam Welfare Trust		1,250,000	-
Citizen Police Liasion		1,000,000	-
Jamia Darualalum Karachi		1,500,000	-
Others		2,367,387	-
		27,335,883	-



	Note	2022	2021
		----- Rupees -----	
31. FINANCE COSTS			
Interest / mark-up on:			
- Long term financing - secured		291,872,424	206,546,926
- Short term borrowings - secured		77,033,172	36,427,694
- Workers Profit Participation Fund	10.5	2,886,389	2,727,920
		371,791,985	245,702,540
Amount capitalised	31.1	(9,160,722)	(4,100,251)
		362,631,263	241,602,289
Bank charges		46,267,155	35,833,943
		408,898,418	277,436,232
31.1	The borrowing cost capitalised relates to Islamic long term finance facility (ILTFF) as referred to in note 7.4. The interest rate applicable to these loans is ranging between 2.5% to 3% per annum (2021: 3%).		
	Note	2022	2021
		----- Rupees -----	
32. TAXATION			
Current tax		163,617,352	-
Prior year	32.1	30,360,925	(47,980,293)
Deferred tax	8	234,569,609	42,638,453
		428,547,886	(5,341,840)
32.1	During the year, tax department amended the assessment order for tax year 2020 and accounting year 2019 by charging minimum tax on all revenues of the Company for the said year. As described in note 15.1, the Company has filed Appeal against the said order, however as a matter of prudence made provision for the differential amount of Rs. 30.361 million.		
	Through Finance Act 2021, the Company was exempted from minimum tax under section 113 of the Income Tax Ordinance, 2001 from tax year 2021 and onwards for ten years from the start of its commercial operations as referred to in note 4.1. Therefore during the preceding year, the Company reversed of provision of Rs. 47.980 million in respect current taxation for tax year 2022 and accounting year ended December 31, 2021 made in the financial statements of the said year.		
		2022	2021
		----- Rupees -----	
32.2 Reconciliation of tax charge for the year			
Profit before taxation		3,131,160,203	1,571,244,829
Tax applicable at the rate of 29% (2021: 29%)		908,036,459	455,661,000
Effect of minimum tax u/s 113		-	-
Tax effect of prior year		30,360,925	(47,980,293)
Super tax		1,914,339	-
Effect of change in future tax rate		75,429,930	-
Deferred tax not recognised under presumptive tax regime and others		208,713,420	46,391,197
Effect of exempt income		(795,723,460)	(459,413,744)
		428,731,613	(5,341,840)
33. EARNINGS PER SHARE - Basic & Diluted			
33.1 Basic earnings per share			
Profit for the year	Rupees	2,702,612,317	1,576,586,669
Weighted average number of ordinary shares	Number	361,108,254	361,108,254
Earnings per share	Rupees	7.48	4.37
33.2 Diluted earnings per share			
Diluted earnings per share has not been presented as the Company does not have any convertible instrument in issue as at December 31, 2022 and December 31, 2021 which would have any effect on the earnings per share if the option to convert is exercised.			



Note **2022** 2021
----- Rupees -----

34. CASH FLOW INFORMATION

34.1 Cash flow from operating activities

Profit before taxation **3,131,160,203** 1,571,244,829

Adjustments for:

Depreciation on property, plant and equipment	16.1.1	284,879,550	234,446,019
Amortization of intangible assets	17.1	781,427	1,378,668
Provision for slow moving stores and spares	19.1	101,316,043	-
Provision for slow moving stock in trade	20.2	11,929,806	14,513,151
Loss allowance on trade debts	21.4	3,660,777	478,305
Income on investments and bank deposits	29	(191,433,878)	(26,368,498)
Government grant	29	(2,599,487)	(6,185,113)
Liabilities written back	29	(2,945,714)	-
Exchange loss / (gain)	30	165,071,904	(12,869,028)
Operating fixed assets written off	30	-	8,604,807
Loss on derivative financial instruments	30	7,567,173	166,489,886
Finance costs	31	408,898,418	285,649,311

3,918,286,222 2,237,382,337

Effect on cash flow due to working capital changes:

Increase in stores and spares	(16,165,572)	(110,902,020)
Increase in stock in trade	(1,857,663,155)	(673,100,456)
Increase in trade debts	(399,920,468)	(119,094,870)
(Increase) / Decrease in advances, deposits, prepayments and other receivables	(1,786,750,973)	77,434,709
Increase in trade and other payables	1,099,138,919	746,466,200
	(2,961,361,249)	(79,196,437)

Cash generated from operations **956,924,973** 2,158,185,900

34.2 Cash and cash equivalents

Short term borrowings - secured	11	(1,489,653,968)	(2,250,768,169)
Short term investments - One month TDRs	23	4,500,000	1,790,000,000
Cash and bank balances	24	840,067,567	242,400,997
		(645,086,401)	(218,367,172)

34.3 The financial liabilities from financing activities represent long term financing - secured as referred to in note 7.6.

35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	December 31, 2022			December 31, 2021		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
----- Rupees -----						
Directors' fee	-	41,871,188	-	-	26,518,331	-
Managerial remuneration	22,720,002	-	223,512,181	21,818,184	-	166,125,502
Contribution to provident fund	-	-	8,279,877	-	-	5,549,589
Annual bonus	8,000,000	-	15,952,140	3,000,000	-	10,430,963
Others	2,239,998	-	-	2,181,816	-	-
	32,960,000	41,871,188	247,744,198	27,000,000	26,518,331	182,106,054
Number of persons	1	3	50	1	3	41



	2022	2021
	----- Rupees -----	
35.1 The details of directors' fee is as follows:		
Simon Michael Gwyn Jennings	16,191,188	12,478,331
Muhammad Abdullah Yusuf	3,180,000	9,540,000
Zain Ashraf Mukaty	22,500,000	4,500,000
	41,871,188	26,518,331

36. TRANSACTIONS WITH RELATED PARTIES

'Related parties comprise companies with common directors, retirement benefit funds, directors and key management personnel. Transactions with related parties are carried out on mutually agreed terms and conditions. Details of transactions with related parties during the period, are as follows;

	2022	2021
	----- Rupees -----	
Name of the related party	Relationship	Nature of transactions
Ashmore Mauritius PABC Limited	Former parent	Expenses incurred on behalf of the related party
Liberty Mills Limited	Group Company	Expenses incurred on behalf of the related party
Pakistan Aluminium Beverage Cans Limited Employees Provident Fund Trust	Employees fund	Expenses charged in respect of provident fund contribution
	11,733,926	10,211,980

36.1 The names of related parties incorporated outside Pakistan with whom the Company has entered into transactions or had agreements / arrangements in place during the year along with their registered address and country of incorporation are mentioned below:

Name	Registered address	Country of Incorporation
Ashmore Mauritius PABC Limited	IFS Court, Bank Street, Twenty Eight Cybercity, Ebène 72201, Republic of Mauritius	Mauritius

36.2 Outstanding balances of related parties and remuneration of key management personnel has been disclosed in respective notes.

37. FINANCIAL RISK MANAGEMENT

37.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the board of directors. The Company's finance department evaluates and hedges financial risks. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Company's overall risk management procedures to minimize the potential adverse effects of financial market on the Company's performance are as follows:

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions and recognised assets and liabilities. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency.

The management uses foreign currency forwards to hedge its exposure to foreign currency risk. However, the company has not designated any relationship as hedge.

The Company is exposed to currency risk arising primarily with respect to the US dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to bank balance, advances, deposits, and other receivables, trade debts, and trade and other payables. The Company's exposure to currency risk is as follows:



The Company is exposed to currency risk arising primarily with respect to the US dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to bank balance, advances, deposits, and other receivables, trade debts, and trade and other payables. The Company's exposure to currency risk is as follows:

	2022	2021
	----- USD -----	
US Dollars		
Trade debts	3,327,874	1,958,847
Cash at bank	1,528,974	313,094
Trade and other payables	(3,689,049)	(911,327)
Short term borrowings	(410,000)	-
	757,799	1,360,614

The following exchange rates were applicable during the year:

	2022	2021
Rupees per USD		
Reporting date rate	226.40	177.70
Average rate	202.05	163.50

Foreign currency sensitivity analysis

At December 31, 2022, if the Rupee had weakened / strengthened by 5% against the US dollar with all other variables held constant, profit before taxation for the year would have been Rs. 8.913 million (2021: Rs 9.844 million) lower / higher mainly as a result of foreign exchange losses / gains on translation of US dollar-denominated financial assets and liabilities.

(ii) Price risk

Price risk represents the risk that the fair value or future cash flows of a 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 instrument traded in the market. The Company is not exposed to commodity price risk as the Company has not made any investment in equity instruments of other companies.

(iii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company has no significant long-term interest-bearing assets, the Company is substantially independent of changes in market interest rates.

The Company's interest rate risk arises from long term and short term financing and bank deposits. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments were:

	2022	2021
	----- Rupees -----	
Fixed rate instruments		
Financial Assets		
Short term investment	195,653,000	1,860,231,633
Financial liabilities		
Long term financing - secured	2,109,837,577	1,500,580,963
Short term borrowings -secured	1,430,297,660	1,848,200,000
	3,540,135,237	3,348,780,963
Net exposure	(3,344,482,237)	(1,488,549,330)
Variable rate financial instruments		
Financial Assets		
Long term investments	100,000,000	-
Bank balances - deposit accounts	73,162,046	74,729,977
	173,162,046	74,729,977
Financial liabilities		
Long term financing - secured	1,361,330,996	1,715,112,071
Short term borrowings - secured	59,356,308	402,568,169
	1,420,687,304	2,117,680,240
Net exposure	1,247,525,258	2,042,950,263



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 interest rate at the date of statement of financial position would not affect the profit or loss of the Company. The impact of changes in average effective interest rate for the year is given below:

Interest rate sensitivity analysis

		Increase/ decrease in rate	Effect on profit before tax ----- Rupees -----	Effect on Equity
Financial assets				
	2022	1%	1,731,620	719,474
		-1%	(1,731,620)	(719,474)
	2021	1%	747,300	310,497
		-1%	(747,300)	(310,497)
Financial liabilities				
	2022	1%	(14,206,873)	(5,902,842)
		-1%	14,206,873	5,902,842
	2021	1%	(21,176,802)	(8,798,792)
		-1%	21,176,802	8,798,792

(b)

Credit risk

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation.

Credit risk of the Company arises from cash and bank balances, short term investments, as well as credit exposures to customers, including outstanding receivables and committed transactions. The management believes that it is not exposed to major concentration of credit risk. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets exposed to credit risk and which are neither past due nor impaired are as under:

	2022	2021
	----- Rupees -----	
Long term investment	100,000,000	-
Long term deposits	1,511,120	999,120
Trade debts	815,200,298	507,975,131
Deposits and other receivables	1,478,501,688	40,715,676
Short term investment	195,653,000	1,860,231,633
Cash and bank balances	802,289,123	242,365,770
	3,393,155,229	2,652,287,330

As of December 31, 2022, trade debts of Rs.141.846 million (2021: Rs 52.812 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default in respect of trade debts secured against letters of credit. The aging analysis of these trade receivables is as follows:

	2022	2021
	----- Rupees -----	
Past due		
Up to 90 days	99,868,139	49,581,551
90 to 180 days	41,978,228	17,394
Over 180 days	-	3,212,898
	141,846,367	52,811,843

The management estimates the recoverability of trade receivables on the basis of financial position and past history of customers based on the objective evidence that it shall not receive the amount due from the particular customer. The Company considers that a financial asset is in default when contractual payments are 270 days past due. Financial assets are written off when there is no reasonable expectation of recovery. The Company categorises a receivable for write off when a debtor fails to make contractual payments for more than 270 days past due.



The credit quality of Company's bank balances and deposits can be assessed with reference to external credit ratings as follows:

Bank balances	Rating Short term	Rating Long term	Rating Agency	2022 ----- Rupees -----	2021
Habib Bank Limited	A1+	AAA	VIS	73,605,106	14,914,470
Faysal Bank Limited	A1+	AA	PACRA	47,020,033	192,423,716
Meezan Bank Limited	A1+	AAA	VIS	127,689,799	786,645
MCB Bank Limited	A1+	AAA	PACRA	924,239	10,774,952
Askari Bank Limited	A1+	AA+	PACRA	155,848,459	337,800
Allied Bank Limited	A1+	AAA	PACRA	8,635,354	2,524,522
Bank of Khyber	A1	A	PACRA	782,956	1,299,118
National Bank of Pakistan	A1+	AAA	PACRA	-	201,000
Bank Islami Pakistan Limited	A1	A+	PACRA	861,539	1,222,424
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	302,300,605	1,676,936
Bank AL-Falah Limited	A1+	AA	PACRA	84,546,478	-
Bank Al Habib Limited	A1+	AAA	PACRA	74,555	16,204,187
				802,289,123	242,365,770
Short term investments					
Soneri Bank Ltd	A1	A	PACRA	100,000,000	-
Bank Alfalah Limited	A1+	AA+	PACRA	-	1,100,000,000
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	-	600,000,000
Bank of Khyber	A1	A	PACRA	81,000,000	-
Faysal Bank Limited	A1+	AA	PACRA	114,653,000	159,000,000
				295,653,000	1,859,000,000

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the Company's businesses, the Company's finance department maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors the forecasts of the Company's cash, cash equivalents (note 34.2) on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities, monitoring statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

	December 31, 2022				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years	Over 5 years
	----- Rupees -----				
Long term financing - secured	3,461,607,685	3,471,168,573	567,548,706	2,519,105,046	384,514,821
Short term borrowings - secured	1,489,653,968	1,489,653,968	1,489,653,968	-	-
Trade and other payables	2,122,249,733	2,122,249,733	2,122,249,733	-	-
Accrued finance cost	570,669,247	570,669,247	570,669,247	-	-
Unclaimed dividend	341,832	341,832	341,832	-	-
	7,644,522,465	7,654,083,353	4,750,463,486	2,519,105,046	384,514,821



	December 31, 2021				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years	Over 5 years
	----- Rupees -----				
Long term financing - secured	3,204,220,010	3,218,292,521	570,148,193	2,519,105,046	129,039,282
Short term borrowings - secured	2,250,768,169	2,250,768,169	2,250,768,169	-	-
Trade and other payables	1,310,052,046	1,310,052,046	1,310,052,046	-	-
Accrued finance cost	37,569,008	37,569,008	37,569,008	-	-
	<u>6,802,609,233</u>	<u>6,816,681,744</u>	<u>4,168,537,416</u>	<u>2,519,105,046</u>	<u>129,039,282</u>

37.2 Financial instruments by categories

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

	2022	2021
	----- Rupees -----	
Financial assets		
At amortised cost		
Long term investments	100,000,000	-
Long term deposits	1,511,120	999,120
Trade debts	957,046,665	560,786,974
Advances, deposits and other receivables	1,478,501,688	40,715,676
Short term investments	195,653,000	1,860,231,633
Cash and bank balances	840,067,567	242,400,997
	<u>3,572,780,040</u>	<u>2,705,134,400</u>
Financial liabilities		
At amortised cost		
Long term financing - secured	3,471,168,573	3,215,693,034
Trade and other payables	2,122,249,733	1,310,052,046
Short term borrowings - secured	1,489,653,968	2,250,768,169
Current portion of long term financing and deferred income	570,669,247	37,569,008
	<u>7,653,741,521</u>	<u>6,814,082,257</u>
At fair value through profit or loss		
Derivative financial instruments	-	94,760,714
	<u>7,653,741,521</u>	<u>6,908,842,971</u>

37.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders through repurchase of shares, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio.



This ratio is calculated as debt divided by total capital. Debt is calculated as total borrowings including current and non current borrowings, as disclosed in note 7 and 11 respectively. Total capital is calculated as 'equity' shown in the statement of financial position plus debt. The gearing ratio as at year ended December 31, 2022 and December 31, 2021 are as follows:

	Note	2022	2021
		----- Rupees -----	
Debt	7	3,471,168,573	3,215,693,034
Total equity		6,881,500,056	4,720,550,120
Total capital		10,352,668,629	7,936,243,154
Gearing ratio	Percentage	34%	41%

37.3.1 Loan covenants

Under the terms of the borrowing facilities, the Company is required to comply with certain financial covenants in respect of the loans referred in note 7 and note 11. The Company is in compliance with these covenants.

38. FAIR VALUE MEASUREMENT

38.1 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. 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 carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Specific valuation techniques used to value financial instruments include:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

The following table presents the Company's financial and non-financial assets and liabilities that are measured at fair value, including there levels in fair value hierarchy.

	Carrying value	Fair value				
		Level 1	Level 2	Level 3	Total	
		Rupees				
At December 31, 2022						
Financial assets	-	-	-	-	-	-
Non-financial assets	-	-	-	-	-	-
At December 31, 2021						
Financial assets						
Derivative financial instruments	94,760,714	-	94,760,714	-	94,760,714	
Non-financial assets						
Generator	120,000,000	-	-	120,000,000	120,000,000	

38.2 Valuation techniques used to determine level 2 and level 3 fair values

Derivative financial instruments

The fair values were derived using forward exchange rates applicable to their respective remaining maturities.

Generator

Level 3 fair value of the generator was derived using the replacement cost approach. The most significant inputs into this valuation approach are cost of acquisition of similar equipment with similar level of technology and suitable depreciation rate.



39. OPERATING SEGMENT

The Company derives its revenue from a single operating segment. The revenue aggregating to Rs.7,839.300 million (2021: Rs 4,997.485 million) is derived from four (2021: four) customers. The sales value contributed by each of these customer is as follows:

	2022	2021
	----- (Rupees) -----	
- Customer 1	2,570,906,365	1,608,010,958
- Customer 2	2,533,546,594	1,527,690,503
- Customer 3	1,437,329,385	934,302,578
- Customer 4	1,297,517,955	927,482,373
	7,839,300,299	4,997,486,412

39.1 The amount of its gross revenue from foreign customers, broken down by location of customers is as follows:

	2022	2021
	----- (Rupees) -----	
Afghanistan	4,476,559,340	2,308,044,230
United states of America	-	257,136,897
Uzbekistan	1,367,731,549	-
Others	144,862,727	116,376,652
	5,989,153,616	2,681,557,779

40. NUMBER OF EMPLOYEES

	2022	2021
	----- (Rupees) -----	
Total employees of the Company at the year end	162	132
Average employees of the Company during the year	146	130

41. PLANT CAPACITY AND PRODUCTION

The Company has a can line facility in Faisalabad with the ability to manufacture at a nominal initial speed rating of Twenty Four hundred cans per minute (2,400 cpm) (2021: 1,800 cpm).

A continuous production operation at 2,400 cans (2021: 1,800 cans) per minute (cpm) will provide an annual output of approximately 950 million cans (700 million), based on 24 hours per day for 345 days per year, allowing 20 days for downtime.

During the year, Rs 744.89 million (2021: Rs 558.565 million) cans were produced including both good cans and spoilage at an average of 1,900 cpm (2021: 1,280 cpm).

Production efficiency depends on the frequency of can size changes, label changes, tooling changes, maintenance practices, operator training and experience, material quality, management effectiveness, can and tooling design, process control, and sales commitments.

42. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework. However, no significant re-arrangements have been made except for:

	Rupees
Export development surcharge from finance cost to selling and distribution cost	8,213,079
Impairment loss on financial assets from statement of profit or loss to other expenses	478,305
Accrued income from short term investments	1,231,633

43. GENERAL

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupee unless otherwise stated.

44. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on _____ by the Board of Directors of the Company.

Chief Executive Officer

Chief Financial Officer

Director



PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2022

Number of Shareholders	Number of Shares		Number of Shares Held	Percentage
	From	To		
113	1	100	2,969	0.0008
1,096	101	500	536,084	0.1485
851	501	1000	843,041	0.2335
971	1001	5000	2,318,542	0.6421
148	5001	10000	1,211,664	0.3355
65	10001	15000	825,209	0.2285
31	15001	20000	578,196	0.1601
21	20001	25000	487,728	0.1351
18	25001	30000	508,534	0.1408
6	30001	35000	198,300	0.0549
11	35001	40000	425,474	0.1178
3	40001	45000	128,355	0.0355
20	45001	50000	977,304	0.2706
3	50001	55000	158,539	0.0439
3	55001	60000	175,500	0.0486
1	60001	65000	63,000	0.0174
2	65001	70000	133,669	0.0370
3	70001	75000	217,036	0.0601
1	75001	80000	80,000	0.0222
2	80001	85000	166,169	0.0460
1	85001	90000	89,669	0.0248
4	90001	95000	369,000	0.1022
15	95001	100000	1,490,950	0.4129
1	100001	105000	100,500	0.0278
1	110001	115000	112,500	0.0312
4	115001	120000	474,439	0.1314
1	120001	125000	124,907	0.0346
1	125001	130000	129,802	0.0359
1	130001	135000	133,433	0.0370
2	135001	140000	277,500	0.0768
3	140001	145000	428,503	0.1187
2	145001	150000	299,500	0.0829
3	150001	155000	456,529	0.1264
1	180001	185000	183,538	0.0508
1	190001	195000	193,201	0.0535
4	195001	200000	800,000	0.2215
2	245001	250000	495,500	0.1372
1	250001	255000	252,293	0.0699
1	270001	275000	274,000	0.0759
1	280001	285000	281,000	0.0778
1	285001	290000	286,000	0.0792
1	290001	295000	294,057	0.0814
1	310001	315000	315,000	0.0872
1	320001	325000	325,000	0.0900
2	345001	350000	699,000	0.1936
1	355001	360000	357,843	0.0991
1	375001	380000	375,500	0.1040
1	550001	555000	550,496	0.1524
1	670001	675000	675,000	0.1869
1	685001	690000	687,000	0.1902
2	695001	700000	1,399,215	0.3875
1	710001	715000	713,500	0.1976
1	985001	990000	989,383	0.2740
1	1115001	1120000	1,120,000	0.3102
1	1190001	1195000	1,193,124	0.3304
1	1345001	1350000	1,349,000	0.3736
1	1395001	1400000	1,400,000	0.3877
1	1430001	1435000	1,432,500	0.3967
1	1480001	1485000	1,484,074	0.4110
1	1975001	1980000	1,978,765	0.5480
1	2210001	2215000	2,211,197	0.6123
1	2290001	2295000	2,292,500	0.6349
1	2295001	2300000	2,300,000	0.6369
1	2800001	2805000	2,800,500	0.7755
1	2820001	2825000	2,821,500	0.7813
1	2950001	2955000	2,954,500	0.8182
1	3200001	3205000	3,202,000	0.8867
1	3500001	3505000	3,500,703	0.9694
1	5810001	5815000	5,812,613	1.6097
1	6175001	6180000	6,175,542	1.7102
1	6420001	6425000	6,422,887	1.7787
1	6430001	6435000	6,431,000	1.7809
1	12340001	12345000	12,340,250	3.4173
1	44230001	44235000	44,234,620	12.2497
1	72220001	72225000	72,221,651	20.0000
1	150760001	150765000	150,760,257	41.7493
3,457			361,108,254	100.00



CATEGORIES OF SHAREHOLDING

AS AT DECEMBER 31, 2022

S.No. Shareholders Category	No. of Shareholders	No. of Shares	Percentage
Sponsors, Directors, CEO, Their Spouse And Minor Children	9	200,825,103.00	55.6135
Associated Companies	1	72,221,651.00	20.0000
Banks, DFI And NBFI	7	15,322,640.00	4.2432
Insurance Companies	2	12,440,750.00	3.4452
Modarabas and Mutual Funds	1	81,169.00	0.0225
General Public (Local)	2954	36,381,768.00	10.0750
General Public (Foreign)	410	3,599,269.00	0.9967
Others	72	20,084,434.00	5.5619
Foreign Companies	1	151,470.00	0.0419
Total	3457	361,108,254.00	100.0000

PATTERN OF SHAREHOLDING ADDITIONAL INFORMATION

AS AT DECEMBER 31, 2022

Shareholders Category	No. of Shares Held
Sponsors, Directors, Chief Executive Officer, and their spouse and minor children	
Mr. Simon Michael Gwyn Jennings	500
Mr. Azam Sakrani	15,613
Mr. Muhammad Jawaaid Iqbal	500
Mr. Asad Shahid Soorty	500
Mr. Salim Parekh	500
Ms. Hamida Salim Mukaty	150,760,257
Estate of Mr. Muhammad Salim Mukaty *	44,234,620
Mr. Zain Ashraf Mukaty	5,812,613
Associated Companies (Soorty Enterprises (Pvt) Ltd)	72,221,651
Modarabas And Mutual Funds (B.R.R. Guardian Modaraba)	81,169
Executives	-
Banks, DFI's, NBFC's, Insurance Companies, Takaful And Approved Funds	27,763,390
Shareholders holding 5% or more voting interest	
Hamida Salim Mukaty	150,760,257
Muhammad Salim Mukaty*	44,234,620
Soorty Enterprises (Pvt) Ltd.	72,221,651

* Mr. Muhammad Salim Mukaty has passed away on November 19, 2021 and his succession was under process as of December 31, 2022. The shares were inherited by Ms. Hamida Salim Mukaty on February 10, 2023 (post balance sheet date).

Trading in Company Shares by Directors, Executives and Substantial Shareholders

Directors, Substantial Shareholders and their Spouses and Minor Childers

Date	Name	Designation	Nature	No. of shares	Rate	Form of Share
4-Feb-22	Azam Sakrani	Director and CEO	Buy	5,000	32.73	CDC
14-Feb-22	Azam Sakrani	Director and CEO	Buy	5,000	32.00	CDC
11-Apr-22	Azam Sakrani	Director and CEO	Buy	5,000	30.88	CDC
18-Oct-22	Zain Ashraf Mukaty	Director	Gift-in	5,812,000	-	CDC

Executives and their Spouses and Minor Childers

None of the CFO, Company Secretary, Head of Internal Audit, Executives and their spouses and minor children have traded in the shares of the Company during the year ended December 31, 2022.



FORM OF PROXY

The Secretary
Pakistan Aluminium Beverage Cans Limited
29 & 30, M-3 Industrial City, Main Boulevard,
Sahianwala, Faisalabad.

I/We of being a member of PAKISTAN
ALUMINIUM

BEVERAGE CANS LIMITED and holder of Ordinary shares as per share Register

Folio No. and/or CDC Participant I.D. No.

and Sub Account No., hereby appoint

of or failing him

of as my proxy to vote for me and on my behalf
at the annual general meeting of the Company to be held on the 28th day of April 2023 and at any adjournment
thereof.

Signed this day of , 2023.

Signature

1. Witness:

Name

Address

CNIC No.

Pasport No.

Signature

2. Witness:

Name

Address

CNIC No.

Pasport No.

Signature

On Five
Rupees
Revenue
Stamp

Note:

- Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting.
- CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

مین بلیورڈ، سہانیاں والا، فیصل آباد۔



PABC

PAKISTAN ALUMINIUM BEVERAGE CANS LIMITED

Registered Office:

PHA Flat No. 04,
Block No. 12, G-8 / 4,
Islamabad.

Main Office:

Plot 29-30 Main Boulevard
M-3 Industrial City Sahianwala, Faisalabad.
Tel: (+92)-41-8731364
Email: info@pkbevcan.com