Packages Limited

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Khayaban-e-Jami, Karachi-75600, Pakistan
Tel: 92-21 35874047-49
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Annual Report 2024

Packages Limited

ThinkTank

CREATING A BETTER TOMORROW

Packages Limited

ANNUAL REPORT 2024

www.packages.com.pk

Introduction

As we step into the future, our commitment to sustainability, growth, and innovation remains stronger than ever. This annual report is a reflection of Packages Group creating a better tomorrow—one built on responsible practices, resilience, and a shared vision for progress.

At Packages Group, we strongly believe in progress driven by innovation, sustainability, and responsible leadership. As a key player in Pakistan's corporate landscape, we remain committed to creating lasting value for our stakeholders, employees, and communities surrounding us.

About Cover

The cover for our Annual Report 2024 features a lush green forest with mist; symbolizing sustainability, growth, and an eco-friendly future. The overall design emphasizes corporate sustainability and a forward-looking vision of Packages Group.

The green forest background conveys the message of sustainability, renewal, and environmental consciousness; all strongly advocated at Packages Group. The lush greenery, misty atmosphere, and natural pathway symbolize the Group's consistent journey toward a more sustainable and responsible future. The use of nature imagery in our cover aligns with Packages Limited's commitment to eco-friendly practices, particularly in packaging, production methods and responsible material sourcing.

The integration of text with the forest reinforces the idea and our belief that sustainability and corporate success should go hand in hand. The pathway is a metaphor for progress, guiding the Group, and its stakeholders towards a greener, more responsible tomorrow.

The Synergy of Prosperity and Preservation

In the grand tapestry of modern enterprise, sustainability is no longer a mere ethical aspiration but the very cornerstone of enduring corporate triumph. True success is not measured solely by financial gain but by the delicate equilibrium between profit, purpose, and planetary stewardship.

At Packages, we believe and strive to nurture, replenish, and innovate the world we operate in; by weaving innovation into our operations while embracing the ethos of environmental guardianship. Sustainability is the alchemy that transforms responsibility into reputation, efficiency into excellence, and ethical commitment into economic ascendancy.

Nurture Nature, One Tree at a Time

Plants, the verdant sentinels of our planet, stand as nature's most benevolent gift, weaving an intricate tapestry of life that sustains the very essence of existence. Their emerald canopies breathe vitality into the world, exhaling the life-giving oxygen that fuels all living beings while graciously absorbing the noxious carbon dioxide that taints our atmosphere. With roots that delve deep into the bosom of the earth, plants serve as guardians against erosion, holding the soil steadfast against the ravages of time and tempest. Their leafy embrace shelters the weary traveler, while their boughs cradle a symphony of avian melodies. Within their verdant shadows, biodiversity flourishes, as creatures great and small find sanctuary in their arms.

Here, tender human hands cradle the rich, dark soil, forming a protective barrier around a delicate young seedling. The vibrant green leaves of the fragile plant, kissed by the earth's nourishment, are a symbol of new beginnings, resilience, and growth. The contrast between the supple hands and the rugged texture of the soil accentuates the harmony between humanity and nature, a silent testament to the nurturing spirit that fosters life. This scene, simple yet profound, whispers of hope, patience, and the quiet beauty of cultivation.

Wisdom Unlocks the Doors to a Greener Tomorrow

The enlightenment of young minds with the wisdom of the environment is not merely an academic pursuit but a sacred duty—one that ensures the preservation of our planet's splendor for generations yet to come. Like tender saplings, children must be nurtured with an awareness of the natural world, for in their hands lies the power to shape the future. Moreover, in an age where the specter of climate change looms ominously, making the younger generation knowledgeable about dangers to environment will make them stalwart warriors in the battle for ecological equilibrium.

Here, in this heartwarming tableau, a group of children, clad in earthy tones and matching white shirts, engage in the noble act of tree planting, their hands cradling the fragile sapling as if safeguarding a precious dream.

Safeguard Every Drop

Water, the elixir of life, cascades through the veins of our planet, sustaining all forms of existence with its crystalline embrace. It is the silent architect of flourishing civilizations, the sculptor of verdant landscapes, and the very essence of vitality itself. Yet, despite its boundless benevolence, this sacred resource teeters on the precipice of scarcity, imperiled by reckless consumption. To conserve water is not merely a choice but an imperative—a solemn vow to safeguard the lifeblood of nature for generations yet unborn. Its conservation is the cornerstone of ecological equilibrium, ensuring that parched lands bloom with renewal, that the symphony of rain-fed harvests continues unabated, and that future civilizations do not languish in the shadows of drought. It is an act of reverence, a tribute to nature's generosity, and a testament to human foresight.

This image beautifully symbolizes the importance of water in sustaining life and nurturing our planet. A drop of water, reflecting Earth, hovers above a lush green tree being cradled by a hand that appears to grow from nature itself. It highlights how water is essential for growth, greenery, and a thriving environment. The hand represents human responsibility to protect and nourish the planet. Together, the imagery calls for water conservation and sustainable living to ensure a greener, healthier future for generations to come.

Mindful Consumption: A Symphony of Intentionality

Mindful consumption is not merely an act - it is a philosophy and a conscious symphony of discernment, gratitude, and reverence for the world around us. It is the art of embracing necessity without surrendering to excess, of weaving intention into every choice, and of cultivating an existence where consumption is not an impulse but an ode to sustainability and self-awareness. It is the realization that every object, every resource, and every indulgence carries an unseen narrative: story of creation, labor, and impact. To consume mindfully is to honor these narratives and to foster a connection between ethics, aesthetics, and sustainability.

Here, a woman sits in tranquil solitude beneath the majestic canopy of a towering tree. She embodies a moment of mindfulness that to consume mindfully is to recognize that the Earth does not belong to us alone; it is a shared inheritance, deserving of care, gratitude, and unwavering respect.

The Potion of Pristine Power

Renewable energy stands as a beacon of hope, a celestial gift woven into the very fabric of nature, offering an inexhaustible wellspring of power to those who dare to harness its grace. Unlike its finite and polluting counterparts, it dances to the rhythm of the sun, the whisper of the wind, and the ceaseless flow of rivers, bestowing upon humankind an elegant solution to its insatiable thirst for energy. Beyond mere utility, renewable energy is a testament to human wisdom—an ode to foresight and responsibility, a commitment to preserving the planet's splendor for generations to come. It is not merely an alternative; it is the inevitable dawn of a new era, where the earth and its inhabitants flourish in perfect harmony, powered by the eternal gifts of nature.

Here, against the backdrop of rolling mountains and an endless blue expanse, this scene is a testament to humanity's potential to coexist harmoniously with the natural world. It symbolizes a future untethered from the shackles of fossil fuels—a vision of progress where the sun and wind, eternal and unwavering, fuel the dreams of a greener, more resilient planet.

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> "We don't wait for a better future, we create it"
>
> *Marty Walsh*

CEO's Message

2024 has been a year of resilience, transformation, and progress for the Packages Group. Amid dynamic market conditions, we remained steadfast in our commitment to excellence, innovation, and the creation of long-term stakeholder value. Our strategic focus on expansion, operational efficiency, and sustainability has further strengthened our leadership across the industries we serve.

Throughout the year, we delivered strong financial performance, entered new markets, and continued optimizing our operations to drive greater efficiency. Our investments in digital transformation and process automation have enhanced our productivity and agility in a rapidly evolving business environment.

Sustainability remains at the core of our strategy. We have accelerated efforts to reduce environmental impact, enhance resource efficiency, and develop sustainable packaging solutions. Our continued focus on ESG (Environmental, Social, and Governance) practices reflects our commitment to responsible corporate leadership.

Our people are central to our success. We have cultivated a culture that values innovation, collaboration, and continuous learning, empowering our teams to lead with excellence. Our diversity and inclusion efforts have further strengthened engagement and unlocked new potential across the organization.

As we enter 2025, our focus remains on business expansion, deepening customer relationships, and driving sustainable growth. We will continue investing in technology, talent development, and operational excellence to seize new opportunities and navigate emerging challenges.

I extend my heartfelt gratitude to our employees, customers, partners, and shareholders for their continued trust and support. Together, we will shape a future defined by innovation, resilience, and enduring success.

Syed Hyder Ali

Company Information

Board of Directors*
Mr. Towfiq Habib Chinoy
(Chairman & Non-Executive Director)

Syed Hyder Ali
(Executive Director)

Syed Shahid Ali
(Non-Executive Director)

Mr. Hasan Askari
(Independent Director)

Mr. Atif Aslam Bajwa
(Non-Executive Director)

Ms. Saba Kamal
(Independent Director)

Mr. Tariq Iqbal Khan
(Non-Executive Director)

Syed Aslam Mehdi
(Executive Director)

Mr. Josef Meinrad Mueller
(Non-Executive Director)

Mr. Osman Khalid Waheed
(Independent Director)

Audit Committee

Mr. Hasan Askari	Chairman
Syed Shahid Ali	Member
Mr. Atif Aslam Bajwa	Member
Mr. Tariq Iqbal Khan	Member
Mr. Osman Khalid Waheed	Member
Mr. Soban Waqar	Secretary

Human Resource and Remuneration Committee

Ms. Saba Kamal	Chairperson
Syed Hyder Ali	Member
Mr. Hasan Askari	Member
Mr. Atif Aslam Bajwa	Member
Mr. Towfiq Habib Chinoy	Member
Mr. Josef Meinrad Mueller	Member
Mr. Jawad Gilani	Secretary

IT & Digitalization Committee

Ms. Saba Kamal	Chairperson
Mr. Atif Aslam Bajwa	Member
Mr. Osman Khalid Waheed	Member
Mr. Faizan Mahmood	Secretary

Sustainability Committee

Mr. Osman Khalid Waheed	Chairman
Ms. Saba Kamal	Member
Ms. Ayesha Aziz	Secretary

Executive Committee

Syed Hyder Ali	Chairman
Syed Aslam Mehdi	Member
Ms. Iqra Sajjad	Secretary

Advisor to the Board
Syed Babar Ali

Chief Executive Officer and Managing Director
Syed Hyder Ali

Chief Financial Officer
Mr. Khurram Raza Bakhtayari

Company Secretary
Ms. Iqra Sajjad

Rating Agency
PACRA

Company Credit Rating
Long-Term : AA+
Short-Term : A1+

Auditors
A.F. Ferguson & Co.
Chartered Accountants

Legal Advisors
Hassan & Hassan (Advocates) - Lahore
Orr, Dignam & Co. – Karachi

Share Registrar
FAMCO Share Registration
Services (Pvt.) Limited
8-F, Near Hotel Faran, Nursery Block 6, P.E.C.H.S.
Shahrah-e-Faisal Karachi - 75400
PABX: (021) 34380101-5, 34384621-3
Fax: (021) 34380106
Email: info.shares@famcosrs.com

Handling Desk for Shareholders' Affairs
(Corporate Secretarial & Shareholders Affairs Department)
Mr. Ubaid Hussain / Ms. Suman Kishore
Tel: (021) 35874047-49 Ext: 237/233
Email: shares.desk@packages.com.pk

(Share Registrar)
Mr. Muhammad Taha
Tel: (021) 34380101-5
Fax: (021) 34380106
Email: info.shares@famcosrs.com.pk

Bankers & Lenders
Allied Bank Limited
Habib Bank Limited
MCB Bank Limited
Standard Chartered Bank (Pakistan) Limited
Citibank N.A. Pakistan Branch
Bank Al-Habib Limited
Habib Metropolitan Bank Limited
JS Bank Limited
International Finance Corporation (IFC)

Offices
Registered Office
4th Floor, The Forum
Suite No. 416 - 422, G-20, Block 9
Khayaban-e-Jami, Clifton
Karachi - 75600, Pakistan
PABX: (021) 35874047-49
Fax: (021) 35860251

Head Office
Shahrah-e-Roomi, P.O. Amer Sidhu
Lahore - 54760, Pakistan
PABX: (042) 35811541-46
Fax: (042) 35811195

Web Presence
www.packages.com.pk

*In alphabetical order by last name

About Us and Our Business

Packages Limited was founded in 1956 with a promise! The promise to create a better tomorrow for our people, our planet and prosperity for everyone. Inspired by these principles, today Packages Group is one of Pakistan's leading business conglomerates. Given the extent of our businesses, ensuring a sustainable operating environment is our top priority. All of Packages Group's companies are aligned with the core values of Care, Respect, Lead, Honesty and Courage and have come together to create one of the leading examples of sustainability sensitivity in Pakistan.

The Company is listed at the Pakistan Stock Exchange Limited since 1965. Packages Limited is an investment holding company having investment in numerous subsidiaries, joint ventures and other companies engaged in various business including packaging materials, tissue and consumer products, industrial inks, papers & paperboard products, pharmaceutical products, biaxially oriented polypropylene and cast polypropylene films, calcium carbonate products, life & general insurance, power generation, real estate and corn starch and its derivative products.

Vision

Position ourselves to be a regional player of quality packaging and consumer products

Improve on contemporary measures including cost, quality, service, speed of delivery and mobilization

Keep investing in technology, systems and human resource to effectively meet the challenges every new dawn brings

Develop relationships with all our stakeholders based on sustainable cooperation, upholding ethical values, which the shareholders, management and employees represent and continuously strive for

Mission Statement

To be a leader in the markets we serve by providing quality products and superior service to our customers, while learning from their feedback to set even higher standards for our products

To be a Company that continuously enhances its superior technological competence to provide innovative solutions to customer needs

To be a Company that attracts and retains outstanding people by creating a culture that fosters openness and innovation, promotes individual growth and rewards initiative and performance

To be a Company which combines its people, technology, management systems and market opportunities to achieve profitable growth while providing fair returns to its investors

To be a Company that endeavors to set the highest standards in corporate ethics in serving the society

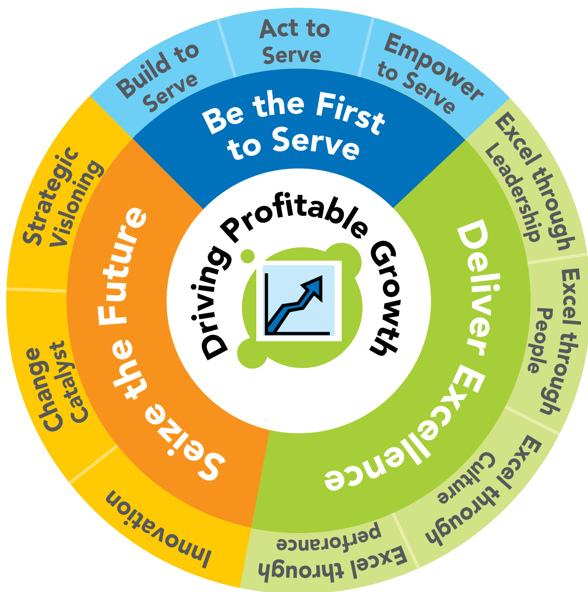
CODE OF CONDUCT

The way we do business.

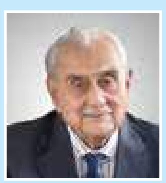
CREATING A BETTER TOMORROW

VALUE	PEOPLE EXPECTATIONS	LEADERSHIP EXPECTATIONS

- CARE
- RESPECT
- LEAD
- HONESTY
- COURAGE



We expect our leaders to maximize our present and seize the future; the underlying leadership philosophy for us is the "Care & Growth" model



" We will re-gain the business we loose, if we keep the trust. "

Syed Babar Ali

" Honesty forms core of the Packages group, which is the foundation of our success along with care, respect, leadership and courage. "

Syed Hyder Ali

" To be honest, sincere and truthful towards the organization and your colleagues in adversity, even if it is detrimental to your personal agenda. "

Syeda Henna Babar Ali

Our Values

Values are reasons which we regard as higher than our self-interests.

Code of Conduct

Packages Group has built a reputation for conducting its business with integrity, in accordance with the highest standards of ethical behavior and in compliance with the laws and regulations that govern our business. This reputation is among our most valuable assets and ultimately depends upon the individual actions of each of our employees.

Packages Group Code of Conduct has been prepared to assist each of us in our efforts to not only maintain but enhance this reputation. It provides guidance for business conduct in a number of areas and refers to more detailed corporate policies for further direction.

The adherence of all employees to the highest standards of integrity and ethical behavior is mandatory and benefits all stakeholders which include customers, communities, shareholders and ourselves.

All Group Companies carefully check for compliance with the Code of Conduct by providing suitable information, prevention and control tools and ensuring transparency in all transactions and behaviors by taking corrective measures, if and as required.

Packages Code of Conduct applies to all Packages Group companies, employees, business partners, suppliers, vendors, financial advisers, agents, affiliates, and others who act for us within all sectors, regions, areas and functions. As per the regulatory guidelines, there is a separate document highlighting the code of conduct for external directors of the Group.

CARE

Fairness and consideration are integral to our culture.

- We provide care through empathy, fairness, trust and openness.
- We care for the communities in which we exist; we are conscious of the impact of our activities on our environment.
- We strive to improve our lives and the lives of others; we care for and grow people.
- We care for all our customers; we succeed when our customer succeeds!

Health and Safety:

The health and safety of our employees are paramount. We are committed to maintaining a safe and healthy workplace by adhering to stringent safety standards, providing necessary training, and promoting a culture of safety. We are also committed to promoting a safe and healthy environment in our broader community.

We are dedicated to promoting a safe and healthy environment both within the company and in the communities where we operate. This includes adhering to environmental regulations and supporting sustainable practices.

Environment, Sustainability and Governance:

We conduct our business with integrity, ensuring that our operations are sustainable and contribute positively to society and the environment. We are committed to fair trade practices, ethical sourcing, and minimizing our environmental impact. We encourage Environmental, Social, and Corporate Governance (ESG) practices as a fundamental part of our business approach. This includes developing and implementing policies that address key sustainability issues, engaging with stakeholders, and continuously improving our practices to meet our organizational goals and societal expectations. The Packages Group Sustainability Policy reflects this commitment.

Diversity and Inclusion:

We celebrate diversity and are committed to building an inclusive workplace where all individuals feel valued and respected. We believe diversity drives innovation and enhances our ability to serve our Global customers.

Human Rights:

We are committed to respecting and promoting human rights in all aspects of our business. This includes the prohibition of child labor and forced labor, the promotion of diversity and women's rights, and respect for the rights of people to use their natural resources and the right to health. We ensure that our operations do not infringe on the rights of individuals and communities and that we actively contribute to their protection.

Third-Party/Supplier Engagement:

We are committed to fair and responsible sourcing practices. Our relationships with suppliers and business partners are based on mutual respect, and we select suppliers based on objective criteria, including quality, reliability, and adherence to ethical practices.

- We expect our suppliers to share our commitment to ethical conduct.
- We communicate clearly with our suppliers/third-parties.
- We listen to all our suppliers/ third-party and seek to engage with them constructively.

There is a separate Code of Conduct for our suppliers to ensure adherence to our values and commitments.

RESPECT

We treat people with respect and dignity.

Equal Opportunity Employer:

Packages Group recognizes the value of striving for a balanced workforce and is committed to the principles of equal opportunity, equality of treatment and creating a dynamic environment where diversity is valued as a source of enrichment and opportunity. All phases of the employment relationship – including recruitment, hiring, training, promotion, compensation, benefits, transfers, layoffs and leaves of absence will be carried out by all managers without regard to any race, color, religion, gender, age, ethnicity, national origin or disability.

Abuse of Alcohol or Drugs and Gambling:

All employees shall personally contribute to promoting and maintaining a climate of common respect in the workplace. Particular attention should be paid to respect the feelings of others.

No employee in Packages Group shall work under the effect of alcohol or drugs, or substances with similar effects.

It is strictly prohibited to:

- Hold, consume, offer or give for whatever reason, alcohol or drugs, at work and in the workplace.
- Smoke in areas where smoking is not allowed.
- Gamble or bet within the workplace.

Workplace Harassment:

We believe that it is the right of every employee at Packages Group to work in a dignified environment. To achieve this and to promote a harmonized work culture, we will provide equal opportunities for development and growth regardless of gender, race, color, creed or religion.

'Harassment' means any unwelcome sexual advance, request for sexual favors or other verbal or written communication or physical conduct of a sexual nature, or sexually demeaning attitudes, causing interference with work performance or creating an intimidating, hostile or offensive work environment, or an attempt to punish the complainant for refusal to comply to such a request or is made a condition for employment. Its scope covers both male and female employees. There are three significant manifestations of harassment in the work environment:

a) **Abuse of authority:**
A demand by a person in authority, such as a supervisor, for sexual favors in order for the complainant to keep or obtain certain job benefits, be it a wage increase, a promotion, a training opportunity, a transfer or the job itself.

b) **Creating a hostile environment:**
Any unwelcome sexual advance, request for sexual favors or other verbal or physical conduct of a sexual nature, interferes with an individual's work performance or creates an intimidating, hostile, abusive or offensive work environment. The typical "hostile environment" claim, in general, requires finding of a pattern of offensive conduct, however, in cases where the harassment is particularly severe, such as in cases involving physical contact, a single offensive incident will constitute a violation.

c) **Retaliation:**
The refusal to grant a sexual favor can result in retaliation, which may include limiting the employee's options for future promotions or training, distorting the evaluation reports, generating gossip against the employee or other ways of limiting access to his/her rights. Such behavior is also a part of the harassment.

Process for Filing a Complaint

1. The employee (the victim) shall raise a complaint in accordance with the Anti-Harassment Policy of the respective group company. The complainant may wish to discuss the case with the immediate supervisor for guidance in this regard.

2. The Chief Anti-Harassment Officer (CAHO), usually the HR Head of the respective company, will study the complaint in detail and determine if the complaint comes under the purview of the Anti-Harassment Policy. In case if the complaint is outside the purview of the Anti-Harassment Policy, the complainant would be informed accordingly by giving reason(s). In case the complaint is found to be under the purview of the Anti-Harassment Policy, the CAHO will then forward the complaint to the Special Inquiry Committee established for this purpose. During this course, the CAHO may contact the complainant by phone or may require the complainant to meet in person, so that the details of the complaint can be further clarified.

3. To block the implication of the misuse of this Policy, the basic requirement for the implementation of its clauses and formal undertaking of an inquiry, the following two conditions are hereby kept as pre-requisites:
   - All allegations must either have at least one witness, or in case of no witness, any other written or recorded or pictorial evidence or in case of no such evidence to support the allegations, at least a circumstantial evidence or an inference based on incidental logic and reasoning.
   - The complainant shall declare and disclose her/his full name and correct identity, at the time of filing of the complaint, which will be kept confidential at all times.

4. No anonymous or conditional complaint shall be entertained.

5. All complaints shall be reported and investigated in accordance with this policy and any other applicable laws and regulations on Harassment.

   Furthermore, harassment can occur in a variety of circumstances such as:
   - Advances, propositions, suggestions or pressure for social activities outside of work, where it has been made clear that these are unwelcome.

- Conduct which is discriminatory, intimidatory, physically or verbally abusive, including the display of explicit material, humour or comments of a sexual or racial nature or related to a person's abilities or disabilities whether directed specifically at any particular individual or not.
- Spreading malicious rumours or insulting someone by word or behaviour (particularly on the grounds of age, race, sex, disability, sexual orientation and religion or belief).
- Unfair treatment or misuse of power and position.
- Making threats or comments about job security without foundation.
- For further details please refer anti-harassment policy of the respective company.

Email, Computers and Network Security:
Protection of the Company's assets and proprietary information.

All employees must follow the Group's policy to limit Internet access to official business during work.

All employees using the Company's Internet connection and e-mail accounts are acting as representatives of Packages and therefore should act accordingly, in order to avoid damaging the reputation of the Company.

The introduction of viruses or malicious tampering with any computer system is expressly prohibited.

No employee shall visit illegal or unethical sites or distribute illegal or unethical material. Obscene, derogatory or racially intolerant websites and material is also forbidden.

Activities that compromise network security are strictly forbidden. The disclosure of system IDs, passwords or information which can cause penetration into our network and security framework, is also not allowed. Employees shall not place Company material (copyrighted software, internal correspondence, etc.) on any publicly accessible Internet computer without proper permission.

The Company reserves the right to inspect the computer system of any employee of Packages Group for violations of this policy.

Packages Group's physical and intangible assets, as well as its proprietary information, are the key to the Packages Group's success. They should be used only to achieve business goals and should be protected to preserve their value. Any use of the Group Company's assets or proprietary information by any employee in other business or personal activities is forbidden. All Group Company assets and proprietary information must be returned to the Group Company on cessation of employment.

Employees may know considerable amounts of proprietary or other information i.e. "confidential information" as part of their job which may be in written, electronic, or any other form. It should not be disclosed to anyone outside Packages Group without the express permission of his/her supervisor. It is the duty of every employee to protect, use and operate all the corporate assets (all moveable and immovable assets) with the utmost care, due diligence and honesty. In case, it is observed by any employee that the corporate assets are being misused/mishandled by some other employees/individuals, the matter should be immediately reported to the management of the respective Group Company.

All Group employees are responsible for the security and proper use of the Company's physical and intangible assets under their control and of third-party assets in their care.

LEAD
We aspire to lead in everything that we do.

Leadership opportunity:
- We expect our leaders to maximize our present and seize the future; the underlying leadership philosophy for us is the "Care and growth model".
- We believe in possibilities; nothing is impossible.
- We take leadership positions in all our markets.
- We aspire to build authentic leaders who say what they mean and mean what they say.
- We live by our values and, appreciate and recognize the same in others.
- We add value daily and look for future opportunities. We are committed to making a great organization.

Packages Group encourage its employees to lead from the front and provides opportunities for learning and development to its young and seasoned executives to grow and take up senior roles and become future leaders.

Public Activities and Relationships with Stakeholders:
Agreements with all our stakeholders working for any of Packages Group Company in any capacity including business partners, suppliers, vendors, financial advisers, agents or consultants shall clearly specify the services to be performed for the Company, the amount to be paid, and all other relevant terms and conditions. All payments and transactions shall be supported by documents.

Code of Conduct Compliance:

Compliance:
Packages Group will enforce this Code of Conduct by investigating any reports of misconduct or rules being broken. Where infringements are proven, actions will be taken to prevent this from happening again.

This process will be full and fair for everyone involved. We will ensure confidentiality for anyone reporting violations. Those reporting potential wrongdoings in good faith will not be fired, suspended or discriminated against. Correspondingly, action will not be taken against anyone accused of wrongdoing before an accusation has been duly investigated.

If it is established that the Code of Conduct has been broken, Packages Group may take disciplinary action and in serious cases even terminate employment agreements.

Code of Conduct for Partners:
We also require all agents, consultants, vendors and business partners who work on behalf of Packages Group to comply with these same laws and practices that defines our conduct and how we do business (including Packages Group sustainability requirements for suppliers).

Whom to Report:
If you have any questions about issues related to this Code of Conduct you may wish to contact your own supervisor first or send your questions to your respective Head of Internal Audit.

Packages Group is recognized for its strong cultural and ethical values. Likewise, it expects all its employees to demonstrate exemplary conduct during all their dealings. Compromising ethics almost always leads to failure!

Ask Before You Act:
It's important that you fully understand the Code of Conduct and what it means for you. You must take responsibility for learning the rules and ensuring that they are followed everywhere you work.

If you need more information or advice on the Code of Conduct, don't hesitate to get in touch with someone who can help you. Such people include your own supervisor, Head of Internal Audit or Head of HR of the respective group company. This Code of Conduct is a summary of the key ethical policies, principles and guidelines relating to Packages group operations. The company's official policies and guidelines are available at the intranet portal of the respective companies.

Note: Certain jobs within Packages Group are covered by further specific policies and guidelines that need to be understood in addition to the rules set out in this code of conduct.

HONESTY
Truthfulness, integrity, and trust form the backbone of all our activities.

- Our actions are ethical and credible. We ensure transparency and fairness in all our dealings.
- We are respectful in our interactions with others and maintain the highest moral standards even in the most difficult situations.
- Our commitment to honesty is evident in our appreciation and welcoming attitude towards candid feedback.
- We remain truthful with ourselves, our people, our organization, our customers and our community in all of our dealings.

Responsible Business:
- We comply with all applicable local, national and international laws, regulations and voluntary commitments wherever we do business.
- We conduct business transactions with the best interests of Packages Group and the community in mind.
- We show zero tolerance for corrupt activities of any kind, either in our own operations or when we work with partners.
- We support free and fair competition by never becoming involved in price-fixing, market sharing or other anti-competitive practices.
- We take care of the Company's valuable property and safeguard confidential information.
- We communicate with our stakeholders in a clear manner.
- We listen to all our stakeholders and seek to engage with them constructively.

Ethics, Transparency, Fairness and Professionalism:
In conducting business, Packages Group is inspired by and complies with the principles of loyalty, fairness, transparency and efficiency.

Any action, transaction and negotiation performed and generally, the conduct of all employees in the performance of their duties is inspired by the highest principles of fairness, completeness and transparency of information, clarity and truthfulness of all accounting documents, in compliance with the applicable laws in force and internal regulations.

Bribes, illegitimate favors, and requests for the personal benefit of oneself or others, either directly or through third parties, are prohibited without any exception.

It is prohibited to pay or offer, directly or indirectly, money and material benefits and other advantages of any kind to third parties, whether representatives of governments, public officers or private employees, in order to influence or remunerate the actions of their office.

Conflict of Interest:
Packages Group expects all employees to be free from actual or potential conflicts of interest.

A conflict of interest occurs whenever the prospect of direct or indirect personal gain may influence or appear to influence an employee's judgment or actions while conducting the business in which the employee has a prime responsibility towards the Company and is expected to avoid activities or transactions that clash directly with the interest of the Company. Such situations can arise in a number of ways.

Some of the specifically forbidden situations are outlined below. This list is, however, neither exhaustive nor all-inclusive. In case of doubt, management advice should be sought. For further information, please refer to the Conflict of Interest Policy.

- Any employee or his/her family member in a position to exert influence, having an interest in any organization supplying goods or services to the Company.
- Any employee conducting personal business activities on the Company premises or using company facilities for such purposes.
- Gaining personally from, performing any work for, or serving as a consultant, advisor, employee, or director of any competitor, supplier, or customer.
- Any employee serving as an officer or Chief Executive Officer (CEO) of any other Company, or in any management capacity for, or as a consultant to any individual, firm or Company seeking to do business with any Group Company or its affiliate, except with the knowledge and prior consent of top management of the Group Company.

  For the purpose of this Code, Family includes Spouse, parents, Children, grandparents, grandchildren, Cousins, Aunt/Uncle, Niece/Nephew, domestic partner, siblings, Step/Half family relations, In-Laws or a person living in one house or any other person with such a close bond as to suggest conflict in the employment. For further details, please refer to the Family Relations Policy.
- Using Group equipment, assets, or time to engage in non-Group activities, unless expressly authorized in writing by the CEO of your Group Company.
- Engaging in any financial transaction with or possessing or controlling any financial interest in any competitor, customer, or supplier, whose securities are publicly traded on a stock exchange.
- Family Members can work in Packages Group, provided they are not working in the same unit or in any capacity where one position might be able to influence the other one. If the employee's family member has applied for a position at Packages Group, then the employee will not be allowed to participate in the selection or recruitment of that position.

  In case a family relationship develops within the organization or within a Group company after employment, then the employee will be required to inform Human Resource (HR) in writing immediately.
- Accepting compensation or anything of material value (equivalent to Rs.10,000 or above) from third parties that have or propose to have a business relationship with any Group.

Reporting Conflicts:
Any actual or potential conflict of interest has to be reported in writing to HR.

Confidentiality:
Employees shall not keep or make copies of correspondence, documents, records, or lists of clients or customers without prior approval of the Head of Department. An employee shall not disclose or reveal any information on behalf of the Company to print or electronic media as well as any other information medium, unless he/she is authorized to do so.

All copies of correspondence, documents, records, and lists of clients or customers, shall be surrendered to the Company when an individual leaves the Company's employment or is no longer affiliated or connected with the Company.

The Company information and records should be kept within the Company premises and on approved company devices e.g. laptops. Unpublished information may be disclosed to external organizations or individuals only on a "need-to-know" basis upon explicit management approval.

Corruption:
We show zero tolerance for any kind of corrupt activities.

Taking or giving bribes is strictly prohibited in our Group Companies. We comply vigorously, with the relevant anti-bribery laws. It is also our policy to require all our stakeholders working for, or representing, any of the Packages Group Companies, in any capacity, including business partners, suppliers, vendors, consultants, financial advisers, and agents, to comply with these laws and practices.

Non-compliance with anti-bribery legislation can have serious legal consequences for Packages Group and the individuals involved. It is also important to remember that offering or accepting gifts, hospitality, or expense payments is prohibited if they are of unreasonably high value more than Rs. 5,000 (this amount to be reviewed every year) or could inappropriately affect business transactions.

Allowed:
- Gifts or hospitality must never consist of cash or cash equivalents. Gifts or hospitality should not be extravagant or excessive in value. Maximum value should not exceed Rs. 10,000.
- Gifts or hospitality should not be offered in ways that make recipients feel that the giver expects something in return.
- Gifts or hospitality should be given and accepted openly in front of others, to make it clear that there is nothing to hide.
- Packages Group always pays the travel and accommodation expenses of the Company's own personnel.
- Normal business courtesies such as paying for a meal or sharing a taxi may be considered as reasonable hospitality.
- Any gift or hospitality which is of greater value and can potentially impact the business dealings, should be immediately reported to the supervisor and surrendered to HR for appropriate action.

Professional Relationships:
Every employee of Packages Group needs to maintain a professional relationship with suppliers, customers and other stakeholders. They need to ensure that Packages Group inculcates the value of professionalism in all its subsidiaries and among its employees. So, all employees working in the Packages Group dealing directly with suppliers and customers need to make sure that professional relationships is before any personal interest of the employee. Being in business everyone has to ensure their professional commitment and the reputation of the Group.

Anti-Fraud Policy:
Fraud is defined as an intentional, false representation or concealment of a material fact for the purpose of securing an unfair or unlawful gain. Fraud that may involve any of the following matters must be reported. This list is only for reference purposes and should not be considered exhaustive:

- Misrepresentation of facts;
- Misappropriation/theft or misuse of the Company's assets such as money, equipment or supplies;
- Unlawfully obtained revenue and/or assets;
- Falsification of revenue, costs and expenses;
- Making profit as a result of insider knowledge of Company activities;
- Bribery or corruption;
- Disclosing confidential and proprietary information to outside parties;
- Forgery or alteration of documents;
- Paying of excessive prices or fees to third parties with the aim of personal gain.
- Accepting or offering kickbacks or gifts intended to, or which may appear to, influence the business judgment.

Fraud in all its forms is wrong and is unacceptable to the Group. All stakeholders must carry out their activities/ business in such a way that it prevents fraud from occurring.

Confidentiality and Non-Retaliation:
All reported instances of fraud including the identity of those providing information will be kept confidential in order to conduct an appropriate, fair and thorough investigation. Necessary protection would be provided to the informant. No retaliatory action against any individual for reporting in good faith under this policy will be tolerated. However, false reports would be subject to disciplinary action.

Blacklisting:
Any vendor, service provider, customer, contractor, agency, distributor etc. will be blacklisted who is convicted of fraud under this policy. Details of such blacklisted parties will be shared with all Group Companies to curtail business relations with them and avoid potential financial or reputational loss.

Responsibility for Prevention and Detection:
All employees are responsible for the prevention and detection of fraud, misappropriation and other irregularities. All employees are required to be familiar with the types of fraud that might occur in their respective areas, be alert for any indication of fraud or improper activities and maintain controls to avoid such occurrences.

In case of knowledge, suspicion or detection of any such activity by any person, the information must be promptly reported for thorough investigation and prevention. It can also be reported through a whistleblowing platform.

Disciplinary action will be taken against any person found guilty as per company policy.

Dealings in Securities/Shares and Insider Trading:
Packages Group employees shall not trade or pass on inside information at any time to any other person, inside or outside Packages Group. Inside information refers to the information about Packages Group, its business, or other companies with which Packages Group is doing business or negotiating, that is not generally known to the public, but would likely, if known generally, affect the price of a Company's shares or influence a person's investment decisions.

Packages Group employee or his/her family (spouse, parents, grand-parents, sons and daughters) must not deal in shares of a listed company in which they work and its listed Group Companies in following circumstances:

- during the closed period; or
- if he/she is in possession of inside information about the company; or
- deal in shares for short term gains (less than six months).

If any executive or his/her relatives mentioned above, purchase or sell shares of a listed company in which they work, the concerned executive must immediately inform the Company Secretary, in the prescribed format, about the quantity and price of the shares purchased/sold. The Company Secretary shall pass on this information to the stock exchange and the Securities and Exchange Commission of Pakistan (SECP) in the prescribed format.

The concerned executive will also need to report electronically to SECP, on the prescribed format, the purchase or sale of shares using his or her own password/PIN within seven days of the date of the transaction.

Packages Group employee should not pass on inside information at any time to any other person or encourage another person to deal in shares of its listed group companies on the basis of such information, even if the employee does not gain directly from the arrangement.

Packages Group employees should be aware of and comply with any local laws and regulations governing share dealings.

Some employees, because of their roles and responsibilities, will be in regular possession of inside information or may have access to such information, at particular times of the year. These individuals are referred to as Employee Insiders. The employee will be notified in writing by the Company Secretary if he/she is in this category and hence may not deal in stock until he/she obtains written confirmation that he/she may deal or has been taken off the Insider List. The Company Secretary may be contacted for advice in this area.

COURAGE

We Stand up for what we believe in.

- We are passionate and courageous in pursuing our dreams.
- The other side of fear is freedom; we value freedom.
- We have the audacity to look at new challenges and adjust our sails accordingly.
- We stress upon suspending self-interest for the greater good.

Packages Group expects its employees to show courage in all their dealings and conduct by working with the highest professional and ethical standards. They should have the courage to speak up if they identify any violation of the Code of Conduct, rules and regulations of the Company, Group or Country.

Whistle Blow:

Packages Group is committed to the highest standards of ethical, moral and legal business conduct. In line with this commitment and the Company's commitment to open communication, this policy aims to provide an avenue for employees to raise concerns with reassurance that they will be protected from reprisals or victimization for whistle-blowing.

The types of issues which can be reported under this policy include but are not limited to:

- Breach of the Code of Conduct;
- Corruption and bribery;
- Harassment;
- Misappropriation of financial data/reports;
- Fraud/Forgery/financial malpractices;
- Deliberate falsification of company records;
- Misuse of company's assets;
- Violation of applicable laws and regulations;
- Actions raising safety, security, and environmental concerns;
- Damage to the company's reputation or business; and
- Disrespect and/or discrimination of employees on the basis of race, color, gender, ethnicity, age, nationality, ancestry, religion, physical/mental disability or marital status.

Complaint Reporting and Investigation Procedure

Note: Complainants have the right to raise complaints anonymously but they are encouraged to include contact information which would be useful during the investigation. However, anonymous complaints are discouraged and may not attract any action thereon unless there is sufficient evidence provided along with it to proceed further.

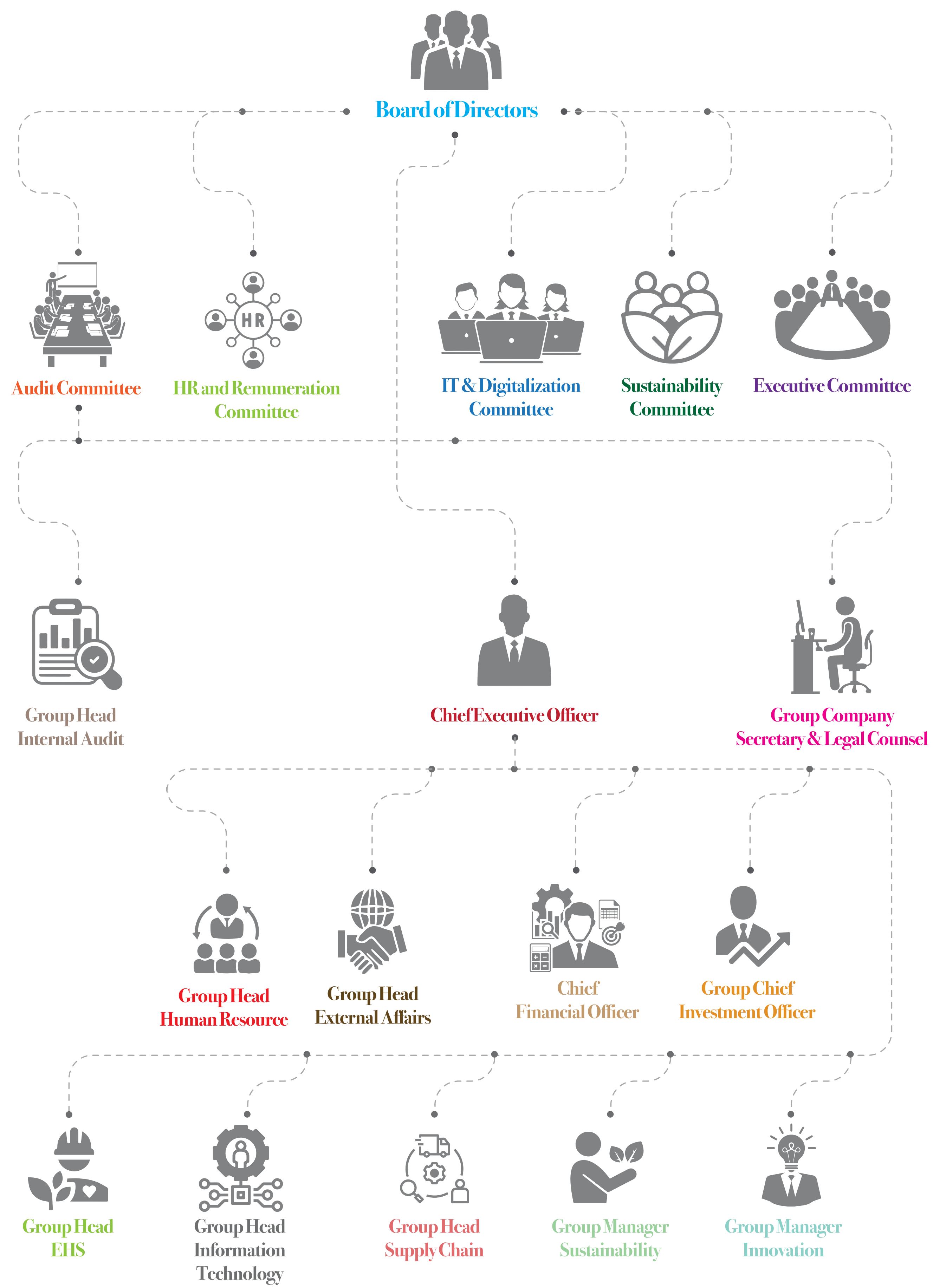
Confidentiality and protection of the complainant's identity would be ensured. Internal Audit Department may involve/consult relevant departments for investigation of the complaint.

Complaints regarding harassment or employee grievances will be referred to HR for handling the matter as per the "Anti-Harassment Policy" and "Grievance Policy".

- Any employee, contractor or stakeholder who believes that he/she has been a victim of discrimination, or harassment, or becomes aware of any activity which is not in the best interests of the company or breaches the Code of Conduct or law should immediately report the issue. Confidentiality of all complaints would be ensured and appropriate remedial action would be taken after thorough verification/investigation of underlying facts and details.
- All personnel reporting must ensure confidentiality of the information and must not share or spread any unsubstantiated/false claims. Spreading false claims could result in disciplinary action against such personnel.
- Whistle-blowing complaints can be raised through communication means mentioned in the respective whistle-blowing policy or by directly approaching the Head of Internal Audit of the respective company or sending an email to the respective company's whistle-blowing email address.

For further information, refer to the whistle-blowing policy.

Organizational Structure



Group Structure

JOINT VENTURE

OmyaPack (Private) Limited

OmyaPack provides versatile product solutions that contribute to multiple industries such as construction, printing & writing, packaging, food, personal & home care, pharmaceuticals, agriculture and forestry, water and energy.

SUBSIDIARIES

Packages Limited was established in 1956 as a joint venture between the Ali Group of Pakistan and Akerlund & Rausing of Sweden, to convert paper and paperboard into packaging for consumer industry. Over the years, Packages Limited continued to enhance its facilities to meet the growing demand of packaging products and in the year 2019, the BOD approved the internal restructuring to develop operating synergies across businesses and managing operations in a focused manner while streamlining the ownership structure. Since then it is operating as a holding company, managing its investments in subsidiary companies, associated companies and joint ventures, engaged in various businesses.

ASSOCIATE

IGI Holdings Limited

IGI Holdings Limited - a Packages Group Company, is a public listed company and was incorporated in 1953. Objects of IGI Holdings Limited includes to act as an investment holding company and for that purpose invest, acquire, sell and hold the securities and financial instruments.

SUBSIDIARIES

- IGI Investments (Private) Limited
- IGI Life Insurance Limited
- IGI General Insurance Limited
- IGI Finex Securities Limited
- IGI FSI (Private) Limited

Packages Convertors Limited

Subsequent to internal restructuring in 2019-20, Packages Limited transferred its manufacturing businesses to Packages Convertors Limited, its wholly owned subsidiary. PCL is principally engaged in the manufacture and sale of packaging materials, tissue and personal hygiene products.

Bulleh-Shah Packaging (Private) Limited

Bulleh Shah Packaging, aims to provide responsible packaging solutions for brands in Pakistan. BSP is leading the market of corrugated packaging together with being the largest renewable packaging facility and the only liquid packaging board providing facility. The Company started its operations in 2005.

Hoechst Pakistan Limited

Hoechst Pakistan Limited is a public limited company incorporated in Pakistan. The Company is engaged in the manufacturing, selling, and trading of pharmaceuticals and related products. The Company has changed its name from Sanofi-Aventis Pakistan Limited to Hoechst Pakistan Limited following a 41.07% acquisition by Packages Group in 2023.

Packages Real Estate (Private) Limited

Packages Mall is the venture of one of Pakistan's most prestigious companies, Packages Limited, founded in 1956. The Mall has been designed on international standards by a team of foreign and local professionals. Packages Mall has rapidly risen since its inauguration in 2017 to become the home of entertainment where Lahore comes to shop.

Tri-Pack Films Limited

Tri-Pack Films Limited (Tri-Pack) was incorporated as a public limited company on April 29, 1993. It is principally engaged in the manufacturing and sale of Biaxially Oriented Polypropylene (BOPP) and Cast Polypropylene (CPP) film. In 2022, Packages Limited acquired 19.33% equity of Tri-Pack from Mitsubishi Corporation and holds 69.26% shareholding in Tri-Pack. The Company is a subsidiary of Packages Limited.

StarchPack (Private) Limited

Starch Pack (Private) Limited is a wholly owned subsidiary of Packages Limited and is principally engaged in the manufacture and sale of corn based starch products, its derivatives, by-products and trading of corn.

Packages Investments Limited

Packages Investments Limited was incorporated in Pakistan as a public company on May 28, 2019. The Company is in setup phase and will start its operation whereby the principal activity of the company will be to hold investments in various companies.

Packages Power (Private) Limited

Packages Power (Private) Limited is a wholly owned subsidiary of Packages Limited formed for the purpose of setting up a 3.1 MW hydropower project as advertised by the Punjab Power Development Board (PPDB).

Packages Trading FZCO

Packages Trading FZCO has been incorporated under the Dubai Integrated Economic Zones Authority Implementing Regulations, 2022, and registered with Dubai Integrated Economic Zones Authority. It is a wholly-owned subsidiary of Packages Limited primarily engaged in commercial trading with import, export, distribution, and warehousing.

DIC Pakistan Limited

DIC Pakistan Limited is the leading manufacturer of quality printing inks in Pakistan as a joint venture company between Packages Limited and DIC Asia Pacific (Formerly Dainippon Ink & Chemicals) of Singapore. The Company started its operations in July 1994.

Packages Lanka (Private) Limited

Established in 1998 as a subsidiary of Packages Limited, Pakistan, Packages Lanka (Pvt.) Limited is a leading manufacturer of laminated, printed/unprinted flexible packaging for consumer products. Since its inception it has grown to become one of the leading packaging companies in Sri Lanka equipped with latest state-of-the-art European machinery.

Anemone Holdings Limited

Anemone Holdings Limited, Mauritius is a special purpose vehicle established in 2015 for the purpose of special acquisitions.

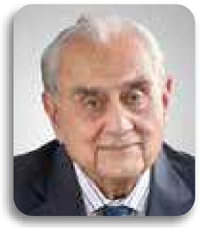
Linnaea Holdings Inc.

It is the intermediate holding company of Chantler Packages Inc. and is based out of Canada.

Chantler Packages Inc.

Chantler Packaging Inc. and Packages Lanka (Private) Limited (a subsidiary of Packages Limited,) announced the creation of a joint venture, Chantler Packages, representing the joining together of a major packaging company with a global footprint, and a long-established Canadian enterprise with a history of innovation.

Group Leadership



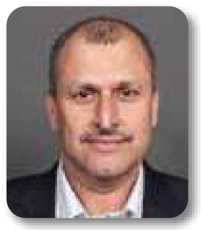
Syed Babar Ali
Advisor to the Board of Directors - Packages Limited

Syed Hyder Ali
CEO – Packages Limited, Packages Convertors Limited & IGI Holdings Limited

Syeda Henna Babar Ali
Advisor – Consumer Products Division

Khurram Raza Bakhtayari
CEO - Packages Real Estate (Private) Limited
CFO – Packages Limited

Nasir Jamal
CEO – Tri-Pack Films Limited



Muhammad Nasir Zaman Khan
CEO – Bulleh Shah Packaging (Private) Limited and Packages Power (Private) Limited

Sajjad Iftikhar
CEO – Hoechst Pakistan Limited & IGI Investments (Private) Limited

S. M. Ismail Hussain Naqvi
CEO – DIC Pakistan Limited

Fazeel Rehman
CEO – StarchPack (Private) Limited

Usman Sabir
CFO & COO – Packages Trading FZCO

Ahmed Ramzan
CEO – Packages Lanka (Private) Limited

Ahmad Raza
CEO – OmyaPack (Private) Limited

Jawad Gilani
Group Head Human Resource

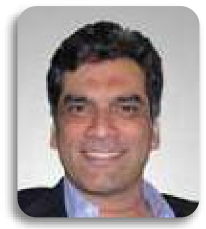
Ali Nadim
CEO – IGI Life Insurance Limited

Soban Waqar
Group Head Internal Audit

Faisal Khan
CEO – IGI General Insurance Limited

Faizan Mahmood
Group Head Information Technology

S. Raza Hussain Rizvi
CEO – IGI Finex Securities Limited

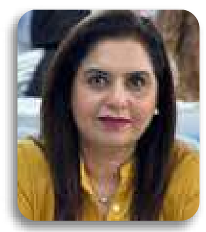


Amir Janjua
Group Head Supply Chain

Syed Aslam Mehdi
Group Head External Affairs

Muhammad Ali Sheikh
Group Head EHS

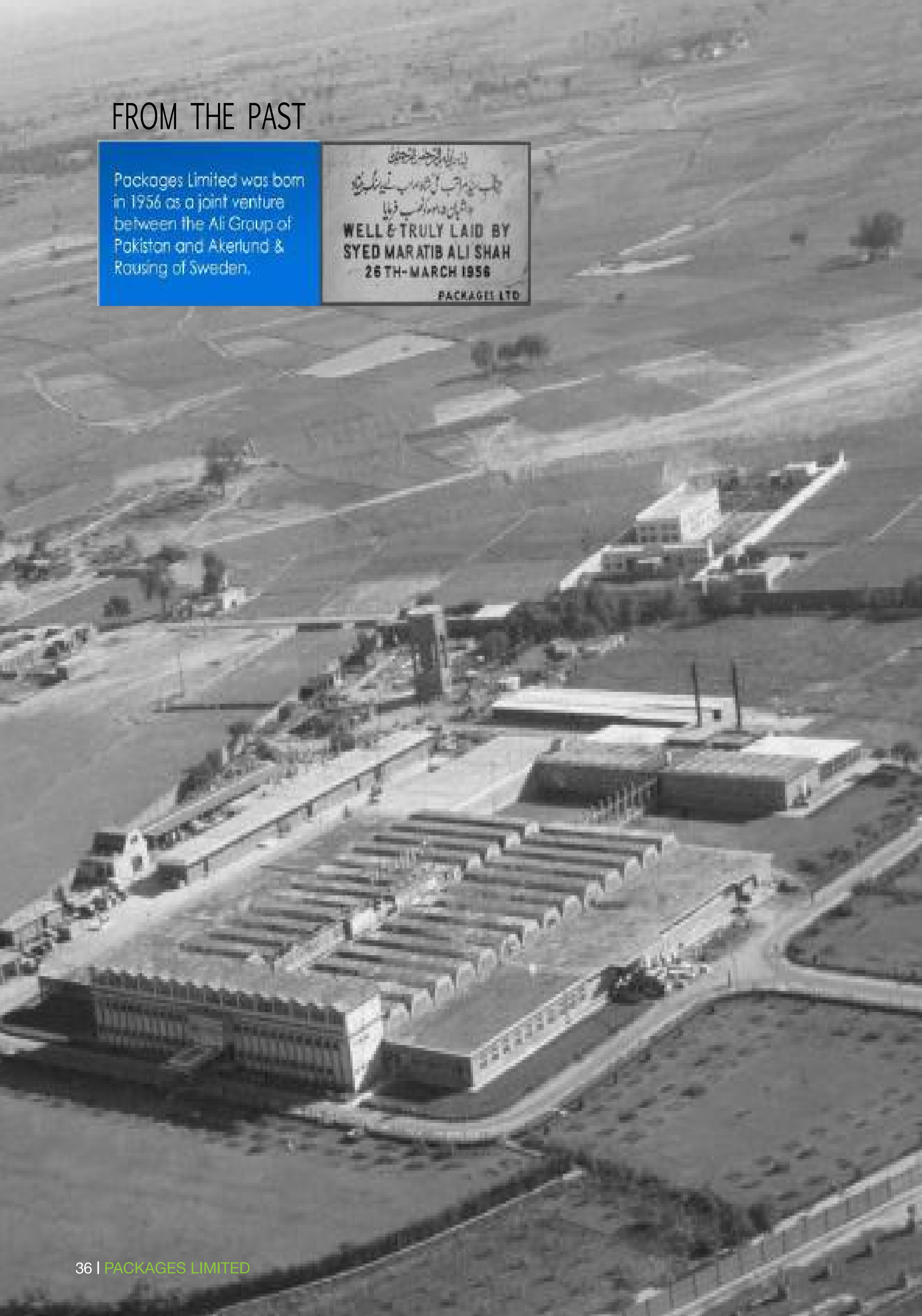
Waqas Munir
Group Chief Investment Officer



Ayesha Aziz
Group Manager Sustainability

Iqra Sajjad
Group Company Secretary & Legal Counsel

Tahira Yasmin
Group Manager Innovation & Development



FROM THE PAST

Packages Limited was born in 1956 as a joint venture between the Ali Group of Pakistan and Akerlund & Rausing of Sweden.

Historical Overview

Packages Limited was established in **1956** as a joint venture between Ali Group of Pakistan and Akerlund & Rausing of Sweden, to convert paper and paperboard into packaging for consumer industry. Over the years, Packages has continued to enhance its facilities to meet the growing demand of packaging products.

In **1968,** with IFC participation, Packages integrated upstream by establishing a Pulp and Paper Mill with a capacity of 24,000 tons per year based on waste paper and agricultural by-products i.e. wheat straw and river grass. With growing demand, the capacity was increased periodically.

In **1982,** Packages modified a paper machine to produce tissue paper in response to growing awareness and demand for hygienic and disposable tissues. The "Rose Petal" brand name was launched with facial tissues and was later expanded to include toilet paper, kitchen roll, and table napkins.

In **1986,** the Company established a flexible packaging unit to cater to the increasing demand from consumers for sophisticated packaging used primarily in the food industry.

In **1993,** a joint venture agreement was signed with Mitsubishi Corporation of Japan for the manufacture of Polypropylene films at the Industrial Estate in Hattar, Khyber Pakhtunkhwa. This project, Tri-Pack Films Limited, commenced production in June 1995 with equity participation by Packages Limited, Mitsubishi Corporation, Al-Tawfeek Company for Investment Funds, Saudi Arabia and general public.

In July **1994,** Coates Lorilleux Pakistan Limited (currently DIC Pakistan Limited), in which Packages Limited has 54.98% ownership, commenced production and sale of printing inks. During the same year, the Company initiated the capacity expansion of its Paper and Board Mill to 65,000 tons per year and conversion capacity to 56,000 tons per year. At the same time, the Company also upgraded the quality of Packages' products and substantially improved pollution control to meet the World Bank environmental guidelines. The said expansion was completed in 1998 at a cost of PKR 2.7 billion.

In **1996,** Packages entered into a joint venture agreement with Printcare (Ceylon) Limited for the production of flexible packaging materials in Sri Lanka. The project, Packages Lanka (Private) Limited, in which Packages Limited has 79.07% ownership, commenced production in 1998.

During **1999-2002,** Packages successfully completed the expansion of the flexible packaging line by installing a new rotogravure printing machine and enhancing the carton line by putting up a new lemanic rotogravure inline printing and cutting creasing machine. In addition, a new 8-color flexographic printing machine was also installed in the flexible packaging line in 2001. Packages commenced production of corrugated boxes from its plant in Karachi in 2002.

In **2005,** the Company embarked upon its Paper & Board expansion plan at a new site in Kasur by the name 'Bulleh Shah Paper Mills' (currently Bulleh Shah Packaging (Private) Limited), almost tripling its capacity from 100,000 tons per annum to 300,000 tons per annum. Capacity expansion at Bulleh Shah Paper Mills was completed in two phases. In the first phase, Brown Board Machine (PM-6) along-with high yield straw pulping & OCC plants and its back processes such as 11 MW Power House, Gas Turbine and Primary Effluent Treatment Plant were capitalized and commercial operations commenced during the year 2007. Second phase comprising of Writing and Printing Paper Machine (PM-7), De-inking Pulp Plant, 41MW Power House, Steam Turbine and Secondary Effluent Treatment Plant was completed in the year 2009.

In **2008,** the Company embarked upon capacity expansion in its tissue division through installation of a new tissue paper manufacturing machine (PM-9) with production capacity of 33,000 tons per annum.

During **2011,** a lamination machine was installed in the flexible department at a cost of PKR 96 million. This was Pakistan's first high speed solvent-less automatic lamination machine. It has turret winders for automatic reel and a capacity of 450 meters per minute.

The rebuild project of Paper Machine (PM-6), installed at Bulleh Shah Paper Mills, was completed in the second quarter of 2011 leading to capacity expansion of 30,000 tons. The machine started commercial operations with enhanced capability of producing high value added liquid packaging and bleached board. Moreover, the Corrugator Machine in Kasur Plant was upgraded in 2011 to improve efficiency, reliability, enhance capacity and reduce waste. This upgrade activity resulted in increased capacity of 14%.

In **2012,** the Company invested in a rotogravure machine for its Flexible Packaging business with a total estimated project cost of PKR 326 million as part of the Company's efforts to remain abreast of improved technological developments in the packaging business. In the same year, to enable continuous growth and technical development in the Paper & Board segment, Packages signed a 50/50 joint venture agreement with Stora Enso OYJ Group of Finland in its 100% wholly owned subsidiary, Bulleh Shah Packaging (Private) Limited. The joint venture included Paper & Board and Corrugated business operations at Kasur and Karachi. The Agreement signed in 2012, was implemented in 2013 and Packages completed the transfer of assets and related obligations of Paper & Board and Corrugated business operations to Bulleh Shah Packaging (Private) Limited along with cash equity injection for a 65% stake.

During **2014,** the Company invested in an Offset Printing Line in continuation of its efforts to remain abreast of improved technological developments in the packaging business. The Offset Printing Line commenced its commercial operations during the first quarter of 2014 and had made available additional capacity to meet growing customer demands in the Folding Carton business. In May 2014, as part of its asset and income diversification strategy, the Company initiated development of a high-quality retail mall at its Lahore land through its subsidiary, Packages Real Estate (Private) Limited [formerly Packages Construction (Private) Limited]. The Company currently holds 75.16% equity in Packages Real Estate (Private) Limited.

In **2015,** as a part of its continuing efforts towards technological upgradation, the Company invested in a new toilet roll line to cater to the growing demand. A new brand by the name of "Maxob" produced on this machine was launched. In line with strategy to diversify and enter into new high growth markets, in June 2015, the Company completed the acquisition of 55% share in the operation of a flexible packaging company in South Africa. Further, during 2015, the Board of Directors resolved to start a 50/50 joint venture with Omya Group of Switzerland with an intent to set up a production facility to supply a range of high-quality ground calcium carbonate products.

In **2016,** as a part of Company's continuing efforts towards technological up gradation, the Company invested Rs 292 million in a new offset printing line having double coating capability to cater to the growing demand in the folding cartons business. The Company also made an investment of Rs 122 million in the pre-press department for a state of art engraving machine and cylinder making line. This investment was in line with the Company's efforts to provide its customers with the highest quality of printing. Further, the Company made strategic investments of Rs 82 million including a new facial line, toilet roll line and a fully automated party pack machine to meet growing customer demand.

In line with strategy to diversify, the Company incorporated a wholly-owned subsidiary, Packages Power (Private) Limited, for the purpose of setting up a 3.1 MW hydropower project with an initial equity injection of Rs 25 million.

The Company also made an additional investment of Rs 309.5 million in the equity of Omya Pack (Private) Limited [formerly Calcipack (Private) Limited.

In **2017,** the Company invested Rs 540 million in upgradation of the flexible packaging line that includes wide-web Flexo Printing Press as well as a state of the art 7-layer blown film extruder which not only boasts of higher production capabilities but also adds dept to the packaging solutions. Further investments to the tune of Rs 105 million was made in the downstream operations of lamination, slitting and bag making to complement the additional capacity brought in. All these investments were in line with the Company's efforts to provide its customers with the highest quality of packaging solutions for Flexible Packaging line and to grow the market share despite ever growing competition by staying ahead of the technological curve.

Packages Mall was inaugurated on April 20, 2017 and the customer response since then has been very encouraging. The mall has been designed on international standards by a team of foreign and local professionals. Packages Mall offers over 180 brands, a multiplex cinema, food court, play area and grocery solution all under one roof.

During the year **2017,** the Company acquired 35% shares held by Stora Enso in Bulleh Shah Packaging (Private) Limited and hence BSPL became the fully owned subsidiary of the Company from September 18, 2017.

In **2018,** investment was made for upgradation of flexible packaging line that includes wide-web Flexo Printing Press as well as a state of the art 7-layer blown film Extruder which was successfully completed and made fully operational. This packaging line has not only boosted of higher production capabilities but also given the Company a competitive edge over its competitors. The Company has yet again proven itself to be a pioneer in Flexible Packaging by investing Rs 230 Million to bring in the first ever Extrusion Lamination machine in Pakistan. The Company has invested an approximate Rs 400 Million in enhancing and upgrading its Rotogravure printing capabilities by bringing in a new wide web Roto Printing Press. Further, the Company invested Rs 581 million on installation of a new offset packaging line that includes a 7 color printing press with 2 coating units and cutting creasing machine as well as a state of the art folding gluing machine with speed wave technology which has not only boosted of higher production capabilities but also added depth to the packaging solutions.

During the year **2019,** the Company made investment to enhance the capability of one of its Rotogravure presses installed in its folding cartons business unit. This expansion not only boosted the Company's production capability but also gave the Company a competitive edge over its competitors. The Company yet again proved itself to be a pioneer in Packaging industry and the only one to have a 10 colour Rotogravure press with an additional UV unit in Pakistan.

The Company also invested in a bag making machine during the year to get into new markets including growing E-Commerce Market. New inroads were developed to further grow the label printing business. In line with Company's environmental sustainability initiatives, an Energy Monitoring System was installed to monitor/improve power consumption.

In **2020,** Packages Limited transferred its manufacturing businesses to a wholly-owned subsidiary, Packages Convertors Limited ('PCL') after securing all applicable regulatory approvals. Packages Limited now operates as an investment holding Company and derives income from dividends, rentals, and technical fee from its investee companies. The performance of the Company is determined by the financial performance of its portfolio investments & group companies which are operating within and outside Pakistan. The Company makes investment in line with the overall objective to improve shareholder's value by increasing and diversifying revenue streams, expanding existing customer base and through prospects in new technology.

In **2021,** the Board of Directors of Packages Limited approved the formation and funding of a new company called StarchPack (Private) Limited to engage in the business of manufacturing and distributing corn-based starch and its derivative products.

Packages Limited also entered into an agreement with Mitsubishi Corporation to purchase its stake of 19.33% in the shareholding of Tri-Pack Films Limited. On December 31, 2021, the Company concluded the transaction and acquired a further 16.59% of shareholding in Tri-Pack Films Limited from the public following the conclusion of the public offer. Packages Limited now has a total shareholding of 69.26% in Tri-Pack Films Limited.

In **2022,** subsequent to the approval of the Board, the Company, as part of Investor Consortium, entered into Share Purchase Agreement with Sanofi Foreign Participations B.V. on April 29, 2022 for acquisition of its 52.87% shareholding in Sanofi Pakistan.

Board of Directors of the Company in a meeting held on April 27, 2022 accorded its approval for incorporation of a wholly owned foreign subsidiary in the UAE, subject to all applicable regulatory approvals. This subsidiary has been incorporated under Dubai Integrated Economic Zones Authority Implementing Regulations, 2022 and registered with Dubai Integrated Economic Zones Authority under the name Packages Trading FZCO. The subsidiary will be primarily engaged in commercial trading with import, export, distribution and warehousing as its ancillary activities.

In **2023,** subsequent to the share purchase agreement with Sanofi, Packages Limited further acquired 35% shareholding in Sanofi Pakistan at a negotiated purchase price of Rs 940 per share. In September 2023, the name of Sanofi Pakistan was changed to Hoechst Pakistan Limited (HPL). Sanofi-Aventis has been present in Pakistan for over half a century and was incorporated in 1967 as Hoechst Pakistan Limited, started manufacturing pharmaceuticals and specialty chemicals in 1972 and went public in 1977. The name 'Hoechst' encapsulates the rich legacy of the Company since making its footprint in Pakistan and embodies its vision in enhancing value for the community and its stakeholders. Packages Limited has a total shareholding of 41.07% in HPL. StarchPack (Private) Limited also started its native starch manufacturing operations at Kasur at the end of 2023.

In **2024,** the commerical production of value-added starch products were started by StarchPack (Private) Limited. Further, an offset packaging line was installed at Korangi, Karachi to enhance the production capacity of business unit Folding Carton of Packages Convertors Limited.

Milestones

1956
Established as a Joint Venture between Ali Group of Pakistan and Akerlund and Rausing of Sweden

1968
Established a Pulp and Paper Mill

1982
Production of Tissue Paper ("Rose Petal")

1986
Established Flexible Packaging Unit

1993
Signing of Joint Venture Agreement between Packages Limited and Mitsubishi Corporation

1994
DIC Production and Sale of Commencement & Packages Limited upgraded capacity expansion

1996
Joint Venture Agreement with Printcare (Ceylon) Limited

1999/2000
Expansion of Flexible Packaging Line

2005
Paper and Board Expansion Plan (Bulleh Shah Packaging (Private) Limited)

2008
Installation of PM-9

2011
Installation of Lamination Machine & Rebuilding and Upgrading to enhance the capacity

2012
Signing of Joint Venture Agreement with Stora Enso OJY of Finland

2014
Development of Retail Mall ("Packages Mall")

2015
Brand 'Maxob' launching, Acquisition of Flexible Packaging Company in South Africa & Joint Venture Agreement with Omya Pack (Private) Limited

2016
Incorporation of Packages Power (Private) Limited & Investment of Equity in Omya Pack (Private) Limited

2017
Inauguration of Packages Mall & the Company ('Packages') acquired 35% shares of Bulleh Shah Packaging (Private) Limited, which Stora Enso held

2018
Investment for upgrading of Flexible Packaging Printing Press

2019
Enhance investment through Rotogravure Press

2020
Transferring of Manufacturing Business of the Company ('Packages') to Packages Convertors Limited

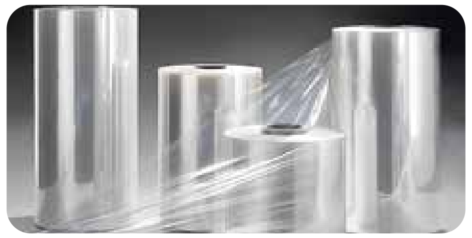
2021
Formation of StarchPack (Private) Limited & acquisition of shares of Tri-Pack Films Limited from Mitsubishi Corporation

2022
Completed acquisition of majority shares of Tri-Pack, and completed statutory obligations in relation to public offer to acquire 6.07% of capital of Sanofi Aventis Pakistan Limited. Packages Trading FZCO in Dubai was incorporated

2023
Acquisition of 35% shares of Sanofi Aventis Pakistan Limited under share purchase agreement. Change of name of Sanofi Aventis Pakistan Limited to Hoechst Pakistan Limited and it became a subsidiary of Packages Limited

2024
An offset machine was installed at a state-of-the-art and new setup at Karachi, to enhance the production capacity for Packages Convertors Limited

Products of our Group Companies



Manufacturing

Packaging Materials ✶ Tissue ✶ Femcare and Consumer Products Pharmaceutical Products ✶ Industrial Inks ✶ Paper & Paperboard Products ✶ Biaxially Oriented Polypropylene Films ✶ Cast Polypropylene Films ✶ Ground Calcium Carbonate Products ✶ Corn Starch & Derivatives

Financial Services

General Insurance ✶ Life Insurance ✶ Brokerage

Others

Real Estate ✶ Power Generation

Significant Factors Affecting the External Environment

POLITICAL

DEFINITION

Political factors pertain to the extent to which government policies and actions impact the economy, a specific industry and an organization.

FACTORS AFFECTING EXTERNAL ENVIRONMENT

Government's policies on manufacturing, foreign investment, and taxation directly affect Packages Limited's operations.

Political instability, protests, and changes in government policies can impact business operations and investor confidence.

Trade policies and import/export regulations also impact material procurement and international sales for manufacturing arm of the Group

ORGANIZATION'S RESPONSE

The Group remains vigilant of the ever changing political landscape of the country.

Packages Limited focusses on sustainability, cost-efficiency, and technological innovation while navigating economic and political uncertainties.

ECONOMIC

DEFINITION

Economic factors take into account the various aspects of financial state of the economy and are generally measured and reported by the Central Bank.

FACTORS AFFECTING EXTERNAL ENVIRONMENT

In 2024, Pakistan's economy experienced a notable stabilization, marked by reduced inflation, monetary policy adjustments, and international financial support.

By February 2025, inflation also significantly decreased to 1.5%, the lowest in nearly a decade. In response to the declining inflation, the State Bank of Pakistan implemented aggressive rate cuts, totaling 1,000 basis points bringing the key policy rate down to 12% from a record high of 22% in June 2024.

This trajectory underscores the SBP's responsive monetary policy aimed at balancing economic growth with price stability.

The IMF approved a $7 billion loan for Pakistan, with an immediate disbursement of $1 billion, to support the country's economic stabilization efforts. The program has been crucial in stabilizing the nation's economy, paving the way for long-term recovery.

ORGANIZATION'S RESPONSE

These economic factors are regularly being monitored by the Management executive team; taking proactive measures to consolidate on positive economic indicators while countering the negative ones.

SOCIAL

DEFINITION

Social factors include the cultural and demographic trends of society. They form the norms, customs, culture and values within which the organization operates.

FACTORS AFFECTING EXTERNAL ENVIRONMENT

An array of social factors such as cultural norms, values, trends, demographics and societal attitudes towards diversity and inclusion affect corporate landscape.

Changing consumer preferences, increased demand for eco-friendly and sustainable packaging might influences the Group's product innovation.

More urbanization leads to higher demand for packaged food, beverages, and consumer goods.

ORGANIZATION'S RESPONSE

Packages as a company as well as the Group understand its social responsibility to operate in a manner that benefits society, the environment, and the economy.

This report contains information about the Group's elements of social responsibility which covers its ethical business practices, environmental sustainability consciousness, philanthropy and community involvement and drives for diversity and inclusion.

TECHNOLOGICAL

DEFINITION

Technological factors form link to innovations in technology that may affect the operations of the industry and the market favorably or unfavorably.

FACTORS AFFECTING EXTERNAL ENVIRONMENT

Technological factors profoundly influence the external operating environment by driving innovation, improving efficiency, shaping market dynamics, enhancing customer engagement, optimizing supply chains, managing risks, and transforming the workforce.

Embracing and leveraging technology effectively is essential for corporations to remain competitive and sustainable in today's rapidly evolving business landscape.

ORGANIZATION'S RESPONSE

At Packages Group, the focus remains on maximum utilization of technological advancements. We believe that technology can be leveraged to adapt and pivot strategies to remain competitive, research intensive and result driven while assisting the overall development.

Our ERP ensures effective planning and robust internal controls. We have a dedicated Group team who constantly strives to give out of the box solutions to all stakeholders and in turn help the Group companies to achieve their respective ambition to enhance operational efficiency and deliver quality and accurate reporting. Last year, the Group embarked on 'Project Buraq' for upgrading its ERP. During the year, significant milestones have been achieved for 'Project Buraq'.

ENVIRONMENTAL

DEFINITION

Environmental factors refer to the ecological conditions and climate changes that affect the Company. Every company has its impact on the environment

FACTORS AFFECTING EXTERNAL ENVIRONMENT

Increasing frequency and intensity of extreme weather events, shifts in temperature and precipitation patterns, and rising sea levels are posing risks to global corporate infrastructure, supply chains, and operations, leading to increased costs and business disruptions.

This is coupled with resource scarcity, growing consumer demand for environmentally sustainable products and services, as well as investor and regulator pressure for responsible corporate practices, can drive companies to adopt more sustainable business models, including renewable energy usage, waste reduction, and ecofriendly packaging.

Considering and addressing these environmental factors are essential for corporate entities to effectively manage risks, seize opportunities, and demonstrate commitment to sustainability and corporate social responsibility.

ORGANIZATION'S RESPONSE

Packages Group is always committed to mark its positive impact on the environment. To operate sustainably and responsibly in our business and yield greater social impact, we have aligned our environmental and social obligations with United Nations Sustainable Development Goals (SDGs). This report also contains list of our activities which play a pivotal role in our conscious efforts to remain environmentally responsible. At Packages, we also understand that the growing demand for eco-friendly packaging which presents a strong opportunity for future growth.

LEGAL

DEFINITION

Legal factors include current and impending legislation that may affect the industry in areas such as employment, competition, and health and safety.

FACTORS AFFECTING EXTERNAL ENVIRONMENT

Environmental regulations, labor laws, and corporate governance policies influence how Packages Limited operates.

ORGANIZATION'S RESPONSE

Packages Group abides by all the applicable laws like Companies Act, 2017, Income Tax Ordinance, 2001, SECP Act 2015, Code of Corporate Governance, PSX Regulations, laws related to labor, environment etc. Related reporting has been duly carried out during the outgoing year and wherever required has been made a part of this Annual Report as well.

P E S T E L

Geographical Presence

LOCAL

LAHORE
Head Office

KARACHI
Registered Office

Key Performance Indicators

Operating Revenue (Rs. in Million)	4,727
Profit Before Levy and Income Tax (Rs. in Million)	2,249
Return on Equity (percentage)	3.46
Operating Profit (Rs. in Million)	3,838
Profit for the Year (Rs. in Million)	1,912
Basic Earning Per Share (EPS) (Rupees)	20.68
Shareholders' Equity (Rs. in Million)	55,219
Price Earning Ratio (Times)	28.80
Dividend Yield (percentage)	2.52
Debt to Equity Ratio	14:86
No. of Employees	193
Proposed Cash Dividend (percentage)	150

Awards and Certifications

Diamond Recognition Award (EFP Disability Inclusion Excellence Awards 2023-2024) – Recognized for promoting disability inclusion in workplaces. Received by Maha Khan, Head of HR at Hoechst Pakistan Limited

21st Annual Environmental Excellence Award (NFEH) – Recognized for Environmental Initiatives at a ceremony in Karachi, themed "Nexus of Climate Change and Food Security." The award was received by Muhammad Osama Anis (TPFL) and Saddam Shahid (DIC)

ISO-14064-3 Certification – Achieved for 8 group companies: PCL, BSP, TPFL, DIC, OPL, HPL, PLL, and PREPL

Employer of Choice Award (PBC & IFC) – First place for outstanding performance in the Climate2Equal project, in collaboration with IFC and CERB

EnMS ISO-50001 Group Certification – 98% of the Group's energy is now certified under EnMS ISO-50001, covering 8 companies: PCL, DIC, BSP, HPL, TPFL, SPL, OmyaPack, and PREPL

Green Energy Initiatives Award by NFEH

Best Supplier Award by Midas Safety

Responsible Supply Chain Initiatives Award by Professional Network

Major Events

2024

- 69th Annual General Meeting
- Corporate Briefing Session
- Group OD Organized a Service Excellence Training for MTOs
- International Women's Day Celebrated at Packages Group
- An Evening to Remember: Packages Group's Annual Dinner, 2024
- Christmas Celebrations
- Annual Family Festival 2024
- Participation of Packages Group's HR Team in Connex Karachi
- Mothers' Day Celebrated at Packages Group
- Packages Group Participated in Wibcon - Women in Business and Leadership Conference
- Career Fairs 2024
- Hajj and Umrah Ballotting

2024

- Packages Group Celebrated World Health Day
- Global Ethics Day, 2024
- Eid Celebrations at Packages Group
- Packages Group Celebrated Hamaray Rung -Independence Day Celebrations with Zeal and Enthusiasm
- Aspire Management Trainee Program's Orientation Session at Packages Group
- SuccessFactors Launched Groupwide
- Breast Cancer Awareness Month
- Packages Aspire - Management Trainee Program Assessment Centers
- Cervical Cancer Awareness Session
- Packages Group Launched Humkadam Disability Sensitization Program
- Brewing Coffee with Syed Hyder Ali, the CEO & MD

Risks and Opportunities

Risk Description	Classification	Key risk indicators	Mitigating Controls
Non-sustainability of the overall paper, board and packaging business	Strategic	- Number of up to date sustainability certifications and audits - General public image of the Company regarding environment sustainability	- Consistent efforts to make the packaging and consumer business fully recyclable or reusable - Procurement form sustainable and responsible sources - Considerable increase in use of recycled component as raw material - Robust sustainability certifications, audits and compliance - Publishing of annual sustainability report - Shifting to solar power
Delays in expected/ inadequate returns from subsidiaries and new projects due to losses, operational difficulties or variations from expected payback periods or materialization of any other business risk faced by the subsidiaries	Strategic	- Proposed investment outside of the core group business - Number of dormant companies operating within the group - Highly competitive environment in the proposed investment market - Average rates of dividend from subsidiary companies - Key financial ratios of subsidiaries	- Investment committee and investment function is in place to appraise every investment opportunity on predefined criteria and BOD approval is required for new investments - Various company's senior officials are on the board of subsidiaries and their progress against budget is monitored monthly and quarterly - Regular monitoring of investment income stream - Experienced and qualified board of directors and executive management to oversee subsidiary operations
Adverse movements in the Macro-economic factors such as: - political instability - global fuel prices - monetary and fiscal policies overing mainly high import duties and taxes (including potential ban/limit on imports), higher interest rates, uncertainty in exchange rates, repatriation from countries of investment - Impact of CPEC on local industry - global economic conditions particularly Sri Lanka and Canada - foreign business relationships particularly with the countries of investments and suppliers and customers	Financial	- Inflation rate - Interest rates - Trade deficit - Market borrowing rate - GDP growth - Exchange rate parity - Unemployment levels - Adverse Proposed Changes in regulations affecting competitive Position in Local Market	- Market tracking by the Investment Function to gauge the macro economic factors, consider them in budgeting and respond appropriately - Financial management measures by finance and investment team for monitoring and countering these factors - Monthly evaluation of foreign currency exposure on imports for appropriate hedging arrangement - Interactions with Government departments and bodies to protect Group's interests by highlighting common industry issues
Adverse law & order situation in the operating environment disrupting normal business operations (terrorism, security threats, strikes, riots etc.)	Operational	- Number of days a premises has remained dysfunctional due to security concerns - Absenteeism of employees due to reasons of such nature	- Dedicated Site Security Manager in place - Appropriate number of security guards equipped with weapons - Security briefings through circulars/ emails and alerts shared with employees and company officials - Effective and efficient relationship management with the Labour Union

Risk Description	Classification	Key risk indicators	Mitigating Controls
Cyber security threat/password hacking or information integrity compromise/information leakage	Operational	- Number of system outages (application, network and hardware) - Number of system backup failures - Discrepancy in IT's actual spending vs budget - Average time to resolve IT support requests - Average time between employee termination and disabling of access to all systems - Frequency of review of privileged access rights	- IT Policy defines and ensures that security protocols are in place - Antivirus softwares, updated security patches are in place - ERP access is restricted to authorized personnel only - Remote access through VPN only
Lack of disaster recovery/ business continuity planning in case of a natural disaster (earthquake, fire, flood, smog etc.) causing loss or damage to life & property	Operational	- Number of safety drills conducted - Number of employee trainings conducted - Number of safety incidents reported - Level of employee awareness	- Insurance requirement is calculated once a year on a general basis - Safety committee and emergency response teams have been formed - Safety training and emergency evacuation drills are conducted - Back up and off site storage of company data - External bodies like 1122 and civil defense etc. are also in liaison to support in case of disasters (earthquake, flood, smog etc.)
Failure of IT infrastructure (hardware/software/ERP/ Networks/Access controls	Operational	- Number of application not integrated with ERP - Number of system outages application, network and hardware) - Number of system backup failures - Discrepancy in IT's actual spending vs budget - Average time to resolve IT support requests - Average time for hardware replacement	- Disaster recovery plan is in place - Presence of a cold site - Disaster insurance plans are in place - Regular data back ups onsite and offsite
Non-compliance with health and safety standards in the plant resulting in fire, infestation, injuries, casualties, unsatisfactory certification/ customer audits, damage to materials, health hazards, rejections etc. in group companies	Operational	- Number of incidents reported	- Dedicated Manufacturing Excellence (EHS) department responsible for health & safety of employees - Regular reminders and continuous improvement by the EHS department through emails - Complete Occupational Health and Safety infrastructure is in place which is audited internally as well as externally - Emergency numbers have been displayed - Smoke detectors have been installed - Inspection at department level as well as by Civil team to ensure health of structure

Risk Management Policy

1. Purpose

- The purpose of this policy is to define and identify strategic, operational, financial or compliance risks which may compromise the achievement of business objectives and implementing appropriate controls against such risks.
- Listed Companies (Code of Corporate Governance) Regulations, 2019 issued by the Securities and Exchange Commission of Pakistan requires that the Board is responsible for the governance of risk and for determining the company's level of risk tolerance by establishing risk management policies and for this purpose the Board is encouraged to undertake at least annually, an overall review of business risks to ensure that the management maintains a sound system of risk identification, risk management and related systemic and internal controls to safeguard assets, resources, reputation and interest of the company and shareholders.
- Currently senior management frequently meets to identify the key risks affecting the business with an objective to mitigate the risks and to ensure that the targets are achieved.

2. Scope

- The policy forms part of the internal controls and corporate governance structure of the company and outlines a set of minimum requirements/standards, which shall be adopted across the company. The policy addresses the areas of key risks which comprises of strategic, operational, compliance and financial in nature and applies to all facets of the company. This policy will ensure the formal documentation of risks and mitigation strategy to reduce the risk to an acceptable level.
- Group Heads will be designated risk managers for their respective department and would be responsible to identify the risks within their divisions and report them on an ongoing basis. They will report it onwards to Chief Risk Officer for consolidation to have a common view on the top risks faced by the company and design risk mitigation strategy.
- To focus on the achievement of critical business objectives, the management will ensure that key risks are continuously monitored through periodic meetings.

Related Party Transactions Policy

1. Purpose

The purpose of this policy is to ensure the timely approval of related party transactions that are not conducted in the normal course of business and to define the minimum parameters that should be kept into consideration before executing such related party transactions. This policy is defined to govern the approval process to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions as amended from time to time.

2. Scope

This policy applies to all the transactions executed by the Company with its related parties as defined in section 208 of the Companies Act, 2017. These transactions may include:

- sale, purchase or supply of any goods or materials;
- selling or otherwise disposing of, or buying, property of any kind;
- leasing of property of any kind;
- availing or rendering of any services;
- appointment of any agent for purchase or sale of goods, materials, services or property; and
- such related party appointment to any office or place of profit in the company, its subsidiary company or associated company.

3. Related Parties

Related parties include all the persons or parties that are related to the company. As defined in section 208 of the Companies Act, 2017 related party includes:

- a director or his relative;
- a key managerial personnel or his relative;
- a firm, in which a director, manager or his relative is a partner;
- a private company in which a director or manager is a member or director;
- a public company in which a director or manager is a director or holds along with his relatives, any shares of its paid-up share capital;
- any body corporate whose chief executive or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- any person on whose advice, directions or instructions a director or manager is accustomed to act;
- any company which is
    i. a holding, subsidiary or an associated company of such company; or
    ii. a subsidiary of a holding company to which it is also a subsidiary;
- such other person as may be specified.

4. Potential Risks

The related party transactions are a common feature of business but they may give rise to specific risks depending upon the nature of relationships. The major risks associated with these transactions are listed down:

- related parties may operate through an extensive and complex range of relationships and structures, with a corresponding increase in the complexity of related party transactions;
- information systems may be ineffective at identifying or summarizing transactions and outstanding balances between an entity and its related parties;
- related party transactions may not be conducted under normal market terms and conditions;
- related party transactions executed by the company may be non-complied with the relevant laws and regulations as amended from time to time;
- related party transactions may be motivated solely or by and large to engage in fraudulent financial reporting or conceal misappropriation of assets.

5. Mitigating Controls

The following mitigating controls are in place to mitigate the potential risks stated in section 4:

- all related parties are identified by Group Secretarial and Finance departments and an updated list is being maintained;
- balances and other transactions with the related parties are reported and disclosed separately in the financial statements of the Company;
- all the related party transactions are being approved by the Board of Directors;
- transactions with related parties are captured in separate ledgers and reported along with the mode of cost determination to BOD for approval.

6. Pricing Policy

Company executes all the transactions with its related parties at arm's length. The term arm's length transactions mean any transaction carried out in a way, as if:

- the parties to the transaction were unrelated in any way;
- the parties were free from any undue influence, control or pressure;
- through its relevant decision-makers, each party was sufficiently knowledgeable about the circumstances of the transaction, sufficiently experienced in business and sufficiently well advised to be able to form a sound judgement as to what was in its interests; and
- each party was concerned only to achieve the best available commercial result for itself in all the circumstances.

7. Approval of Related Party Transactions

The Board shall approve all related party transactions and the following minimum information shall be circulated and disclosed to the directors along with agenda item for board's meeting called for approval of related party transaction:

- name of the related party;
- names of the interested or concerned persons or directors;
- nature of relationship, interest or concern along with complete information of financial or other interest or concern of directors, managers or key managerial personnel in the related party;
- detail, description, terms and conditions of transactions;
- amount of transactions;
- timeframe or duration of the transactions or contracts or arrangements;
- pricing policy;
- recommendations to the audit committee, where applicable; and
- any other relevant and material information that is necessary for the board to make a well-informed decision regarding the approval of related party transactions.

8. Responsibility of Board

The Board of Directors shall ensure:

- to educate and train directors and relevant employees so that they can identify and report the related party transactions to the board or other authorized persons;
- to provide direction as to whom a director or employee can consult should they be uncertain if a transaction is a related party transaction;
- for setting general criteria to approve transactions or agreement with related parties at various levels;
- for identifying and determining whether a related party transaction requires members' approval;
- to ensure that any related party transactions that require the board's approval are put before the board;
- to ensure that any related party transactions that require members' approval are put before members;
- to fix the responsibility for identification and disclosure of related party transactions; and
- to ensure the company meets its legal and regulatory obligations in relation to related party transactions.

9. Records to be Maintained

The Company shall maintain a register containing information of transactions carried out with the related parties. The register shall contain the information that is required to be maintained as per the relevant provisions of law.

Information and Technology Policy

Introduction

The Packages Group IT Policy outlines comprehensive guidelines for the proper selection and utilization of IT resources within our organization, and all staff members must adhere to these policies. It also establishes the framework for the administration of these policies, providing clear instructions on the appropriate procedures to follow.

To ensure the ongoing relevance and effectiveness of our IT policies, Packages Group is committed to regularly reviewing and updating them in accordance with evolving requirements and emerging technologies. The manual will undergo bi-annual revisions to incorporate any necessary additions or enhancements.

We value the input and engagement of our employees, and we encourage suggestions, recommendations, and feedback regarding the policies and procedures outlined under our IT Policy. This policy contains detailed guidelines on Technology Hardware Purchasing Policy, Policy for Getting Software, Policy for Use of Software, Information Technology Security Policy, numerous procedures on Physical Security, Information Security, Password Use Policy, Access Management Policy, Privileged Access Policy, Change Management Policy, Information Technology Administration Policy, IT Service Agreements Policy, Application Development and Maintenance Policy, Incident Management Policy, Risk Assessment Policy and Information Classification and Handling Policy.

These comprehensive policies apply to all individuals affiliated with Packages Group, including employees, contractors, subcontractors, vendors, visitors, and other stakeholders, who utilize IT/ERP services. Any violation of the aforementioned policies may result in disciplinary measures, including but not limited to termination of employment or contractual agreement.

IT General Controls

IT General Controls are a foundational element in Packages Group's IT environment. They are crucial for ensuring integrity, reliability, and security of information systems. Here is a list of ITGCs.

- To ensure compliance with this policy, IT representatives reserve the right to conduct audits and/or monitor computer equipment, systems, and network traffic for security and maintenance. Data deemed "unacceptable" can be blocked or deleted.
- The Management Team retains the authority to designate individuals or key positions responsible for safeguarding confidential data on IT devices provided by the Company.
- All users shall be allowed to access only those critical business information assets and processes, which are required for performing their job duties.
- All third-party personnel requiring access to the company's information systems shall follow the documentation procedure for requesting to access company's information assets.
- Access rights shall be updated and revoked as soon as the need arises.
- The process for managing changes shall be formally defined, documented, and logged.
- Changes shall be executed ensuring the compliance of the approval process, prior to testing and deployment of the change.
- All changes must be approved before moving it to the production environment. Approval of changes shall be based on formal acceptance from the users.
- Data backup shall be carried out by relevant IT Staff. DBA is responsible for archival and restoration of Database.
- Only authorized personnel shall be allowed to access the backup.
- Complete records of backups shall be maintained for future reference.
- IT department shall make arrangements to make sure that backups are readily available and can be restored in case of system failure.
- All activities that may compromise the security of the company's network are strictly prohibited. This includes attempts to breach security, connect unauthorized equipment to the network, generate unwanted traffic, spread viruses, or engage in similar activities.
- At regular intervals a review of the backup process shall be performed by a designated IT personnel to ensure data safety.
- Remote monitoring of any system or data is restricted to IT representatives only.
- While the network administration of Packages Group aims to respect user privacy, it is important for users to understand that the data they create on corporate systems remains the property of Packages Group.
- Company data must not be copied, transmitted, or shared for any unofficial purposes.
- The Management will not assume responsibility for breaches of confidentiality of Company's or Personal data in cases of lost or stolen IT equipment.
- The IT department is not responsible for the maintenance and troubleshooting of personal equipment belonging to company employees.
- Establishing a VPN connection requires prior approval from the IT Department and the submission of legal documents required by Law Enforcement Agencies. The usage of VPN must adhere to the laws of Pakistan enforced by PTA, Federal, Provincial, and Law Enforcement Agencies. Any violations will be addressed according to the Pakistan Cyber Crime Act 2014 or Packages Group's regulations.
- Obtaining a new user ID requires approval from the HR.

Disaster Recovery Plan (DRP)

Packages Group business functions are heavily dependent on Information Services including networks, systems, and applications for daily business operations. The inability of Information Services to function specifically the inability to ensure data center operations, would immediately impact Packages Group's various business departments which may result in significant monetary loss, work backlog, and have an adverse effect on the company's reputation. To counter this, an Information Technology Disaster Recovery Plan (IT DRP) is in place which captures, in a single repository, all the information that describes Packages Group's ability to withstand a disaster as well as the processes that must be followed to achieve disaster recovery. This DRP has been developed to guide the efficient recovery of information systems supporting Packages Group Headquarters (Lahore), Shahrah-e-Roomi P.O. Amer-Sidhu, Lahore, and the network of branches is located in different cities (all branches). It outlines the background, and procedures, and recovery team's information to recover critical networks, systems, and applications.

The DRP addresses the IT exposures and solutions based on the priorities and requirements of the business. The goals of the Disaster Recovery strategy are to:

- Continue critical IT operations;
- Minimize the duration of a serious disruption to IT operations and resources;
- Ensure IT operations stability;
- Ensure orderly IT operations recovery in minimum time and data loss.

Sustainability Policy

1. Scope and Philosophy

This Policy applies to all employees and third parties who undertake activity for and on behalf of Packages Limited. It applies to all goods and services we procure, our direct operations and services we provide to our customers. At Packages Group we are committed to creating a sustainable society, managing our operations in a way that covers the social, environmental, and economic objectives throughout the value chain, with human rights integrated into all that we do. We are guided by our Core Values – Lead, Care, Respect, Honesty and Courage.

Our Sustainability Agenda is based on the Triple Bottom Line approach of People, Planet and Prosperity, supporting the UN Global Compact on human rights, labor, environment and anti-corruption aiming to follow and promote good sustainability practices where we have influence.

All business activities are carried out under this philosophy and aspire for sustainable results for stakeholders' benefits and acceptance. To do this, sustainability considerations are woven throughout a suite of interdependent policies and procedures, which are implemented collectively to deliver the objectives of our Sustainability Policy.

We are committed to accountability and transparency in our sustainability performance.

2. Objectives

- To promote an ethical company culture that goes beyond complying with regulations.
- To integrate sustainability into all our business models and decisions.
- To ensure employees are fully aware of our Sustainability Policy and are committed and empowered to implementing and improving it.
- To minimize the impact of our activities and products on the environment.
- To ensure our products and services respond to a growing awareness of sustainability.
- To make partners aware of our Sustainability Policy and encourage them to adopt sound sustainable management practices.
- To review, annually report, and to continually strive to improve our sustainability performance.

3. Policy

Packages Group is committed to contributing to a more sustainable society and to continually improve the positive impacts by:

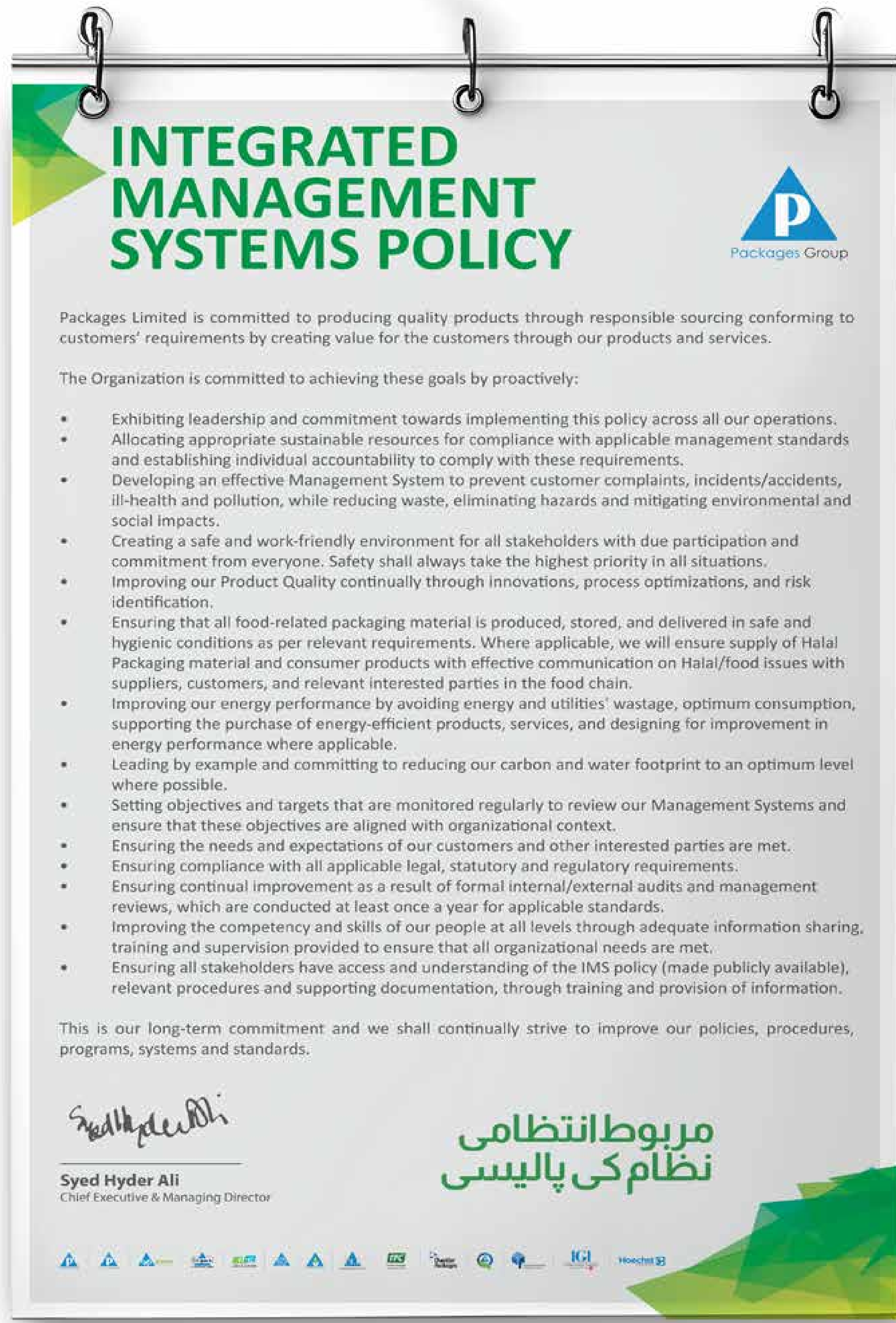
- Complying with and exceeding where practicable, applicable legislations, regulations, codes of practices and ethical standards.
- Ensuring the human rights of everyone under the influence of the organization are provided as per the United Nations Guiding Principles.
- Ensuring a safe and rewarding workplace for all employees, free of discrimination and harassment while aiming to contribute to the vitality of the communities around our operations.
- Utilizing natural resources with care by creating and seeking approaches and methods of optimized consumption, waste reduction and resource efficiency measures.
- Ensuring our systems and procedures prevent pollution, and minimize resource consumption.
- We ensure responsible sourcing of goods and services.

We articulate our shared values, and wherever possible, establish clear metrics and use them to track our sustainability performance.

4. Compliance

Packages Group as part of its sustainability objectives is committed to communicating these objectives to its suppliers, employees and other stakeholders and to support, promote and conform with this Policy.

This Policy and the actions arising from it will be annually reviewed as part of the business strategy.



INTEGRATED MANAGEMENT SYSTEMS POLICY

Packages Group

Packages Limited is committed to producing quality products through responsible sourcing conforming to customers' requirements by creating value for the customers through our products and services.

The Organization is committed to achieving these goals by proactively:

- Exhibiting leadership and commitment towards implementing this policy across all our operations.
- Allocating appropriate sustainable resources for compliance with applicable management standards and establishing individual accountability to comply with these requirements.
- Developing an effective Management System to prevent customer complaints, incidents/accidents, ill-health and pollution, while reducing waste, eliminating hazards and mitigating environmental and social impacts.
- Creating a safe and work-friendly environment for all stakeholders with due participation and commitment from everyone. Safety shall always take the highest priority in all situations.
- Improving our Product Quality continually through innovations, process optimizations, and risk identification.
- Ensuring that all food-related packaging material is produced, stored, and delivered in safe and hygienic conditions as per relevant requirements. Where applicable, we will ensure supply of Halal Packaging material and consumer products with effective communication on Halal/food issues with suppliers, customers, and relevant interested parties in the food chain.
- Improving our energy performance by avoiding energy and utilities' wastage, optimum consumption, supporting the purchase of energy-efficient products, services, and designing for improvement in energy performance where applicable.
- Leading by example and committing to reducing our carbon and water footprint to an optimum level where possible.
- Setting objectives and targets that are monitored regularly to review our Management Systems and ensure that these objectives are aligned with organizational context.
- Ensuring the needs and expectations of our customers and other interested parties are met.
- Ensuring compliance with all applicable legal, statutory and regulatory requirements.
- Ensuring continual improvement as a result of formal internal/external audits and management reviews, which are conducted at least once a year for applicable standards.
- Improving the competency and skills of our people at all levels through adequate information sharing, training and supervision provided to ensure that all organizational needs are met.
- Ensuring all stakeholders have access and understanding of the IMS policy (made publicly available), relevant procedures and supporting documentation, through training and provision of information.

This is our long-term commitment and we shall continually strive to improve our policies, procedures, programs, systems and standards.

Syed Hyder Ali
Chief Executive & Managing Director

مربوط انتظامی
نظام کی پالیسی

SUSTAINABILITY

"Sustainable development is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs"

Gro Harlem Brundtland

Sustainability Actions and Drives

Packages Limited was founded in 1956 with a promise! The promise to create a better tomorrow for our people, our planet, and prosperity for everyone. Inspired by these principles, today Packages Group is one of Pakistan's leading business conglomerates. Given the extent of our businesses, ensuring a sustainable operating environment is a top priority. All Packages Group's subsidiaries are aligned with the core values of Care, Respect, Lead, Honesty, and Courage and have come together to create one of the leading examples of sustainability sensitivity in Pakistan.

To ensure that our processes and products comply with the best global standards and are aligned with the United Nations Global Compact, we comply with the various certifications & voluntary commitments we are proud of.

Our people are the most valued asset and we aim to provide a safe and rewarding workplace with equal growth opportunities for everyone. A robust training and development function cater to the capacity-building needs of our people. Aspiring to become a "zero-accident" workplace. We treat safety as a shared responsibility. We provide transportation and a state-of-the-art day-care facility to our female workforce. So that they have the support needed to grow and excel in their professional and personal endeavors. A strong network for women is present in the form of ACTS (Actively Caring Through Sharing) which is our internal platform providing a safe space for mentorship, guidance, and capacity building.

Almost 36% of our Group's energy needs in Pakistan are met through renewable energy sources including solar and biomass. An 8.53 Mega 8.53-watt solar installation in Lahore, 7.47-megawatt Solar installation in Kasur, 7.24 Mega 7.24-watt solar installation in Karachi, and a 15 MW biomass boiler has been installed alongside the existing 30 MW biomass boiler in Kasur., and an OCC recycling plant in Kasur which recycles approximately 1100 tons of waste paper per day, are just a few examples of our commitment to protecting the planet.

We have recently installed Pakistan's first Solvent Recovery Plant which recovers up to 95% of the solvents evaporated during the printing and lamination process.

Wheat straw, an agricultural waste is being utilized as a raw material for making paper as well as a fuel for biomass boilers. The ash from the biomass boiler is also utilized for making pavement tiles replacing 50% of sand. To further utilize this ash, we have partnered with a leading specialty fertilizer manufacturer in Pakistan for the extraction and conversion of potash-based fertilizer for farmers. Besides working extensively to reduce our freshwater consumption, we have installed an effluent treatment plant in Kasur, one of the largest in the country, which can treat up to 19,000 cubic meters of water per day.

Packages Group's Quality Management System undergoes strict internal and external audits to ensure compliance with the best global standards of quality and food safety to meet our customers' requirements and expectations.

We help in the capacity building of our suppliers and ensure that we take care of our supply chain communities by helping address major issues of healthcare and education. Our primary well-being program, Sehat Mobile provides quality healthcare services to the communities in our supply chain that have limited or no access to medical facilities. To date, over 19,000 patients have benefitted from this project. LSK schools target children of the waste picking communities and facilitate their transition into an education-driven mindset. Now they have a school to attend, free books, tuition-free classes, food and transport, and absolutely no reason to not go to school. The women from these communities are also provided skills that can give them decent livelihood opportunities.

The sponsors of Packages Group have a rich history of educational enablement with examples including the LUMS, Ali Institute of Education, and Naqsh School of Arts to name a few. The Syedanwala Schools in Kasur were established to provide quality education to more than 500 children from 19 different villages.

Packages Group has come a long way in its sustainability journey. We at Packages Group will only work harder, smarter, and faster in our mission to serve the planet and its people in pursuit of sustainable prosperity.

Packages Group:
"Creating a better tomorrow"

Sustainability at Packages Group

At Packages Group, sustainability is more than a responsibility – it is a fundamental part of our business strategy. Our mission is to embed environmentally conscious practices into every aspect of our operations, transforming them into a competitive advantage while upholding our commitment to ethical and responsible business. Our vision is to lead the markets we serve by providing quality, sustainable products and continuously innovating to meet evolving customer needs.

Strengthening Our Commitment to a Sustainable Future

In 2024, we took bold steps to strengthen our sustainability commitments, ensuring our business remains resilient, future-proof, and aligned with global best practices. A key milestone this year was the launch of SAP Sustainability Control Tower (SCT), making Packages Group the first company in Pakistan to implement this data-driven sustainability management system. Additionally, our Group Certification under EnMS ISO-50001 now covers 98% of our total energy consumption across eight companies, reinforcing our focus on energy efficiency and responsible resource management.

Taking Action on Climate and Renewable Energy

Our climate action efforts continue to accelerate, with 22.061 MW of installed solar capacity, meeting 32% of our energy needs through renewable sources. At Bulleh Shah Packaging, biomass energy contributed 110.19 million kWh (63%) of total energy, reducing our reliance on fossil fuels while supporting local farmers and rural economies. In our continued efforts toward environmental stewardship, we planted 30,000 trees in 2024, bringing our total to over 90,000 trees – a significant step toward biodiversity conservation and carbon sequestration.

Empowering People: Diversity, Well-being, and Healthcare

People are at the heart of our sustainability efforts. Through ACTS, our women's forum, we expanded initiatives that foster an inclusive and supportive workplace, benefiting 1,980+ employees this year. Our focus on well-being led to free Hepatitis B and C screenings for 734 employees, alongside cervical and breast cancer awareness sessions for 426 women, with 130 free mammograms conducted since 2017. Extending our impact beyond the workplace, our Sehat Mobile Clinic provided primary healthcare to 7,925 individuals across Punjab, Sindh, and Balochistan, making essential medical services more accessible to communities within our supply chain.

Engaging Stakeholders and Building Knowledge

Beyond our operations, we actively engage with stakeholders to drive meaningful change. As part of our commitment to the UN Global Compact, we have engaged 21,000+ stakeholders and trained 15,000+ people on sustainability topics, including Energy & Water Management, Human Rights, Gender Equality, and Climate Action. Our employee learning programs also saw increased participation, with 1,500 employees trained in energy efficiency, 200+ in human rights, and 500+ in responsible business practices and supplier engagement.

Recognition for Our Efforts

The impact of our sustainability initiatives has been recognized at the national level. Our Climate2Equal project, developed in collaboration with the International Finance Corporation (IFC), the Centre of Excellence in Responsible Business (CERB), and the Lahore University of Management Sciences (LUMS), was awarded first place at the Employer of Choice Awards by the Pakistan Business Council and IFC. This reinforces our commitment to workplace equality, inclusion, and responsible business practices.

A Future Built on Trust, Stewardship, and Excellence

Our sustainability approach has evolved from People, Planet, and Prosperity to a sharper focus on Trust, Stewardship, and Excellence. Through our GreenVantage and SustainRight strategies, we continue to lead in low-carbon, circular economy solutions, setting ambitious sustainability targets for the future. We recognize that sustainability is a collective effort, and we invite our employees, customers, suppliers, and stakeholders to join us in shaping a more sustainable tomorrow.

Annual Sustainability Reporting

Transparency and accountability are fundamental to our sustainability approach. Every year, we publish a standalone sustainability report that details our progress, initiatives, and ESG performance. This report is available on our website: https://www.packages.com.pk/sustainability-reports/

ACTS Q3: ACTS celebrated 7 years with Madeeha Khan (IHYA President), Nabila Zar Malick (UN Women)

World Water Week: For 2024 Water Week, Packages Limited hosted a WWF-led workshop on sustainable water management, featuring insights from Mr. Arjmand Qayum

Global Handwashing Day: For Global Handwashing Day, Packages Group held awareness activities, reinforcing the importance of hand hygiene for health and disease prevention

. Bring Your Child to Work Day: On July 22, 2024, Packages Group hosted "Bring Your Child to Work Day," engaging future leaders in sustainability, UN SDGs, and our sustainable practices

Breast Cancer Awareness: For Breast Cancer Awareness Month, Packages Group organized awareness sessions and mammographies across Group Companies, promoting early detection and prevention for female employees

Annual Supplier Sustainability Awards: Packages Group honored key suppliers at the Annual Supplier Sustainability Awards 2024 for excellence in environmental stewardship and social responsibility

Mid-Year Energy Conference: Packages Group hosted its Mid-Year Energy Conference, focusing on energy efficiency, conservation, and continuous improvement across Group companies

International Youth Day: For International Youth Day, 19 young professionals visited Syedanwala Schools, engaging 200+ students in sustainability sessions, a poster competition, and tree planting

Supplier Engagement Session: Packages Group hosted its Q3 Supplier Engagement Session, emphasizing responsible supply chains, legal compliance, and sustainability through collaboration

World Hepatitis Day

World Population Day: On July 11, Packages Group marked World Population Day with awareness sessions across companies, engaging 150+ employees on sustainability, healthcare, and education challenges

World Water Week: For 2024 Water Week, Packages Limited hosted a WWF-led workshop on sustainable water management, featuring insights from Mr. Arjmand Qayum

Environment, Health & Safety

INTEGRATED MANAGEMNT SYSTEM-AWARENESS SESSION

We recently conducted an IMS (Integrated Management System) awareness session facilitated by SGS, a renowned authority in quality and safety. This session was an invaluable opportunity for us to deepen our understanding of IMS principles and their importance in our daily operations. Through interactive discussions and expert guidance, we gained insights into optimizing our processes to uphold the highest standards of quality, safety, and environmental responsibility.

MOCK DRILLS-EMERGENCY RESCUE (FIRE, SNAKE, SPILLAGE)

In a dedicated effort to fortify our commitment to employee safety, we have conducted comprehensive mock drills across our entire factory. From firefighting to snake and spillage mock drills, these simulations tested the mettle of our emergency response teams and showcased the collective preparedness of our workforce. The active engagement of every team member, coupled with realistic scenarios and thorough debriefings, has not only strengthened our safety protocols but also boosted confidence in our ability to navigate unforeseen challenges. These mock drills underscore our utmost dedication to maintaining a secure and resilient workplace for all.

GROUP EHS TRAININGS – ERP, FIRE SAFETY, RISK ASSESSMENT, PTW, RESCUE, FIRST AID, FOOD SAFETY AND HACCP CERTIFICATION

Management and Shop floor training is a pivotal element in enhancing the skills, knowledge, and morale of all employees working in manufacturing or production environments. A positive and effective training program not only contributes to increased productivity but also fosters a safer, more collaborative workplace. Workers were trained on key strategies to maximize the positive effectiveness of fire safety, ERP, first Aid, CPR, Risk assessment, PTW, social compliance, food safety and HACCP.

FSC CoC- AWARENESS SESSION

We recently conducted an FSC CoC awareness session facilitated by SGS, a renowned authority in audits and certifications . This session was an invaluable opportunity for us to deepen our understanding of FSC CoC principles and their importance in our daily operations. Through interactive discussions and expert guidance, we gained insights into optimizing our processes to uphold the highest standards of forest stewardship council.

OCCUPATIONAL HEALTH & SAFETY – MEDICAL SCREENING TESTS

At Packages ,we believe that our employees' health and well-being are paramount. As part of our ongoing commitment to your health, we recently conducted a comprehensive medical screening for employees over the age of 40 with collaboration with Harmone Lab. This initiative is aimed at identifying any potential health issues early and ensuring that our workforce remains healthy and productive. Blood sugar, cholesterol, blood pressure tests were conducted in this session.

TRAINING ON DEFENSIVE AND SAFE DRIVING BY CITY TRAFFIC POLICE LAHORE

Packages Group had recently conducted a successful training session on defensive and safe driving in collaboration with the City Traffic Police Lahore. This initiative reflects our commitment to fostering safer roads and enhancing driving skills within our community.The training covered essential aspects of defensive driving, practical safety tips, and real-life scenarios to ensure that our participants are better equipped to handle the challenges on the road. A big thank you to the City Traffic Police Lahore for their invaluable support and expertise.

ROAD SAFETY AWARENESS SESSION FOR TRANSPORTERS

Packages Limited recently organized a Road Safety Awareness Session for our transporters. The session, held in all the group companies aimed to educate drivers on best practices for safe driving and to reinforce the importance of road safety for the well-being of everyone on the road.

WORLD FOOD SAFETY DAY'24

At Packages Limited, we recognize that food safety is not just an industry responsibility—it's a global priority. To reinforce our commitment to this cause, we proudly celebrated World Food Safety Day, joining hands with all stakeholders to raise awareness about the importance of food safety in protecting public health.

CAMPAIGN LAUNCHED: AWARENESS AGAINST SMOG

Smog campaign was launched in PCL as part of our commitment to environmental responsibility. The initiative focused on raising awareness about the harmful effects of smog, preventive measures, and sustainable practices to reduce air pollution. Through interactive sessions, educational materials, and proactive engagement, employees were encouraged to adopt eco-friendly habits both at work and home.

MANAGING SAFETY AT WORKPLACE- TRAINING FOR MTOs

Group EHS team recently organized the "Managing Safety at Workplace" training for our MTOs at inducted in 2024 to enhance their knowledge of risk assessment, hazard identification, and safety management. The training focused on critical aspects such as hazard identification, risk assessment, and fostering a safety-first culture, equipping our future leaders with the tools and knowledge needed to manage workplace safety effectively.

BEHAVIOUR BASED SAFETY TRAINING - SHOP FLOOR TEAM

Recently we have organized a Behavior-Based Safety (BBS) session conducted across the Group. This session was an enlightening experience, offering us valuable insights into the behavioral aspects of safety within our workplace. Through engaging discussions and practical strategies, we learned how individual behaviors influence safety outcomes and discovered effective ways to promote a safer work environment.

SAFETY AWARENESS WEEK 2024

Safety Awareness Week was celebrated at Packages Group with active participation from all Group Companies. The week-long event featured multiple safety activities aimed at promoting awareness, knowledge, and skills related to workplace safety. Some of the activities conducted during the Safety Awareness Week included: Work-related Quiz, Hazard Hunting Activity, Fire Safety & ERP Mock Drill, Basic Life Support & First Aid Training. Additionally, awards & recognition were given to acknowledge outstanding contributions to safety. This recognition aimed to motivate employees and teams to maintain high safety standards and actively participate in safety initiatives.

PACKAGES GROUP – IMS AUDIT SUCCESSFULLY COMPLETED

Packages Group successfully achieved recertification for our Integrated Management System (IMS) - ISO 45001, 14001, 9001 with the addition of two new sites. This milestone showcases our unwavering commitment to Excellence, Quality, Environmental Sustainability, and Occupational Health and Safety Standards. Our team's hard work and dedication have made this possible.

GOVERNMENT DENGUE TEAM VISITED PACKAGES LIMITED

Dengue team senior entomologist visited PCL along with 4 team members to identify possible dengue larvae breeding places , they appreciate dengue team effort to control dengue larvae breeding places.

STAKEHOLDERS' RELATIONSHIP & ENGAGEMENT

"A healthy corporation acts on the interests of its stakeholders and customers"

Ari Melber

Stakeholders' Relationship & Engagement

Packages understand listening to stakeholders is vital to our success. That's why your Company is an active participant in identifying and engaging its stakeholders to stay adaptable. The management of your Company believes in having open communication with its stakeholders and ensuring that all information is disclosed to promote transparency and visibility.

The Company engages with a wide range of stakeholders through day-to-day interactions with its partners, regulators, and government bodies; regular dialogue with stakeholders, employees, and investors to follow its business priorities of Innovation, Performance, and Trust in letter and spirit.

In the performance of its legal duty to promote the success of the Company, we have regard to a number of factors, including listening to and considering the views of shareholders and other key stakeholders and are familiar with the potential impacts of decisions it makes on our stakeholders, the environment and the communities in which we operate.

We try to engage with shareholders in several ways. This includes regular communications, the general meetings, corporate briefing sessions and other investor relations activities. We announce our financial results on a quarterly basis and our annual results are included in our Annual Report. All shareholders receive Annual Report and Notice of our Annual General Meeting. We strive to make full disclosure of all material information to all stakeholders by various announcements on our website, to the Stock Exchange and other sources available to help investors to make informed decisions.

Dialogues with stakeholders enable the Company to identify and prioritize significant issues and develop responses that are in the best interests of society, as well as shareholders. Engagement with the Company's main stakeholder groups, including shareholders, investors and employees, at all levels of the organization and across the enterprise is summarized below:

Shareholders and Investors

- General meetings of shareholders
- Corporate briefing sessions
- Annual reports
- Quarterly financial statements and directors' reports thereon
- Company's website
- Dedicated email address for managing shareholders relations

Employees

- Employee surveys
- Sessions with leadership teams across the Group
- Conferences and other engagement activities
- Employee portal
- Trainings
- Several other engagement initiatives

Government and Regulators

- Scheduled meetings
- Industry conferences
- Trade associations
- Written communication
- Facility visits
- Training sessions
- Timely submission of data for review and compliance

Banks

- Continuous engagement for a mutually beneficial relationship
- Arranging formal and informal meetings

Local Community

- CSR initiatives

The frequency of aforementioned engagements is based on business needs and corporate requirements as specified by the Listed Companies (Code of Corporate Governance) Regulations, 2019, Companies Act, 2017 and / or PSX Rule Book or as stipulated and required under defined procedures.

Investors' Grievance / Redressal of Investors' Complaints

Packages Limited is committed to ensure that grievances notified by the shareholders are handled and resolved efficiently at an appropriate level within shortest possible time.

The Company is also committed to provide equal and fair treatment to all shareholders through transparent investor relations, increased awareness, effective communication and prompt resolution of shareholders' complaints. Further, the Company maintains a record of all such grievances along with actions taken for resolution.

Company's ethics for the Shareholders Grievance are as follow:

- All the Shareholders are always treated fairly and equally.
- Complaints raised by shareholders are dealt with courtesy and in a timely manner.
- The Management works in good faith and without prejudice towards the interests of any of the shareholders.

The Company has internally established a mechanism for shareholder grievances handling. The Company has a dedicated Shares Department and appointed an independent Share Registrar (FAMCO Share Registration Services Pvt. Limited) to provide share related services and to resolve issues of the shareholders.

Complaints are initially lodged with the Shares Department and Share Registrar of the Company who expeditiously takes necessary actions. The Share Registrar forwards the complaints to the Company if these fall outside their domain.

The shareholders can submit a complaint through a dedicated email address (share.desk@packages.com.pk) which is also available at the Company's website in line with directives of SECP. The grievances can also be notified through phone call or post to the Company.

Issues Raised at the last General Meeting

No significant issues were raised by the shareholders during the General Meeting, however an interactive Q&A session took place amongst the shareholders and the Management and the queries were answered to the satisfaction of the former by the latter.

Investors' Section on Website

In order to provide ease of access to information, Company's latest information for investors and other stakeholders is available on our website, under the "Investors" section and can be accessed at https://www.packages.com.pk/investor-relations/

This page is updated in order to provide transparent, adequate and updated information to all investors and stakeholders in compliance with the rules and regulations of SECP.

Reasonable opportunity to the shareholders for participation in the General Meetings

Keeping in line with the rules and laws, Packages circulates the notice(s) for its general meetings in widely circulated English and Urdu newspapers across Pakistan along with due publication using PUCARS, the automated system of the Pakistan Stock Exchange. In addition to the above, general meetings are held at a convenient location in order to facilitate the attendance of the shareholders. Also in line with requirements of the SECP, the meetings are held on a hybrid model i.e. in-person and via video conferencing arrangements to ensure maximum participation while being socially responsible in context of holding large public gatherings.

Gender Pay Gap Statement

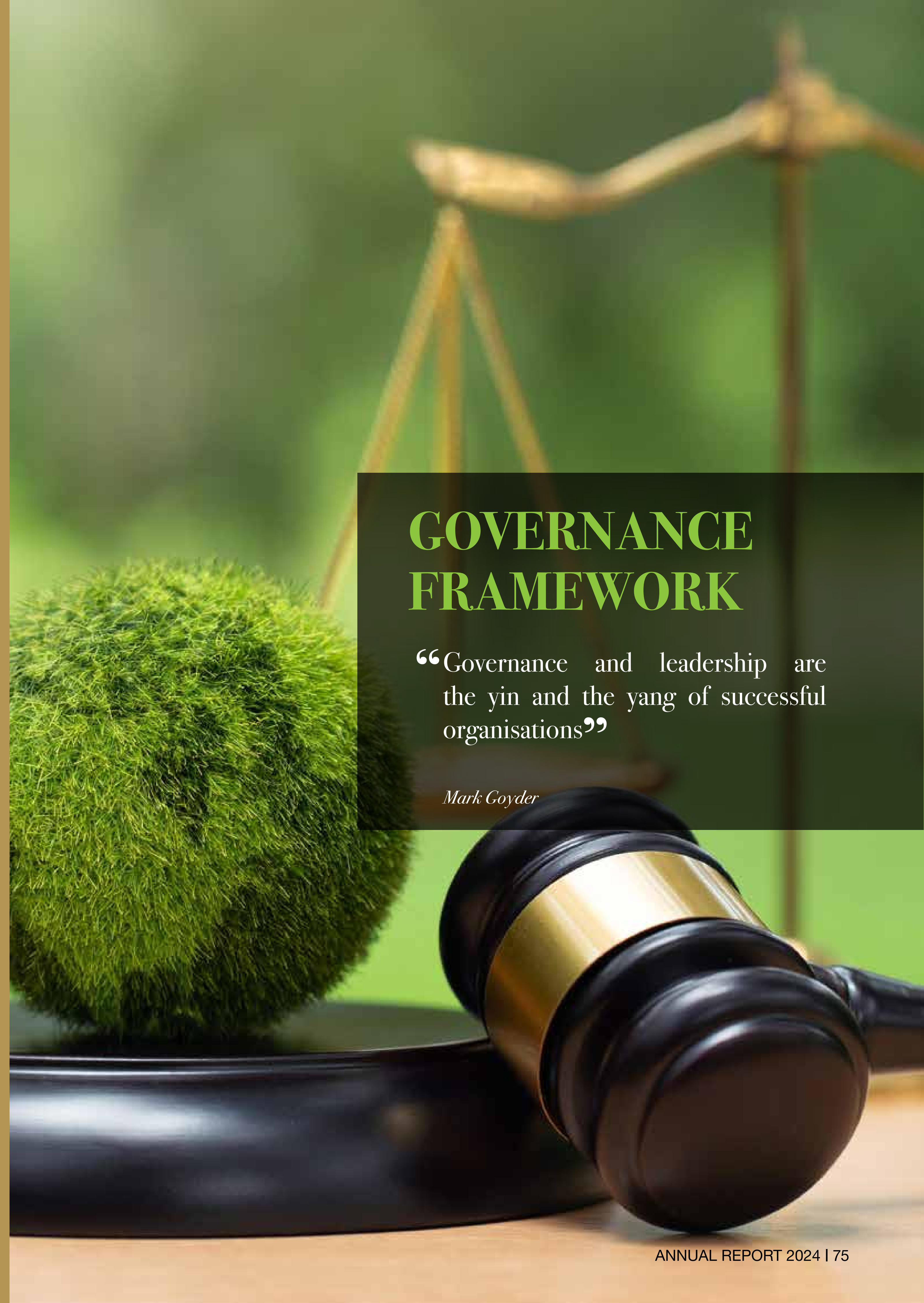
Under SECP Circular 10 of 2024

Packages Limited is committed to creating a work environment that promotes inclusion, equity, and diversity. As an equal-opportunity employer, the company constantly benchmarks and employs techniques to guarantee that all employees, regardless of gender, receive fair and equitable compensation.

Following is gender pay gap calculated for the year ended December 31, 2024:

Mean Gender Pay Gap: 53.13%

Median Gender Pay Gap: 31.34%



GOVERNANCE FRAMEWORK

“Governance and leadership are the yin and the yang of successful organisations”

Mark Goyder

Directors Profiles

Mr. Towfiq Habib Chinoy
Since 21 May 2008

Towfiq Habib Chinoy, a Non-Executive Director, has served as the Company's Board of Director's Chairman since 2008. He served as Managing Director of International Industries Limited (IIL) for 37 years till 2011. He was also the founding Managing Director of International Steels Limited (ISL), where he served for eight years until 2015. He is now the Chairman of Yaqin Steels Limited and is on the Mohatta Palace Gallery Trust Board of Trustees. He has previously served as Chairman of International Steels Limited, two terms on the Board of Governors at Indus Valley School of Art and Architecture, 23 years as Chairman of Jubilee General Insurance Company Limited, 14 years as Chairman of Pakistan Cables Limited, and 3 years as Chairman of PICIC Commercial Bank Limited. He has also served as a director of National Refinery Limited, Linde Pakistan Limited, Jubilee Life Insurance Company Limited, and Pakistan Centre for Philanthropy. Mr. Chinoy has also served on the Advisory Boards of the Ministry of Communications, Engineering Development Board, and Port Qasim Authority - Government of Pakistan, as well as Vice-Chairman of the Pakistan Business Council. He is also a qualified director through the Institute of Directors.

Syed Hyder Ali
Since 25 August 1994

Syed Hyder Ali joined Packages Limited in July 1987 and is currently the Managing Director and CEO of Packages Limited and IGI Holdings Limited. He holds a Masters in Sciences from the Institute of Paper Chemistry.

He is also the CEO of IGI Holdings Limited and Packages Convertors Limited and holds directorship in several companies including IGI Life Insurance Limited, IGI General Insurance Limited, IGI Investments (Private) Limited, Nestle Pakistan Limited, Packages Real Estate (Private) Limited, Packages Lanka (Private) Limited, Tri-Pack Films Limited, Hoechst Pakistan Limited (formerly Sanofi Aventis Pakistan Limited), Bulleh Shah Packaging (Private) Limited, Packages Trading FZCO, National Management Foundation, Pakistan Centre for Philanthropy, Flexible Packages Convertors (Pty) Limited, Babar Ali Foundation, and Syed Maratib Ali Religious & Charitable Trust Society. He also serves on the Boards of several other philanthropic, educational, charitable and business support organizations including Ali Institute of Education, International Chamber of Commerce, Lahore University of Management Sciences, Pakistan Business Council, and World-Wide Fund for Nature – Member Advisory Council. He is also serving on the Board of Trustees of Packages Foundation and as an advisor to the Board of StarchPack (Pvt.) Limited.

Syed Shahid Ali
Since 25 May 2005

Syed Shahid Ali presently serves as a Non-Executive Director of the Company. He is the Chairman of Treet Corporation Limited and Gulab Devi Chest Hospital. He is also a director of a number of other companies, including First Treet Manufacturing Modaraba, Global Assets (Private) Limited, Hi-Tech Alloy Wheels Limited, IGI Holdings Limited, Loads Limited, Multiple Autoparts Industries (Private) Limited, Renacon Pharma Limited, Specialized Autoparts Industries (Private) Limited, Specialized Motorcycles (Private) Limited, Treet Battery Limited, Treet Holdings Limited, and Treet Power Limited. He is also actively involved in social and cultural activities, serving on the boards of various hospitals and philanthropic organizations, including the presidency of Liaquat National Hospital.

Mr. Hasan Askari
Since 29 May 2020

Mr. Hasan Askari is an Independent Director on the Board of Packages Limited. He has extensive experience in investment banking, mostly in advisory roles, as well as debt capital markets.

His previous senior post was with Old Mutual, where he oversaw the Group's operations in the United Kingdom, Europe, and Asia. He was one of the five executives that oversaw the Group's global operations. Old Mutual plc, which currently has its regional operations listed independently, was listed on the London Stock Exchange with a market capitalisation of more than £20 billion. Mr. Askari is also a trustee of the Packages Foundation and a director of Hasan Askari Foundation. The Foundation is supporting The *Haveli*, a first of its kind museum dedicated to the showcasing and conservation of heritage textiles in Pakistan. He is also a qualified director under the Pakistan Institute of Corporate Governance.

Mr. Atif Aslam Bajwa
Since 26 August 2022

Mr. Atif Bajwa is the CEO and Director of Bank Alfalah Limited. He has an extensive career spanning over 40 years, both locally and internationaly including senior leadership responsibilities in banking, as well as several boards and public interest positions. Mr. Bajwa attended Columbia University in New York. He began his career with Citibank in 1982 and has since held a number of senior positions in large local and multinational banks, including President/CEO of MCB Bank and Soneri Bank, Regional Head of Citigroup for Central and Eastern Europe, Head of Consumer Banking for ABN AMRO's Asia Pacific Region, and Country Manager of ABN AMRO Pakistan. Mr. Bajwa has been involved in corporate, social, and public interest initiatives, as well as leading significant advocacy organizations that have influenced the economic and social sectors. In this capacity, he has served as Chairman of the Pakistan Business Council and President of the Overseas Investors Chamber of Commerce and Industry. He has also served as a Director on the boards of several private and public corporations.

Mr. Bajwa currently serves as a director of Alfalah Insurance Company Limited, Avant Hotels (Pvt.) Limited, Karachi Education Initiative, Minhal Finance S.A., PIA Investment Limited, Roosevelt Hotel Corporation N.V., and the Institute of Bankers in Pakistan. He is also a qualified director from the Pakistan Institute of Corporate Governance.

Ms. Saba Kamal
Since 29 May 2020

Ms. Saba Kamal has over three decades of experience in the area of Information Technology, with 20 years in senior leadership positions with IBM in Pakistan and internationally. She has an MBA from the Institute of Business Administration (IBA), Karachi, and has completed a number of certifications and trainings at IBM Centers and from Insead, Boston University and China Europe International Business School (CEIBS). Ms. Kamal has completed her Director certification from the Pakistan Institute of Corporate Governance and also serves on the Board of Habib Bank Limited. She is also a member of the IBA Board of Governors.

Mr. Tariq Iqbal Khan
Since 22 October 2001

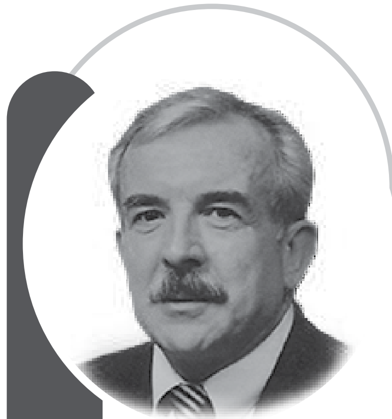
Mr. Tariq Iqbal Khan serves as a non-executive director of the Company. He is a Fellow member of the Institute of Chartered Accountants of Pakistan and has over 45 years of diverse and varied experience. He has held key policymaking positions in a number of Pakistani associations and institutions, including being founding director and president of the Islamabad Stock Exchange, commissioner and acting chairman of the Securities and Exchange Commission of Pakistan, and managing director/chairman of the Investment Corporation of Pakistan/National Investment Trust.

He is the Chairman of Board of Directors of Interloop Asset Management Limited and Packages Convertors Limited, as well as the director of Attock Refinery Limited and Shifa Medical Centre Islamabad (Pvt.) Limited. He also serves on the boards of the High-Altitude Sustainability Trust, the Human Element Foundation, the Islamic International Medical Trust, and the Pakistan Academy of Engineering Endowment Fund. In addition, he serves on the Audit Oversight Board and the Society for the Promotion of Engineering Sciences and Technology in Pakistan. He is also a qualified director from the Pakistan Institute of Corporate Governance.

Syed Aslam Mehdi
Since 23 August 2007

Syed Aslam Mehdi, Executive Director and Group Head External Affairs, holds a Masters' degree in Business Administration from the Institute of Business Administration in Karachi and has previously worked for Packages Group in numerous roles. He also worked as the General Manager at Packages Limited from September 2008 until September 2014.

He now serves on the Board of Directors of Bulleh Shah Packaging (Private) Limited, DIC Pakistan Limited, Packages Real Estate (Private) Limited, Packages Lanka (Private) Limited, and Packages Convertors Limited. He also serves on the Boards of the National Management Foundation (LUMS), Ali Institute of Education, and Babar Ali Foundation. He is also on the Board of Trustees of the Packages Foundation. He is also a certified director from the Institute of Chartered Accountants, Pakistan.



Mr. Josef Meinrad Mueller
Since 21 April 2014

Mr. Josef Meinrad Mueller serves as the Company's Non-Executive Director. He was born in Switzerland and received his education, including an MBA, at IMD (previously IMEDE) in Lausanne, where he also worked as an Executive-in-Residence. He has more than 40 years of top worldwide management experience with the Nestle Group in both established and emerging regions. He is familiar with Pakistan, where he worked as Managing Director of Nestle Pakistan Limited from 1992 to 1995. Throughout his career, he has held multiple top leadership roles in several countries, including his significant role as CEO and Chairman of Nestle in the Greater China Region. Mr. Mueller, who retired from the Nestle Group, is actively involved in the worldwide business sector as an independent business advisor.

Mr. Osman Khalid Waheed
Since 30 October 2023

Mr. Osman Khalid Waheed is the CEO and Director of Ferozsons Laboratories Limited, which he joined in 1993 after receiving his undergraduate degree from Harvard University in the United States. Prior to becoming CEO in 1999, he worked in logistics, sales, and marketing at Ferozesons.

At this time, Ferozsons broadened its range of medical solutions for serious illnesses by forming partnerships with several top international companies.

In addition to being a Trustee of Lahore University of Management Sciences, Mr. Waheed is currently on the boards of several other businesses, including BF Biosciences Limited, Murree Brewery, the Trade Development Authority of Pakistan (TDAP), and the Pakistan Industrial Development Corporation (PIDC). He also holds the position of president of Rawalpindi Chamber of Commerce and Industries.

Principal Board Committees

Audit Committee

Mr. Hasan Askari (Independent Director)	Chairman
Syed Shahid Ali (Non-Executive Director)	Member
Mr. Atif Aslam Bajwa (Non-Executive Director)	Member
Mr. Tariq Iqbal Khan (Non-Executive Director)	Member
Mr. Osman Khalid Waheed (Independent Director)	Member
Mr. Soban Waqar	Secretary to the Committee

Terms of Reference of Audit Committee

The terms of reference of the Audit Committee include the following:

a) Determination of appropriate measures to safeguard the Company's assets;

b) Review of annual and interim financial statements of the Company prior to their approval by the Board of Directors, focusing on;

- Major judgmental areas;
- Significant adjustments resulting from the audit;
- Going-concern assumption;
- Any changes in accounting policies and practices;
- Compliance with applicable accounting standards;
- Compliance with regulations and other statutory and regulatory requirements; and
- All related party transactions.

c) Review of preliminary announcements of results prior to external communication and publication;

d) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);

e) Review of management letter issued by external auditors and management's response thereto;

f) Ensuring coordination between the internal and external auditors of the Company;

g) Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;

h) Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;

i) Ascertaining that the internal control system including financial and operational controls, accounting system for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;

j) Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;

k) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive Officer and to consider remittance of any matter to the external auditors or to any other external body;

l) Determination of compliance with relevant statutory requirements;

m) Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof;

n) Review of arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;

o) Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the Company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with the Code of Corporate Governance. The Board of Directors shall give due consideration to the recommendations of the Audit Committee and where it acts otherwise, it shall record the reasons thereof;

p) Ensuring that risk mitigation measures are robust;

q) Ensuring that appropriate extent of disclosure of company's risk framework and internal control system is given in the Directors Report; and

r) Consideration of any other issue or matter as may be assigned by the Board of Directors.

Human Resource and Remuneration Committee

Ms. Saba Kamal (Independent Director)	Chairperson
Syed Hyder Ali (Executive Director)	Member
Mr. Hasan Askari (Independent Director)	Member
Mr. Atif Aslam Bajwa (Non-Executive Director)	Member
Mr. Towfiq Habib Chinoy (Non-Executive Director)	Member
Mr. Josef Meinrad Mueller (Non-Executive Director)	Member
Mr. Jawad Gilani	Secretary to the Committee

Terms of Reference of Human Resource and Remuneration Committee

The terms of reference of the Human Resource and Remuneration Committee include the following:

a) Recommendation to the Board for consideration and approval a policy framework for determining remuneration of Directors (both Executive and Non-Executive Directors and members of senior management). The definition of senior management will be determined by the Board which shall normally include the first layer of management below the Chief Executive Officer level;

b) Undertaking annually a formal process of evaluation of performance of the Board as a whole and its Committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the Directors' Report disclosing therein name and qualifications of such consultant and major terms of his/its appointment;

c) Recommending Human Resource Management Policies to the Board;

d) Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of Chief Executive Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit;

e) Consideration and approval on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer;

f) Where human resource and remuneration consultants are appointed, they shall disclose to the Committee their credentials as to whether they have any other connection with the Company;

g) Considering and making recommendations to the Board in respect of the Board's Committees and the chairmanship of the Board Committees; and

h) Keeping the structure, size and composition of the Board under regular review and for making recommendations to the Board with regard to any changes necessary.

Information Technology & Digitalization Committee

Ms. Saba Kamal (Independent Director)	Chairperson
Mr. Atif Aslam Bajwa (Non-Executive Director)	Member
Mr. Osman Khalid Waheed (Independent Director)	Member
Mr. Faizan Mahmood	Secretary to the Committee

Terms of Reference of IT and Digitalization Committee

IT and Digitalization Committee shall:

a) Review and approve IT and Digitalization Strategy;

b) Review and approve IT Security and Governance Policy;

c) Review and monitor on-going projects related to business/ IT relevant to the company's policy and goals;

d) Guide to prioritize new digitalization and ongoing IT projects of the company to achieve company's goals where IT is working as an enabler;

e) Review all Key Performance Indicators and delivery of the KPIs of Group CIO;

f) Review and approve capex for acquisition of hardware, software and services as per IT strategy;

g) Review key aspects of IT such as Business Continuity, integrity and availability of data, cybersecurity, access control and physical control arrangements are in place; and

h) Review information security/data risks identified by Audit and security systems assessed and monitor their management in line with standard frameworks and recommend actions;

Sustainability Committee

Mr. Osman Khalid Waheed (Independent Director)	Chairman
Ms. Saba Kamal (Independent Director)	Member
Ms. Ayesha Aziz	Secretary to the Committee

Terms of Reference of Sustainability Committee

a) Objective:

Packages Group believes that sustainability is crucial for ensuring a healthy, balanced future for both humanity and the planet. To instill the sense, it is crucial that the idea is cascaded down from the top to the bottom; from Board of Directors to all the employees.

This document defines the terms of reference for the Board's sustainability committee at Packages Limited at Group Level and serves as a charter for the department. The objective will be to oversee and guide Packages Group's ESG strategy, with a specific focus on promoting gender diversity and preventing sexual harassment in the workplace and enhance sustainability, social responsibility, and governance; foster an inclusive work environment; and ensure ethical conduct.

b) Roles and Responsibilities:

The terms of reference of the SC include the following:

- ESG Strategy Oversight:
  The Committee should guide and approve Packages Group's ESG strategy, ensuring it aligns with corporate values and includes initiatives for gender diversity and harassment prevention.
- Policy Development:
  The Committee should ensure to approve and update ESG policies, including specific policies on gender diversity and the prevention of sexual harassment.
- Risk Management:
  The Committee should diligently monitor ESG-related risks and opportunities, including those related to workplace diversity and harassment.
- Performance Monitoring:
  The Committee should regularly review ESG department and team performance, including metrics related to gender diversity and the effectiveness of harassment prevention measures.
- Stakeholder Engagement:
  The Committee should ensure to engage with stakeholders on ESG issues, including gender diversity and harassment prevention, to gather feedback and ensure transparency.
- Compliance and Reporting:
  The Committee should ensure compliance with relevant laws and regulations, including those concerning workplace equality and harassment, and approve ESG disclosures.
- Resource Allocation:
  The Committee should ensure allocation of resources for ESG initiatives, including programs aimed at improving gender diversity and preventing harassment.
- Ethical Standards:
  The Committee should ensure that organization wide, employees uphold ethical standards, ensuring a workplace culture of respect and inclusion, and zero tolerance for harassment.
- Board Composition:
  The Committee should ensure diversity within the board, including gender diversity, to bring a broad range of perspectives to ESG and workplace culture discussions.
- Independence:
  The Committee should ensure to maintain an appropriate level of independence among board members, especially in overseeing ESG and social responsibility issues.

c) Composition and Membership

- The Committee should have three members, including one female member and a Chairperson.

d) Meetings and Reporting

- The Committee should meet at least annually to review ESG matters, including progress on gender diversity and harassment prevention and ensure these issues are consistently included in the agenda, with adequate documentation and reporting.
- Secretary to the Board/Sustainability shall be the secretary to the Committee.
- Minutes of the meeting of SC should be circulated to Board for information purposes.

e) Application of this Document

These TORs are the governing document for the Group's Sustainability function and should be adopted by all the boards across the Group.

Board Executive Committee

Syed Hyder Ali (Executive Director)	Chairman
Syed Aslam Mehdi (Executive Director)	Member
Ms. Iqra Sajjad	Secretary to the Committee

Terms of Reference of Baord Executive Committee

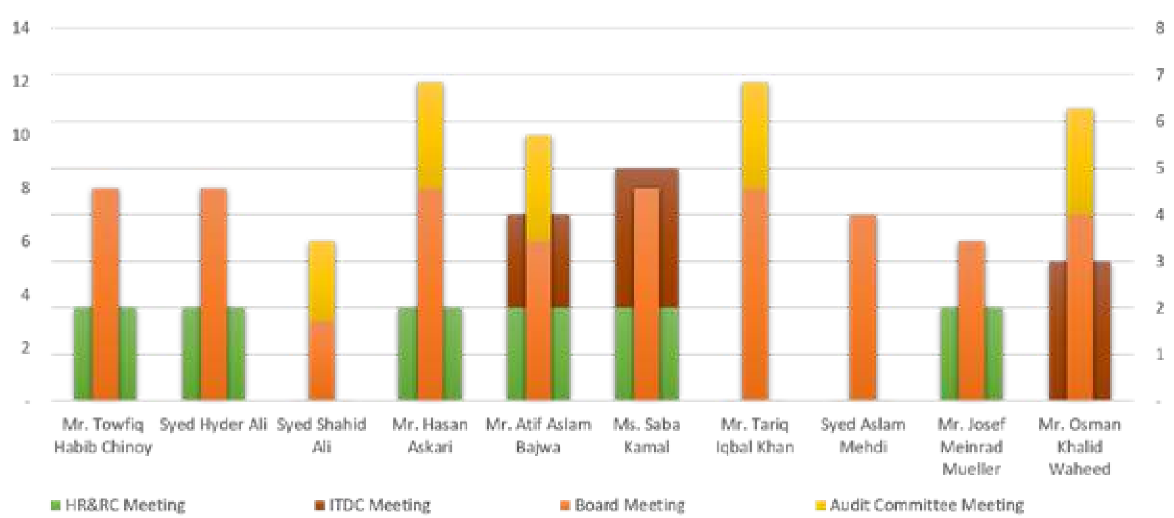
Executive Committee is involved in day-to-day operations of the Company and is authorized to conduct every business except the businesses to be carried out by the Board as required by section 183 of the Companies Act, 2017. The Executive Committee meets periodically to review operating performance of the Company against pre-defined objectives, commercial business decisions and investment and funding requirements. The Executive Committee is also responsible for formulation of business strategy, review of risks and their mitigation plan.

Attendance at Board and Committee Meetings - FY 2024

Sr. No.	Name of Directors	Board of Directors	Audit Committee	HR and Remuneration Committee	IT & Digitalization Committee
1	Mr. Towfiq Habib Chinoy	8/8	-	2/2	-
2	Syed Hyder Ali	8/8	-	2/2	-
3	Syed Shahid Ali	3/8	3/4	-	-
4	Mr. Hasan Askari	8/8	4/4	2/2	-
5	Mr. Atif Aslam Bajwa	6/8	4/4	2/2	2/3
6	Ms. Saba Kamal	8/8	-	2/2	3/3
7	Mr. Tariq Iqbal Khan	8/8	4/4	-	-
8	Syed Aslam Mehdi	7/8	-	-	-
9	Mr. Josef Meinrad Mueller	6/8	-	2/2	-
10	Mr. Osman Khalid Waheed	7/8	4/4	-	3/3

Meetings held during the year 2024

Board of Directors Meetings held on	Audit Committee Meetings held on	HR&R Committee Meetings held on	IT & Digitalization Committee Meetings held on
09-Jan-24	25-Mar-24	22-Mar-24	24-May-24
26-Mar-24	24-Apr-24	10-Sep-24	28-Aug-24
25-Apr-24	26-Aug-24		10-Dec-24
27-Aug-24	24-Oct-24		
25-Oct-24			
09-Dec-24			
10-Dec-24			
27-Dec-24			



List of Directorships & Other Engagements of Board Members

DIRECTORS	ORGANIZATIONS
Towfiq Habib Chinoy	Packages Limited Mohatta Palace Gallery Trust Yaqin Steels Limited
Syed Hyder Ali	Ali Institute of Education Babar Ali Foundation Bulleh Shah Packaging (Private) Limited Flexible Packages Convertors (Pty) Limited Hoechst Pakistan Limited IGI General Insurance Limited IGI Holdings Limited IGI Investments (Private) Limited IGI Life Insurance Limited International Chamber of Commerce, Pakistan Lahore University of Management Sciences National Management Foundation Nestle Pakistan Limited Packages Convertors Limited Packages Foundation Packages Lanka (Private) Limited Packages Limited Packages Real Estate (Private) Limited Packages Trading FZCO Pakistan Business Council Pakistan Centre for Philanthropy Syed Maratib Ali Religious & Charitable Trust Society Tri-Pack Films Limited World Wide Fund for Nature – Member Advisory Council
Syed Aslam Mehdi	Babar Ali Foundation Bulleh Shah Packaging (Private) Limited DIC Pakistan Limited National Management Foundation – LUMS Packages Convertors Limited Packages Foundation Packages Lanka (Pvt) Limited Packages Limited Packages Real Estate (Private) Limited
Syed Shahid Ali	First Treet Manufacturing Modaraba Global Assets (Private) Limited Gulab Devi Chest Hospital Hi-Tech Alloy Wheels Limited IGI Holdings Limited Liaquat National Hospital Loads Limited Multiple Autoparts Industries (Private) Limited Packages Limited Renacon Pharma Limited Specialized Autoparts Industries (Private) Limited Specialized Motorcycles (Private) Limited Treet Battery Limited Treet Corporation Limited Treet Holdings Limited Treet Power Limited

DIRECTORS	ORGANIZATIONS
Mr. Tariq Iqbal Khan	Attock Refinery Limited Audit Oversight Board Interloop Limited Islamic International Medical Trust National Refinery Limited Packages Convertors Limited Packages Limited Shifa Medical Centre Islamabad (Pvt.) Limited Society for the Promotion of Engineering Sciences and Technology in Pakistan Sui Northern Gas Pipeline Limited
Mr. Atif Aslam Bajwa	Alfalah Asset Management Limited Alfalah Insurance Company Limited Avant Hotels (Private) Limited Bank Alfalah Limited Karachi Education Initiative Minhal France S.A. Packages Limited PIA Investment Limited Roosevelt Hotel Corporation N.V The Institute of Bankers in Pakistan
Mr. Josef Meinrad Mueller	Packages Limited
Mr. Hasan Askari	Hasan A. Foundation Packages Limited Packages Foundation
Ms. Saba Kamal	Habib Bank Limited Institute of Business Administration Packages Limited
Mr. Osman Khalid Waheed	Centre of Economic Research in Pakistan BF Biosciences Limited Ferozsons Laboratories Limited Lahore University of Management Sciences Packages Limited

Brief Roles and Responsibilities of the Chairman and Chief Executive Officer

The Board of Directors has appointed a Chairman from among the non-executive directors. The Chairman and the Chief Executive have separate and distinct roles. The Board has defined the respective roles and responsibilities of the Chairman and Chief Executive Officer.

The Chairman has all the powers vested in him under the Code of Corporate Governance and presides over all Board meetings. The primary role of the Chairman is to ensure that the Board of Directors remains effective in its tasks of setting and implementing the Company's direction and strategy, entrusted with the overall supervision and direction of the Board's proceedings, and has the power to set the agenda, give directions and sign the minutes of the Board meetings. He is also responsible to ensure that the Board plays an effective role in fulfilling its responsibilities, besides assessing and making recommendations on the efficiency of the Committees and individual directors in fulfilling their responsibilities and avoidance of conflicts of interests.

The Chief Executive Officer performs his duties under the powers vested by the law and the Board, recommends and implements the business plans and is responsible for overall control and operation of the Company. The CEO of the Company is to whom all business and functional heads report.

The responsibilities of the Chief Executive Officer include:

- Plan, develop, implement and direct the organization's operational and fiscal function and performance.
- Act as a strategic partner by developing and implementing the company's plans and programs.

Decisions taken by the Board

The Board operates as stewards on behalf of shareholders for the governance of the Company. The Board performs its duties by giving guidelines to the Management, setting performance targets and monitoring their achievements.

As the leaders who oversee the governance of the Company, the Board of Directors' key responsibility is to ensure the Company's prosperity, by collectively monitoring and directing the Company's affairs, whilst protecting the appropriate interests of its shareholders and stakeholders. The Board of Packages is responsible for the Company's system of internal controls, policy frameworks, corporate governance, risk assessments and ultimately accountable for reviewing its effectiveness. The Board is also accountable to the shareholders for ensuring that the Company is appropriately managed and achieves business objectives. The Board remains committed to the highest standards of corporate governance and integrity.

The Board of Directors of the Company meets on quarterly basis, as minimum, as required by the Companies Act, 2017. Moreover, Board meetings can also be convened to approve significant matters such as approval of revenue and capital budget of the Company, to review significant changes in the operations of the Company including plans for expansion, capital and operational restructuring, approval of new policies & procedures and significant amendments to current policies & procedures etc. Due communication is made of all such meetings and their outcome as required by the PSX Rule Book and Securities and Exchange Commission of Pakistan.

In order to adequately delegate, the Board has constituted Board Committees. Each Committee has its own charter along with goals and responsibilities. The Committees report on their activities and results to the Board.

For effective and smooth operations of the Company, the Board has delegated the executive and operational management of the Company to the Chief Executive Officer and the Management team.

Annual Evaluation of Performance of the Board including CEO, Chairman and Board's Committees

In accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations), the Board has opted for an in-house assessment with the support of the Company Secretary to carry out an evaluation of its own performance as well as of its individual members and committees.

On yearly basis, Board evaluation process is conducted internally by the Company Secretary who prepares an Evaluation Assessment Questionnaire which is circulated amongst the Board Members to provide their feedback and further insights and perspectives on the performance of the Board.

The salient features of the Board self-evaluation criteria are given below:

- Board composition and quality
- Understanding the business including risks
- Strategic planning
- Board's overall scope of responsibilities, processes and procedures
- The effectiveness and efficiency of the operation of the Board, CEO and its committees
- Oversight of the financial reporting process, including internal controls
- Ethics and compliance
- Evaluating the flow of information

The Company Secretary then draws all the responses together from the information gathered. A strict level of confidentiality is practiced upon receiving of filled questionnaire and Directors' comments by the Company Secretary. Results from performance evaluations are then discussed in detail in the subsequent Board meeting to address the highlighted areas and improve the Board's performance.

In alignment with the statutory requirements, it has been determined that the Board Performance Evaluation will now be conducted by external consultants once every 3 years. This strategic approach aims to enhance the effectiveness and governance of our Board through independent and expert evaluation.

Board Induction and Orientation

The Company Secretary plays a pivotal role in collaborating with the Chairman to design and facilitate individual induction programs for new Board members. These programs are meticulously crafted to orient and familiarize new Directors with the industry in which the Company operates, its organizational structure, governance framework, and overarching objectives. All new Directors receive a comprehensive induction to ensure a smooth transition and alignment with the Company's vision, strategic direction and code of conduct.

Directors' Training Program

As per the requirements of the Regulations, the directors on the Board are required to be trained from SECP's approved institutions.

All the Directors on the Board of Packages Limited have either acquired the Directors' Training Program and hence are certified as such or are exempt from the requirements of Directors' Training Program based on the criteria stipulated in the Regulations.

Significant Changes in Objectives and Strategies

Objectives and strategies are in line with the mission statement and corporate strategy of the Company and there is no material change in Company's objectives and strategies from the prior years.

External Oversight

The Board Audit Committee has ensured safeguarding of the assets of the Company as well as shareholders' wealth through effective operational and compliance controls and risk management.

Policies and procedures are in place for all the areas of the organization. These policies are strictly followed. Further, these are also regularly reviewed and updated for changes.

The Company's Internal Audit function is being looked after by the Head of Internal Audit in compliance with the Code of Corporate Governance, The Head of Internal Audit, who has the required qualifications as prescribed under the Regulations, reports directly to the Chairman of the Board Audit Committee.

Conflict of Interest

The Board has been constituted in compliance with the provisions of the Companies Act, 2017. The members of the Board, including Non-Executive and Independent Directors, exercise full independence and are expected to highlight and recuse themselves in case of any possible conflict of interest. All observations / suggestions of Board members during their proceedings are accordingly recorded and made part of the minutes.

The Company has a clear policy on conflict of interests and the same is contained in the Code of Conduct duly approved by the Board of Directors. As per the Regulations, every Director is required to bring to the attention of the Board complete details regarding any material transaction which has a conflict of interest for prior approval of the Board. The interested Directors neither participate in discussions nor vote on such matters.

Remuneration of Directors

Packages Limited has implemented a policy purpose of which is to have a transparent procedure for fixing the remuneration of individual directors for attending meetings of the board and its committees.

Keeping in view the Company's objectives, Packages operates an independent and transparent method in order to fix Independent/ Non-Executive directors' remuneration. The key element of determining the remuneration is by market benchmarking against other key players of the industry and remuneration is not at a level that could be perceived to compromise the independence of the directors. For the purposes of clarity, no director is involved in deciding own remuneration.

Independent/Non-Executive Directors are only entitled to receive fixed fees in lieu of remuneration for attendance of the Board and Committee Meetings together with travelling and lodging costs borne by the Company.

In light of Directors' Remuneration Policy, executive directors are not paid any fee for attending the Board, committee or general meetings. Further, the policy does not restrict to executive directors from retaining meeting fee earned for the services as non-executive director to other companies.

Chief Executive Officer of the Company is an executive director on Packages Board and holds position as Non-Executive director on the Boards of various other companies. The fee remunerated by these companies are in line with their respective Board remuneration policy, approved by their Board of Directors.

Security Clearance of Foreign Directors

Foreign directors on the Board of Packages are required to submit relevant documents, including declarations and/or undertaking and any document required to facilitate security clearance undertaken by the Ministry of Interior and required by the SECP. During the year, no new foreign director was appointed.

Board Meetings Outside Pakistan

No Board of Directors meeting was held outside Pakistan during the year 2024.

Human Resource Management and Succession Planning

The Company takes great pride in not only recognizing its people as its key asset, but also ensures that this belief is translated into a working environment that provides growth opportunities, respect, empowerment and inspiration. As a company that is geared towards helping people to 'create a better tomorrow', we ensure that our employees are not only committed to this vision with the utmost passion and sincerity, but are also well equipped to perform and deliver at their best potential.

The Human Resource department engages and develops policies including competitive remuneration, performance management and succession planning. This includes exposure to a wide range of development opportunities as well as international assignments.

In addition to this, we prioritize the highest standards of individual accountability, and are constantly trying to evolve in terms of our ability to recognize and reward the deserving talent that demonstrate the right mix of commitment and dedication.

Through implementation of an internal talent development system that helps provide leaders with the data needed for strategic alignment and decision making. Along with this, it carries out continuous feedback, evaluation and communication programme, through which we ensure that our employees are well aligned with, and really believe in, our core values care, honesty, courage, respect, lead.

Safeguarding of Records of the Company

In line with regulatory requirements and our Code of Conduct, we ensure documentation practices meet our requirements for design, management and control of instructions, reports and master documents. We also have checks in place that cover archive requirement for all our stored data, both physical and electronic. Under records retention requirements all staff in all business units, regions, areas and functions must follow approved retention periods in managing their records.

We implement the highest standards of record safeguarding through our document management and control systems. We have strict data lifecycle management guidelines in place which are implemented across all our activities and processes. These guidelines outline procedures for our data approvals, use, access and retention as well as the use of third-party archive service. This helps ensure document accuracy, consistency integrity, availability and legibility.

Business Continuity Plan

The Company has established a comprehensive business continuity plan to ensure that it is able to continue operations in the event of a shutdown or other emergency. This plan includes detailed procedures for addressing potential disruptions, identifying critical functions and resources, and maintaining essential services and operations. The Company has also developed a comprehensive risk management program including risk assessment, mitigation, and response strategies, as well as plans for the orderly resumption of operations. The Company is committed to ensuring that the business continuity plan is regularly reviewed and updated to meet changing needs, and is compliant with relevant government regulations.

We use effective crisis management and business continuity planning to provide for the health and safety of our people and to minimize impact to us, by maintaining functional operations following a natural or man-made disaster, or a public health emergency. A corporate policy requires each business and functional area head to ensure effective crisis management and business continuity plans are in place that include authorised response and recovery strategies, key areas of responsibility and clear communication routes, before any business disruption occurs.

Compliance with the Best Practices of Code of Corporate Governance

The Company is compliant with all the mandatory applicable regulations and requirements.

Attendance at the General Meeting

In view of Packages' priority of being transparent with all its shareholders and stakeholders, Chairman of the Board of Directors, members of the Board, Chairman of the Audit Committee and members of senior management attended the last General meeting of the Company.

External Search Consultancy - Appointment of Directors

No external search consultancy has been used in the appointment of the Chairperson or a Non-Executive Director.

Chairman's Significant Commitments and any Changes Thereto

Mr. Towfiq H. Chinoy is serving Packages Limited as the Chairman of the Board. Details of his other commitments are mentioned on the page no.85.

Governance Practices Exceeding Legal Requirements

Packages Limited strives to ensure transparent, consistent and timely compliance with all prevailing laws and regulations of Pakistan. We take pride in proactively and voluntarily complying with many additional legal requirements which are not mandatory. In line with this strategy, the Company has complied with all mandatory legal compliances under the Code of Corporate Governance, the Companies Act, 2017 and other applicable rules, regulations and standards.

Diversity & Inclusion

We take a progressive approach to inclusion and diversity because we want everyone to be themselves and bring their own perspectives to our business. Together, these unique perspectives and wide variety of personal experiences make our business stronger, enhancing our ability to innovate and respond to the diverse needs of patients and consumers around the world.

We believe that everyone has a part to play in creating a fair and inclusive work environment that respects human rights and the diversity of the cultures we operate in. When we embrace diversity and individuality, we can support and inspire each other to achieve great things.

We do not tolerate harassment, unwelcome, unreasonable or offensive behavior, or discrimination of any kind. We included a module in our mandatory Code of Conduct training to reinforce our zero-tolerance approach. This emphasised the importance of bystander intervention to empower our employees to intervene if they see harassment occurring.

To achieve its diversity and inclusion aspirations, the Company has:

i. Ensured that the Board's composition considers the right balance of skills, experience, knowledge, perspectives and gender in alignment with the strategic needs of the Company.

ii. Fostered a culture that promotes and values diversity among staff at all levels.

ii. Integrated diversity and inclusion objectives in line with this Policy in its strategic plan.

iv. Reviewed the gender pay gap analysis within the Company, its retention and development of skills of the female employees, provision of a conducive work environment including provision of daycare facilities, better maternity leaves, anti-harassment and speak up policies and forums, with a specialized committee overseeing harassment complaints.

v. Set concrete targets and review its implementation progress annually.

vi. Ensured that diversity objectives are a part of Key Performance Indicators (KPIs) of Senior Management.

vii. Encouraged the female members who hold management positions to move into senior management or executive level positions and take up additional responsibilities based on their performance. This will help reinforce the Company's culture and public image of diversity and inclusion, thus allowing Company to retain and cultivate their best talent at all levels.

Report of the Audit Committee

The members of the Audit Committee are pleased to present their report to the shareholders for the year ended December 31, 2024.

We would like to make the following submissions on adherence to the Listed Companies (Code of Corporate Governance) Regulations 2019 that the Board Audit Committee ('BAC') has concluded its annual review of the conduct and operations of the Company for the year ended December 31, 2024 and reports that:

- The Company has adhered in full, without any material departure, with both the mandatory and voluntary provisions of the listing regulations of the Pakistan Stock Exchange, Code of Corporate Governance, Company's Code of Conduct and Values and the international best practices of governance throughout the year.

- The Company has issued a "Statement of Compliance with the Code of Corporate Governance" which has also been reviewed and certified by the auditors of the company.

- All members of the BAC are financially literate and Chairman of the Audit Committee is an independent director.

- The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017 and applicable International Accounting Standards and International Financial Reporting Standards notified by the SECP. The BAC has exercised its oversight over the significant matters as communicated by the external auditors, the issues highlighted by the Internal Audit Department through their reports and focus areas as presented in the Audit Committee as require under the Listed Companies (Code of Corporate Governance) Regulations, 2019 Under Chapter IX, Regulation 27(4)(II).

- Appropriate accounting policies have been consistently applied except those disclosed in financial statements. Applicable accounting standards were followed in preparation of the financial statements of the company on a going concern basis for the financial year ended December 31, 2024, which present fairly the state of affairs, results of operations, profits, cash flows and changes in equity of the Company for the year under review.

- The Chief Executive Officer and the Chief Financial Officer have reviewed the financial statements of the Company and the Chairman & Board of Directors Report. They acknowledge their responsibility for true and fair presentation of the financial statements, accuracy of reporting, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.

- Accounting estimates are based on reasonable and prudent judgment. Proper, accurate and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017.The BAC periodically reviews the Risk Management Policy of the Company. Further, the risk register as maintained by the Company is also periodically reviewed by the BAC.

- A proper whistleblowing policy is adopted by the Company, through which the procedure and forum for lodging such complaints is clearly defined. These complaints are also presented before the BAC quarterly after investigation and proper redressal is ensured.

- All direct and indirect trading in and holdings of the Company's shares by Directors and executives or their spouses were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction. All such transactions have been disclosed.

INTERNAL AUDIT FUNCTION

- The internal control framework was effectively implemented through the Internal Audit Department, for the last many years. Presently the Company's Internal Audit function is being looked after by the Head of Internal Audit (HOIA) in compliance of the Code of Corporate Governance, who is assisted by in house staff. The Head of Internal Audit reports directly to the Chairman of the BAC. HOIA has the required qualifications as prescribed under the Regulations.

- The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and control.

- The BAC has ensured the achievement of operational, compliance and financial reporting objectives, safeguarding of the assets of the Company and the shareholder's wealth through effective financial, operational and compliance controls and risk management at all levels within the Company. Risk based internal audit practice is in place and internal audit department updates the risk assessment periodically to account for any changes in the risks associated with the business.

- Coordination between the external and internal auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

- The Key Performance Indicators ('KPI') of the Internal Audit Function are developed in consultation with the BAC and functional management. Annual performance reviews carried out against these KPIs by the functional leadership. Further, quarterly assessments of the Internal Audit Function is also performed by the BAC.

- The Audit committee has carried out its self-evaluation and areas of improvement have been addressed.

EXTERNAL AUDITORS

- The statutory auditors of the Company, A.F. Ferguson & Co, Chartered Accountants, have completed their audit of the Company's financial statements and the Statement of Compliance with the Code of Corporate Governance for the financial year ended December 31, 2024 and shall retire on the conclusion of the 70th Annual General Meeting.

- The final Management Letter is required to be submitted within forty-five (45) days of the date of the Auditors' Report on the financial statements under the listing regulations and shall therefore accordingly be discussed in the next BAC meeting.

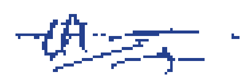
- The external auditors were allowed direct access to the Audit Committee and also met the Audit Committee once a year without the presence of the management.

- The Audit firm has been given a satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP. The auditors have indicated their willingness to continue as auditors.

- The Company also obtains taxation related services from M/s A.F. Ferguson & Co, Chartered Accountants. The firm has sound policies and procedures to ensure compliance of independence which includes separate engagement partners and separate teams for both audit and taxation work.

- Being eligible for reappointment under the listing regulations, the BAC recommends their reappointment for the financial year ending December 31, 2025 on terms & remuneration negotiated by the Chief Executive Officer.

No whistle-blow complaint during the year has been received.



Hasan Askari
Chairman - BAC

pwc

A·F·FERGUSON&CO.

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF PACKAGES 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 Packages Limited (the Company) for the year ended December 31, 2024 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, 2024.

A.F. Ferguson & Co.
Chartered Accountants

Place: Lahore

Date: April 7, 2025

UDIN: CR202410070u8PrXpY4k

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Statement of Compliance

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

For the Year Ended December 31, 2024

Packages 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 is 10 as per the following:

   a. Male: 9
   b. Female: 1

2. The composition of the Board is as follows:

Category	No.	Names
Independent Director (Female)	1	Ms. Saba Kamal
Independent Directors (Male)	2	Mr. Hasan Askari Mr. Osman Khalid Waheed
Non-Executive Directors	5	Mr. Towfiq Habib Chinoy Syed Shahid Ali Mr. Atif Aslam Bajwa Mr. Tariq Iqbal Khan Mr. Josef Meinrad Mueller
Executive Directors	2	Syed Hyder Ali Syed Aslam Mehdi

Determination of number of independent directors under Regulation 6 arrives at 3.33 (rounded to 3) which is based on ten elected directors. The fraction is not rounded up since the three (3) elected independent directors possess requisite competencies, skills, knowledge and experience to hold the office as such and discharge and execute their responsibilities as per applicable laws and regulations.

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 significant policies along with their date of approval or update 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 and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. All Directors have either acquired the Directors' Training Program certificates or are exempt from the requirements of Directors' Training Program;

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

    a) Audit Committee:

Mr. Hasan Askari (Independent Director)	Chairman
Syed Shahid Ali (Non-Executive Director)	Member
Mr. Atif Aslam Bajwa (Non-Executive Director)	Member
Mr. Tariq Iqbal Khan (Non-Executive Director)	Member
Mr. Osman Khalid Waheed (Independent Director)	Member

    b) Human Resource and Remuneration Committee:

Ms. Saba Kamal (Independent Director)	Chairperson
Mr. Hasan Askari (Independent Director)	Member
Syed Hyder Ali (Executive Director)	Member
Mr. Atif Aslam Bajwa (Non-Executive Director)	Member
Mr. Towfiq Habib Chinoy (Non-Executive Director)	Member
Mr. Josef Meinrad Mueller (Non-Executive Director)	Member

    c) Sustainability Committee:

Mr. Osman Khalid Waheed (Independent Director)	Chairman
Ms. Saba Kamal (Independent Director)	Member

    Since there are no Nomination and Risk Management Committees in place (required under non-mandatory provisions of Regulations 29 & 30), their respective terms of reference, as enumerated in the Regulations, have been incorporated in the terms of reference of Human Resource and Remuneration Committee and Audit Committee respectively.

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 committees was as per following:

    a) Audit Committee (Quarterly) 4
    b) Human Resource and Remuneration Committee (Bi-Annually) 2

15. The Board has set up an effective internal audit function which is considered suitably qualified, and experienced for the purpose and is conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered 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.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 is stated in clause 12.

TOWFIQ HABIB CHINOY
Chairman

SYED HYDER ALI
Chief Executive Officer

March 25, 2025
Lahore

Six Years at a Glance

(Rupees in million)

	2024	2023	2022	2021	2020	2019
Assets Employed:						
Fixed Assets at Cost	3,386	2,681	2,495	2,286	2,175	14,736
Accumulated Depreciation/Amortization	861	766	692	639	586	6,835
Net Fixed Assets	**2,525**	**1,915**	**1,804**	**1,647**	**1,589**	**7,902**
Other Non-Current Assets	60,664	61,801	50,580	46,928	46,454	47,722
Current Assets	3,950	4,662	3,834	4,565	5,125	11,203
Current Liabilities	3,589	1,917	1,379	1,744	2,194	9,811
Net Current and Other Non-Current Assets	**61,025**	**64,546**	**53,035**	**49,748**	**49,385**	**49,114**
Net Assets Employed	**63,550**	**66,462**	**54,839**	**51,396**	**50,974**	**57,015**
Financed By:						
Paid up Capital	894	894	894	894	894	894
Reserves	53,719	57,154	48,448	46,658	48,191	51,422
Preference Shares/Convertible Stock Reserve	606	606	606	606	606	606
Shareholder's Equity	**55,219**	**58,654**	**49,948**	**48,158**	**49,691**	**52,922**
Deferred Liabilities	1,349	1,033	826	747	342	1,261
Lease Liabilities	-	-	-	-	-	41
Long Term Finances	6,939	6,751	4,045	2,483	933	2,733
Long Term Advances	44	24	19	8	8	59
Total Non-Current Liabilities	**8,332**	**7,808**	**4,891**	**3,237**	**1,283**	**4,093**
Total Funds Invested	**63,550**	**66,462**	**54,839**	**51,396**	**50,974**	**57,015**
Dividend Income	4,060	5,840	4,862	4,196	1,917	1,934
Rental Income	667	553	487	424	261	151
Employees Remuneration	560	390	266	182	1,594	2,699
Profit from Operations	3,838	4,526	4,841	4,881	1,701	1,287
Profit Before Levy and Income Tax	2,249	3,088	4,177	4,664	2,836	2,166
Profit for the Year	1,912	2,778	3,868	4,122	2,820	1,346
Key Ratios:						
Liquidity						
Current Ratio	1.10	2.43	2.78	2.62	2.34	1.14
Quick Ratio	1.09	2.42	2.76	2.60	0.08	0.72
Gearing						
Debt : Equity Ratio	14:86	11:89	8:92	5:95	2:98	5:95
Return on Equity (%)	3.46	4.74	7.74	8.56	5.67	2.54
Investment						
Basic EPS (Rs.)	20.68	30.37	43.27	46.12	31.55	15.06
Diluted EPS (Rs.)	20.68	30.07	41.24	43.84	30.48	14.93
Price - Earning Ratio	28.80	17.45	8.55	10.78	18.92	23.64
Interest Cover Ratio	2.42	3.16	7.53	23.89	4.72	3.08
Dividend Yield (%)	2.52	5.19	7.43	5.53	3.77	3.37
Dividend Cover Ratio	1.43	1.13	1.57	1.68	1.40	1.26
Cash Dividend %	150.00	275.00	275.00	275.00	225.00	120.00
Break-up Value per Ordinary Share (Rs.)	611.02	649.45	552.05	532.03	549.17	585.32
Market Value per Ordinary Share - Year End (Rs.)	595.54	530.09	370.16	497.27	596.92	356.00
Cash Dividend per Share	15.00	27.50	27.50	27.50	22.50	12.00

Horizontal & Vertical Analysis

Balance Sheet

HORIZONTAL ANALYSIS

(Rupees in Million)

	2024	24 vs 23	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19	2019
	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%	Rs
EQUITY & LIABILITIES											
SHARE CAPITAL & RESERVES											
Issued, subscribed and paid up capital	894	-	894	-	894	-	894	-	894	-	894
Preference shares /convertible stock of Rs 190 each	606	-	606	-	606	-	606	-	606	-	606
Reserves	51,407	(5.06)	54,146	22.70	44,128	4.20	42,351	(5.95)	45,029	(8.26)	49,084
Un-appropriated profit	2,311	(23.15)	3,008	(30.38)	4,320	0.29	4,308	36.24	3,162	35.21	2,338
NON-CURRENT LIABILITIES											
Long term finances	6,939	2.78	6,751	66.90	4,045	62.94	2,483	2.6 times	933	(65.87)	2,733
Lease liabilities	-	-	-	-	-	-	-	-	-	-	41
Long term advances	44	84.02	24	22.42	19	2.5 times	8	(5.64)	8	(86.14)	59
Deferred taxation	-	-	-	-	-	-	94	-	-	-	462
Retirement benefits	1,227	29.59	947	24.84	759	26.30	601	98.41	303	(51.22)	621
Deferred liabilities	122	41.51	86	27.74	68	29.77	52	32.15	39	(77.93)	178
CURRENT LIABILITIES											
Current portion of long-term finances	1,313	90.91	688	27.91	538	60.2 times	9	4.1 times	2	(99.02)	221
Finances under mark up arrangements - secured	1,000	307.7 times	3	-	-	-	21	(95.34)	453	(92.07)	5,713
Trade and other payables	831	19.21	697	29.35	539	(64.02)	1,498	(0.88)	1,511	(56.65)	3,486
Unclaimed dividend	100	23.04	81	36.41	60	1.47	59	7.53	55	(0.82)	55
Accrued finance cost	345	(22.82)	448	84.25	243	54.23	157	(8.75)	173	(48.51)	335
TOTAL	67,139	(1.81)	68,379	21.63	56,218	5.79	53,140	(0.05)	53,168	(20.44)	66,827

VERTICAL ANALYSIS

(Rupees in Million)

	2024		2023		2022		2021		2020		2019	
	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%
EQUITY & LIABILITIES												
SHARE CAPITAL & RESERVES												
Issued, subscribed and paid up capital	894	1.33	894	1.31	894	1.59	894	1.68	894	1.68	894	1.34
Preference shares /convertible stock of Rs 190 each	606	0.90	606	0.89	606	1.08	606	1.14	606	1.14	606	0.91
Reserves	51,407	76.57	54,146	79.19	44,128	78.50	42,351	79.70	45,029	84.69	49,084	73.45
Un-appropriated profit	2,311	3.44	3,008	4.40	4,320	7.68	4,308	8.11	3,162	5.95	2,338	3.50
NON-CURRENT LIABILITIES												
Long term finances	6,939	10.34	6,751	9.87	4,045	7.20	2,483	4.67	933	1.75	2,733	4.09
Lease liabilities	-	-	-	-	-	-	-	-	-	-	41	0.06
Long term advances	44	0.06	24	0.03	19	0.03	8	0.01	8	0.02	59	0.09
Deferred taxation	-	-	-	-	-	-	94	0.18	-	-	462	0.69
Retirement benefits	1,227	1.83	947	1.38	759	1.35	601	1.13	303	0.57	621	0.93
Deferred liabilities	122	0.18	86	0.13	68	0.12	52	0.10	39	0.07	178	0.27
CURRENT LIABILITIES												
Current portion of long-term finances	1,313	1.95	688	1.01	538	0.96	9	0.02	2	0.00	221	0.33
Finances under mark up arrangements - secured	1,000	1.49	3	0.00	-	-	21	0.04	453	0.85	5,713	8.55
Trade and other payables	831	1.24	697	1.02	539	0.96	1,498	2.82	1,511	2.84	3,486	5.22
Unclaimed dividend	100	0.15	81	0.12	60	0.11	59	0.11	55	0.10	55	0.08
Accrued finance cost	345	0.51	448	0.65	243	0.43	157	0.30	173	0.32	335	0.50
TOTAL	67,139	100	68,379	100	56,218	100	53,140	100	53,168	100	66,827	100

Horizontal & Vertical Analysis

Balance Sheet

HORIZONTAL ANALYSIS

(Rupees in Million)

	2024	24 vs 23	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19	2019
	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%	Rs
ASSETS											
NON-CURRENT ASSETS											
Property, plant and equipment	604	69.20	357	5.37	339	80.84	187	13.77	165	(97.74)	7,286
Right-of-use assets	-	-	-	-	-	-	-	-	-	-	63
Investment property	1,920	23.30	1,557	6.42	1,463	0.36	1,458	2.55	1,422	2.9 times	487
Intangible assets	1	(25.02)	1	(21.73)	2	(24.48)	2	(19.72)	3	(95.99)	65
Investments	59,630	(3.07)	61,517	21.64	50,572	7.78	46,923	1.59	46,186	(3.20)	47,714
Long term security deposits	4	42.70	3	(3.34)	3	(47.47)	5	(4.10)	5	(31.23)	8
Long term loan to subsidiary company	1,000	4 times	-	-	-	-	-	-	-	-	
Long term loans	-	-	-	-	-	-	-	-	-	-	0.3
Deferred taxation	29.7	(6.50)	31.8	579.64	4.7	-	-	-	262.5	-	-
CURRENT ASSETS											
Stores and spares	-	-	-	-	-	-	-	-	-	-	658
Stock-in-trade	-	-	-	-	-	-	-	-	-	-	3,439
Short term investments	110	(71.82)	390	160.24	150	-	235	-	-	-	80
Trade debts	-	-	-	-	-	-	10	(85.93)	74	(97.56)	3,045
Loans, advances, deposits, prepayments and other receivables	1,386	(27.94)	1,923	42.02	1,354	30.45	1,038	(46.13)	1,927	2.3 times	858
Income tax receivable	2,295	3.46	2,218	2.21	2,170	(25.50)	2,913	(2.79)	2,997	3.76	2,888
Cash and bank balances	160	22.56	130	(18.55)	160	(56.55)	368	2.9 times	127	(46.12)	235
TOTAL	67,139	(1.81)	68,379	21.63	56,218	5.79	53,140	(0.05)	53,168	(20.44)	66,827

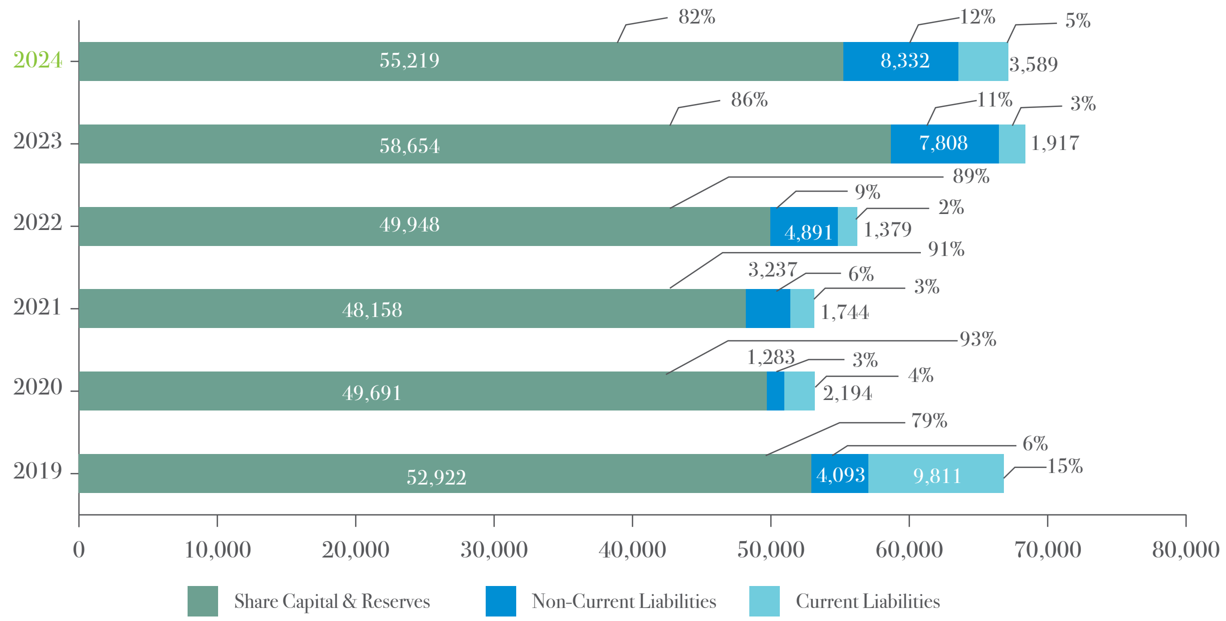
VERTICAL ANALYSIS

(Rupees in Million)

	2024		2023		2022		2021		2020		2019	
	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%
ASSETS												
NON-CURRENT ASSETS												
Property, plant and equipment	604	0.90	357	0.52	339	0.60	187	0.35	165	0.31	7,286	10.90
Right-of-use assets	-	-	-	-	-	-	-	-	-	-	63	0.09
Investment property	1,920	2.86	1,557	2.28	1,463	2.60	1,458	2.74	1,422	2.67	487	0.73
Intangible assets	1	0.00	1	0.00	2	0.00	2	0.00	3	0.00	65	0.10
Investments	59,630	88.82	61,517	89.97	50,572	89.96	46,923	88.30	46,186	86.87	47,714	71.40
Long term security deposits	4	0.01	3	0.00	3	0.00	5	0.01	5	0.01	8	0.01
Long term loan to subsidiary company	1,000	1.49	250	0.37	-	-	-	-	-	-	-	-
Long term loans	-	-	-	-	-	-	-	-	-	-	0.3	0.00
Deferred taxation	29.7	0.04	31.8	0.05	4.7	0.01	-	-	262.5	0.49	-	-
CURRENT ASSETS												
Stores and spares	-	-	-	-	-	-	-	-	-	-	658	0.98
Stock-in-trade	-	-	-	-	-	-	-	-	-	-	3,439	5.15
Short term investments	110	0.16	390	0.57	150	0.27	235	0.44	-	-	80	0.12
Trade debts	-	-	-	-	-	-	10	0.02	74	0.14	3,045	4.56
Loans, advances, deposits, prepayments and other receivables	1,386	2.06	1,923	2.81	1,354	2.41	1,038	1.95	1,927	3.62	858	1.28
Income tax receivable	2,295	3.42	2,218	3.24	2,170	3.86	2,913	5.48	2,997	5.64	2,888	4.32
Cash and bank balances	160	0.24	130	0.19	160	0.28	368	0.69	127	0.24	235	0.35
TOTAL	67,139	100	68,379	100	56,218	100	53,140	100	53,168	100	66,827	100

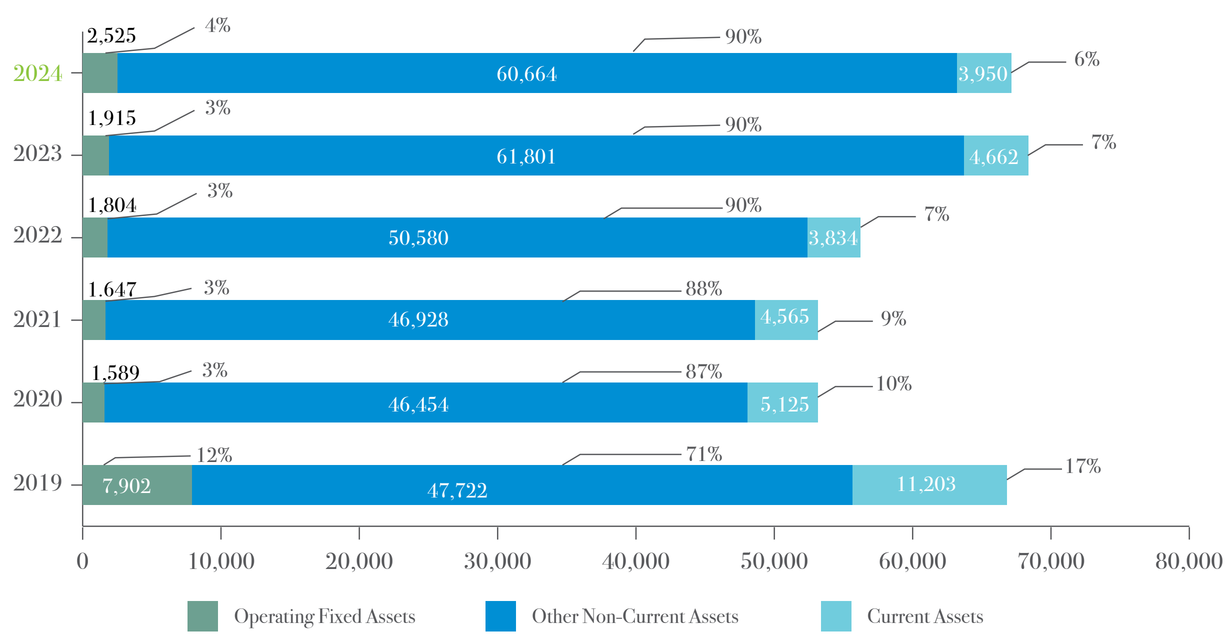
	2024	2023	2022	2021	2020	2019
Share Capital & Reserves	55,219	58,654	49,948	48,158	49,691	52,922
%	82%	86%	89%	91%	93%	79%
Non-Current Liabilties	8,332	7,808	4,891	3,237	1,283	4,093
%	12%	11%	9%	6%	3%	6%
Current Liabilities	3,589	1,917	1,379	1,744	2,194	9,811
%	5%	3%	2%	3%	4%	15%

EQUITY AND LIABILITIES
(Rupees in Million)



	2024	2023	2022	2021	2020	2019
Operating Fixed Assets	2,525	1,915	1,804	1,647	1,589	7,902
%	4%	3%	3%	3%	3%	12%
Other Non-Current Assets	60,664	61,801	50,580	46,928	46,454	47,722
%	90%	90%	90%	88%	87%	71%
Current Assets	3,950	4,662	3,834	4,565	5,125	11,203
%	6%	7%	7%	9%	10%	17%

ASSETS
(Rupees in Million)

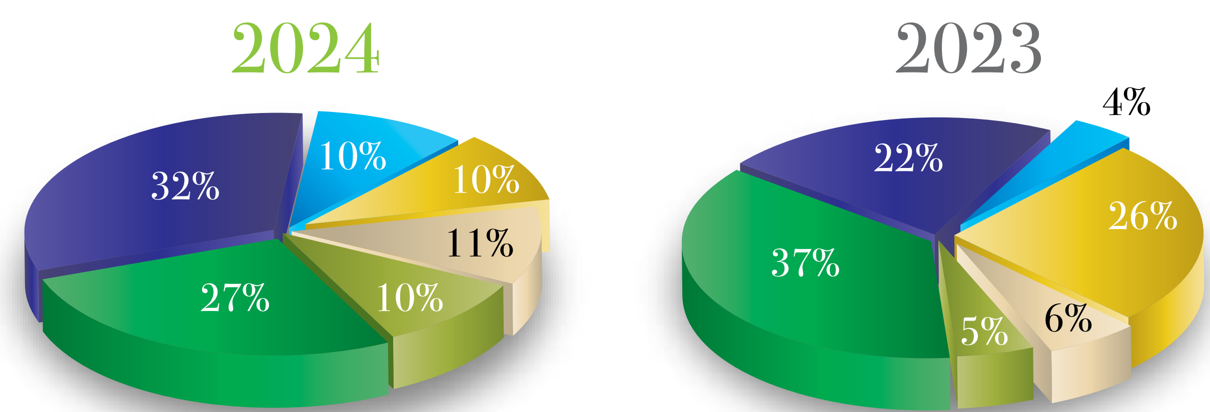


Value Added & its Distribution

The statement below shows value added by the operations of the Company and its distribution to the stakeholders

	2024	%	2023	%	2022	%
	(Rupees in thousand)					
WEALTH GENERATED						
Dividend Income	4,060,483		5,839,827		4,862,333	
Other Income	886,965		768,249		655,184	
	4,947,448	100%	6,608,076	100%	5,517,517	100%
WEALTH DISTRIBUTED						
Bought-In-Materials & Services	487,001	10%	1,732,610	26%	381,103	7%
To Employees						
Remuneration, Benefits And Facilities	559,576	11%	389,500	6%	266,392	5%
To Government						
Income Tax, Sales Tax, Custom & Excise Duties, Workers' Funds, EOBI & Social Security Contribution, Professional & Local Taxes	486,919	10%	338,126	5%	422,169	8%
To Providers Of Capital						
Cash Dividend to the Ordinary Shareholders	1,340,693	27%	2,457,936	37%	2,457,936	44%
Finance Costs	1,588,487	32%	1,438,441	22%	663,730	12%
Retained For Reinvestment & Future Growth	484,772	10%	251,463	4%	1,326,187	24%
	4,947,448	100%	6,608,076	100%	5,517,517	100%

WEALTH GENERATED & DISTRIBUTED
(Percentage)



	2024			2023	
Bought-in-materials & Services	487	10%	Bought-in-materials & Services	1,733	26%
Employees	560	11%	Employees	390	6%
Government	487	10%	Government	338	5%
Shareholders	1,341	27%	Shareholders	2,458	37%
Finance Cost	1,588	32%	Finance Cost	1,438	22%
Retained for Reinvestment & Future Growth	485	10%	Retained for Reinvestment & Future Growth	251	4%
	4,947	100%		6,608	100%

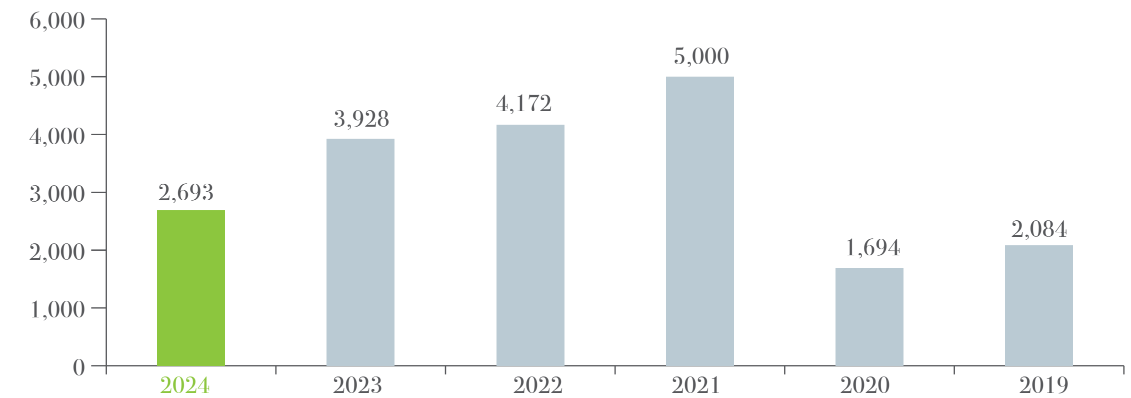
Sources & Application of Funds

Over the last six years

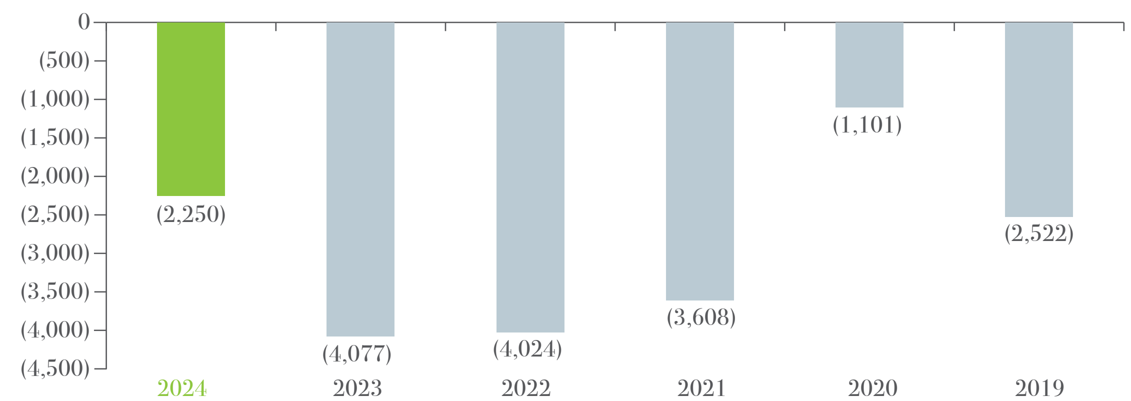
	2024	2023	2022	2021	2020	2019
Cash flow from operating activities						
Cash (used in)/generated from operations	(11,950)	742,693	271,533	214,748	2,312,377	1,844,199
Finance cost paid	(1,688,205)	(1,229,695)	(575,140)	(230,904)	(913,524)	(963,463)
Final taxes and income tax paid	(424,967)	(397,871)	(390,184)	(275,401)	(456,940)	(575,521)
Long term loans - net	-	-	-	-	379	2,563
Long term security deposits - net	(1,111)	90	2,433	220	2,288	763
Payments for accumulating compensated absences	(1,873)	(5,436)	(1,325)	(1,248)	(4,130)	(226,947)
Employee benefits obligations paid	(15,082)	(10,783)	(7,164)	(5,972)	(72,287)	(25,679)
Long term advances - net	41,687	22,847	9,447	10,765	663	3,336
Dividends received	4,794,137	4,806,173	4,862,333	5,287,607	825,024	2,025,215
Net cash inflow from operating activities	**2,692,636**	**3,928,018**	**4,171,933**	**4,999,815**	**1,693,850**	**2,084,466**
Cash flow from investing activities						
Fixed capital expenditure	(770,277)	(249,239)	(260,827)	(141,369)	(699,639)	(1,995,235)
Investments made in equity securities	(602,277)	(3,628,552)	(3,809,348)	(3,488,151)	(443,811)	(614,538)
Loan given to subsidiary company	(1,000,000)	(250,000)	-	-	-	-
Interest received on loan given to subsidiary company	68,549	-	-	-	-	-
Proceeds from disposal of property, plant and equipment	54,222	50,833	46,215	21,391	42,396	77,281
Proceeds from disposal of investments	-	-	-	-	-	10,000
Net cash outflow from investing activities	**(2,249,783)**	**(4,076,958)**	**(4,023,960)**	**(3,608,129)**	**(1,101,054)**	**(2,522,492)**
Cash flow from financing activities						
Repayment of long term finances	(687,500)	(343,750)	-	-	-	(1,321,450)
Proceeds from long-term finances	1,500,000	3,200,000	2,100,000	1,550,000	2,243,333	2,000,000
Repayment of lease liabilities	-	-	-	-	(11,588)	(19,519)
Dividend paid	(2,502,908)	(2,499,937)	(2,520,820)	(2,033,175)	(1,073,007)	(1,347,518)
Net cash (outflow) / inflow from financing activities	**(1,690,408)**	**356,313**	**(420,820)**	**(483,175)**	**1,158,738**	**(688,487)**
Net (decrease) / increase in cash and cash equivalents	**(1,247,555)**	**207,373**	**(272,847)**	**908,511**	**1,751,534**	**(1,126,513)**
Short term borrowings transferred to Packages Convertors Limited	-	-	-	-	3,400,000	-
Cash and cash equivalents at the beginning of the year	517,387	309,959	582,029	(326,482)	(5,478,016)	(4,351,503)
Effect of exchange rate changes on cash and cash equivalents	(158)	55	777			
Cash and cash equivalents at the end of the year	**(730,326)**	**517,387**	**309,959**	**582,029**	**(326,482)**	**(5,478,016)**

	2024	2023	2022	2021	2020	2019
Operating	2,693	3,928	4,172	5,000	1,694	2,084
Investing	(2,250)	(4,077)	(4,024)	(3,608)	(1,101)	(2,522)
Financing	(1,690)	356	(421)	(483)	1,159	(688)

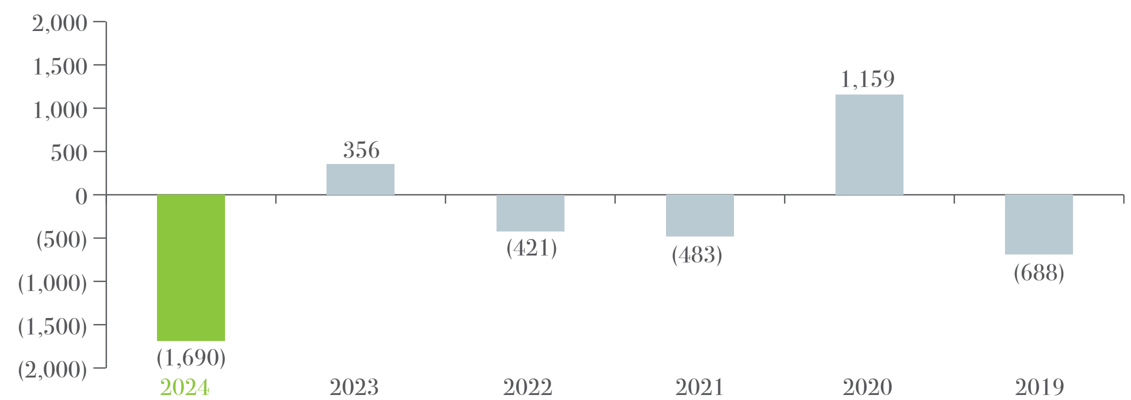
Operating Activities
(Rupees in Million)



Investing Activities
(Rupees in Million)



Financing Activities
(Rupees in Million)



UNCONSOLIDATED FINANCIAL STATEMENTS

“Accounting is the language of business”

Gro Harlem Brundtland

Chairman's Review

I am pleased by the performance of Packages Limited for the year ended December 31, 2024.

Packages Limited is operating as a Holding Company and derives value for its shareholders from its equity participation in Nestle Pakistan Limited and group companies, namely, Packages Convertors Limited, Tri-Pack Films Limited, Bulleh Shah Packaging (Private) Limited, DIC Pakistan Limited, Packages Real Estate (Private) Limited, Packages Lanka (Private) Limited, StarchPack (Private) Limited, Packages Trading FZCO, Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited), Anemone Holdings Limited and other strategic investments.

Dividend income constitutes the major source of income of the Company and as a result, its income pattern follows the dividend distribution pattern of the group companies.

The Board is responsible for overall management of the Company and to carry out its fiduciary duties with a sense of objective judgement in the best interest of the Company and its stakeholders.

The Board has ten (10) directors including five (5) non-executive, three (3) independent including one (1) female director and two (2) executive directors. The Directors have rich and varied experience in the fields of business, finance, banking and regulations. The Board provides strategic direction as well as guidance to the management.

The Board evaluated its own performance and its committees in order to facilitate and enable the Board members to play an effective role as a coordinated team for the ongoing success of the Company.

During the year, eight (8) board meetings were held in which the Board fulfilled all of its responsibilities including:

- Reviewing the operating results and approving the quarterly and annual financial statements of the Company;
- Approving related party transactions;
- Approving budgets including capital expenditure;
- Reviewing and approving revised terms of reference of Audit and Human Resource & Remuneration Committee which have been brought in line with Code of Corporate Governance, 2019;
- Approving investments in subsidiaries and joint ventures;
- Reviewing and approving bank borrowings; and
- Recommending appointment of external auditors.

The Board ensured that all the legal and regulatory requirements have been complied with by the management of the Company.

I pray to Allah that the Company and its subsidiaries continue to maintain its momentum of growth in the future.

MARCH 25, 2025
Lahore

TOWFIQ HABIB CHINOY
Chairman

Directors' Report to the Shareholders

The Directors of the Company take pleasure in presenting the Annual Report of your Company, together with the financial statements for the year ended December 31, 2024.

FINANCIAL AND OPERATIONAL PERFORMANCE

Summarized financial performance is as follows:

	2024	2023
	(Rupees in million)	
Dividend income	4,060	5,840
Rental income	667	553
Net Operating Revenue	**4,727**	**6,393**
EBIT	**3,618**	**5,517**
Finance costs	(1,588)	(1,438)
Other income - net	219	210
Impairment loss on investment	-	(1,202)
Earnings before levy & income tax	**2,249**	**3,087**
Levy & income tax	(337)	(309)
Earnings for the year	**1,912**	**2,778**
Basic Earnings per Share - Rupees	20.68	30.37

Packages Limited is operating as an investment holding company and its performance is determined by the financial performance of its group companies located within & outside Pakistan, which in turn, would be influenced by the general economic environment.

Dividend income constitutes the major source of income of Packages Limited. As a result, its income pattern will follow the dividend distribution pattern of the group companies. The management believes that this corporate structure is conducive to focused management of the group companies leading to better operating performance.

The Company has earned dividend income amounting to Rs 4,060 million during the year 2024 as compared to Rs 5,840 million last year. The decreased profitability was mainly attributable to receiving no dividends from Bulleh Shah Packaging (Private) Limited in the current year (2023: Rs 1,750 million). The finance cost for the year 2024 was higher by Rs 150 million mainly on account of long-term loans obtained to finance the investments in group companies (StarchPack (Private) Limited, Tri-Pack Films Limited and Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited)). There was a one-time impairment loss of Rs 1,202 million recognized on the investment made in Anemone Holdings Limited, Mauritius during last year. This translated to a decrease in earnings for the year of 31% from Rs 2,778 million earned last year to Rs 1,912 million during the current year.

INVESTMENTS IN GROUP COMPANIES

Your Company contributed Rs 852.2 million as equity investment in Packages Trading FZCO ('FZCO') and StarchPack (Private) Limited ('SPAC').

EQUITY INJECTION IN PACKAGES TRADING FZCO, DUBAI, UNITED ARAB EMIRATES

During the year, the Company made an investment of Arab Emirates Dirham ('AED') 1.330 million (2023: AED 2.670 million) equivalent to Rs 102.277 million on the date of translation (2023: Rs 202.928 million) as equity in Packages Trading FZCO. The entity is incorporated as a wholly owned subsidiary, with an aim to increase exports of finished goods offered by the group entities and to identify and implement cost saving initiatives to reduce import bill at group level.

EQUITY INJECTION IN STARCHPACK (PRIVATE) LIMITED

Pursuant to the decision taken by the Board of Directors, the Company made a capital injection of Rs 500 million as share deposit money (2023: Rs 250 million) and the conversion of an outstanding loan of Rs 250 million to equity in the form of 2.5 million ordinary shares having face value of Rs 100 each.

RENT OF LAND ON LEASE FROM GOVERNMENT OF PUNJAB (GoPB)

A portion of the land on which the Company's buildings are situated (as mentioned in note 17 of the accompanying financial statements), measuring 231 kanals and 19 marlas, was leased out to the Company by GoPb from December 1955 till November 2015 after which the lease has not been renewed. The matter was elevated to the Honorable Supreme Court, and in accordance with its directions the Company deposited Rs 500 million and subsequently two surveyors were appointed to calculate the rent of the land for industrial usage. The surveyor reports were submitted and henceforth the matter is pending for further action as of the date of the authorization for issue of these unconsolidated financial statements. Moreover, the Court has decided that the land shall be sold as industrial land through an open auction with the Company getting the first right of refusal.

The management has, on the basis of assessment of fair value of the said portion of land by independent valuers, recognised an expense of Rs 150 million (2023: Rs 90 million) in respect of rent for the year ended December 2024.

Furthermore, the management intends to acquire the title of the said portion of land when the matter is decided by the court.

FINANCIAL MANAGEMENT

The Company has an effective cash flow management system in place whereby cash inflows and outflows are projected on regular basis and rigorously monitored.

Capital expenditure is managed carefully through evaluation of profitability and risk. Large capital expenditure is further backed by long-term contracts so as to minimize cash flow risk to the business. Capital expenditure during 2024 was at Rs 770.3 million.

The investment portfolio of the Company is fairly diversified, as reflected by equity participation in Nestle Pakistan Limited, Packages Convertors Limited, Tri-Pack Films Limited, Bulleh Shah Packaging (Private) Limited, DIC Pakistan Limited, Packages Real Estate (Private) Limited, Packages Lanka (Private) Limited, StarchPack (Private) Limited, Packages Trading FZCO, Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited), Anemone Holdings Limited and other strategic investments.

The Board is satisfied that there are no short-term or long-term financial constraints including access to credit and a strong balance sheet with net debt:equity ratio at 14:86 on 31 December 2024.

RISK MANAGEMENT

The Board of Directors and the Audit Committee of the Board regularly review risk matrix in terms of impact and probability of occurrence. The senior management team, led by the Chief Executive Officer is responsible for risk mitigation measures. The Company's ability to continuously assess market conditions and its timely response enables the Company to manage risks effectively.

CREDIT RISK

All financial assets of the Company, except cash in hand, are subject to credit risk. The Company believes that it is not exposed to major concentration of credit risk and continues to evaluate the impact on financial assets through 'Expected Credit Losses' (ECL) approach. Exposure is also managed through diversification of its investment portfolio, placed with 'A' ranked banks and financial institutions.

LIQUIDITY RISK

Prudent liquidity risk management implies availability of sufficient funds for meeting contractual commitments. The Company's fund management strategy aims at managing liquidity risk through internal cash generation and committed credit lines from financial institutions.

INTEREST RATE RISK

Variable rate long-term financing is hedged against interest rate risk by holding "prepayment option", which can be exercised upon any adverse movement in the underlying interest rates. The Company's interest rate risk arises from long-term financing and short-term borrowings. Financial instruments at fixed rates expose the Company to fair value interest rate risk. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Our organization actively monitors and manages interest rate exposure to mitigate potential impacts on financial outcomes.

FOREIGN EXCHANGE RISK

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies.

CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes in the Company's approach to capital management during the year.

CONTRIBUTION TO NATIONAL EXCHEQUER

Your Company is a significant contributor to the national economy and has paid Rs 487 million during the year 2024 to the national exchequer on account of sales tax, income tax, import duties and statutory levies.

RETIREMENT FUNDS

There are three retirement funds currently being operated by the Company namely Provident Fund, Gratuity Fund and Pension Fund. The value of investment of these funds based on their unaudited accounts as on December 31, 2024 were as follows:

Provident Fund	**Rs 4,098.52 million**
Gratuity Fund	**Rs 704.42 million**
Pension Fund	**Rs 3,082.19 million**

APPROPRIATIONS

In view of the financial results of the Company for the year 2024, the Board of Directors of the Company has recommended cash dividend of 150 percent (i.e. Rs 15.00 per share). Accordingly, the following appropriations have been made:

	Rupees in thousand
Total comprehensive income for the year 2024 after appropriation of preference dividend / return	1,825,465
Un-appropriated profit brought forward	486,029
Available for appropriation	**2,311,494**
Cash dividend	(1,340,693)
To be carried forward to 2025	**970,801**

AUDITORS

The present auditors M/s A.F. Ferguson & Co., Chartered Accountants retire and have offered themselves for reappointment. They have confirmed having achieved satisfactory rating by the Institute of Chartered Accountants of Pakistan (ICAP) as well as compliance with the Guidelines on the Code of Ethics of the International Federation of Accountants (IFAC) as adopted by ICAP.

As suggested by the Audit Committee, the Board of Directors has recommended their reappointment as Auditors of the Company for the year ending December 31, 2025, at a fee to be mutually agreed.

IMPACT OF COMPANY'S BUSINESS ON ENVIRONMENT AND CORPORATE SOCIAL RESPONSIBILITY

Steps taken by your Company with respect to Company's business impact on environment and towards corporate social responsibility are mentioned on page 64 in the Annual Report.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Listed Companies (Code of Corporate Governance) Regulations, 2019 have been adopted by the Company and have been duly complied with. A statement to this effect is annexed to the Report, please refer page 95.

MATERIAL CHANGES

There have been no material changes since December 31, 2023 and the Company has not entered into any commitment, which would affect its financial position at the date except for those mentioned in the audited financial statements of the Company for the year ended December 31, 2024.

NUMBER OF DIRECTORS

(a)	Male	9
(b)	Female	1

COMPOSITION OF THE BOARD

	Number
Independent Directors	3
Non-Executive Directors	5
Executive Directors	2
Female Director (included in Independent Directors)	1

	Percentage
Independent Directors	30%
Non-Executive Directors	50%
Executive Directors	20%

CHANGES IN THE COMPOSITION OF THE BOARD

The composition of the Board remained unchanged during 2024.

MEETINGS OF BOARD OF DIRECTORS

During the year 2024, eight (8) meetings of the Board of Directors were held and the number of meetings attended by each Director is given hereunder:

Name of Directors	No. of Meetings attended
Mr. Towfiq Habib Chinoy (Chairman)	8
Syed Hyder Ali	8
Syed Shahid Ali	3
Mr. Hasan Askari	8
Mr. Atif Aslam Bajwa	6
Ms. Saba Kamal	8
Mr. Tariq Iqbal Khan	8
Syed Aslam Mehdi	7
Mr. Josef Meinrad Mueller	6
Mr. Osman Khalid Waheed	7

Leave of absence was requested by the Directors who could not attend the Board meetings. The same was accordingly granted.

AUDIT COMMITTEE

An Audit Committee of the Board has been in existence since the enforcement of the Code of Corporate Governance. It comprises of three (3) Non-Executive Directors and two (2) Independent Directors including the Chairman of the Committee.

Four (4) meetings of the Audit Committee were held during the year. Attendance of each Member is given hereunder:

Name of Directors	No. of Meetings attended
Mr. Hasan Askari (Chairman)	4
Syed Shahid Ali	3
Mr. Atif Aslam Bajwa	4
Mr. Tariq Iqbal Khan	4
Mr. Osman Khalid Waheed	4

Leave of absence was granted to the Members who could not attend the meetings of the Audit Committee.

The Audit Committee has adopted its terms of reference as provided in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

HUMAN RESOURCE AND REMUNERATION COMMITTEE

The Human Resource and Remuneration Committee comprises of six (6) members, which includes three (3) Non-Executive Directors, one (1) Executive Director and two (2) Independent Directors including the Chairperson of the Committee.

Two (2) meetings of the Human Resource and Remuneration Committee were held during the year. Attendance of each Member is given hereunder:

Name of Directors	No. of Meetings attended
Ms. Saba Kamal (Chairperson)	2
Syed Hyder Ali	2
Mr. Hasan Askari	2
Mr. Atif Aslam Bajwa	2
Mr. Towfiq Habib Chinoy	2
Mr. Josef Meinrad Mueller	2

The Human Resource and Remuneration Committee has adopted its terms of reference as provided in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

RELATED PARTY TRANSACTIONS

In accordance with Section 208 of the Companies Act, 2017 and the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018, the Company has:

(a) established a policy of related party transactions which has been duly approved by the Board.

(b) set up conditions for transactions with related parties to be characterized as "arm's length transactions".

(c) circulated and disclosed to the Directors in the Board papers minimum information required for approval of related party transactions.

DIRECTORS' REMUNERATION

There is a Director Remuneration Policy in place. The purpose of this policy is to have a transparent procedure for fixing the remuneration packages of individual directors for attending meetings of the board and its committees.

As per the policy, the remuneration of directors for attending meetings of the Board or committees of directors shall from time to time be determined by the Board based on market trends.

Nominee directors of Packages from other group companies shall not be entitled to receive board/committee meeting fees. If a director is resident out of the place at which any board meeting is held, and who shall come to that place for the purpose of attending board/committee meetings, the director shall be entitled to be reimbursed at actual.

Further details of the aggregate amount of remuneration paid to executive and non-executive directors is mentioned in the financial statements note 33, page no.167 of this Annual Report.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors of your Company state that:

(a) The financial statements, prepared by the management of the Company fairly presents the state of affairs, the result of its operations, cash flows and changes in equity;

(b) Proper books of accounts of the Company have been maintained;

(c) Appropriate accounting policies have been applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement;

(d) The financial statements have been prepared in conformity with the Companies Act, 2017 and International Financial Reporting Standards, as applicable in Pakistan. Any departures therefrom have been adequately disclosed and explained;

(e) Internal control system including financial and operational controls, accounting system for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure is sound in design and has been effectively implemented and monitored;

(f) There are no doubts about the Company's ability to continue as a going concern;

(g) There has been no material departure from the best practices of the Corporate Governance as detailed in the Listing Regulations;

(h) Significant deviations from last year's operating results of the Company has been highlighted and reasons have been explained in the Directors report;

(i) Key operating and financial data of last six years is annexed on page no. 97;

(j) Where any statutory payment on account of taxes, duties, levies and charges is outstanding, the amount together with a brief description and reasons for the same is disclosed in the financial statements;

(k) Significant plans and decisions, such as corporate restructuring, business expansion and discontinuance of operations, has been outlined along with future prospects, risks and uncertainties, if any;

(l) The number of board and committees' meetings held during the year and attendance by each director is annexed;

(m) The details of training programs attended by directors is annexed on page no. 88;

(n) The pattern of shareholding is annexed on page no. 297; and

(o) All trades in the shares of the Company, carried out by its directors, executives and their spouses and minor children is annexed.

TRADING OF SHARES BY CEO / DIRECTORS / SPONSORS / SPOUSES AND EXECUTIVES

The details of trading in shares of the Company by Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit, Other Executives, their spouses/sponsors and minor children are as under:

Purchase/Transmission of Shares	No. of Shares
Directors	NIL
Chief Executive Officer	NIL
Chief Financial Officer	NIL
Company Secretary	NIL
Head of Internal Audit	NIL
Other Executive(s)	NIL
Spouse/Sponsor(s)	182,425
Minor children	NIL

PATTERN OF SHAREHOLDING

A statement of the pattern of shareholding of certain class of shareholders as at December 31, 2024, whose disclosure is required under the reporting framework, is annexed in the Annual Report, please refer page no.297.

ANNUAL EVALUATION OF THE BOARD AND ITS COMMITTEES

In accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has carried out an evaluation of the performance of its individual members, the Board and the performance of its Committees.

Board evaluation process was conducted internally by the Company Secretary who prepared an Annual Evaluation Assessment Questionnaire which is circulated amongst the Board Members to provide clarifications and further insights and perspectives on the performance of the Board.

The Company Secretary then draws all the responses together from the information gathered. Strict level of confidentiality is practiced upon receiving of filled questionnaire and Directors' comments by the Company Secretary.

COMPANY'S STAFF AND CUSTOMERS

The management is thankful to the Company's stakeholders especially its customers for their continuing confidence in its products and services.

The management also wishes to express its gratitude to all the Company's employees who have worked tirelessly. We appreciate their hard work, loyalty and dedication.

FUTURE OUTLOOK

Pakistan's macroeconomic performance in 2024 demonstrated resilience and gradual improvement. The Company expects that the economic outlook of the country would continue to improve on the back of prudent policy management, continued implementation of reforms aimed to maintain fiscal discipline, improving foreign exchange reserves, political stability and economic assistance from friendly nations.

The first loan tranche received in 2024 from Extended Fund Facility Arrangement (EEF) of $7 billion under the International Monetary Fund (IMF) program has also been crucial in providing much-needed financial support, helping to restore investor confidence and stabilize the macroeconomic environment. Overall, these measures are setting a positive trajectory for economic diversification, future sustainable growth and stability.

Owing to first year operating losses sustained by StarchPack (Private) Limited ('SPAC'), higher depreciation and finance cost of Tri-Pack Films Limited ('TPFL') owing to strategic capital expenditure and adverse market conditions faced by Bulleh Shah Packaging (Private) Limited ('BSPL'), the returns from these investments had been affected. The management is confident of an eventual recovery and is taking steps to ensure a return to profitability. In this regard, a revised three-year strategy was developed after which the Board of Directors of the Company approved injection of up to Rs. 3 billion into SPAC and Rs. 8 billion into BSPL in various forms including ordinary share capital, subordinated debt and potential conversion of prior loan to equity in order to optimize the capital structure of both the companies.

TOWFIQ HABIB CHINOY
Chairman

SYED HYDER ALI
Chief Executive Officer & Managing Director

March 25, 2025
Lahore

INDEPENDENT AUDITOR'S REPORT

To the members of Packages Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Packages Limited (the Company), which comprise the unconsolidated statement of financial position as at December 31, 2024, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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, 2024 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Unconsolidated 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 Matter

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

Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	**Assessment of recoverable amounts of investments in subsidiaries** *(Refer notes 4.7, 19.1 and 19.4 to the annexed unconsolidated financial statements)*	Our audit procedures included the following: • Considered management's process for identifying the existence of impairment indicators in respect of the Company's investments;

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S. No.	Key audit matter	How the matter was addressed in our audit
	As disclosed in note 19.4, certain impairment indicators were observed regarding the Company's investment in certain subsidiaries, which triggered management to conduct an impairment test of these investments at the reporting date. Management assessed the recoverable amount of these investments as required by International Accounting Standard 36 - Impairment of Assets, determining it to be higher than the carrying amount. The recoverable amount was determined as the higher of its value-in-use and fair value less costs of disposal. The determination of recoverable amounts of investments is a significant area of judgment and estimation. Because of the significance of the impact of these judgments and estimations, we consider the assessment of the recoverable amount of investments to be a key audit matter.	• Assessed the methodology used by management to calculate the recoverable amounts for each investment; • Obtained an understanding of the work performed by management for the purpose of computing the recoverable amounts; • Where cash flow techniques were used to calculate recoverable amounts, assessed the reasonableness of the key assumptions used for each investment, including revenue, profit and cash flow growth rates, terminal growth rates, and the discount rates that management has applied; • Assessed the professional qualifications, competence, and experience of management's personnel in the field; and • Checked the adequacy of the disclosures made by the Company regarding applicable accounting and reporting standards.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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 Unconsolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated financial statements.

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

- Identify and assess the risks of material misstatement of the unconsolidated 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 unconsolidated 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated 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 unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes

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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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

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

The engagement partner on the audit resulting in this independent auditor's report is Khurram Akbar Khan.

A.F. Ferguson & Co.
Chartered Accountants

Lahore

Date: April 7, 2025

UDIN: AR202410070ojMlJEOvf

Unconsolidated Statement of Financial Position

as at December 31, 2024

	Note	2024	2023
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized share capital			
- 150,000,000 (2023: 150,000,000) ordinary shares of Rs 10 each		1,500,000	1,500,000
- 22,000,000 (2023: 22,000,000) 10% non-voting preference shares / convertible stock of Rs 190 each		4,180,000	4,180,000
		5,680,000	5,680,000
Issued, subscribed and paid up share capital			
- 89,379,504 (2023: 89,379,504) ordinary shares of Rs 10 each	5	893,795	893,795
- 8,186,842 (2023: 8,186,842) 10% non-voting preference shares / convertible stock of Rs 190 each	7.1	606,222	606,222
Other reserves	6	51,407,032	54,145,803
Revenue reserve: Un-appropriated profits		2,311,494	3,007,715
Total equity		55,218,543	58,653,535
NON-CURRENT LIABILITIES			
Long term finances from financial institutions	7	6,938,900	6,751,400
Long term advances	8	43,501	23,639
Employee benefit obligations	9	1,227,074	946,925
Accumulating compensated absences	10	122,073	86,265
		8,331,548	7,808,229
CURRENT LIABILITIES			
Current portion of non - current liabilities	11	1,312,500	687,500
Short term borrowings from financial institutions - secured	12	1,000,000	3,250
Trade and other payables	13	830,951	697,038
Unclaimed dividend		100,268	81,490
Accrued finance cost	14	345,428	447,546
		3,589,147	1,916,824
CONTINGENCIES AND COMMITMENTS	15		
		67,139,238	68,378,588

	Note	2024	2023
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	16	604,130	357,060
Investment properties	17	1,919,924	1,557,118
Intangible assets	18	929	1,239
Long term investments	19	59,630,418	61,516,912
Long term loan to subsidiary company	20	1,000,000	250,000
Long term security deposits		3,713	2,602
Deferred taxation	21	29,714	31,780
		63,188,828	63,716,711
CURRENT ASSETS			
Loans, advances, deposits, prepayments and other receivables	22	1,385,742	1,922,985
Income tax receivable	23	2,294,994	2,218,255
Short term investments	24	110,000	390,356
Cash and bank balances	25	159,674	130,281
		3,950,410	4,661,877
		67,139,238	68,378,588

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

Chief Executive Officer

Director

Chief Financial Officer

Unconsolidated Statement of Profit Or Loss

For the Year Ended December 31, 2024

	Note	2024	2023 (Restated)
		(Rupees in thousand)	
Dividend income	26	4,060,483	5,839,827
Rental income	27	666,567	553,478
Operating income		4,727,050	6,393,305
Administrative expenses	28	(1,216,177)	(860,049)
Net impairment gain/(loss) on financial assets	22.5	107,614	(15,588)
Other expenses	29	(1,226)	(1,206,410)
Other income	30	220,398	214,771
Operating profit		3,837,659	4,526,029
Finance costs	31	(1,588,487)	(1,438,441)
Profit before final taxes and income tax		2,249,172	3,087,588
Final taxes - levy	32	(93,540)	(150,357)
Profit before income tax		2,155,632	2,937,231
Income tax	32	(243,292)	(159,200)
Profit for the year		1,912,340	2,778,031
Earnings per share		(Rupees)	
- Basic	39.1	20.68	30.37
- Diluted	39.2	20.68	30.07

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

Chief Executive Officer

Director

Chief Financial Officer

Unconsolidated Statement of Comprehensive Income

For the Year Ended December 31, 2024

	Note	2024	2023
		(Rupees in thousand)	
Profit for the year		1,912,340	2,778,031
Other comprehensive (loss)/income for the year - net of tax			
Items that may be reclassified subsequently to profit or loss:		-	-
Items that will not be subsequently reclassified to profit or loss:			
Change in fair value of investments held at fair value through other comprehensive income ('FVOCI')	19.3	(2,738,771)	8,517,552
Remeasurements of retirement benefits obligation		(86,875)	(68,632)
		(2,825,646)	8,448,920
Other comprehensive (loss)/income for the year		(2,825,646)	8,448,920
Total comprehensive (loss)/income for the year		(913,306)	11,226,951

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

Chief Executive Officer

Director

Chief Financial Officer

Unconsolidated Statement of Changes in Equity

For the Year Ended December 31, 2024

	Issued, subscribed and paid up share capital		Reserves					Total equity
			Capital reserves			Revenue reserves		
	Ordinary share capital	Preference shares/ convertible stock	Share premium	FVOCI reserve	Capital redemption reserve	General reserve	Un-appropri-ated profits	Total
	(Rupees in thousand)							
Balance as on January 1, 2023	893,795	606,222	3,766,738	17,436,180	1,615,000	21,310,333	4,320,002	49,948,270
Appropriation of reserves								
Transfer to general reserve	-	-	-	-	-	1,500,000	(1,500,000)	-
Transaction with preference shareholders								
Participating dividend on preference shares/convertible stock	-	-	-	-	-	-	(63,749)	(63,749)
Transaction with owners in their capacity as owners, recognised directly in equity								
Final dividend for the year ended December 31, 2022 of Rs 27.50 per share	-	-	-	-	-	-	(2,457,937)	(2,457,937)
Total comprehensive income/(loss) for the year								
Profit for the yea	-	-	-	-	-	-	2,778,031	2,778,031
Other comprehensive income/(loss) for the year	-	-	-	8,517,552	-	-	(68,632)	8,448,920
	-	-	-	8,517,552	-	-	2,709,399	11,226,951
Balance as on December 31, 2023	**893,795**	**606,222**	**3,766,738**	**25,953,732**	**1,615,000**	**22,810,333**	**3,007,715**	**58,653,535**
Transaction with preference shareholders								
Participating dividend on preference shares/convertible stock - note 7.1.1	-	-	-	-	-	-	(63,749)	(63,749)
Transaction with owners in their capacity as owners, recognized directly in equity								
Final dividend for the year ended December 31, 2023 of Rs 27.50 per share	-	-	-	-	-	-	(2,457,937)	(2,457,937)
Total comprehensive (loss)/income for the year								
Profit for the year	-	-	-	-	-	-	1,912,340	1,912,340
Other comprehensive loss for the year	-	-	-	(2,738,771)	-	-	(86,875)	(2,825,646)
	-	-	-	(2,738,771)	-	-	1,825,465	(913,306)
Balance as on December 31, 2024	**893,795**	**606,222**	**3,766,738**	**23,214,961**	**1,615,000**	**22,810,333**	**2,311,494**	**55,218,543**

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

Chief Executive Officer — Director — Chief Financial Officer

Unconsolidated Statement of Cash Flows

For the Year Ended December 31, 2024

	Note	2024	2023
		(Rupees in thousand)	
Cash flows from operating activities			
Cash (used in)/generated from operations	36.1	(11,950)	742,693
Finance cost paid		(1,688,205)	(1,229,695)
Final taxes and income tax paid		(424,967)	(397,871)
Long term security deposits - net		(1,111)	90
Employee benefits obligations paid		(15,082)	(10,783)
Payment for accumulating compensated absences		(1,873)	(5,436)
Dividends received		4,794,137	4,806,173
Long term advances - net		41,687	22,847
Net cash inflow from operating activities		2,692,636	3,928,018
Cash flows from investing activities			
Payments for property, plant and equipment		(354,187)	(166,727)
Payments for investment properties		(416,090)	(82,512)
Investments made in equity instruments		(602,277)	(3,628,552)
Loan given to subsidiary company		(1,000,000)	(250,000)
Interest received on loan given to subsidiary company		68,549	-
Proceeds from disposal of property, plant and equipment		54,222	50,833
Net cash outflow from investing activities		(2,249,783)	(4,076,958)
Cash flows from financing activities			
Proceeds from long term finances		1,500,000	3,200,000
Repayments of long term finances		(687,500)	(343,750)
Dividend paid		(2,502,908)	(2,499,937)
Net cash (outflow)/inflow from financing activities		(1,690,408)	356,313
Net (decrease)/increase in cash and cash equivalents		(1,247,555)	207,373
Cash and cash equivalents at the beginning of the year		517,387	309,959
Effect of exchange rate changes on cash and cash equivalents		(158)	55
Cash and cash equivalents at the end of the year	36.2	(730,326)	517,387

Refer notes 7 and 36.3 for reconciliation of liabilities arising from financing activities.

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

Chief Executive Officer — Director — Chief Financial Officer

Notes to and Forming Part of the Unconsolidated Financial Statements

For the Year Ended December 31, 2024

1. The Company and its operations

Packages Limited (the 'Company') is a public company limited by shares incorporated in Pakistan in 1956 under the repealed Companies Act, 1913 (now, the Companies Act, 2017). The Company's ordinary shares are listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 4th floor, the Forum, Suite No. 416 - 422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan. Head office is located at Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore, Pakistan.

The principal activities of the Company are to rent out its land and buildings and to manage investments in subsidiary companies, associates and joint ventures, which are engaged in various businesses including manufacturing of packaging materials, tissue, consumer products, industrial inks, paper, paperboard products and corrugated boxes, biaxially oriented polypropylene ('BOPP') and cast polypropylene ('CPP') films, biopharmaceutical products, ground calcium carbonate products, corn-based starch products, insurance, power generation and real estate.

These financial statements (hereinafter may be referred to as 'unconsolidated financial statements') are the separate financial statements of the Company in which investments in subsidiaries have been accounted for at cost less accumulated impairment losses, if any. The consolidated financial statements of the Company and its subsidiaries are presented separately. Details of investments held by the Company in its subsidiaries have been presented in note 19.

2. Basis of preparation

2.1 Statement of compliance

These unconsolidated 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:

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

ii) Provisions of and directives issued under the Companies Act, 2017 ('Act').

Where 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 Change in accounting policy

The Institute of Chartered Accountants of Pakistan has issued application guidance on accounting of minimum and final taxes vide its circular No. 07/2024 dated May 15, 2024 ('the Guidance'). According to the Guidance, the minimum taxes in excess of normal tax liability and tax deducted at source other than from dividends from subsidiaries, joint ventures and associates under final tax regime, are out of scope of IAS 12 'Income Taxes' and fall in the ambit of IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets '.

Accordingly, the Company has changed its accounting policy to recognise such taxes as 'levies' which were previously being recognised as 'income tax'. This change has been accounted for retrospectively in line with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". There has been no effect on the unconsolidated statement of financial position, the unconsolidated statement of comprehensive income, the unconsolidated statement of cash flows, the unconsolidated statement of changes in equity and earnings per share as a result of this change.

The effects of change in accounting policy are as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	(Rupees in thousand)		
Effects on statement of profit or loss			
For the year ended December 31, 2024			
Final taxes - levy	-	93,540	93,540
Profit before income tax	2,249,172	(93,540)	2,155,632
Income tax	336,832	(93,540)	243,292
For the year ended December 31, 2023			
Final taxes - levy	-	150,357	150,357
Profit before income tax	3,087,588	(150,357)	2,937,231
Income tax	309,557	(150,357)	159,200

2.3 Initial application of standards, amendments or an interpretation to existing standards

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

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

Certain standards, amendments and interpretations to IFRS are effective for accounting period beginning on January 1, 2024 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 detailed in these unconsolidated financial statements, except for the following:

a) Amendment to International Accounting Standard (IAS) 1 – Non-current liabilities with covenants

The amendment clarifies how conditions that an entity must comply with within twelve months after the reporting period affect the classification of a liability. The amendment also aims to improve the information an entity provides related to liabilities subject to these amendments. The amendment clarifies that a liability should be classified as a current liability if a breach of covenant that gives the lender the right to demand immediate repayment occurs at or prior to the end of the reporting period, unless sufficient relief is granted by the lender before or at the end of the reporting period.

The above amendment did not result in any significant changes to these unconsolidated financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated financial statements, except for the following:

(a) Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective for annual period beginning on January 1, 2026)

The amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;

- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and

- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

An important clarification brought about in these amendments is that a payment instruction (e.g. a cheque) that is prepared for a future payment will generally not meet the requirements for the financial liability to be discharged and hence derecognised. The previous practice of financial liabilities being derecognized upon issuance of cheques would need to be reconsidered.

(b) Annual improvements to International Financial Reporting Standards – Volume 11 (effective for annual period beginning on January 1, 2026)

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

(c) International Financial Reporting Standard (IFRS) 18, 'Presentation and Disclosure in Financial Statements' (effective for annual period beginning on January 1, 2027)

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company is yet to assess the impact of this Standard and amendments to existing standards on its unconsolidated financial statements.

3. Basis of measurement

3.1 These unconsolidated financial statements have been prepared under the historical cost convention except for the following:

- certain financial instruments and plan assets of defined benefit plans at fair value; and

- certain employee benefit obligations, provisions and long term advances at present value.

3.2 Critical accounting estimates and judgements

The Company's material accounting policy information is stated in note 4. The preparation of unconsolidated financial statements requires the use of accounting estimates which, by definition, will likely differ from the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to the estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the unconsolidated financial statements.

i) estimation of useful lives and residual values of property, plant and equipment and investment properties - notes 4.2, 4.4, 16 and 17

ii) estimation of employee benefit obligations and accumulating compensated absences - notes 4.11, 9 and 10

iii) estimation of provision for taxation and recognition of deferred tax - notes 4.1, 23 and 32

iv) Impairment of financial assets (other than investments in equity instruments) - notes 4.8.4, 20 and 22

v) Impairment of investment in subsidiaries, associates and joint ventures - notes 4.7 and 19

vi) Other provisions and contingent liabilities - notes 4.21, 4.24 and 13

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

4. Material accounting policies

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

4.1 Taxtion - levy and income tax

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

Current

The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to profit for the year if enacted or substantively enacted at the end of the reporting period in accordance with the prevailing law for taxation of income, after taking into account tax credits, rebates and exemptions, if any. Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the tax authorities will accept an uncertain tax treatment. 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. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred

Deferred income tax is provided in full using the liability method, on temporary differences arising between the carrying amount of assets and liabilities in the unconsolidated financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Group taxation

The Securities and Exchange Commission of Pakistan ('SECP') vide its certificate dated March 1, 2023, has registered the Company, Bulleh Shah Packaging (Private) Limited ('BSPPL'), Packages Investments Limited ('PIL'), Packages Convertors Limited ('PCL'), StarchPack (Private) Limited ('SPL') and Packages Power (Private) Limited ('PPPL') (together the 'Group') as a Group for the purpose of group taxation under Section 59AA of the Income Tax Ordinance, 2001. Consequently, the Group is being taxed as one fiscal unit from the tax year 2024 and onwards.

Current tax is based on the consolidated results of the Group and allocated within the Group on the basis of separate return method. Deferred tax asset is recognised in the unconsolidated financial statements to the extent future economic benefit will flow to the Company. Realizability of tax credits and tax losses are assessed at Group level and taxable profits of all entities in the Group are taken into account in assessing whether a deferred tax asset should be recognised in consolidated financial statements. Any adjustments in the taxation of the Company on account of group taxation are credited or charged to the unconsolidated statement of profit or loss in the year in which they arise.

Levies

Minimum taxes that exceed the normal tax liability, as well as tax deducted at source (other than from dividends received from subsidiaries, joint ventures, and associates) under the provisions of the Income Tax Ordinance, 2001 ('the Ordinance'), are not within the scope of IAS 12 - Income Taxes. Instead, these taxes fall under the provisions of IFRIC 21 - Levies, and IAS 37 - Provisions, Contingent Liabilities and Contingent Assets.

Consequently, a liability for these levies is recognized in accordance with IFRIC 21 when the event specified in the Ordinance that triggers the obligation occurs. Therefore, excess minimum taxes and final taxes are recognized as liabilities when they become due, ensuring compliance with the recognition and measurement principles outlined in IAS 37.

4.2 Property, plant and equipment

4.2.1 Operating fixed assets

Operating fixed assets, except freehold land and leasehold land, are stated at cost less accumulated depreciation and any identified impairment loss. Leasehold land is stated at cost less accumulated amortisation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss. Cost of leasehold land is amortised using the straight line method over the period of lease term. An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation on all operating fixed assets is charged to the unconsolidated statement of profit or loss on straight-line method so as to write off the depreciable amount of an asset over its estimated useful life at the following annual rates:

	Rates per annum
- Leasehold land	6.67% to 10.00%
- Buildings	2.50% to 20.00%
- Other equipment	20.00% to 33.33%
- Furniture and fixtures	10.00% to 33.33%
- Vehicles	16.67% to 20.00%

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 values and useful lives of its operating fixed assets as at December 31, 2024 has not required any adjustment as its impact is considered insignificant.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount as fully explained in note 4.3 to these unconsolidated financial statements.

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 benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

4.2.2 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 operating fixed assets as and when these are available for use.

4.3 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

4.4 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Land held for an undetermined future use is also classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property. Investment properties are leased to tenants with rentals payable monthly. The investment properties of the Company comprise of land and buildings. The investment properties, except freehold land, are stated at cost less accumulated depreciation and any identified impairment losses. Freehold land is stated at cost less any identified impairment loss.

Depreciation on buildings is charged to unconsolidated statement of profit or loss on a straight-line method so as to write off the depreciable amount of buildings over its estimated useful life at the rates ranging from 3.12% to 22.22% per annum.

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 values and useful lives of its investment properties as at December 31, 2024 has not required any adjustment as its impact is considered insignificant.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount as fully explained in note 4.3 to these unconsolidated financial statements.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as an income or expense.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its carrying value at the date of reclassification becomes its cost for subsequent accounting at the date of change in use.

4.5 Intangible assets

Expenditure incurred to acquire computer software, SAP Enterprise Resource Planning ('ERP') System and developed websites are capitalised as intangible assets and stated at cost less accumulated amortisation and any identified impairment loss. Intangible assets having a finite life are amortised using the straight-line method over their estimated useful lives at the rates ranging from 10.00% to 20.00% per annum.

Costs associated with maintaining computer software programmes are recognised as an expense when incurred. However, costs that are directly attributable to identifiable software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of software (license fee) and related overhead cost.

4.6 Leases

The Company is the lessor and has leased out its lands and buildings on operating leases.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rental income received under operating leases (net of any incentives given to the lessee) is recognised as income on a straight-line basis over the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. The respective leased assets are included in the unconsolidated statement of financial position as investment property.

4.7 Investments

Investments intended to be held for less than twelve months from the reporting date or to be sold to raise operating capital, are included in current assets. All other investments are classified as non-current. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

4.7.1 Investments in equity instruments of subsidiaries, associates and joint ventures

Investments in equity instrument of subsidiaries, associates and joint ventures are measured at cost as per the requirements of IAS-27 "Separate Financial Statements". However, at subsequent reporting dates, the Company reviews the carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has suffered an impairment loss. If any such indication exists, the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are recognised as an expense in the unconsolidated statement of profit or loss.

Cost in relation to investments made in foreign currency is determined by translating the consideration paid in foreign currency into Pak Rupees at exchange rate prevailing on the date of transaction. In case of an increase in the investment in a subsidiary, associate or joint venture, the accumulated cost represents the carrying value of the investment. This is also applicable if the additional investment results in an associate or joint venture becoming a subsidiary.

The Company assesses at the end of each reporting period whether there is any indication that a previously recognised impairment loss may no longer exist or may have decreased. It assesses whether there have been favourable events or changes in circumstances, since impairment loss was recognised. If any such indication exists, the Company estimates the recoverable amount of that investment and reverses the impairment loss. The amount of any reversal recognised is restricted to increasing the carrying value of investment to the carrying value that would have been recognised if the original impairment had not occurred. A reversal of impairment loss is recognised in the unconsolidated statement of profit or loss.

The Company is required to issue consolidated financial statements along with its separate financial statements in accordance with the requirements of IFRS 10, 'Consolidated Financial Statements' and IAS 27, 'Separate Financial Statements'.

4.8 Financial assets

4.8.1 Classification

The Company classifies its financial assets other than investments in subsidiaries in the following measurement categories:

- those to be measured subsequently at fair value [either through other comprehensive income ('OCI') or through profit or loss]; and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ('FVOCI').

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

4.8.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

4.8.3 Measurement

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 profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

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:

i) **Amortised 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 amortised cost. Interest income from these financial assets is included in other income using the effective interest method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss.

ii) **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 OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest method. Impairment expenses are presented as a separate line item in the unconsolidated statement of profit or loss.

iii) **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments except for investments in subsidiaries, associates and joint ventures at fair value through other comprehensive income. 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 profit or loss following the derecognition of the investment. Dividends are recognised in profit or loss when the right to receive payment is established; is probable that the economic benefits associated with the dividend will flow to the Company; and the amount of the dividend can be measured reliably. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

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

4.8.4 Impairment of financial assets other than investment in equity instruments

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 and contract assets, the Company applies IFRS 9 simplified approach to measure the ECL ('loss allowance') which uses a life time expected loss allowance to be recognised from initial recognition, while general 3-stage approach is applied for other financial assets such as deposits, other receivables, short term investments and bank balances 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.

Following are the financial assets that are subject to the ECL model:

- Long term loan to subsidiary company;
- Long term security deposits;
- Loans, deposits and other receivables;
- Bank balances; and
- Short term investments.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses. The Company considers that a financial asset is in default when a contractual payment is 90 days past due. The definition is based on the Company's internal credit risk management policy.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company recognizes 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.

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.

4.9 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the unconsolidated statement of profit or loss, when the liabilities are derecognised, as well as through effective interest rate amortization process.

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

4.10 Offsetting of financial assets and liabilities

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

4.11 Employee benefits

4.11.1 Short term obligations

Liabilities for salaries, including non-monetary benefits and accumulating annual leaves that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the unconsolidated statement of financial position.

4.11.2 Post employment benefits

(i) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine its present value. The calculation is performed annually by a qualified actuary using the "Projected Unit Credit method". The most recent valuation was carried out as at December 31, 2024.

(a) Gratuity plan

There is an approved funded defined benefit gratuity plan for all permanent employees, subject to the attainment of one year of service. Monthly contributions are made to this fund on the basis of actuarial recommendations at the rate of 4.50% per annum of basic salaries. The latest actuarial valuation for the gratuity scheme was carried out as at December 31, 2024. The employees of the Company are entitled to gratuity payments on the basis of their service with the Company and in accordance with the Company policy.

The Company operates defined benefit gratuity plan in accordance with the local regulatory framework in Pakistan. The plan provides benefits to members in the form of a gratuity amount payable at the end of employment. This is a trustee-administered fund. Plan assets held by the fund are subject to local regulations and practice. Responsibility for governance of the plan – including investment decisions and contributions schedules – lies jointly with the board of trustees which are either directors, senior executives or employees of the Company in accordance with the plan's regulations.

The actual return on plan assets represents the difference between the fair value of plan assets at the beginning of the year and as at the end of the year after adjustments for contributions made by the Company as reduced by benefits paid during the year. The actual return on plan assets during the year was Rs 32.999 million (2023: Rs 43.916 million).

The Company ensures that its investment positions are managed within an asset-liability matching (ALM) framework developed to align with its gratuity obligations. Within this framework, the Company's ALM objective is to match assets to the gratuity obligations by investing in equity securities, floating-rate long-term bonds and short-term debt securities. The Company actively monitors how the duration and expected yield of these investments align with the expected cash outflows arising from the gratuity scheme obligations.

The amount recognized in statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of the plan assets.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the year in which they arise. Past service costs are recognized immediately in the statement of profit or loss.

The future contribution rate of the plan includes allowances for deficit and surplus. Projected Unit Credit Method, using the following significant assumptions, is used for valuation of this scheme:

	2024	2023
Discount rate per annum	12.25%	15.50%
Expected rate of increase in salary level per annum	12.25%	15.50%
Expected mortality rate	SLIC 2001-2005 Setback 1 Year	SLIC 2001-2005 Setback 1 Year
Expected rate of return per annum	12.25%	15.50%

Plan assets include long term government bonds, equity instruments of listed companies, units of mutual funds, izafa certificates, treasury bills, sukuk certificates and term deposits with banks.

The Company is expected to contribute Rs 16.93 million to the gratuity fund in the next fiscal year.

(b) Pension plan

Management and executive staff hired before January 1, 2016 participate in the pension fund of the Company. On December 26, 2012, the Board of Trustees of the pension fund, decided to convert the defined benefit plan to defined contribution plan for all its active employees with effect from January 1, 2013 with no impact on the pensioners appearing on the pensioners' list as of that date. The proposed scheme was approved for implementation by the Commissioner Inland Revenue on February 22, 2013 and employees' consent to the proposed scheme was sought and obtained. Management and executive staff who have joined on or after January 1, 2016, do not participate in the pension fund.

Consequently, the pension fund currently operates two different plans for its members:

- Defined contribution plan for active employees hired before January 1, 2016; and
- Defined benefit plan for pensioners who have retired on or before December 31, 2012.

In respect of the defined contribution plan, the Company contributes 20.00% of members' monthly basic salary to the scheme; whereas, an employee may or may not opt to contribute 6.00% of his/her monthly basic salary to the scheme.

The obligation in respect of the defined benefit plan is determined by the Company's actuary at each year end. Any funding gap identified by the Company's actuary is paid by the Company from time to time. The last actuarial valuation was carried out as at December 31, 2024, based on the following assumptions:

	2024	2023
Discount rate per annum	12.25%	15.50%
Expected rate of increase in pension level per annum	12.25%	15.50%
Expected mortality rate	SLIC 2001-2005 Setback 1 Year	SLIC 2001-2005 Setback 1 Year
Expected rate of return per annum	12.25%	15.50%
Average duration of liability (years)	6	6

The Company operates defined benefit pension plan in accordance with the local regulatory framework in Pakistan. The plan provides benefits to members in the form of a pension amount payable at retirement. This is a trustee-administered fund. Plan assets held by the fund are subject to local regulations and practice. Responsibility for governance of the plan – including investment decisions and contributions schedules – lies jointly with the board of trustees which are either directors, senior executives or employees of the Company in accordance with the plan's regulations.

Plan assets include long term government bonds, equity instruments of listed companies, units of mutual funds, term finance certificates, izafa certificates, treasury bills, sukuk certificates and term deposits with banks.

The actual return on plan assets represents the difference between the fair value of plan assets at the beginning of the year and as at the end of the year after adjustments for contributions made by the Company as reduced by benefits paid during the year.

The Company ensures that its investment positions are managed within an asset-liability matching (ALM) framework developed to align with its pension obligations. Within this framework, the Company's ALM objective is to match assets to the pension obligations by investing in equity securities, floating-rate long-term bonds and short-term debt securities. The Company actively monitors how the duration and expected yield of these investments align with the expected cash outflows arising from the pension scheme obligations.

The amount recognised in unconsolidated statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of the plan assets.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for the defined benefit plan are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognised immediately in unconsolidated statement of profit or loss.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in unconsolidated statement of profit or loss when they are due.

The Company operates a recognised/approved contributory provident fund for its permanent employees. Equal monthly contributions at the rate of 10.00% per annum of basic salaries plus dearness allowance and cost of living allowance are made by the Company and the employees to the fund. The Company has no further payment obligations once the contributions have been paid. Obligation for contributions to defined contribution plan is recognised as an expense in profit or loss as and when incurred. The nature of contributory pension fund has been explained in note 4.11.2(i)(b) above.

4.11.3 Accumulating compensated absences

The Company provides for accumulating compensated absences when the employees render services that increase their entitlement to future compensated absences. The annual leaves can be encashed at the time the employee leaves the Company on the basis of the gross salary while no encashment is available for medical leaves. The employees of the Company are entitled to earned annual and medical leaves on the basis of their service with the Company and in accordance with the Company policy. These are classified as 'other long-term employee benefit obligations' under IAS 19.

As per the Company's leaves policy, employees are entitled to following earned leaves along with their maximum accumulation.

	Earned leaves entitlement per year (days)	Maximum accumulation of compensated leaves (days)
Service up to 14 years	15	30
Service of 15 years or more	21	42

Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to unconsolidated statement of profit or loss. The most recent valuation was carried out as at December 31, 2024 using the "Projected Unit Credit Method".

The amount recognised in the unconsolidated statement of financial position represents the present value of the defined benefit obligations. Actuarial gains and losses are charged to the unconsolidated statement of profit or loss immediately in the period when these occur.

Projected unit credit method, using the following significant assumptions, has been used for valuation of accumulating compensated absences:

	2024	2023
Discount rate per annum	12.25%	15.50%
Expected rate of increase in salary level per annum	12.25%	15.50%
Expected mortality rate	SLIC 2001-2005 Setback 1 Year	SLIC 2001-2005 Setback 1 Year
Duration of the plan (years)	6	5

4.12 Other receivables

Other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the other receivables with the objective of collecting the contractual cash flows and therefore measures the other receivables subsequently at amortised cost using the effective interest method less loss allowance. Refer note 4.8.4 to these unconsolidated financial statements for the Company's policy on the impairment of other receivables.

4.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Additionally, cash and cash equivalents encompass short-term borrowings that are repayable on demand and are an integral part of the Company's cash management, as well as bank overdrafts. Bank overdrafts and short-term borrowings are presented within borrowings in current liabilities in the unconsolidated statement of financial position.

4.14 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently accounted at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised when the obligation specified in the contract is extinguished, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Company is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Company is required to comply with after the reporting period do not affect the classification at the reporting date.

4.15 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

4.16 Finance income

Finance income comprises interest income on funds invested (financial assets), gain on disposal of financial assets and changes in fair value of investments. Interest income is recognized as it accrues in profit or loss, using effective interest method.

4.17 Foreign currency transactions and translation

a) Functional and presentation currency

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

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

4.18 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Qualifying assets are assets that necessarily take a substantial time to get 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 capitalisation.

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

4.19 Dividends and appropriation to reserves

Dividend distribution to the Company's members and appropriations to reserves are recognised in the financial statements in the period in which these are approved.

4.20 Compound financial instruments

Compound financial instruments issued by the Company represent preference shares/convertible stock that can be converted into ordinary shares or can be settled in cash.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equiry components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

4.21 Provisions

Provisions for legal claims and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will 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 management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period taking in consideration the amount that the Company would rationally pay to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

4.22 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

4.23 Earnings per share

The Company presents basic and diluted earnings per share ('EPS') data for its ordinary shares.

Basic EPS is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted EPS adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

4.24 Contingent liabilities and assets

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised. A contingent liability is disclosed unless the possibility of an outflow is remote.

Contingent asset is disclosed when an inflow of economic benefits is probable. Contingent assets are not recognised in the financial statements since this may result in recognition of income that may never be realised.

Contingent liabilities and assets are generally estimated using:

- The single most likely outcome;
- A weighted average of all the possible outcomes (the 'expected value' method). This is likely to be the most appropriate method for a large population of similar claims, but can also be applied to a single obligation with various possible outcomes.

4.25 Rounding of amounts

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

5. Issued, subscribed and paid up share capital - ordinary share capital

2024	2023		2024	2023
(Number of shares)			(Rupees in thousand)	
33,603,295	33,603,295	Ordinary shares of Rs 10 each fully paid in cash	336,033	336,033
148,780	148,780	Ordinary shares of Rs 10 each issued for consideration other than cash (property, plant and equipment)	1,488	1,488
5,000,000	5,000,000	Ordinary shares of Rs 10 issued against conversion of preference shares/convertible stock	50,000	50,000
50,627,429	50,627,429	Ordinary shares of Rs 10 each issued as fully paid bonus shares	506,274	506,274
89,379,504	89,379,504		893,795	893,795

5.1 26,707,201 (2023: 26,707,201) ordinary shares of the Company are held by the Company's associate, IGI Investments (Private) Limited.

6. Other reserves

Movement in and composition of other reserves is as follows:

	Note	2024	2023
		(Rupees in thousand)	
Capital reserves			
- Share premium	6.1	3,766,738	3,766,738
- FVOCI reserve	6.2	23,214,961	25,953,732
- Capital redemption reserve	6.3	1,615,000	1,615,000
		28,596,699	31,335,470
Revenue reserve			
- General reserve		22,810,333	22,810,333
		51,407,032	54,145,803

6.1 This reserve can be utilised by the Company only for the purposes specified in section 81 of the Act.

6.2 This represents unrealised gain on remeasurement of equity investments at FVOCI and is not available for distribution.

6.3 This reserve was created on account of redemption of 8.5 million preference shares/convertible stock of Rs 190 each in 2016 as per the requirements of section 85 of the repealed Companies Ordinance, 1984.

7. Long term finances from financial institutions

	Note	2024	2023
		(Rupees in thousand)	
Preference shares/convertible stock - unsecured	7.1	932,650	932,650
Long term loans - secured	7.2	7,318,750	6,506,250
		8,251,400	7,438,900
Current portion shown under current liabilities	11	(1,312,500)	(687,500)
		6,938,900	6,751,400

7.1 Preference shares/convertible stock - unsecured

During the year 2009, the Company issued 10.00% local currency non-voting preference shares/convertible stock at the rate of Rs 190 per share amounting to USD 50 million equivalent to Rs 4,120.50 million under "Subscription Agreement" dated March 25, 2009 with International Finance Corporation ('IFC').

Terms of redemption/conversion
Each holder of preference shares/convertible stock shall have a right to settle at any time, at the option of holder, either in the form of fixed number of ordinary shares, one ordinary share for one preference share/convertible stock, or cash. The Company may, on its discretion, refuse to purchase the preference shares/convertible stock offered to it for purchase in cash. In case of refusal by the Company, preference shareholders shall have the right to either retain the preference shares/convertible stock or to convert them into ordinary shares. The preference shares/convertible stock can be held till perpetuity if preference shareholders do not opt for the conversion or cash settlement.

Rate of return
The preference share/convertible stock holders have a preferred right of return at the rate of 10.00% per annum on a non-cumulative basis till the date of settlement of preference shares/convertible stock either in cash or ordinary shares. In case the amount of dividend paid to an ordinary shareholder exceeds that paid to a preference shareholder, the preference shareholders have the right to share the excess amount with the ordinary shareholders on an as-converted basis.

Preference shares/convertible stock are recognised in the unconsolidated statement of financial position as follows:

	Note	2024	2023
		(Rupees in thousand)	
Face value of preference shares/convertible stock [8,186,842 (2023: 8,186,842) shares of Rs 190 each]		1,555,500	1,555,500
Transaction costs		(16,628)	(16,628)
		1,538,872	1,538,872
Equity component - classified under equity		(606,222)	(606,222)
Liability component - classified under long term finances		932,650	932,650
Accrued return on preference shares/convertible stock - classified under accrued finance cost	14	155,550	155,550

The fair value of the liability component of the preference shares/convertible stock is calculated by discounting cash flows at a rate of approximately 16.50% per annum till perpetuity which represents the rate of similar instrument with no associated equity component. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity as preference shares/convertible stock.

7.1.1 Transactions with preference shareholders

This represents the additional entitlement of the preference shareholders as mentioned in note 7.1. In addition to the preferred right of return at the rate of 10 percent per annum, either in cash or ordinary shares on a non-cumulative basis till the date of settlement of preference shares/convertible stock, the preference shareholders also have the right to share the excess amount with the ordinary shareholders on an as-converted basis in case the amount of dividend per share paid to an ordinary shareholder exceeds the amount paid to a preference shareholder. Since ordinary dividend of Rs 27.50 per share was approved for the year ended December 31, 2023, which exceeded the preferred return for that year, the additional preference dividend to be paid to the preference shareholders has been distributed to the preference shareholders as participating dividend and charged directly to the equity.

7.2 Long term loans - secured

	Note	2024	2023
		(Rupees in thousand)	
Long term finance facility - I	7.2.1	500,000	700,000
Long term finance facility - II	7.2.2	468,750	656,250
Long term finance facility - III	7.2.3	750,000	1,050,000
Long term finance facility - IV	7.2.4	900,000	900,000
Long term finance facility - V	7.2.5	3,200,000	3,200,000
Long term finance facility - VI	7.2.6	1,500,000	-
		7,318,750	6,506,250

7.2.1 Long term finance facility - I

This represents a Term Finance Facility (the 'Facility') of Rs 800 million, which has been obtained from Allied Bank Limited to finance the acquisition of Tri-Pack Films Limited by the Company. The Facility is secured against pledge of Nestle Pakistan Limited's shares owned by the Company. During the year 2021, the Company made a drawdown of Rs 800 million on December 28, 2021. The facility carries mark-up at the rate of six-month Karachi Inter-Bank Offered Rate ('KIBOR'), payable quarterly. The outstanding loan is repayable in 5 equal semi-annual instalments ending on January 4, 2027. The mark-up rate charged during the year on the outstanding balance ranged from 12.19% to 21.44% per annum.

7.2.2 Long term finance facility - II

This represents a Term Finance Facility (the 'Facility') of Rs 750 million, which has been obtained from Allied Bank Limited to finance equity investment in StarchPack (Private) Limited by the Company. The Facility is secured against pledge of Nestle Pakistan Limited's shares owned by the Company. The outstanding loan is repayable in 5 equal semi-annual instalments ending on January 4, 2027. The outstanding loan carries mark-up at the rate of six-month KIBOR, payable quarterly. The mark-up rate charged during the year on the outstanding balance ranged from 12.19% to 21.49% per annum.

7.2.3 Long term finance facility - III

This represents a Term Finance Facility (the 'Facility') of Rs 1,200 million, which has been obtained from Allied Bank Limited to finance equity investment in Tri-Pack Films Limited by the Company through public offer. The Facility is secured against pledge of Nestle Pakistan Limited's shares owned by the Company. The outstanding loan is repayable in 5 equal semi-annual instalments ending on January 11, 2027. The outstanding loan carries mark-up at the rate of six-month KIBOR, payable quarterly. The mark-up rate charged during the year on the outstanding balance ranged from 19.95% to 23.02% per annum.

7.2.4 Long term finance facility - IV

This represents a Term Finance Facility (the 'Facility') of Rs 900 million, which has been obtained from Allied Bank Limited to finance equity investment in Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited) by the Company. The Facility is secured against pledge of Nestle Pakistan Limited's shares owned by the Company. This loan is repayable in 8 equal semi-annual instalments in 6 years, including a grace period of 2 years with instalments starting in March 2025. The loan carries mark-up at the rate of six-month KIBOR, payable quarterly. The mark-up rate charged during the year on the outstanding balance ranged from 17.73% to 24.67% per annum.

7.2.5 Long term finance facility - V

This represents a Term Finance Facility (the 'Facility') of Rs 3,200 million, which has been obtained from Allied Bank Limited to finance equity investment in Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited) by the Company. The Facility is secured against pledge of Nestle Pakistan Limited's shares owned by the Company. This loan is repayable in 8 equal semi-annual instalments in 6 years, including a grace period of 2 years with instalments starting in October 2025. The loan carries mark-up at the rate of six-month KIBOR per annum. The mark-up rate charged during the year on the outstanding balance ranged from 14.12% to 22.02% per annum.

7.2.6 Long term finance facility - VI

This represents a Term Finance Facility (the 'Facility') of Rs 2,500 million, which has been obtained from Allied Bank Limited to finance the equity injection/financial support in StarchPack (Private) Limited, against which disbursement of Rs 1,500 million was made on December 31, 2024. The Facility is secured against pledge of Nestle Pakistan Limited's shares owned by the Company. This loan is repayable in 10 equal semi-annual instalments in 7 years, including a grace period of 2 years with instalments starting in June 2027. The loan carries mark-up at the rate of six-month KIBOR per annum. The mark-up rate charged during the year on the outstanding balance was 12.18% per annum.

7.3 The reconciliation of the carrying amount is as follows:

	Note	2024	2023
		(Rupees in thousand)	
Opening balance		7,438,900	4,582,650
Disbursements during the year		1,500,000	3,200,000
Repayments during the year		(687,500)	(343,750)
Closing balance		8,251,400	7,438,900
Current portion shown under current liabilities	11	(1,312,500)	(687,500)
		6,938,900	6,751,400

7.4 The Company entered into a loan agreement with the International Finance Corporation (IFC) on June 12, 2020, for a five-year loan of USD 25 million for future funding. This facility under the agreement was mutually cancelled by the IFC at the request of the "Co-Borrowers," i.e., the agreement between Packages Limited, Packages Converters Limited ("Co-Borrowers"), and the International Finance Corporation (IFC). The cancellation was effective as of April 15, 2024. The commitment fee of 1% per annum, payable on the total amount of the loan facility, has been fully settled.

8. Long term advances

This represents contributions made by employees for purchase of the Company vehicles. The vehicles are transferred to employees at the end of six years as per the Company's policy. These have been carried at amortized cost using market interest rates ranging from 7.50% to 22.09% (2023: 7.05% to 22.09%) per annum for similar instruments. The reconciliation of the carrying amount is as follows:

	Note	2024	2023
		(Rupees in thousand)	
Opening balance		23,639	19,310
Additions during the year		55,064	34,952
Adjustments during the year		(13,377)	(12,105)
Discounting adjustment of long term advances		(24,225)	(22,619)
Unwinding of discount on liability	31	2,400	4,101
Closing balance		43,501	23,639

9. Employee benefit obligations

This represents:

	Note	2024	2023
Pension	9.1	880,727	741,722
Gratuity	9.2	346,347	205,203
		1,227,074	946,925

9.1 Amounts recognised in unconsolidated statement of financial position

The amounts recognised in the unconsolidated statement of financial position are as follows:

	Note	Pension fund 2024	Pension fund 2023	Gratuity fund 2024	Gratuity fund 2023
		(Rupees in thousand)		(Rupees in thousand)	
Present value of defined benefit obligation	9.3	951,467	885,716	573,713	381,867
Less: fair value of plan assets	9.4	70,740	143,994	227,366	176,664
Liability as at year end		880,727	741,722	346,347	205,203

9.2 Movement in net liability for employee benefit obligations

	Pension fund 2024	Pension fund 2023	Gratuity fund 2024	Gratuity fund 2023
Net liability at beginning of the year	741,722	612,108	205,203	146,418
Charged to unconsolidated statement of profit or loss	114,967	88,755	93,389	41,795
Net remeasurement for the year charged to OCI	24,038	40,859	62,837	27,773
Contribution made by the Company during the year	-	-	(15,082)	(10,783)
Net liability at end of the year	880,727	741,722	346,347	205,203

9.3 Movement in present value of defined benefit obligation

	Pension fund 2024	Pension fund 2023	Gratuity fund 2024	Gratuity fund 2023
Present value of defined benefit obligation at beginning of the year	885,716	817,174	381,867	304,691
Current service cost	-	-	24,458	17,053
Interest cost	129,665	111,961	58,986	43,618
Benefits paid during the year	(98,329)	(90,045)	(2,616)	(36,308)
Past service cost	-	-	38,294	4,294
Liability transferred from group companies	-	-	5,237	-
Remeasurements - OCI:				
Actuarial losses/(gains) from change in financial assumptions	11,261	25,862	(1,215)	250
Experience adjustments	23,154	20,764	68,702	48,269
	34,415	46,626	67,487	48,519
Present value of defined benefit obligation at end of the year	951,467	885,716	573,713	381,867

9.4 Movement in fair value of plan assets

	Pension fund 2024	Pension fund 2023	Gratuity fund 2024	Gratuity fund 2023
Fair value as at beginning of the year	143,994	205,066	176,664	158,273
Interest income on plan assets	14,698	23,206	28,349	23,170
Company contributions	-	-	15,082	10,783
Benefits paid during the year	(98,329)	(90,045)	(2,616)	(36,308)
Plan assets transferred from group companies	-	-	5,237	-
Return on plan assets, excluding interest income - OCI	10,377	5,767	4,650	20,746
Fair value as at end of the year	70,740	143,994	227,366	176,664

9.5 Amounts recognised in the unconsolidated statement of profit or loss

	Pension fund 2024	Pension fund 2023	Gratuity fund 2024	Gratuity fund 2023
Current service cost	-	-	24,458	17,053
Interest cost	129,665	111,961	58,986	43,618
Interest income on plan assets	(14,698)	(23,206)	(28,349)	(23,170)
Past service cost	-	-	38,294	4,294
Net expense for the year charged to unconsolidated statement of profit or loss	114,967	88,755	93,389	41,795

	Pension fund 2024	Pension fund 2023	Gratuity fund 2024	Gratuity fund 2023
	(Rupees in thousand)		(Rupees in thousand)	
9.6 Total remeasurements charged to OCI				
Actuarial losses/(gain) from change in financial assumptions	11,261	25,862	(1,215)	250
Experience adjustments	23,154	20,764	68,702	48,269
Remeasurement in plan assets, excluding interest income	(10,377)	(5,767)	(4,650)	(20,746)
Total remeasurements charged to OCI	24,038	40,859	62,837	27,773
9.7 Plan assets				
Plan assets are comprised as follows:				
Debt instruments	55,046	112,024	203,441	137,091
Equity investments	15,353	31,250	21,423	36,393
Cash at banks	341	720	2,502	3,180
	70,740	143,994	227,366	176,664

9.8 For the principal actuarial assumptions used in the actuarial valuation, please refer note 4.11.2 to these unconsolidated financial statements.

9.9 Risks faced by the Company on account of gratuity and pension obligations

(i) Final salary risk (linked to inflation risk) - the risk that the Final salary at the time of cessation of service is greater than the assumed salary. Since the benefit is calculated on the Final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

(ii) Asset volatility - Most assets are invested in risk free investments of 3, 5 or 10 year Pakistan Investment Bonds or treasury bills. However, investments in equity instruments is subject to adverse fluctuations as a result of change in the market price.

(iii) Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

(iv) Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investments.

(v) Risk of insufficiency of assets - This is managed by making regular contribution to the fund as per the trust deed.

(vi) Demographic risks:

- **Mortality risk** - the risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

- **Withdrawal risk** - the risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

9.10 Sensitivity analysis

	2024 Pension fund	2024 Gratuity fund
Year end sensitivity analysis on defined benefit obligations are as follows:	(Rupees in thousand)	
Discount rate + 100 bps	894,077	1,597,864
Discount rate - 100 bps	1,016,171	1,833,883
Salary growth rate + 100 bps	1,024,860	1,833,879
Salary growth rate - 100 bps	885,728	1,595,877

	2023 Pension fund	2023 Gratuity fund
	(Rupees in thousand)	
Discount rate + 100 bps	832,191	1,261,868
Discount rate - 100 bps	946,036	1,444,955
Salary growth rate + 100 bps	954,086	1,444,992
Salary growth rate - 100 bps	793,563	1,260,332

10. Accumulating compensated absences

	Note	2024	2023
This represents provision made to cover the obligation for accumulating compensated absences		(Rupees in thousand)	
Opening liability		86,265	67,534
Charged to unconsolidated statement of profit or loss	10.2	37,681	24,167
		123,946	91,701
Payments made during the year		(1,700)	(7,094)
Liability transferred out to group companies		(1,323)	(1,357)
Liability transferred in from group companies		1,150	3,015
Liability as at year end	10.1	122,073	86,265
10.1 Movement in liability for accumulating compensated absences			
Present value as at beginning of the year		86,265	67,534
Current service cost		18,972	6,927
Interest cost		13,239	9,278
Remeasurement in respect of experience adjustments		5,470	7,962
		37,681	24,167
Benefits paid during the year		(1,700)	(7,094)
Liability transferred out to group companies		(1,323)	(1,357)
Liability transferred in from group companies		1,150	3,015
Present value of as at year end		122,073	86,265
10.2 Charge for the year			
Current service cost		18,972	6,927
Interest cost		13,239	9,278
Remeasurement during the year		5,470	7,962
Total expense for the year		37,681	24,167

10.3 Sensitivity analysis

	Accumulating compensated absences 2024	Accumulating compensated absences 2023
	(Rupees in thousand)	
Year end sensitivity analysis (+/- 100 bps) on defined benefit obligation:		
Discount rate + 100 bps	115,488	81,960
Discount rate - 100 bps	129,649	91,194
Salary growth rate + 100 bps	129,630	91,195
Salary growth rate - 100 bps	121,156	81,880

10.4 For the principal actuarial assumptions used in the actuarial valuation please refer the note 4.11.3 to these unconsolidated financial statements.

10.5 The Company faces the following risks on account of accumulating compensated absences:

(i) Final salary risk (linked to inflation risk) – the risk that the final salary at the time of cessation of service is greater than the assumed salary. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

(ii) Demographic risks:

- **Mortality Risk** - the risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.
- **Withdrawal Risk** - the risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

11. Current portion of non-current liabilities

	Note	2024	2023
		(Rupees in thousand)	
Current portion of long term finances	7	1,312,500	687,500

12. Short term borrowings from financial institutions - secured

	Note	2024	2023
Short term finances from financial institutions - secured			
Money market loan - secured	12.1	1,000,000	-
Running finances - secured	12.2	-	3,250
		1,000,000	3,250

12.1 Short term finances - secured

Short-term finances (Money Market loan) amounting to Rs 1,000 million (2023: Nil) which is a sub limit of the total running finances available, were obtained by the Company during the year from Allied Bank Limited. The rate of mark-up is based on three months KIBOR minus a spread of 1.5% per annum and ranges from 10.74% to 13.82% (2023: Nil) per annum on the balances outstanding. The mark-up is payable at maturity of three months. These loans are secured against the pledge of Nestle Pakistan Limited's shares owned by the Company under a 'Share Pledge Agreement'.

12.2 Running finances - secured

Short term running finances available from commercial banks under mark-up arrangements aggregate Rs 4,000 million (2023: Rs 2,000 million). The rates of mark-up are based on one to three month KIBOR plus spread of 0.0% to 0.10% per annum and range from 14.93% to 22.34% (2023: 16.4% to 22.77%) per annum or part thereof on the balances outstanding. The aggregate running finances are secured against pledge of Nestle Pakistan Limited's shares owned by the Company under a 'Share Pledge Agreement'.

12.3 Letters of credit and bank guarantees

Of the aggregate facilities of Rs 260 million (2023: Rs 260 million) for guarantees, the amounts utilised at December 31, 2024 was Rs 122.680 million (2023: Rs 116.680 million) respectively.

13. Trade and other payables

	Note	2024	2023
		(Rupees in thousand)	
Trade creditors	13.1	154,439	105,399
Accrued liabilities	13.2 & 13.3	631,351	540,790
Sales tax payable		3,433	3,431
Withholding income tax payable		28,112	18,374
Payable to retirement funds	13.4	-	9,233
Deposits	13.5	8,198	7,198
Profit payable on Term Finance Certificates ('TFCs')		1,387	1,387
Others		4,031	11,226
		830,951	697,038

13.1 Includes amounts due to the following related parties against expenses borne on behalf of the Company:

	2024	2023
	(Rupees in thousand)	
Bulleh Shah Packaging (Private) Limited	86,081	518
Packages Convertors Limited	13,471	29,031
IGI General Insurance Limited	-	44
IGI Life Insurance Limited	2,475	806
Hoechst Pakistan Limited	314	-
Tripack Films Limited	745	-
StarchPack (Private) Limited	1,599	-
Packages Trading FZCO	2,940	-
DIC Pakistan Limited	560	-
	108,185	30,399

13.2 Includes amounts due to the following related parties in respect of goods and services purchased:

	2024	2023
IGI Life Insurance Limited	-	1,619
IGI General Insurance Limited	2,044	4,769
Packages Convertors Limited	1,877	-
DIC Pakistan Limited	177	-
Bulleh Shah Packaging (Private) Limited	10,210	4,061
Josef Meinrad Mueller	2,897	3,131
	17,205	13,580

13.3 This includes provision amounting to Rs 550 million (2023: Rs 400 million) in respect of rent of land on lease from the Government of the Punjab ('GoPb') for the period from December 2015 to December 2024.

A portion of the land on which the Company's buildings are situated (note 17), measuring 231 kanals and 19 marlas, was leased out to the Company by GoPb from December 1955 till November 2015 after which the lease has not been renewed. During the year 2015, the Company approached the Board of Revenue ('BoR'), GoPb to renew the lease, however, adequate response was not received. On January 5, 2019, the Supreme Court of Pakistan ('Court'), summoned BoR, to which the BoR stated that the new policy of the GoPb is not to lease state land but to sell it through open auction. Consequently, the Company was directed to deposit Rs 500 million with the BoR as security to the payment of outstanding amount of rent to be determined, with such amount being adjustable against final amount of rent. The Company deposited such amount in compliance with the direction on January 10, 2019. The Court further directed Additional Advocate General, Punjab on January 16, 2019 that subject to the Court's approval, two surveyors be appointed for determination of rent based on industrial usage of the land for the period from December 2015 till date. The surveyors were appointed, who submitted their independent valuation reports to BoR and the Court. The matter is pending for further action as of the date of the authorization for issue of unconsolidated financial statements. Moreover, the Court has further decided that the land shall be sold as industrial land through an open auction with the Company getting the first right of refusal.

The management has, on the basis of assessment of fair value of the said portion of land by independent valuers, as appointed by the Court, and its understanding of the prevalent market terms relating to rent of such properties in the vicinity of the said portion of land, recognised an expense of Rs 150 million (2023: Rs 90 million) in respect of rent for the year ended December 31, 2024. The management is confident that the final amount of rent will be in congruence with the provision made in these unconsolidated financial statements, inter alia based on the fair value determined by the independent valuers and the relevant facts and circumstances.

Furthermore, the management also intends to acquire the title of the said portion of land when the open auction takes place and is confident that it will be able to meet the highest bid.

13.4 Payable to retirement funds

	Note	2024	2023
		(Rupees in thousand)	
Employees' provident fund	13.4.1	-	4,527
Employees' gratuity fund		-	949
Management staff pension fund	13.4.1	-	3,757
		-	9,233

13.4.1 Employees' provident and management staff pension fund related disclosure

All investments in collective investment schemes, listed equity, and listed debt securities out of provident fund and management staff pension fund (defined contribution plan) have been made in accordance with the provisions of Section 218 of the Act and the conditions specified thereunder as applicable at the time of making such investments. All fresh investments are now being made in accordance with the newly introduced Employees Contributory Funds (Investment in Listed Securities) Regulations, 2018.

13.5 This represents interest free amounts received from suppliers and truckers as per the respective agreements and kept in separate bank account maintained for that purpose as required under Section 217(2) of the Act and are repayable on demand. These deposits have not been utilized by the Company.

14. Accrued finance cost

	Note	2024	2023
		(Rupees in thousand)	
Accrued mark-up/interest on:			
- Long term loans from financial institutions - secured		165,291	289,857
- Preference shares/convertible stock - unsecured	7.1	155,550	155,550
- Short term borrowings from financial institutions - secured		24,587	2,139
		345,428	447,546

15. Contingencies and commitments

15.1 Contingencies:

(i) Claims against the Company by ex-employees not acknowledged as liabilities amounting to Rs 13 million (2023: Rs 13 million).

(ii) Guarantees issued to the following parties:

- Pakistan State Oil Company Limited against fuel cards issued to employees amounting to Rs 13 million (2023: Rs 7 million).

- Sui Northern Gas Pipelines Limited against supply of gas amounting to Rs 7.5 million (2023: Rs 7.5 million).

- Lahore Electricity Supply Company Limited against supply of electricity amounting to Rs 35.600 million (2023: Rs 35.600 million).

- Director of Excise and Taxation Department in respect of petition pending in Sindh High Court regarding Infrastructure Development Cess amounting to Rs 54 million (2023: Rs 54 million).

- Nazir High Court Sindh against order passed by Customs Appellate Tribunal amounting to Rs 12.580 million (2023: Rs 12.580 million).

(iii) For contingencies relating to sales tax and income tax, refer notes 22.4 and 23 respectively.

15.2 Commitments:

(i) As of December 31, 2024, the Company has no commitments.

16. Property, plant and equipment

	Note	2024	2023
		(Rupees in thousand)	
Operating fixed assets	16.1	593,261	343,881
Capital work-in-progress	16.2	10,869	13,179
		604,130	357,060

16.1 Operating fixed assets

	2024								
	Cost as at January 1, 2024	Additions / (deletions)	Transfer out to investment property	Cost as at December 31, 2024	Accumulated depreciation as at January 1, 2024	Depreciation charge / (deletions) for the year	Transfer out to investment property	Accumulated depreciation as at December 31, 2024	Book value as at December 31, 2024
	(Rupees in thousand)								
Leasehold land - note 16.1.1	1,392	-	-	1,392	410	14	-	424	968
Buildings on freehold land	43,946	76,532	-	120,478	8,705	4,207	-	12,912	107,566
Buildings on leasehold land	4,154	-	-	4,154	4,154	-	-	4,154	-
Other equipment (computers, lab equipment and other office equipment)	54,664	28,249	-	80,314	23,966	12,991	-	35,148	45,166
		(2,599)				(1,809)			
Furniture and fixtures	290	398	-	688	78	130	-	208	480
Vehicles	319,654	257,729	-	517,963	42,906	43,960	-	78,882	439,081
		(59,420)				(7,984)			
	424,100	362,908	-	724,989	80,219	61,302	-	131,728	593,261
		(62,019)				(9,793)			

	2023								
	Cost as at January 1, 2023	Additions / (deletions)	Transfer out to investment property	Cost as at December 31, 2023	Accumulated depreciation as at January 1, 2023	Depreciation charge / (deletions) for the year	Transfer out to investment property	Accumulated depreciation as at December 31, 2023	Book value as at December 31, 2023
	(Rupees in thousand)								
Leasehold land - note 16.1.1	90,076	-	(88,684)	1,392	29,771	777	(30,138)	410	982
Buildings on freehold land	28,347	15,599	-	43,946	7,030	1,675	-	8,705	35,241
Buildings on leasehold land	4,154	-	-	4,154	4,154	-	-	4,154	-
Other equipment (computers, lab equipment and other office equipment)	39,339	18,177	-	54,664	16,108	9,197	-	23,966	30,698
		(2,852)				(1,339)			
Furniture and fixtures	73	217	-	290	33	45	-	78	212
Vehicles	252,170	127,768	-	319,654	26,403	26,021	-	42,906	276,748
		(60,284)				(9,518)			
	414,159	161,761	(88,684)	424,100	83,499	37,715	(30,138)	80,219	343,881
		(63,136)				(10,857)			

16.1.1 Leasehold land comprises of lands situated in Karachi and Haripur which were obtained by the Company on lease and are being amortized over the term of 36.5 years and 73 years respectively. The title of lands remains with the lessor at end of the lease term. However, leasehold lands have been included in property, plant and equipment in accordance with clarification issued by the Institute of Chartered Accountants of Pakistan through selected opinion.

16.1.2 Depreciation charged on operating fixed assets has been allocated to 'Administrative expenses'.

16.1.3 Sale of operating fixed assets

Detail of operating fixed assets sold during the year, having book value of Rs 500,000 and more, is as follows:

2024							
Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss) on sale	Mode of sale
		(Rupees in thousand)					
Vehicles	**Employees**						
	Abid Riaz	2,651	552	2,099	2,040	(59)	As per Company policy
	Nauman Rashid	7,141	952	6,189	6,296	107	- do -
	Khubaib Alam	4,489	673	3,816	3,512	(304)	- do -
	Saad Moeen Bajwa	5,949	702	5,247	5,457	210	- do -
	Umme-Farwa Zaidi	8,230	549	7,681	7,759	78	- do -
	Farwa Saleem	1,433	478	955	886	(69)	- do -
	Umair Riaz	1,610	429	1,181	1,071	(110)	- do -
	Abdul Kabeer	1,546	219	1,327	1,181	(146)	- do -
	Zaheer Asghar	1,747	320	1,427	1,311	(116)	- do -
	Sajal Faheem	2,607	456	2,151	2,031	(120)	- do -
	Ali Nazeer	2,428	93	2,335	2,036	(299)	- do -
	Zahra Batool	3,287	356	2,931	2,852	(79)	- do -
	Khola Malik	3,718	310	3,408	3,718	310	- do -
	Group Transfers						
	Kamran Waheed	8,849	369	8,480	8,481	1	-do-
	Outsiders						
	Shakoor Hussain	3,735	1,525	2,210	4,650	2,440	Negotiation

2023							
Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss) on sale	Mode of sale
		(Rupees in thousand)					
Vehicles	**Employees**						
	Anis Ahmed	1,987	1,070	917	1,387	470	As per Company policy
	Mansoor Ahmed Mirza	1,766	714	1,052	1,035	(17)	- do -
	Mobin Javed	1,900	785	1,115	1,151	36	- do -
	Ahsan Riaz	1,335	200	1,135	1,142	7	- do -
	Usman Rehman	1,546	155	1,391	1,323	(68)	- do -
	Naveed Ahmad	1,730	332	1,398	1,324	(74)	- do -
	Taimour Nasir	1,815	408	1,407	1,132	(275)	- do -
	Tayyab Mustafa	1,764	239	1,525	1,513	(12)	- do -
	Fakhar Abbas	2,371	277	2,094	2,085	(9)	- do -
	Zain Najam ul Tariq	2,490	353	2,137	2,179	42	- do -
	Shahzeb Haider	5,117	384	4,733	4,598	(135)	- do -
	Ahsan Riaz	4,866	122	4,744	4,866	122	- do -
	Soban Waqar	5,403	450	4,953	4,680	(273)	- do -
	Imran Fazal	6,883	860	6,023	6,046	23	- do -
	Samar Khosa	7,860	524	7,336	7,281	(55)	- do -
	Related parties						
	Packages Convertors Limited	3,584	1,335	2,249	2,249	-	Negotiation
	IGI Life Insurance Limited and IGI Holding (Private) Limited	7,866	1,311	6,555	5,244	(1,311)	Negotiation
Other equipment	**Related parties**						
	IGI Life Insurance Limited and IGI Holding (Private) Limited	1,906	603	1,303	1,042	(261)	Negotiation

16.2 Capital work-in-progress

This represents advances to suppliers. The reconciliation of the carrying amount is as follows:

	Note	2024	2023
		(Rupees in thousand)	
Balance as at January 1		13,179	8,213
Advances given during the year		90,045	16,626
Transferred to operating fixed assets		(92,355)	(11,660)
Balance as at December 31		10,869	13,179

17. Investment properties

	Note	2024	2023
Investment properties	17.1	1,919,924	1,466,273
Capital work in progress	17.2	-	90,845
		1,919,924	1,557,118

17.1 Investment properties

	2024								
	Cost as at January 1, 2024	Additions	Transfer in from operating fixed assets	Cost as at December 31, 2024	Accumulated depreciation as at January 1, 2024	Depreciation charge for the year	Transfer in from operating fixed assets	Accumulated depreciation as at December 31, 2024	Book value as at December 31, 2024
	(Rupees in thousand)								
Freehold land - notes 17.1.2 and 17.1.3	1,062,797	486,390	-	1,549,187	-	-	-	-	1,549,187
Leasehold land	88,684	10,534	-	99,218	31,205	2,136	-	33,341	65,877
Buildings on freehold land	958,139	-	-	958,139	622,844	39,561	-	662,405	295,734
Buildings on leasehold land - note 13.3	39,575	-	-	39,575	28,873	1,576	-	30,449	9,126
	2,149,195	496,924	-	2,646,119	682,922	43,273	-	726,195	1,919,924

	2023								
	Cost as at January 1, 2023	Additions	Transfer in from operating fixed assets	Cost as at December 31, 2023	Accumulated depreciation as at January 1, 2023	Depreciation charge for the year	Transfer in from operating fixed assets	Accumulated depreciation as at December 31, 2023	Book value as at December 31, 2023
	(Rupees in thousand)								
Freehold land - notes 17.1.2 and 17.1.3	1,054,185	8,612	-	1,062,797	-	-	-	-	1,062,797
Leasehold land	-	-	88,684	88,684	-	1,067	30,138	31,205	57,479
Buildings on freehold land	958,139	-	-	958,139	578,680	44,164	-	622,844	335,295
Buildings on leasehold land - note 13.3	39,575	-	-	39,575	26,998	1,875	-	28,873	10,702
	2,051,899	8,612	88,684	2,149,195	605,678	47,106	30,138	682,922	1,466,273

17.1.1 Depreciation charge for the year has been allocated to administrative expenses.

17.1.2 Land of the Company measuring 119 kanals, 15 marlas and 62.25 sq.ft situated at Lahore with a book value of Rs 6.149 million (2023: Rs 6.149 million) (the 'Mortgaged Security'), has been mortgaged under a first exclusive equitable charge of Rs 7,800 million (2023: Rs 7,800 million) in favour of MCB Bank Limited against a term finance facility of up to Rs 4,500 million (2023: Rs 4,500 million) and a running finance facility of up to Rs 2,000 million (2023: Rs 2,000 million) provided to Packages Real Estate (Private) Limited ('PREPL') by MCB Bank Limited under a tri-partite agreement between the Company, MCB Bank Limited and PREPL. The Mortgaged Security has also been mortgaged under a first pari passu charge in favour of Allied Bank Limited against a term finance facility of up to Rs 4,667 million (2023: Rs 4,667 million) provided to PREPL by Allied Bank Limited under a tri-partite agreement between the Company, Allied Bank Limited and PREPL.

17.1.3 Following are the particulars of the Company's immovable investment properties:

Location	Usage of immovable property	Total area (in Acres)
Shahrah-e-Roomi, Lahore, Punjab - note 17.1.4	Rented out	107.20
Lakho Baryar, Kasur, Punjab - note 17.1.5	Rented out	82.67
Lakho Baryar, Kasur, Punjab	Kept for capital appreciation	20.41
Herdo Sehari, Kasur, Punjab	Rented out	35.18
Herdo Sehari, Kasur, Punjab	Kept for capital appreciation	16.83
Depalpur, Punjab	Rented out	18.12
Pakpattan, Punjab	Rented out	21.07
Dullu Kalan, Lahore, Punjab	Kept for capital appreciation	16.84
Faizabad, Punjab	Kept for capital appreciation	8.78
Hujra, Punjab	Rented out	9.86
Korangi Industrial Area, Karachi, Sindh	Rented out	4.03
Port Qasim, Karachi, Sindh	Rented out	9.00
		349.99

17.1.4 Included within this owned land is a land measuring 51.14 acres that is licensed and rented out to Packages Real Estate (Private) Limited ('PREPL') for its commercial activities and is not included within the leased land as mentioned in note 13.3. A piece of this land has been given as a security against a long term finance facility obtained by PREPL.

17.1.5 Included within this owned land is a land measuring 25 acres situated in Kasur with a book value of Rs 72.356 million (2023: Rs 72.356 million), rented out to StarchPack (Private) Limited ('SPL') for its industrial activities, which has been mortgaged in favour of Faysal Bank Limited and Meezan Bank Limited against term finance facilities of Rs 1,500 million each (2023: Rs 1,500 million) and in favour of Habib Bank Limited against term finance facility of Rs 1,900 million (2023: Rs 1,900 million) provided to SPL. This charge will be up-graded to joint pari passu charge in due course.

17.1.6 Fair value of the investment properties, based on the valuation carried out by an independent valuer, as at December 31, 2024 is Rs 47,033.899 million (2023: Rs 45,236.236 million). The valuation is considered to be level 2 in the fair value hierarchy due to significant observable inputs used in the valuation. The different levels have been defined in note 44.

Valuation techniques used to derive level 2 fair values

Level 2 fair value of investment property has been derived using a sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price per square foot.

17.1.7 Amounts recognised in statement of profit or loss for investment properties:

	2024	2023
	(Rupees in thousand)	
Rental income from operating leases	666,567	553,478
Direct operating expenses from property that generated rental income	603	1,021

17.2 Capital work in progress - investment properties

	2024	2023
Advance against purchase of land	-	80,832
Buildings on freehold land	-	10,011
	-	90,843

2024	Balance as at January 1, 2024	Capital expenditure incurred during the year	Transfer to Investment Property	Transfer to Operating Fixed Assets	Adjustments	Balance as at December 31, 2024
	(Rupees in thousand)					
Advance against purchase of land	80,832	416,092	(496,924)	-	-	-
Buildings on freehold land	10,011	-	-	(6,411)	(3,600)	-
	90,843	416,092	(496,924)	(6,411)	(3,600)	-

2023	Balance as at January 1, 2023	Capital expenditure incurred during the year	Transfer to Investment Property	Balance as at December 31, 2023
	(Rupees in thousand)			
Advance against purchase of land	10,534	70,298	-	80,832
Buildings on freehold land	6,411	3,600	-	10,011
	16,945	73,898	-	90,843

17.3 Leasing arrangements

The investment properties are leased out under operating leases with rentals payable monthly, as referred in note 27.1. Minimum undiscounted lease payments receivable on leases of investment properties are as follows:

	Within 1 year	From 1 year to 2 years	Total
	(Rupees in thousand)		
December 31, 2024	324,182	135,060	459,242
December 31, 2023	257,036	59,615	316,651

18. Intangible assets

This represents computer software, website development costs and Enterprise Resource Planning ('ERP') system.

	Note	2024	2023
		(Rupees in thousand)	
Cost as at year end		4,123	4,123
Accumulated amortisation			
As at January 1		(2,884)	(2,540)
Amortisation for the year	18.1	(310)	(344)
As at December 31		(3,194)	(2,884)
Book value as at year end		929	1,239

18.1 The amortisation charge for the year has been allocated as follows:

	Note	2024	2023
Administrative expenses	28	310	344

19. Long term investments

	Note	2024	2023
These represent the investments in:			
- Related parties - at cost	19.1	32,409,878	31,557,601
- Others	19.2	27,220,540	29,959,311
	19.3	59,630,418	61,516,912

19.1 Related parties - at cost

	Note	2024	2023
		(Rupees in thousand)	
Subsidiary - quoted:			
Tri-Pack Films Limited, Karachi, Pakistan			
Registered Office: 4th Floor, The Forum, Suite No. 416-422, G-20, Block No. 9, Clifton, Khayaban-e-Jami, Karachi, Pakistan			
26,871,931 (2023: 26,871,931) fully paid ordinary shares of Rs 10 each Equity held 69.26% (2023: 69.26%)		5,246,294	5,246,294
Hoechst Pakistan Limited, Karachi, Pakistan (formerly Sanofi-Aventis Pakistan Limited)			
Registered Office: Plot 23, Sector 22, Korangi Industrial Area, Karachi.			
3,960,919 (2023: 3,960,919) fully paid ordinary shares of Rs 10 each Equity held 41.07% (2023: 41.07%)	19.1.1	4,170,398	4,170,398
Subsidiaries - unquoted:			
DIC Pakistan Limited, Lahore, Pakistan			
Registered Office: 4th Floor, The Forum, Suite No. 416-422, G-20, Block No. 9, Clifton, Khayaban-e-Jami, Karachi, Pakistan			
3,377,248 (2023: 3,377,248) fully paid ordinary shares of Rs 10 each Equity held 54.98% (2023: 54.98%)		15,010	15,010
Packages Real Estate (Private) Limited, Lahore, Pakistan			
Registered Office: 4th Floor, The Forum, Suite No. 416-422, G-20, Block No. 9, Clifton, Khayaban-e-Jami, Karachi, Pakistan			
302,500,000 (2023: 302,500,000) fully paid ordinary shares of Rs 10 each Equity held 75.16% (2023: 75.16%)		3,019,090	3,019,090
Packages Lanka (Private) Limited, Ja-Ela, Sri Lanka			
44,698,120 (2023: 44,698,120) shares of Sri Lankan Rupees 10 each Equity held 79.07% (2023: 79.07%)		442,938	442,938
Anemone Holdings Limited, Ebene, Mauritius			
12,558,451 (2023: 12,558,451) shares of US Dollar 1 each Equity held 100.00% (2023: 100.00%)			
Cost - Rs 1,888.769 million (2023: Rs 1,888.769 million)	19.1.2	-	-
Packages Power (Private) Limited, Lahore, Pakistan			
Registered Office: 4th Floor, The Forum, Suite No. 416-422, G-20, Block No. 9, Clifton, Khayaban-e-Jami, Karachi, Pakistan			
2,500,000 (2023: 2,500,000) fully paid ordinary shares of Rs 10 each Equity held 100.00% (2023: 100.00%)		25,000	25,000
Packages Convertors Limited, Lahore, Pakistan			
Registered Office: 4th Floor, The Forum, Suite No. 416-422, G-20, Block No. 9, Clifton, Khayaban-e-Jami, Karachi, Pakistan			
30,839,021 (2023: 30,839,021) fully paid ordinary shares of Rs 100 each Equity held 100.00% (2023: 100.00%)		3,083,903	3,083,903
Packages Investments Limited, Lahore, Pakistan			
Registered Office: 4th Floor, The Forum, Suite No. 416-422, G-20, Block No. 9, Clifton, Khayaban-e-Jami, Karachi, Pakistan			
35,000 (2023: 35,000) fully paid ordinary shares of Rs 100 each Equity held 100.00% (2023: 100.00%)		3,500	3,500
Bulleh Shah Packaging (Private) Limited, Lahore, Pakistan			
Registered Office: 4th Floor, The Forum, Suite No. 416-422, G-20, Block No. 9, Clifton, Khayaban-e-Jami, Karachi, Pakistan			
1,091,873,871 (2023: 1,091,873,871) fully paid ordinary shares of Rs 10 each Equity held 100.00% (2023: 100.00%)		10,807,230	10,807,230
	C.F.	26,813,363	26,813,363

	Note	2024	2023
		(Rupees in thousand)	
	B.F	26,813,363	26,813,363
Packages Trading FZCO, Dubai, United Arab Emirates			
4,000 (2023: 50) shares of AED 1,000 each Equity held 100.00% (2023: 100%)			
Cost - Rs 305.205 million (2023: Rs 202.928 million)	19.1.3	305,205	13,634
Share deposit money		-	189,294
		305,205	202,928
StarchPack (Private) Limited, Lahore, Pakistan			
Registered Office: 4th Floor, The Forum, Suite No. 416-422, G-20, Block No. 9, Clifton, Khayaban-e-Jami, Karachi, Pakistan			
31,500,000 (2023: 31,500,000) fully paid ordinary shares of Rs 100 each			
Equity held 100.00% (2023: 100.00%)		3,150,000	3,150,000
Share deposit money		750,000	-
	19.1.4	3,900,000	3,150,000
Joint venture - unquoted:			
OmyaPack (Private) Limited, Lahore, Pakistan			
49,500,000 (2023: 49,500,000) fully paid ordinary shares of Rs 10 each Equity held 50.00% (2023: 50.00%)		495,000	495,000
Associates - quoted:			
IGI Holdings Limited, Karachi, Pakistan			
15,033,041 (2023: 15,033,041) fully paid ordinary shares of Rs 10 each Equity held 10.54% (2023: 10.54%)	19.1.5	896,310	896,310
		32,409,878	31,557,601

19.1.1 Pursuant to the share purchase agreement with Sanofi Foreign Participations B.V., Packages Limited acquired 35% shareholding in Hoechst Pakistan Limited (formerly Sanofi Aventis Pakistan Limited) ('HPL') on April 28, 2023 at a negotiated purchase price of Rs 940 per share aggregating to Rs 3,173.125 million. Packages Limited now has a total shareholding of 41.07% in HPL. The management of Packages Limited made a detailed assessment under IFRS 10 and considers HPL to be its subsidiary as it has de-facto control over it.

19.1.2 The principal business of Anemone Holdings Limited ('AHL') is to manage the investment in Flexible Packages Convertors (Proprietary) Limited ('FPCPL'), a subsidiary of AHL based in South Africa. FPCPL was experiencing deteriorating financial performance, and was suffering from operating losses. In the year 2023, based on its unaudited financial information, FPCPL incurred a loss before tax of ZAR 26 million (Rs 389.649 million approximately) for the period from January 1, 2023 to April 13, 2023 (the date of appointment of the Business Rescue Practitioner as stated below) which, coupled with the capping of outflow of remittances outside Pakistan on account of national economic scenario and hence non-remittance of investment proceeds to FPCPL, pushed it into further financial distress.

The deteriorating financial performance and tough economic conditions coupled with low sales to key customers, unfavorable product mix and higher than anticipated variable and fixed costs furthered the cash burden on the working capital of FPCPL which started restraining the production capacity.

Consequently, FPCPL was put under a legally mandated restructuring process under the laws of South Africa to assess its profitability prospects and viability of operations. This restructuring assessment was completed whereby the legally appointed Business Rescue Practitioner ('BRP') ascertained that FPCPL was unable to meet its liabilities towards its creditors. The BRP, in accordance with the applicable laws, called for a meeting of the creditors to evaluate either to liquidate FPCPL or to sell the assets of the Company to repay outstanding creditors. The creditors collectively voted in favor of the sale of assets to a third party to partly settle their outstanding debts, subject to applicable regulatory approvals. Consequently, the Company did not expect any future inflow from this investment, hence, the recoverable amount had been determined to be nil. Under these circumstances, the Company fully impaired its investment during the last year.

19.1.3 During the year, the Company made an investment of Arab Emirates Dirham ('AED') 1.330 million (2023: AED 2.670 million) equivalent to Rs 102.277 million on the date of translation (2023: Rs 202.928 million) as equity in Packages Trading FZCO. The entity is incorporated as a wholly owned subsidiary, with an aim to increase exports of finished goods offered by the group entities and to identify and implement cost saving initiatives to reduce import bill at group level.

19.1.4 This represents the investment made pursuant to the decision taken by the Board of Directors of the Company in its wholly owned subsidiary, StarchPack (Private) Limited. It includes a capital injection of Rs 500 million and the conversion of an outstanding loan of Rs 250 million into ordinary shares of the SPL, as detailed in note 20.1. The investee has not yet issued shares for the Rs 750 million of share deposit money. During the previous year, SPL issued 10,500,000 shares against the Rs 800 million of share deposit money of 2022 and Rs 250 million share deposit money given during the previous year 2023.

19.1.5 The Company's investment in IGI Holdings Limited ('IGIHL') is less than 20%, however, it is considered to be an associate as per IAS 28, 'Investments in Associates and Joint Ventures' because the Company has significant influence over the financial and operating policies through representation on the board of directors of IGIHL. Consequently, following subsidiaries of IGIHL have also been considered as associates of the Company:

- IGI General Insurance Limited
- IGI Life Insurance Limited
- IGI Investments (Private) Limited
- IGI FSI (Private) Limited
- IGI Finex Securities Limited

19.2 Others - FVOCI

	Note	2024	2023
		(Rupees in thousand)	
Quoted:			
Nestle Pakistan Limited			
3,649,248 (2023: 3,649,248) fully paid ordinary shares of Rs 10 each			
Equity held 8.05% (2023: 8.05%)			
Cost - Rs 5,778.896 million (2023: Rs 5,778.896 million)	19.2.1	27,186,897	29,934,781
Systems Limited			
46,050 (2023: 46,050) fully paid ordinary shares of Rs 10 each			
Equity held 0.0159% (2023: 0.0159%)		28,618	19,505
		27,215,515	29,954,286
Unquoted:			
Coca-Cola Beverages Pakistan Limited			
500,000 (2023: 500,000) fully paid ordinary shares of Rs 10 each			
Equity held 0.0185% (2023: 0.0185%)	19.2.2	5,000	5,000
Pakistan Tourism Development Corporation Limited			
2,500 (2023: 2,500) fully paid ordinary shares of Rs 10 each		25	25
		5,025	5,025
		27,220,540	29,959,311

19.2.1 As of December 31, 2024, an aggregate of 2,620,000 (2023: 2,620,000) shares of Nestle Pakistan Limited having market value of Rs 19,519 million (2023: Rs 21,492 million) have been pledged in favour of Habib Bank Limited ('HBL'), Pakistan and Allied Bank Limited.

The details of shares pledged are as follows:

Lender	No. of shares pledged 2024	No. of shares pledged 2023	Purpose
Allied Bank Limited	1,090,000	1,090,000	Shares are pledged against the long term financing obtained to finance the acquisition of Tri-Pack Films Limited.
Allied Bank Limited	700,000	700,000	Shares are pledged against the long term financing obtained to finance the acquisition of Hoechst Pakistan Limited (Formerly Sanofi-Aventis Pakistan Limited).
Allied Bank Limited	230,000	230,000	Shares are pledged against the long term financing obtained to finance equity investment in StarchPack (Private) Limited.
Habib Bank Limited	600,000	600,000	Shares are pledged against the short term borrowing facility obtained.
	2,620,000	2,620,000	

19.2.2 This represents investment in the ordinary shares of Coca-Cola Beverages Pakistan Limited ('CCBPL') that is principally engaged in the production, distribution and sale of sparkling and still beverages. CCBPL is currently classified as a Level 3 financial asset and is measured at fair value on the reporting date using income approach. Fair value of investment in the ordinary shares of CCBPL has been determined at the reporting date, however, the fair value change was not recorded in these unconsolidated financial statements as the impact was immaterial.

19.3 Reconciliation of carrying amount

	Note	2024	2023
		(Rupees in thousand)	
Balance as at beginning of the year		61,516,912	50,572,456
Investments made during the year	19.1.1, 19.1.3 & 19.1.4	602,277	3,628,552
Fair value (loss)/gain recognised in other comprehensive income		(2,738,771)	8,517,552
Long term loan to subsidiary converted to share deposit money	20.1	250,000	-
Impairment loss on equity instruments of Anemone Holdings Limited, Ebene, Mauritius	19.1.2 & 29	-	(1,201,648)
Balance as at end of the year		59,630,418	61,516,912

19.4 Impairment assessment of investments in subsidiaries

In respect of the Company's investments in its three subsidiaries - Tri-Pack Films Limited (TPFL), Bulleh Shah Packaging (Private) Limited (BSPL), and StarchPack (Private) Limited (SPL), certain impairment indicators were observed that triggered management to carry out an impairment test of these investments at the reporting date.

Management assessed the recoverable amount of these investments as required by International Accounting Standard 36 - Impairment of Assets, determining it to be higher than the carrying amount. The recoverable amount was determined as the higher of its value in use and fair value less costs of disposal. Hence, the investments are un-impaired as of the reporting date.

20. Long term loan to subsidiary

In the prior year, 2023, the Company entered into an unsecured, interest-bearing long-term loan facility agreement of Rs 750 million with its wholly owned subsidiary, StarchPack (Private) Limited (SPL), to finance SPL's fixed capital expenditure. Out of the total facility, the Company disbursed Rs 250 million in the prior year, which was to be repaid in five equal semi-annual instalments, following a grace period of two years, with repayments starting in March 2026. The remaining facility remains unutilised as of the balance sheet date.

However, the Company entered into an addendeum agreement, whereby it was agreed that the Company, at any time during the loan's tenure and before the loan's maturity date, has the right, but not the obligation, to convert all or any part of the outstanding principal amount of the loan into fully paid and non-assessable ordinary shares of SPL at a conversion price and on terms mutually agreed upon by the parties after settlement of any accrued and unpaid interest.

Consequently, on December 30, 2024, the Company's Board of Directors decided to convert the loan into an investment in the equity securities of SPL, as noted in note 19.3 as share deposit money.

On the same date, the Company entered into another unsecured, interest-bearing long-term loan facility agreement, subordinated to the external long term lenders of the Company, of Rs 1,000 million to finance SPL's fixed capital expenditure and disbursed the full amount to SPL. This facility carries an interest rate of six-month KIBOR plus a spread of 0.15% per annum and is to be repaid in five equal semi-annual instalments, following a grace period of two years, with repayments starting in June 2027.

20.1 Reconciliation of carrying amount

	Note	2024	2023
		(Rupees in thousand)	
The reconciliation of the carrying amount is as follows:			
Balance as at beginning of the year		250,000	-
Conversion to share deposit money	19.3	(250,000)	-
Disbursement made during the year		1,000,000	250,000
Balance as at end of the year		1,000,000	250,000

21. Deferred taxation

The net asset for deferred taxation comprises (taxable)/deductible temporary differences relating to:

	Note	2024	2023
		(Rupees in thousand)	
Deferred tax asset			
Provision for accumulating compensated absences		12,208	8,627
Loss allowance on financial assets		8,250	8,205
Accelerated accounting depreciation		8,864	14,874
Others		1,400	1,082
		30,722	32,788
Deferred tax liability			
Others		(1,008)	(1,008)
Deferred tax asset	21.1	29,714	31,780

21.1 The gross movement in net deferred tax asset during the year is as follows:

	Note	2024	2023
Opening balance		31,780	4,676
(Charged)/credited to unconsolidated statement of profit or loss	32	(2,066)	27,104
Closing balance		29,714	31,780

22. Loans, advances, deposits, prepayments and other receivables

	Note	2024	2023
Advances			
- To employees		-	147
- To suppliers		1,343	24,843
		1,343	24,990
Due from related parties	22.1	748,607	659,233
Dividend receivable from subsidiaries	22.2	300,000	1,033,654
Profit receivable on bank deposits		1,736	7,516
Trade deposits		4,472	5,252
Prepayments	22.3	52,680	20,555
Balances with statutory authorities:			
- Customs duty paid in advance		2,892	2,892
- Sales tax receivable		55,905	55,905
- Sales tax recoverable	22.4	340,027	345,775
		398,824	404,572
Other receivables		50,173	46,921
		1,557,835	2,202,693
Loss allowance on due from related parties and other receivables	22.5	(172,093)	(279,708)
		1,385,742	1,922,985

22.1 Due from related parties - unsecured

	Note	2024	2023
		(Rupees in thousand)	
Packages Convertors Limited		191,887	71,097
DIC Pakistan Limited		18,596	10,393
Packages Real Estate (Private) Limited		182,177	95,874
Bulleh Shah Packaging (Private) Limited		71,463	34,477
OmyaPack (Private) Limited		2,965	1,229
Tri-Pack Films Limited		11,377	7,267
Hoechst Pakistan Limited		6,135	3,603
IGI General Insurance Limited		7,319	6,219
IGI Life Insurance Limited		11,277	15,071
IGI Finex Securities Limited		755	444
IGI Holdings Limited		2,427	3,790
IGI Investments (Private) Limited		5,202	3,432
Flexible Packages Convertors (Pty) Ltd		134,863	134,863
Packages Lanka (Private) Limited		84,000	237,205
Chantler Packages Inc.		-	266
Packages Trading FZCO		9,134	531
S.C. Johnson & Son of Pakistan (Private) Limited		2,169	1,501
IGI FSI (Private) Limited		330	246
Packages Investments Limited		1	4
Packages Power (Private) Limited		2	3
Packages Foundation		-	4
StarchPack (Private) Limited		6,528	31,714
	22.1.1 & 22.1.2	748,607	659,233

22.1.1 Balances that are less than 30 days old are neither past due nor impaired. The loss allowance recognised against balances which are either past due or impaired is as follows:

	December 31, 2024		
	Expected loss rate	Due from related parties	Loss allowance
	(%)	(Rupees in thousand)	
0 to 180 days	15.9%	72,464	11,493
180 days and above	100%	140,777	140,777
		213,241	152,270

	December 31, 2023		
	Expected loss rate	Due from related parties	Loss allowance
	(%)	(Rupees in thousand)	
0 to 180 days	22.5%	68,266	15,361
180 days and above	85.4%	286,702	244,786
		354,968	260,147

22.1.2 The maximum aggregate amount due from these related parties at the end of any month during the year was Rs 1,720.923 million (2023: Rs 1,359.233 million).

22.2 This represents dividend receivable from the following subsidiary companies:

	Note	2024	2023
		(Rupees in thousand)	
Packages Convertors Limited	22.2.1	300,000	700,000
Bulleh Shah Packaging (Private) Limited		-	300,000
Packages Lanka (Private) Limited		-	33,654
	22.2.2	300,000	1,033,654

22.2.1 The dividend receivable as at year end December 31, 2024, is neither past due nor impaired. It has been subsequently received in January 2025.

22.2.2 The maximum aggregate amount of dividend receivable from these subsidiaries at the end of any month during the year was Rs 300 million (2023: Rs 1,033.654 million).

22.3 Prepayments include Rs 22.302 million (2023: Rs 16.105 million) made to IGI Life Insurance Limited, a related party.

22.4 Sales tax recoverable

(a) The Deputy Commissioner Inland Revenue ('DCIR') through order dated June 24, 2015 alleged that in respect of tax periods from 2008 to 2012, the Company had incorrectly adjusted input sales tax credit amounting to Rs 146.107 million on purchases of raw materials from certain suppliers who were subsequently blacklisted / suspended and disallowed the same along with levy of default surcharge and penalty thereon with the total demand aggregating to Rs 292.214 million. In 2016, the taxation authorities adjusted an amount of Rs 292.214 million from income tax refunds of the Company against the said demand.

However, the Appellate Tribunal Inland Revenue ('ATIR'), through order dated August 28, 2017, decided the case in favour of the Company. The Company filed an application before the respective authorities to give effect to the order, the outcome of which is still pending. The tax authorities filed an appeal in Sindh High Court in the year 2018 against the decision of the ATIR and the case is pending adjudication. Since the case has been decided in the Company's favour on merits by ATIR, no provision for the above amount of Rs 292.214 million has been made in these unconsolidated financial statements.

(b) In respect of tax periods from 2014 to 2016, the Additional Commissioner, Punjab Revenue Authority, through an order dated August 8, 2018 created a demand of Rs 757.841 million in respect of alleged default on withholding of Punjab Sales Tax on various heads of accounts along with penalty thereon. The Company filed an appeal against the above order with the Commissioner Inland Revenue (Appeals) ('CIR-A') on December 13, 2018 on the basis of following major grounds:

- the relevant section of the Punjab Sales Tax on Services Act, 2012 has been wrongly applied retrospectively to the alleged period of default;
- the heads of accounts include multiple line items on which Punjab Sales Tax is not applicable; and
- it has been wrongly assumed that all the expenses disclosed in the unconsolidated financial statements under the identified heads have actually been paid during the said tax periods.

During the year 2020, Commissioner (Appeals) ordered an inquiry under section 64(5) of The Punjab Sales Tax on Services Act, 2012 which was conducted by Additional Commissioner Enforcement-III and the inquiry report was submitted to Commissioner (Appeals) on May 27, 2019 whereby the demand was reduced to Rs 457.570 million upon verification of the documents provided by the Company. The final outcome of the appeal is still awaited.

During the year, the recovery proceedings were reinitiated and the Additional Commissioner, Punjab Revenue Authority, through an order dated December 18, 2023 again created a demand of Rs 757.841 million whereby the Company was required to deposit the amount of tax along with default surcharge and penalty by December 26, 2023. The Company had obtained stay from recovery proceedings until April 23, 2025.

The Company has not made any provision against the above demand as the management is confident that the ultimate outcome of the appeal would be in favour of the Company, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.

(c) In respect of tax periods from January 2016 to December 2016, the DCIR through an order dated December 28, 2018 created a demand of Rs 493.391 million in respect of disallowance of input tax claimed by the Company, alleged default on charging of output sales tax and default on withholding of sales tax along with penalty thereon. The Company appealed against the order before the Commissioner Inland Revenue (Appeals) ['CIR(A)'] dated January 26, 2019 and the appeal was decided partially in favour of the Company dated September 18, 2019 and an amount of Rs 311 million was waived, therefore, reducing the demand to Rs 182.391 million. The department and the Company, both, have filed an appeal before the ATIR against CIR(A)'s order, the final outcome of which is still awaited.

The Company has not made any provision against the above demand as the management is confident that the ultimate outcome of the appeal would be in favour of the Company, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.

(d) In respect of sales tax periods from January 2019 to December 2019, the DCIR, through his order No. 3/146/2021-22 dated February 28, 2022 created a demand of Rs 515.70 million in respect of disallowance of input tax claimed by the Company, alleged default on charging of output sales tax and default on withholding of sales tax along with penalty and default surcharge thereon.

Being aggrieved by the order of DCIR, the Company filed an appeal before CIR(A) on various grounds including that the order of the DCIR erred due to not considering the correct facts of the proceedings for the conduct of the audit despite the identification of the submissions available on record at various occasions during the proceedings and due to wrong applicability of various provisions of the Sales Tax Act, 1990.

During the last year, the CIR(A) through his order dated April 18, 2023 has accepted all of the contentions of the Company and has set aside all of the demands created except for an input tax claim amounting to Rs 211.900 million. CIR(A) has directed the DCIR to reconsider the demand in light of the documentary evidence that has been provided by the Company.

Being aggrieved by the decision of the CIR(A), the DCIR has filed an appeal before the ATIR that the order of the CIR(A) be set aside and the order of DCIR be restored.

The Company has not made any provision against the above demand as the management is confident that the ultimate outcome of the appeal would be in favor of the Company, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.

(e) In respect of sales tax periods from January 2018 to December 2018, the DCIR through his order No. 4/146 dated April 27, 2022 created a recovery demand of Rs 1,170 million in respect of disallowance of input tax claimed by the Company, alleged default on charging of output sales tax and default on claiming input sales tax along with penalty thereon.

Being aggrieved by the order of DCIR, the Company filed an appeal before the CIR(A) on the grounds that various sections of input tax have been erroneously applied in disallowing the input tax. Furthermore, input tax related to specific suppliers has been disallowed more than once and alleged as inadmissible. DCIR has also held that sales tax along with further tax be recoverable on categories of fixed assets that were scrapped during the period.

During the last year, CIR(A) through his order dated April 26, 2023 has accepted all of the contentions of the Company and has set aside all of the demands created except for an input tax claim amounting to Rs 641.931 million. CIR(A) has directed the DCIR to confront the Company under specific provisions of the law and inference is to be drawn after duly rebutting each and every argument of the Company.

Being aggrieved by the decision of the CIR(A), the DCIR has filed an appeal before the ATIR that the order of the CIR(A) be set aside and the order of DCIR be restored.

The Company has not made any provision against the above demand as the management is confident that the ultimate outcome of the appeal would be in favor of the Company, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.

(f) In respect of tax periods from 2015 to 2020, the Additional Commissioner, Punjab Revenue Authority, through his order dated January 11, 2023 has created a demand of Rs 62.33 million in respect of alleged default on withholding of Punjab Sales Tax on various heads of accounts along with penalty thereon. The Company being aggrieved, has filed an appeal against the above order with the Commissioner (Appeals), Punjab Revenue Authority, on December 21, 2023. During the year, the recovery proceedings were reinitiated and the Additional Commissioner, Punjab Revenue Authority, through an order dated December 17, 2024 again created a demand of Rs 62.33 million whereby the Company was required to deposit the amount of tax along with default surcharge and penalty by December 27, 2024.

In response to this notice and to avert any recovery measures, the Company paid tax of Rs 6.233 million equating to 10% of the total demanded amount. This payment was executed in accordance with the provisions of Section 70(1) of the Punjab Sales Tax on Services Act, 2012 (Act), which held no action shall be taken against the Company whilst pendency of the appeal under section 63 of the Act subject to payment of 10 percent of the tax demand.

The Company has not made any provision against the above demand as the management is confident that the ultimate outcome of the appeal would be in favor of the Company, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.

22.5 This represents loss allowance on the following:

	Note	2024	2023
		(Rupees in thousand)	
Due from related parties - unsecured	22.5.1	152,270	260,147
Other receivables		19,824	19,561
		172,094	279,708

The reconciliation of loss allowance during the year is as follows:

	2024	2023
Opening balance	279,708	264,120
(Reversal)/charge during the year	(107,614)	15,588
Balance as at end of the year	172,094	279,708

22.5.1 Includes loss allowance of Rs 134.863 million (2023: Rs 242.932 million) recognised in relation to amounts due from Flexible Packages Converters (Proprietary) Limited in respect of management fee/technical fee receivable.

23. Income tax receivable

	2024	2023
	(Rupees in thousand)	
Income tax refundable	2,258,981	2,182,242
Income tax recoverable	36,013	36,013
	2,294,994	2,218,255

23.1 In respect of tax year 2007, the department rejected the Company's claim for interest / additional payment for delayed refunds for the tax years from 1983-84 to 2003 amounting to Rs 64.616 million and adjusted the Company's tax liability for the said year accordingly. The Company being aggrieved of the said order filed an appeal with Commissioner Inland Revenue (Appeals) ['CIR(A)']. CIR(A) through his order dated January 26, 2009 maintained the rejection. An appeal against the said order was filed by the Company with ATIR. ATIR through its order dated February 23, 2010 maintained the rejection. The Company filed an appeal in the High Court of Sindh against ATIR's order on June 28, 2010, the outcome of which is still pending. However, the Company has not made any provision against the above recoverable as the management is confident that the ultimate outcome of the appeal would be in favor of the Company, inter alia on the basis of the advices of the tax consultant and legal counsel, the relevant law and facts.

23.2 In respect of tax year 2014, the department amended the deemed assessment for the year raising a tax demand of Rs 606.328 million. In this order, among other issues, the department did not accept the Company's contention for non-taxation of the transfer of paper and paperboard and corrugated business segments to BSPPL under section 97 of the Income Tax Ordinance, 2001. Such transfer has been taxed as capital gain on the value of assets transferred.

Further, certain other disallowances inter alia including on account of allocation of various expenses towards dividend and other incomes, effectively reducing the available tax losses by approximately Rs 1,200 million, were also made by the department in respect of previous tax years.

The Company being aggrieved of the above order filed an appeal before the CIR(A), who through order dated March 2, 2018, has accepted all the contentions of the Company except non-taxation of the transfer of paper and paperboard and corrugated business segments to BSPPL and taxation of provision for retirement benefits on accrual basis thereby reducing the tax refundable claimed by the Company from Rs 352.953 million to Rs 273.986 million and also reducing the original demand to Rs 78.967 million. The Company has filed an appeal against the above order before ATIR on May 4, 2018, the outcome of which is still pending. The ATIR through order No. ITA 723/KB/2018 issued on July 01, 2021 decided the main issue of transfer of assets in between wholly owned subsidiary subject to tax under capital gain in favour of the Company. However, ATIR upheld the decision of CIR(A) on account of claim of provisions for approved staff retirement benefit funds as inadmissible amounting to Rs 259.4 million. Further, being aggrieved by the unfavourable decision of ATIR against inadmissibility of provision against retirement funds, the Company filed an appeal before the Sindh High Court (SHC) on September 24, 2021. The department being aggrieved by the unfavourable decision of ATIR against deletion of output tax, penalty and default surcharge also filed an appeal before the SHC. The Company has not made any provision against the above demand and disallowance as the management is confident that the ultimate outcome of the appeal would be in the Company's favour, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.

23.3 In respect of tax year 2016, the department amended the assessment for the year raising a tax demand of Rs 464.187 million. The Company being aggrieved of the said order filed an appeal before the CIR(A), who through order dated December 11, 2017, accepted all the contentions of the Company except the allowability of provision for Workers' Profit Participation Fund on payment rather than accrual basis and remanded back credit for minimum tax, thereby, reducing the tax demand to Rs 86.864 million. The Company filed an appeal against the above order before ATIR on January 9, 2018, the outcome of which is still pending. No provision for this amount has been made in the financial statements as according to the management of the Company, there are meritorious grounds that the ultimate decision would be in its favour.

23.4 In respect of tax year 2017, the Deputy Commissioner Inland Revenue ('DCIR') raised a demand through an order dated April 29, 2021, amounting to Rs 1,520 million under section 137(2) of the Income Tax Ordinance 2001, primarily by disallowing certain expenses and also including certain additions in the taxable income. Management believes that the action taken by the DCIR is, in an adhoc and arbitrary manner, despite all matters concluded in the audit for tax year 2014 on similar issues as well as the data provided during the monitoring proceedings for that year have been finalized without providing an adequate opportunity of being heard to the Company and the above mentioned additions / disallowances are made on an 'exparte basis'. Being aggrieved, the Company filed an appeal before the CIR(A) dated May 28, 2021 against this impugned order, and at the same time, the Company also filed an application for stay against any coercive action taken by Federal Board of Revenue in Sindh High Court dated June 1, 2021. The stay is valid till the decision of CIR(A).

Based on the advice of the Company's tax advisor, the management believes that there are meritorious grounds to support the Company's stance in respect of this matter. Consequently, no provision for this amount has been made in these unconsolidated financial statements.

23.5 In respect of tax year 2021, a demand amounting to Rs 307.80 million was raised under sections 161, 205 and 182 of the Income Tax Ordinance 2001 by the Deputy Commissioner Inland Revenue ('DCIR') through an order dated March 31, 2022. The tax authorities raised the demand primarily on account of non-withholding of the income tax.

Being aggrieved by the order of the DCIR, the Company filed an appeal before CIR(A) on the grounds that the order of the DCIR is erred in holding the Company as "Assessee-In-Default" for not withholding tax on payments of salaries which are below taxable slabs and pertains to the reimbursements for employees travelling and conveyance expenses, and professional taxes etc. The outcome of the appeal is still awaited.

Based on the advice of the Company's tax advisor, the management believes that there are meritorious grounds to support the Company's stance in respect of this matter. Consequently, no provision for this amount has been made in these unconsolidated financial statements.

23.6 In respect of tax year 2019, a demand amounting to Rs 378.79 million was raised under sections 161, 205 and 182 of the Income Tax Ordinance 2001 by the Deputy Commissioner Inland Revenue ('DCIR') through an order dated December 31, 2024. The tax authorities raised the demand primarily on account of non-withholding of the income tax.

Being aggrieved by the order of the DCIR, the Company filed an appeal before ATIR on the grounds that the order of the DCIR is erred in holding the Company as "Assessee-In-Default" for not withholding tax on payments of salaries which are below taxable slabs and pertains to the reimbursements for employees travelling and conveyance expenses, and professional taxes etc. The outcome of the appeal is still awaited.

Based on the advice of the Company's tax advisor, the management believes that there are meritorious grounds to support the Company's stance in respect of this matter. Consequently, no provision for this amount has been made in these unconsolidated financial statements.

24. Short term investments

	Note	2024	2023
		(Rupees in thousand)	
Investment in term deposit receipts - at amortised cost	24.1	110,000	150,000
Investment in mutual funds - at FVPL		-	240,356
		110,000	390,356

24.1 These represent investment in Term Deposit Receipts issued by a banking company having maturity of one to three months carrying markup rate of 6.75% to 20.70% per annum (2023: 14.20% to 20.70% per annum).

25. Cash and bank balances

	Note	2024	2023
		(Rupees in thousand)	
At banks			
- Savings accounts	25.1 & 25.2	127,526	103,458
- Current accounts	25.3	27,405	19,620
		154,931	123,078
In hand [including USD 184 (2023: USD 3,798) and Euro 6,490 (2023: Euro 10,300) and GBP 550 (2023:Nil)]		4,743	7,203
		159,674	130,281

25.1 The balances in savings accounts bear mark-up at 13.5% to 20.50% per annum (2023: 14.5% to 20.50% per annum).

25.2 Included in these are restricted funds of Rs 8.198 million (2023: Rs 7.198 million) in respect of deposits that are repayable on demand as referred to in note 13.5.

25.3 Included in these are restricted funds of Rs 1.387 million (2023: Rs 1.387 million) held as payable to TFC holders as referred to in note 13.

26. Dividend income

	Note	2024	2023
		(Rupees in thousand)	
This represents dividend income from the following:			
Related parties	26.1	3,442,274	4,842,054
Others		618,209	997,773
		4,060,483	5,839,827

26.1 Dividend income from related parties

	2024	2023
DIC Pakistan Limited	520,772	274,908
Packages Real Estate (Private) Limited	75,625	113,438
Bulleh Shah Packaging (Private) Limited	-	1,750,000
IGI Holdings Limited	90,198	63,890
Tri-Pack Films Limited	161,232	134,360
OmyaPack (Private) Limited	75,000	74,750
Packages Converters Limited	1,850,000	2,300,000
Packages Lanka (Private) Limited	451,596	130,708
Hoechst Pakistan Limited	217,851	-
	3,442,274	4,842,054

27. Rental income

	Note	2024	2023
This represents rental income from the following:			
Related parties	27.1	656,270	544,057
Others		10,297	9,421
		666,567	553,478

27.1 Rental income from related parties

	2024	2023
Packages Real Estate (Private) Limited	174,420	65,761
DIC Pakistan Limited	37,514	33,285
Bulleh Shah Packaging (Private) Limited	74,987	112,199
StarchPack (Private) Limited	3,055	4,102
Packages Converters Limited	357,797	322,047
OmyaPack (Private) Limited	2,497	2,270
S.C. Johnson & Sons of Pakistan (Private) Limited	6,000	4,393
	656,270	544,057

28. Administrative expenses

	Note	2024	2023
Salaries and amenities	28.1 & 28.2	559,576	389,500
Travelling and conveyance		120,329	88,597
Rent, rates and taxes		220,946	136,995
Insurance		21,717	15,506
Printing, stationery and periodicals		6,690	6,426
Postage, telephone and telex		8,678	3,057
Motor vehicles running		12,875	15,723
Computer charges		5,900	4,892
Professional services	28.3	92,061	54,757
Repairs and maintenance		1,662	6,785
Depreciation on operating fixed assets	16.1	61,302	37,715
Depreciation on investment properties	17.1	43,273	47,106
Amortization of intangible assets	18.1	310	344
Others		60,858	52,646
		1,216,177	860,049

28.1 Salaries and amenities include following in respect of retirement benefits:

	2024	2023
	(Rupees in thousand)	
Defined benefit plans		
- Gratuity fund	93,389	41,795
- Pension fund	114,967	88,755
Defined contribution plans		
- Provident fund	35,510	25,911
- Pension fund	46,379	35,480
Other benefit plan		
- Accumulating compensated absences	37,681	24,167
	327,926	216,108

28.2 Salaries and amenities include Rs 2.142 million (2023: Rs 0.251 million) in respect of services rendered by manpower contractors during the year.

28.3 Professional services

The charges for professional services include the following in respect of auditors' remuneration (excluding sales tax) for:

	Note	2024	2023
		(Rupees in thousand)	
- Statutory audits		4,343	3,740
- Half-yearly review		966	805
- Tax services		2,500	1,980
- Advisory services		-	3,407
- Workers' profit participation fund audit, management staff employees gratuity funds audits and certifications required under various regulations		1,517	632
- Other assurance services		2,280	5,900
Out of pocket expenses		1,384	1,003
		12,990	17,467

29. Other expenses

	Note	2024	2023
Donations	29.1	1,226	3,316
Impairment loss on investment in subsidiary		-	1,201,648
Loss on disposal of operating fixed assets		-	1,446
		1,226	1,206,410

29.1 This represents donation to a related party, Packages Foundation. Following is the interest of the Directors of the Company in the donee:

Name of donee	Directors of the Company	Interest in donee
Packages Foundation	Syed Hyder Ali (Chief Executive)	Trustee
	Hasan Askari	Trustee
	Syed Aslam Mehdi	Trustee

No other directors or their spouses had any interest in any of the donees during the year.

30. Other income

	Note	2024	2023
		(Rupees in thousand)	
Income on bank deposits		23,692	54,554
Profit on disposal of operating fixed assets		1,996	-
Technical fee from Packages Lanka (Private) Limited		80,899	69,144
Liabilities no longer payable written back		9,599	18,843
Profit on long term loan to subsidiary company		52,108	17,191
Exchange gain - net		20,730	31,084
Others		31,374	23,955
		220,398	214,771

31. Finance cost

	Note	2024	2023
Interest and mark-up including commitment charges on:			
- Long term finances from financial institutions	31.1	1,264,316	1,260,024
- Short term borrowings from financial institutions - secured		165,049	17,088
Return on preference shares/convertible stock	7.1	155,550	155,550
Bank charges		1,172	1,678
Unwinding of discount on long term advances	8	2,400	4,101
		1,588,487	1,438,441

31.1 This includes an amount of Rs 31.593 million (2023: Rs 73.781 million) as annual commitment fee on the undisbursed amount of facility from IFC as referred to in note 7.4.

32. Taxation

	Note	2024	2023
		(Rupees in thousand)	
Final taxes - levy	32.1	93,540	150,357
Current income tax:			
- For the year		238,842	116,536
- Prior years		2,384	69,768
		241,226	186,304
Deferred income tax	21.1	2,066	(27,104)
	32.2	243,292	159,200

32.1 This represents final taxes paid under section 150 and section 154 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

32.2 As explained in note 4.1, the Company's provision for taxation is based on the consolidated results of the Group.

32.3 Tax charge reconciliation

Numerical reconciliation between the average effective tax rate and the applicable tax rate

	2024	2023
	(% age)	
Applicable tax rate as per Income Tax Ordinance, 2001	29.00	29.00
Tax effect of:		
- Amounts that are not deductible for tax purposes	-	0.20
- Amounts that are not chargeable to tax	(0.60)	-
- Deferred tax asset not recognised	-	11.33
- Super tax	-	(0.63)
- Amounts that are allowed for tax purposes	(1.87)	(1.03)
- Amounts that are chargeable to tax at different rates	(14.78)	(8.51)
- Group taxation as explained in note 4.1	3.12	(22.31)
- Change in prior years' tax	0.11	1.98
	(14.02)	(18.97)
Average effective tax rate charged to unconsolidated statement of profit or loss	14.98	10.03

33. Remuneration of Chief Executive, Directors and Executives

33.1 The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the Chief Executive, Executive and Non-Executive Directors and Executives of the Company are as follows:

	Chief Executive		Executive Director		Non-Executive Directors		Executives-Note 33.4	
	2024	2023	2024	2023	2024	2023	2024	2023
	(Rupees in thousand)							
Short term employee benefits								
Managerial remuneration	20,902	15,627	1,159	1,157	-	-	67,962	56,062
Housing	12,523	9,396	275	315	-	-	17,045	19,415
Utilities	5,085	3,831	61	70	-	-	2,842	8,355
Bonus and incentives	5,545	4,196	-	204	-	-	3,878	22,026
Leave passage	1,584	1,199	-	-	-	-	1,197	2,433
Reimbursement of medical expenses	14,378	18,847	4	-	-	-	1,973	-
Directors' meeting fees	-	-	-	-	25,075	11,600	-	-
Other allowances and expenses	-	-	269	98	-	-	-	-
Other perquisites and benefits	25,466	14,332	-	-	-	-	19,496	18,497
	85,483	67,428	1,768	1,844	25,075	11,600	114,393	126,788
Post employment benefits								
Contribution to provident, gratuity and pension funds	6,525	4,905	-	-	-	-	5,250	6,974
	92,008	72,333	1,768	1,844	25,075	11,600	119,643	133,762
Number of persons	1	1	1	1	8	8	15	18

33.2 The Company also provides the Chief Executive and some of the directors and executives with Company maintained cars, fuel and utilities.

33.3 Premium charged in the financial statements in respect of directors' indemnity insurance policy, purchased by the Company during the year, amounted to Rs 0.847 million (2023: Rs 0.847 million).

33.4 Certain executives of the Company are providing services to group companies and hence, their proportionate remuneration is accordingly charged to such companies.

34. Transactions with related parties

The related parties comprise of subsidiaries, joint venture, associates, related parties on the basis of common directorship, group companies, key management personnel including directors and post-employment staff retirement plans. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of that Company. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Significant related party transactions have been disclosed in respective notes in these unconsolidated financial statements, other than the following:

Relationship with the Company	Nature of transactions	2024	2023
		(Rupees in thousand)	
i. Subsidiary companies	Purchase of goods and services	6,591	381
	Investment in equity instruments	852,277	3,628,552
	Reimbursement of salaries to Company	969,427	681,192
	Reimbursement of salaries by Company	75,739	26,280
ii. Associates	Purchase of goods and services	-	5,378
	Insurance premium expense	93,650	54,964
	Dividend paid	734,448	734,448
	Reimbursement of salaries to Company	157,684	100,041
	Reimbursement of salaries by Company	2,200	-
iii. Joint Venture	Reimbursement of salaries to Company	22,075	17,612
iv. Retirement funds	Expense charged in respect of retirement plans	290,244	191,941
	Dividend paid	97,516	77,892
v. Key management personnel	Salaries and other employee benefits- note 34.1	153,748	128,495
	Dividend paid	141,594	88,396

34.1 This represents remuneration of the Chief Executive, executive and non-executive directors and some of the executives that are included in the remuneration disclosed in note 33 to these unconsolidated financial statements.

34.2 All transactions with related parties have been carried out on mutually agreed terms and conditions.

34.3 The related parties with whom the Company had entered into transactions or had arrangements/agreements in place during the year have been disclosed below along with their basis of relationship:

Name	Relationship	% age of shareholding in the Company
Packages Lanka (Private) Limited	Subsidiary	None
Bulleh Shah Packaging (Private) Limited	Subsidiary	None
Tri-Pack Films Limited	Subsidiary	None
Packages Real Estate (Private) Limited	Subsidiary	None
Flexible Packages Convertors (Proprietary) Limited	Subsidiary	None
Chantler Packages Inc.	Subsidiary	None
Packages Convertors Limited	Subsidiary	None
Packages Investments Limited	Subsidiary	None
Packages Power (Private) Limited	Subsidiary	None
Anemone Holdings Limited	Subsidiary	None
DIC Pakistan Limited	Subsidiary	None
StarchPack (Private) Limited	Subsidiary	None
Hoechst Pakistan Limited (Formerly Sanofi-Aventis Pakistan Limited)	Subsidiary	None
IGI Life Insurance Limited	Associate	None
IGI Holdings Limited	Associate	None
IGI Finex Securities Limited	Associate	None
IGI FSI (Private) Limited	Associate	None
IGI General Insurance Limited	Associate	None
IGI Investment (Private) Limited	Associate	29.88%
Omya Pack (Private) Limited	Joint Venture	None
Packages Foundation	Common Director/Governor	None
Packages Limited Employees Gratuity Fund	Post Employment Benefit Plan	0.12%
Packages Limited Management Staff Pension Fund	Post Employment Benefit Plan	0.74%
Packages Limited Employees Provident Fund	Post Employment Contribution Plan	2.31%
S.C. Johnson & Sons of Pakistan (Private) Limited	Common directorship	None
Babar Ali Foundation	Common director/Trustee	11.11%
Syed Maratib Ali Trust	Common director/Trustee	None
Syed Hyder Ali	Chief Executive Officer	5.44%
Towfiq Habib Chinoy	Director	0.13%
Tariq Iqbal Khan	Director	0.01%
Syed Shahid Ali	Director	0.17%
Josef Meinrad Mueller	Director	0.00%
Hasan Askari	Director	0.00%
Saba Kamal	Director	0.00%
Atif Aslam Bajwa	Director	0.00%
Syed Aslam Mehdi	Director	0.01%
Osman Khalid Waheed	Director	0.00%
Syed Babar Ali	Key Management Personnel	3.39%
Khurram Raza Bakhtayari	Key Management Personnel	None
Waqas Munir	Key Management Personnel	None
Soban Waqar	Key Management Personnel	None

35. Subsidiaries incorporated outside Pakistan

	Anemone Holdings Limited	Packages Trading FZCO	Packages Lanka (Private) Limited	Chantler Packages Inc.
Basis of association	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Country of incorporation / jurisdiction	Republic of Mauritius	UAE	Sri Lanka	Canada
Registered address	2nd floor, The AXIS, 26 Cyber city, Ebene, Republic of Mauritius	6 WB, 541, 5th floor, Building 6 West B, P.O box 54598, Dubai Airport Free Zone Authority.	148, Minuwandoga Road, Ekala, Ja-Ela	880 Lakeshore Road East, Mississauga, Ontario
Effective percentage of shareholding	100.00%	100.00%	79.07%	72.07%
Company's shareholding	Direct	Direct	Direct	Through Packages Lanka (Private) Limited
Amount of investment - foreign currency	USD 12.558 million (2023: USD 12.558 million)	AED 4.00 million (2023: AED 2.67 million)	SL Rupees 451.417 million (2023: SL Rupees 451.417 million)	No direct investment
Amount of investment at cost - local currency	Rs 1,888.770 million (2023: Rs 1,888.770 million)	Rs 305.205 million (2023: Rs 202.928 million)	Rs 442.938 million (2023: Rs 442.938 million)	No direct investment
Terms and conditions for which investment has been made	Unconditional equity investment	Unconditional equity investment	Unconditional equity investment	No direct investment
Litigations against the investee	None	None	None	None
Default / breach relating to foreign investment	None	None	None	None

36. Cash flow information

36.1 Cash (used in)/generated from operations

	Note	2024	2023
		(Rupees in thousand)	
Profit before final taxes and income tax		2,249,172	3,087,588
Adjustments for:			
- Provision for retirement benefits	9	208,356	130,550
- Exchange gain	30	(20,730)	(31,029)
- Exchange loss/(gain) on cash and cash equivalent		158	(55)
- Provision for accumulating compensated absences	10	37,681	24,167
- Provision for rent in respect of land leased from GoPb		150,000	90,000
- Depreciation on operating fixed assets	16.1	61,302	37,715
- Depreciation on investment properties	17.1	43,273	47,106
- Amortisation on intangible assets	18	310	344
- Impairment loss on equity investment	19	-	1,201,648
- Net impairment (gain)/loss on financial assets	22.5	(107,614)	15,588
- Dividend income	26	(4,060,483)	(5,839,827)
- Liabilities no longer payable written back	30	(9,599)	(18,843)
- (Profit)/loss on disposal of operating fixed assets	29 & 30	(1,996)	1,446
- Discounting adjustment of long term advances	8	(24,225)	(22,619)
- Profit on long term loan to subsidiary company	30	(52,108)	(17,191)
- Finance cost	31	1,588,487	1,438,441
Profit before working capital changes		61,984	145,029
Effect on cash flow due to working capital changes:			
- Decrease in loans, advances, deposits, prepayments and other receivables		18,764	528,777
- (Decrease)/increase in trade and other payables		(92,698)	68,887
		(73,934)	597,664
		(11,950)	742,693

36.2 Cash and cash equivalents

	Note	2024	2023
		(Rupees in thousand)	
Cash and bank balances	25	159,674	130,281
Short term borrowings from financial institutions - secured		(1,000,000)	(3,250)
Short term investments	24	110,000	390,356
		(730,326)	517,387

36.3 Reconciliation of liabilities arising from financing activities

	Opening balance as at January 1, 2024	Cash flows	Other changes*	Closing balance as at December 31, 2024
	(Rupees in thousand)			
Unclaimed dividend	81,490	(2,502,908)	2,521,686	100,268

	Opening balance as at January 1, 2023	Cash flows	Other changes*	Closing balance as at December 31, 2023
	(Rupees in thousand)			
Unclaimed dividend	59,741	(2,499,937)	2,521,686	81,490

*Other changes include non-cash movements which will be presented as operating cashflows in the statement of cash flows at the time of payment.

37. Number of employees

	2024	2023
	(Rupees in thousand)	
Total number of employees as at December 31	193	151
Average number of employees during the year	172	139

38. Rates of exchange

Following exchange rates have been applied for translating material transactions/balances in foreign currency:

	Average rate		Spot rate	
	2024	2023	2024	2023
USD 1	278.484	282.806	278.12	281.861
EURO 1	301.238	306.410	291.15	311.498

39. Earnings per share

39.1 Basic earnings per share

		2024	2023
Profit for the year	**Rupees in thousand**	1,912,340	2,778,031
Participating preference dividend	**Rupees in thousand**	(63,749)	(63,749)
Net profit attributable to ordinary shareholders	**Rupees in thousand**	1,848,591	2,714,282
Weighted average number of ordinary shares	**Number**	89,379,504	89,379,504
Basic earnings per share	**Rupees**	20.68	30.37

39.2 Diluted earnings per share

Profit for the year	**Rupees in thousand**	1,912,340	2,778,031
Return on preference shares / convertible stock	**Rupees in thousand**	155,550	155,550
		2,067,890	2,933,581
Weighted average number of ordinary shares	**Number**	89,379,504	89,379,504
Weighted average number of notionally converted preference shares /convertible stock	**Number**	8,186,842	8,186,842
		97,566,346	97,566,346
Diluted earnings per share	**Rupees**	20.68	30.07

40. Financial risk management

40.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise 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 of Directors provides written principles for overall risk management, as well as written policies covering specific areas, such as currency risk, interest rate risk, credit risk, 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) Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument shall fluctuate because of changes in foreign exchange rates.

The Company is exposed to currency risk arising primarily with respect to the USD and the Euro. Currency risk arises from future commercial transactions and recognised assets and liabilities. Currency risk arises when future commercial transactions or recognised assets or liabilities or net investments in foreign operations that are denominated in a currency that is not the Company's functional currency. Currently, the Company's currency risk is restricted to cash in hand, amounts receivable and amounts payable to foreign entities.

Impact on profit or loss of currency risk is not considered material as at December 31, 2024 and as at December 31, 2023, hence, not disclosed.

(ii) Other price risk

Other 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 instruments traded in the market.

The Company is exposed to equity securities price risk because of investments held by the Company and classified as fair value through other comprehensive income. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board. The primary goal of the Company's investment strategy is to maximise investment returns.

The Company's certain investments in equity instruments are publicly traded on the Pakistan Stock Exchange Limited.

The table below summarises the impact of increases/decreases of the KSE-100 index on the Company's pre-tax profit for the year and on equity. The analysis is based on the assumption that the KSE-100 index had increased/decreased by 10% with all other variables held constant and all the Company's equity investments moved in line with the index:

	Impact on other than post-tax profit components of equity	
	2024	2023
	(Rupees in thousand)	
Pakistan Stock Exchange Limited	2,721,550	2,993,478

As at December 31, 2024, the Company does not hold any investment that is carried at fair value through profit or loss ('FVPL'). As at December 31, 2023, the Company had short term investment in mutual fund that was carried at fair value through profit or loss ('FVPL'). Therefore, the Company was exposed to other price risk due to macroeconomic factors.

As at December 31, 2023, if the market value of Company's investment in units held in mutual fund had been 10% higher/lower, with all other variables held constant, the impact would have been as follows:

	Impact on profit for the year	
	2024	2023
	(Rupees in thousand)	
Short term investment	-	24,036

(iii) Cash flow and fair value 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.

The Company's interest rate risk arises mainly from short term and long-term borrowings, bank balances and preference shares. These borrowings issued at variable rates expose the Company to cash flow interest rate risk.

The Company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Company calculates the impact on profit or loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions

	2024	2023
	(Rupees in thousand)	
Fixed rate instruments:		
Financial assets		
Bank balances - savings accounts	127,526	103,458
Short term investments	110,000	150,000
	237,526	253,458
Financial liabilities		
Preference shares/convertible stock	(932,650)	(932,650)
Net exposure	(695,124)	(679,192)
Floating rate instruments:		
Financial assets		
Long term loan to subsidiary company	1,000,000	250,000
Financial liabilities		
Short term borrowings from financial institutions - secured	(1,000,000)	(3,250)
Long term finances from financial institutions	(7,318,750)	(6,506,250)
	(8,318,750)	(6,509,500)
Net exposure	(7,318,750)	(6,259,500)

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 reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

At December 31, 2024, if interest rates on floating rate borrowings had been 3% higher/lower with all other variables held constant, post-tax profit for the year would have been Rs 197.606 million (2023: Rs 169.007 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

(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 deposits with banks and financial institutions, as well as outstanding receivables and committed transactions. The management assesses the credit quality of the debtors, 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 of Directors. The utilisation of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

(i) Exposure to credit risk

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The gross carrying values of financial assets exposed to credit risk are as under:

	2024	2023
	(Rupees in thousand)	
Long term security deposits	3,713	2,602
Long term loan to subsidiary company	1,000,000	250,000
Short term investments	110,000	390,356
Loans, deposits and other receivables	934,238	1,497,711
Balances with banks	154,931	123,078
	2,202,882	2,263,747

(ii) Impairment of financial assets

The Company's bank balances, deposits and other receivables are subject to the impairment requirements of IFRS 9. The identified impairment loss on other receivables was material and therefore, has been recognised in these unconsolidated financial statements as referred to in note 22.5. The balances were due for more than 365 days.

(iii) Credit quality of financial assets

The credit quality of Company's financial assets that are neither past due nor impaired (mainly bank balances) can be assessed with reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating Agency	2024	2023
	Short term	Long term		(Rupees in thousand)	
Bank balances:					
Allied Bank Limited	A1+	AAA	PACRA	292	434
Bank Al-Habib Limited	A1+	AAA	PACRA	6	10
Citibank N.A.	F1	A+	Fitch Ratings	10	711
Habib Bank Limited	A1+	AAA	VIS	13,089	1,150
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	117,284	84,670
JS Bank Limited	A1+	AA	PACRA	10,593	10,604
MCB Bank Limited	A1+	AAA	PACRA	3,427	6,723
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	10,230	18,776
				154,931	123,078
Short term investments:					
MCB Pakistan Cash Management Fund		AM+(f)	PACRA	-	240,356
Allied Bank Limited - Term Deposit Receipt	A1+	AAA	PACRA	-	40,000
Habib Bank Limited - Term Deposit Receipt	A1+	AAA	VIS	110,000	110,000
				110,000	390,356

(c) Liquidity risk

Liquidity risk represents the risk that the Company shall encounter difficulties in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and bank balances and the availability of funding through an adequate amount of committed credit facilities. At December 31, 2024, the Company has borrowing limits available from financial institutions as disclosed in note 12, and cash and bank balances as disclosed in note 25. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

Management monitors the forecasts of the Company's cash and cash equivalents (note 36.2) 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 unconsolidated statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the unconsolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, because the impact of discounting is not significant.

	Carrying value	Total contractual cashflows	Less than 1 year	Between 1 and 2 years	2 to 5 years	Over 5 years
	(Rupees in thousand)					
At December 31, 2024						
Long term finances from financial institutions	8,251,400	8,251,400	1,312,500	1,862,500	4,143,750	932,650
Short term borrowings from financial institutions - secured	1,000,000	1,000,000	1,000,000	-	-	-
Long term advances	43,501	65,326	-	1,303	10,467	53,556
Trade and other payables	799,406	799,406	799,406	-	-	-
Unclaimed dividend	100,268	100,268	100,268	-	-	-
Accrued finance cost	345,428	345,428	345,428	-	-	-
	10,540,003	10,561,828	3,557,602	1,863,803	4,154,217	986,206

	Carrying value	Total contractual cashflows	Less than 1 year	Between 1 and 2 years	2 to 5 years	Over 5 years
	(Rupees in thousand)					
At December 31, 2023						
Long term finances from financial institutions	7,438,900	7,438,900	687,500	1,712,500	4,106,250	932,650
Short term borrowings from financial institutions - secured	3,250	3,250	3,250	-	-	-
Long term advances	23,639	43,404	-	8,723	1,822	32,859
Trade and other payables	675,233	675,233	675,233	-	-	-
Unclaimed dividend	81,490	81,490	81,490	-	-	-
Accrued finance cost	447,546	447,546	447,546	-	-	-
	8,670,058	8,689,823	1,895,019	1,721,223	4,108,072	965,509

41. Financial instruments by categories

Assets as per unconsolidated statement of financial position as at December 31, 2024

	At fair value through profit or loss	At fair value through other comprehensive income	At amortised cost	Total
	(Rupees in thousand)			
Long term investments	-	27,220,540	32,409,878	59,630,418
Long term security deposits	-	-	3,713	3,713
Long term loan to subsidiary	-	-	1,000,000	1,000,000
Short term investments	-	-	110,000	110,000
Loans, deposits and other receivables	-	-	934,238	934,238
Cash and bank balances	-	-	159,674	159,674
	-	27,220,540	34,617,503	61,838,043

Assets as per unconsolidated statement of financial position as at December 31, 2023

	At fair value through profit or loss	At fair value through other comprehensive income	At amortised cost	Total
	(Rupees in thousand)			
Long term investments	-	29,959,311	31,557,601	61,516,912
Long term security deposits	-	-	2,602	2,602
Long term loan to subsidiary	-	-	250,000	250,000
Short term investments	240,356	-	150,000	390,356
Loans, deposits and other receivables	-	-	1,497,711	1,497,711
Cash and bank balances	-	-	130,281	130,281
	240,356	29,959,311	33,588,195	63,787,862

Liabilities as per unconsolidated statement of financial position

	Financial liabilities at at amortised cost	
	2024	2023
	(Rupees in thousand)	
Long term finances from financial institutions	8,251,400	7,438,900
Long term advances	65,326	43,404
Short term borrowings from financial institutions - secured	1,000,000	3,250
Trade and other payables	799,406	675,233
Unclaimed dividend	100,268	81,490
Accrued finance cost	345,428	447,546
	10,561,828	8,689,823

42. Offsetting financial assets and financial liabilities

There are no significant financial assets and financial liabilities that are subject to offsetting, enforceable master netting arrangements and similar agreements.

43. Capital 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.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

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 net debt divided by total debt and equity (as shown in the unconsolidated statement of financial position). Net debt is calculated as total borrowings (including current and non-current borrowings) including bank overdraft less cash and bank balances..

The gearing ratio as at December 31, 2024 and 2023 were as follows:

	Note	2024	2023
		(Rupees in thousand)	
Borrowings	7 & 12	9,251,400	7,442,150
Less: Cash and bank balances	25	159,674	130,281
Net debt		9,091,726	7,311,869
Total equity		55,218,543	58,653,535
Gearing ratio Percentage		14.14%	11.08%

In accordance with the terms of agreements for long term finances, (as disclosed in note 7.1 to these unconsolidated financial statements), the Company has complied with all the covenants throughout the year.

In accordance with the terms of agreement for preference shares with IFC, (as disclosed in note 7.1 to these unconsolidated financial statements), the Company is required to comply with the following financial covenants:

- the debt service coverage ratio, calculated according to the terms of the above mentioned agreement shall not be less than 1.30.

- the current ratio shall not be less than 1:1. Current assets for the purpose of computing current ratio, as per the terms of the above mentioned agreement, do not include prepayments.

- the debt to equity ratio, as calculated under the terms of the said agreement, must be not more than 60%.

The Company has complied with these covenants throughout the reporting period. As at December 31, 2024, the debt service coverage ratio was 14.70 (2023: 15.49), the current ratio was 1.1:1 (2023: 2.43:1) and the debt to equity ratio is as above.

44. Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The table below analyses the financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- 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).

The following table presents the Company's assets that are measured at fair value:

At December 31, 2024	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Recurring fair value measurements				
Assets				
Long term investments - FVOCI	27,215,515	-	5,025	27,220,540

At December 31, 2023	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Recurring fair value measurements				
Assets				
Short term investment - FVPL	240,356	-	-	240,356
Long term investments - FVOCI	29,954,286	-	5,025	29,959,311
	30,194,642	-	5,025	30,199,667

Movement in the above mentioned assets has been disclosed in note 19 to these unconsolidated financial statements and movement in fair value reserve has been disclosed in the unconsolidated statement of changes in equity. There were no transfers between Levels 1 and 2 & Levels 2 and 3 during the year and there were no changes in valuation techniques during the year. Since the ordinary shares of Coca-Cola Beverages Pakistan Limited and Pakistan Tourism Development Corporation Limited are not listed, therefore these are included in Level 3. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the annual valuation discussion between the Chief Financial Officer and the investment advisor. As part of this discussion, the investment advisor presents a report that explains the reason for the fair value movements.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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

45. Disclosure requirement for Companies not engaged in Shariah non-permissible business activities

Following information has been disclosed as required under Part 1 Clause VII of the Fourth Schedule to the Companies Act, 2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024:

Description	Note	2024	2023
		(Rupees in thousand)	
Statement of Financial Position			
Financing obtained as per Islamic mode		-	-
Accrued finance cost on conventional loan	14	345,428	447,546
Short term investments - Shariah compliant	24	110,000	390,356
Bank balances	25	159,674	130,281
Statement of Profit or Loss			
Revenue earned from a shariah-compliant business segment	26 & 27	4,727,050	6,393,305
Source and detailed break up of other income			
Other income earned from shariah compliant:	30		
Profit on disposal of operating fixed assets		1,996	-
Technical fee from Packages Lanka (Private) Limited		80,899	69,144
Liabilities no longer payable written back		9,599	18,843
Exchange gain - net		20,730	31,084
Other income earned from non - shariah compliant:	30		
Income from bank deposits		23,692	54,554
Profit on long term loan to subsidiary company		52,108	17,191

46. Date of authorisation for issue of financial statements

These unconsolidated financial statements were authorised for issue on March 25, 2025 by the Board of Directors of the Company. The Board of Directors have the power to amend and re-issue the financial statements.

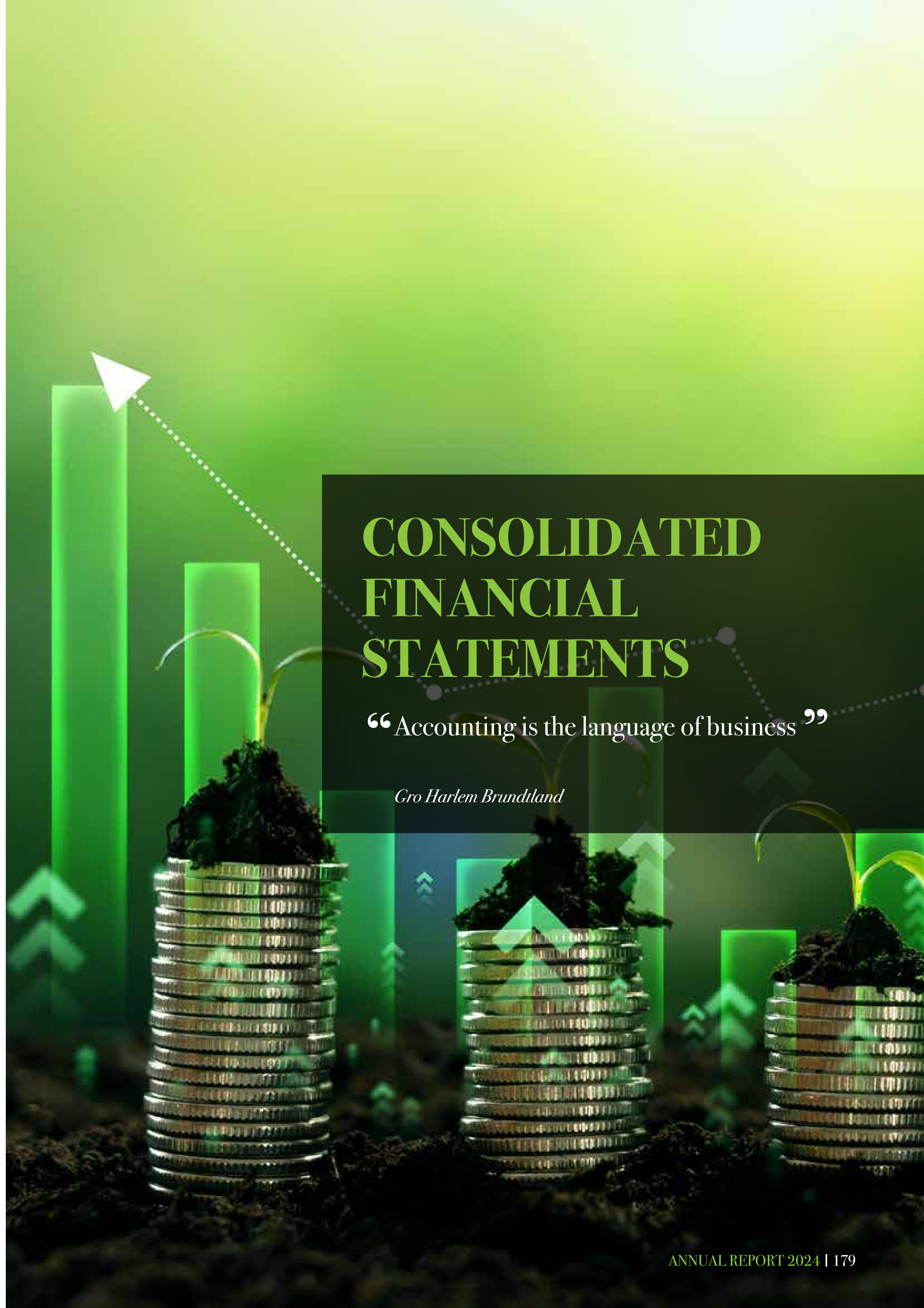
47. Event after the reporting period

The Board of Directors have proposed a dividend of Rupee 15.00 per share, amounting to Rs 1,340.693 million at their meeting held on March 25, 2025 for approval of the members at the Annual General Meeting to be held on April 30, 2025. These financial statements do not include the effect of the above dividend that will be accounted for in the period in which it is approved.

48. 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.

Chief Executive Officer | Director | Chief Financial Officer



Directors' Report On Consolidated Financial Statements

For the Year Ended December 31, 2024

The Directors of the Parent Company take pleasure in presenting the consolidated financial statements of the Group for the year ended December 31, 2024. Comparison of consolidated results for the year 2024 as against year 2023 is as follows:

	2024	2023
	(Rupees in million)	
Sales – net	176,761	156,972
Profit from operations – EBIT	**18,764**	**23,507**
Share of profit in associates and joint venture	418	289
Bargain purchase gain on acquisition of Hoechst Pakistan Limited (2023)	-	4,136
Investment income	618	998
Finance cost	(18,356)	(13,534)
Profit before levy & income tax	**1,444**	**15,396**

During the year 2024, the Group achieved net sales of Rs 176,761 million against net sales of Rs 156,972 million achieved during last year representing sales growth of 13% with an operating profit of Rs 18,764 million as compared to Rs 23,507 million generated during last year. This decline is mainly attributable to adverse sales mix, higher material and fuel costs which have not been fully recovered from the end customers and high depreciation expense on account of strategic capital expenditure made in previous years. The management of these subsidiaries are taking steps to address this issue through better product mix, fixed costs control and timely passing on cost increases to the customers.

The Group has recorded profit before levy and income tax of Rs 1,444 million as compared to Rs 15,396 million generated during last year, representing a decline of 91%. The decreased profitability is primarily on account of lower operating profit as fully described above, increased finance cost by Rs 4,822 million mainly attributable to increased loans availed for the purpose of making capital expenditure and new strategic investments in StarchPack (Private) Limited and Packages Trading FZCO and a one-time bargain purchase gain of Rs 4,136 million on the acquisition of shareholding in Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited) during last year.

A brief review of the operational performance of the Group subsidiaries is as follows:

PACKAGES CONVERTORS LIMITED

Packages Convertors Limited ('PCL') is an un-listed public limited wholly owned subsidiary of the Group. It is principally engaged in the manufacture and sale of packaging materials, tissue products and sanitary napkins. PCL has achieved net sales of Rs 49,176 million during the year 2024 as compared to Rs 49,379 million during 2023, representing decline of 0.4%. PCL has generated profit before tax of Rs 4,717 million during the year 2024 as compared to Rs 5,387 million during 2023, representing a decrease of 12%. This is mainly on account of adverse sales mix combined with low customer volumes in the packaging division. Moving forward, the management will focus on improving operating results through higher volumes, cost efficiency, product and process optimization, and disciplined working capital management.

BULLEH SHAH PACKAGING (PRIVATE) LIMITED

Bulleh Shah Packaging (Private) Limited ('BSPL') is a wholly owned subsidiary of the Group, which is principally engaged in the manufacturing and conversion of paper and paper board and corrugated boxes. BSPL has achieved sales of Rs 57,870 million during the year 2024 as compared to Rs 59,074 million during 2023, representing decline of 2% despite a volumetric increase of 11% as compared to the previous year. BSPL has recorded loss before levy and income tax of Rs 6,426 million during the year 2024 as compared to profit before levy and income tax of Rs 1,452 million during 2023. Losses sustained are mainly on account of unrestricted imports of board and paper products, adverse sales mix, increased material and fuel costs which could not be passed on to customers and higher finance cost on account of strategic capital expenditure made by the company. Moving forward, BSPL will focus on improving operating results through volume growth, favourable sales mix, lower finance cost and tighter cost controls.

DIC PAKISTAN LIMITED

DIC Pakistan Limited ('DIC') is an un-listed public limited subsidiary of the Group, which is principally engaged in the manufacturing, processing and selling of industrial inks. DIC has achieved net sales of Rs 11,750 million during the year 2024 as compared to Rs 10,632 million last year, representing sales growth of 11%. DIC has generated profit before levy and income tax of Rs 1,702 million during the year 2024 as against Rs 1,876 million in 2023. This is mainly due to product mix variation, higher selling expenses and finance costs. Moving forward, the management will focus on improving operating results through volume growth and tighter cost control. The company is in the process of relocation and expected to commence commercial operations from its new efficient site at Kasur by end of Q2-2025.

PACKAGES LANKA (PRIVATE) LIMITED

Packages Lanka (Private) Limited ('PLL') is a Sri Lankan based subsidiary of the Group, which is primarily engaged in the production and sale of flexible packaging. PLL has achieved sales of SLR 4,999 million during 2024 as compared to SLR 4,659 million in 2023, representing increase of 7%. The Company has generated profit before tax of SLR 1,006 million in the year 2024 as compared to profit before tax of SLR 818 million in 2023, representing increase of 23%. This has come mainly on account of improved product mix, tighter cost controls, lower interest rates and effective working capital management.

PACKAGES REAL ESTATE (PRIVATE) LIMITED

Packages Real Estate (Private) Limited ('PREPL') is a subsidiary of the Group, which is primarily engaged in development of real estate. It is currently operating a real estate project titled 'Packages Mall' and also leases out office space to corporate customers. PREPL has achieved net revenue of Rs 6,018 million during the year 2024 as compared to Rs 5,311 million during 2023, representing growth of 13%. PREPL has recorded profit before levy and income tax of Rs 989 million during the year 2024 as compared to Rs 672 million in 2023, representing growth of 47%.

STARCHPACK (PRIVATE) LIMITED

StarchPack (Private) Limited ('SPL') is a wholly owned subsidiary of the Group, which is principally engaged in the manufacture and sale of corn-based starch products, its derivates, by-products and trading of corn. The commercial production of its native starch plant was achieved on 1st of December 2023, while commercial production of its modified starch and glucose plants was achieved in H2 2024. With the commencement of these, SPL has achieved successful commercial operations of all its manufacturing facilities. During the current year, being its first year of operations, SPL achieved net revenue of Rs 3,599 million and a loss before levy and income tax of Rs 1,933 million. SPL is targeting a stable performance in FY 2025 with increased product portfolio especially in value-added starches, efficient production and efficient corn procurement.

TRI-PACK FILMS LIMITED

Tri-Pack Films Limited ('TPFL') is a listed public limited subsidiary of the Group, which is principally engaged in the manufacturing and sale of Biaxially Oriented Polypropylene (BOPP) film and Cast Polypropylene (CPP) film. TPFL has achieved net sales of Rs 29,413 million during the year 2024 as compared to sales of Rs 24,919 million achieved during 2023, representing sales growth of 18% driven primarily by higher exports of BOPP film. TPFL has generated a loss before levy and income tax of Rs 290 million as against profit before levy and income tax of Rs 1,708 million achieved during last year. This decrease is primarily on account of capitalization of its new BOPP line, leading to increased depreciation and finance cost and normalization of local BOPP prices in the current year. Moving forward, the company expects to recoup the benefits of the strategic capital expenditure by higher volumes, effective working capital management and tighter fixed cost controls.

PACKAGES TRADING FZCO, DUBAI, UAE

Packages Trading FZCO ('FZCO') is a wholly owned subsidiary of the Group, which is incorporated under Dubai Integrated Economic Zones Authority Implementing Regulations, 2022 and registered with Dubai Integrated Economic Zones Authority. The subsidiary is primarily engaged in commercial trading with import, export, distribution and warehousing as its ancillary activities. During the current year, the Parent Company made an investment of AED 1.330 million as equity and FZCO achieved net revenue of AED 106 million as compared to net revenue of AED 5.5 million achieved during 2023 and a profit of AED 1.8 million as against a loss before tax of AED 0.8 million during last year. This was the first full year of operations and FZCO is expected to provide both export and import synergies to group companies in future years.

HOECHST PAKISTAN LIMITED (FORMERLY SANOFI-AVENTIS PAKISTAN LIMITED)

Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited) ('HPL') is principally engaged in the manufacturing, selling and trading of pharmaceutical and related products. HPL has achieved net revenue of Rs 26,748 million during 2024 as compared to Rs 21,369 million during 2023, representing revenue growth of 25%. HPL has generated profit before levy and income tax of Rs 3,479 million during the current year as compared to Rs 916 million during 2023, representing increase of 3.8 times, mainly driven from sales growth, favourable product mix, higher end sale prices and effective working capital management.

FUTURE OUTLOOK

Pakistan's macroeconomic performance in 2024 demonstrated resilience and gradual improvement. The Group expects that the economic outlook of the country would continue to improve on the back of prudent policy management, continued implementation of reforms aimed to maintain fiscal discipline, improving foreign exchange reserves, political stability and economic assistance from friendly nations.

The first loan tranche received in 2024 from Extended Fund Facility Arrangement (EEF) of $7 billion under the International Monetary Fund (IMF) program has also been crucial in providing much-needed financial support, helping to restore investor confidence and stabilize the macroeconomic environment. Overall, these measures are setting a positive trajectory for economic diversification, future sustainable growth and stability.

Owing to first year operating losses sustained by StarchPack (Private) Limited ('SPAC'), higher depreciation and finance cost of Tri-Pack Films Limited ('TPFL') owing to strategic capital expenditure and adverse market conditions faced by Bulleh Shah Packaging (Private) Limited ('BSPL'), the returns from these investments had been affected. The management is confident of an eventual recovery and is taking steps to ensure a return to profitability. In this regard, a revised three-year strategy was developed after which the Board of Directors of the Parent Company approved injection of up to Rs. 3 billion into SPAC and Rs. 8 billion into BSPL in various forms including ordinary share capital, subordinated debt and potential conversion of prior loan to equity in order to optimize the capital structure of both the companies.

TOWFIQ HABIB CHINOY
Chairman

SYED HYDER ALI
Chief Executive Officer & Managing Director

March 25, 2025
Lahore

INDEPENDENT AUDITOR'S REPORT

To the members of Packages Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Packages Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Consolidated Financial Statements* section of our report. We are independent of the Group 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1.	**Revenue from contracts with customers** *(Refer notes 4.20 and 37 to the annexed consolidated financial statements)* Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised good or service to a customer, and control either transfers over time or at a point in time.	Our audit procedures included the following: • Understood and evaluated management controls over revenue; • Performed testing of a sample of revenue transactions with underlying documentation, including dispatch documents and sales invoices;

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KARACHI LAHORE ISLAMABAD

S. No.	Key audit matters	How the matter was addressed in our audit
	The Group has recognised a net revenue of Rs 176,761.284 million during the current year, reflecting an increase of 12.61% in net revenue from the prior year. Due to revenue being one of the key performance indicators of the Group, the presence of various revenue streams, the large number of revenue transactions involving numerous customers, and the inherent risk of material misstatement, we consider it to be a key audit matter.	• Performed cut-off procedures on a sample basis to ensure revenue was recognised in the correct period; • Checked, on a sample basis, the approval of sales prices by the appropriate authority; • Performed analytical procedures to analyse variations in the price and quantity sold during the year; • Tested journal entries relating to revenue recognised during the year based on identified risk criteria; and • Assessed the adequacy of disclosures made in the financial statements related to revenue.
2.	**Assessment of recoverable amount of certain CGUs** *(Refer notes 4.3.4 and 53.7 to the annexed consolidated financial statements)* As of the reporting date, impairment indicators were identified within certain Cash Generating Units (CGUs) of the Group, which encompass property, plant and equipment, right-of-use of assets and intangible assets. These indicators required management to perform an impairment test in accordance with International Accounting Standard 36 - Impairment of Assets. Management assessed the recoverable amounts of these CGUs, concluding that they exceeded their carrying amounts. The determination of recoverable amounts of CGUs involves significant judgment and estimation. Because of the significance of the impact of these judgments and estimates, we consider the assessment of the recoverable amounts to be a key audit matter.	Our audit procedures included the following: • Considered management's process for identifying impairment indicators for the Group's assets; • Assessed the methodology used by management to calculate the recoverable amounts of the CGUs; • Obtained an understanding of the work performed by management for the purpose of computing the recoverable amounts; • Where cash flow techniques were used to calculate recoverable amounts, assessed the reasonableness of the key assumptions, including revenue, profit and cash flow growth rates, terminal growth rates, and the discount rates that management has applied; • Where 'fair value less costs of disposal' was used, evaluated the professional qualification of management's expert and assessed its independence, competence, and experience in the field and involved auditor's expert to assess the adequacy of the work performed by the management's expert; • Assessed the professional qualifications, experience, and competence of the management's

S. No.	Key audit matters	How the matter was addressed in our audit
		personnel involved in preparing the impairment assessment; and • Checked the adequacy of the disclosures made by the Group in accordance with applicable accounting and reporting standards.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 the Board of Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

The engagement partner on the audit resulting in this independent auditor's report is Khurram Akbar Khan.

A. F. Ferguson & Co.
Chartered Accountants

Lahore

Date: April 7, 2025
UDIN: AR2024100706eH9p5SCZ

Consolidated Statement of Financial Position

as at December 31, 2024

EQUITY AND LIABILITIES	Note	2024	2023
		(Rupees in thousand)	
CAPITAL AND RESERVES			
Authorised share capital			
-150,000,000 (2023: 150,000,000) ordinary shares of Rs 10 each		1,500,000	1,500,000
- 22,000,000 (2023: 22,000,000) 10% non-voting preference shares / convertible stock of Rs 190 each		4,180,000	4,180,000
		5,680,000	5,680,000
Issued, subscribed and paid up share capital			
- 89,379,504 (2023: 89,379,504) ordinary shares of Rs 10 each	5	893,795	893,795
- 8,186,842 (2023: 8,186,842) 10% non-voting preference shares / convertible stock of Rs 190 each		606,222	606,222
Other reserves	6	55,305,019	58,003,253
Equity portion of loan from shareholder of the Parent Company	7	277,219	277,219
Revenue reserve: Un-appropriated profits		13,140,151	18,679,148
Attributable to owners of the Parent Company		70,222,406	78,459,637
Non-controlling interests		18,486,388	17,928,035
Total equity		88,708,794	96,387,672
NON-CURRENT LIABILITIES			
Long term finances from financial institutions	8	60,240,619	48,199,149
Lease liabilities	9	1,403,824	140,307
Security deposits	10	479,423	466,582
Deferred income	11	295,441	341,495
Deferred government grant	12	1,040,158	983,829
Deferred taxation	13	6,004,843	8,294,414
Long term advances	14	336,247	248,993
Employee benefit obligations	15	2,659,867	2,030,895
Accumulating compensated absences	16	691,597	563,060
		73,152,019	61,268,724
CURRENT LIABILITIES			
Current portion of non-current liabilities	17	9,318,037	6,538,748
Short term borrowings from financial institutions - secured	18	46,418,451	40,021,257
Trade and other payables	19	27,479,841	25,491,372
Unclaimed dividend		135,188	113,141
Unpaid dividend	20	3,911	228,014
Accrued finance cost	21	3,452,701	4,771,233
		86,808,129	77,163,765
CONTINGENCIES AND COMMITMENTS	22		
		248,668,942	234,820,161

ASSETS	Note	2024	2023
		(Rupees in thousand)	
NON-CURRENT ASSETS			
Property, plant and equipment	23	107,469,125	94,805,014
Right-of-use assets	24	1,836,684	324,516
Investment properties	25	13,221,984	12,920,531
Intangible assets	26	5,750,804	5,736,846
Investments accounted for using the equity method	27	6,155,613	5,986,073
Other long term investments	28	27,220,540	29,959,311
Long term security deposits		347,699	206,382
Long term loans	29	5,656	4,265
		162,008,105	149,942,938
CURRENT ASSETS			
Stores and spares	30	5,311,642	5,536,557
Stock-in-trade	31	42,132,162	45,031,802
Short term investments	32	617,884	1,434,438
Trade debts	33	19,347,599	14,412,037
Loans, advances, deposits, prepayments and other receivables	34	8,298,943	9,268,977
Income tax receivable	35	7,168,149	6,269,511
Cash and bank balances	36	3,784,458	2,923,901
		86,660,837	84,877,223
		248,668,942	234,820,161

The annexed notes 1 to 63 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Consolidated Statement of Profit or Loss

For the Year Ended December 31, 2024

	Note	2024	2023 (Restated)
		(Rupees in thousand)	
Continuing operations			
Revenue	37	176,761,284	156,972,082
Cost of sales and services	38	(142,694,047)	(120,070,501)
Gross profit		34,067,237	36,901,581
Administrative expenses	39	(6,736,273)	(5,016,916)
Distribution and marketing costs	40	(9,598,174)	(7,012,093)
Net impairment loss on financial assets		(128,058)	(239,437)
Other expenses	41	(1,130,917)	(3,077,691)
Other income	42	2,290,404	6,087,732
Investment income	43	618,209	997,773
Share of net profit of associates and joint venture accounted for using equity method		417,566	289,177
Operating profit		19,799,994	28,930,126
Finance cost	44	(18,356,138)	(13,533,933)
Profit before levy and income tax		1,443,856	15,396,193
Levy	45	(1,473,284)	(1,107,026)
(Loss)/profit before income tax		(29,428)	14,289,167
Income tax	45	(1,349,539)	(3,896,183)
(Loss)/profit from continuing operations		(1,378,967)	10,392,984
Profit from discontinued operations		-	96,281
(Loss)/profit for the year		(1,378,967)	10,489,265
(Loss)/profit is attributable to:			
Equity holders of the Parent Company		(2,845,899)	9,277,467
Non-controlling interests		1,466,932	1,211,798
		(1,378,967)	10,489,265
(Loss)/profit attributable to equity holders of the Parent Company arises from:			
Continuing operations		(2,845,899)	9,017,991
Discontinued operations		-	259,476
		(2,845,899)	9,277,467
Profit/ (loss) attributable to the non-controlling interests arises from:			
Continuing operations		1,466,932	1,048,603
Discontinued operations		-	(163,195)
		1,466,932	1,211,798
(Loss)/earnings per share for (loss)/profit from continuing operations attributable to equity holders of the Parent Company		(Rupees)	
- Basic (loss)/earnings per share	52.1	(32.55)	100.18
- Diluted (loss)/earnings per share	52.2	(32.55)	94.02
(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Parent Company		(Rupees)	
- Basic (loss)/earnings per share	52.1	(32.55)	100.18
- Diluted (loss)/earnings per share	52.2	(32.55)	96.68

The annexed notes 1 to 63 form an integral part of these consolidated financial statements.

Chief Executive Officer   Director   Chief Financial Officer

Consolidated Statement of Comprehensive Income

For the Year Ended December 31, 2024

	Note	2024	2023
		(Rupees in thousand)	
(Loss)/profit for the year		(1,378,967)	10,489,265
Other comprehensive (loss)/income for the year - net of tax			
Items that will not be subsequently reclassified to profit or loss:			
Change in fair value of investments at fair value through other comprehensive income (FVOCI)		(2,738,771)	8,517,552
Remeasurements of retirement benefits		(199,857)	(30,662)
Tax effect of remeasurements of retirement benefits		39,415	(248)
		(2,899,213)	8,486,642
Items that may be reclassified subsequently to profit or loss:			
Net exchange differences on translation of foreign operations		158,862	230,540
Share of other comprehensive (loss)/income of associates and joint venture accounted for using the equity method - net of tax	27.3	(82,829)	1,035,530
		76,033	1,266,070
Other comprehensive (loss)/income for the year		(2,823,180)	9,752,712
Total comprehensive (loss)/income for the year		(4,202,147)	20,241,977
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Parent Company		(5,715,545)	18,953,656
Non-controlling interests		1,513,398	1,288,321
		(4,202,147)	20,241,977
Total comprehensive (loss)/income for the year attributable to owners of the Parent Company			
Continuing operations		(5,715,545)	18,694,180
Discontinued operations		-	259,476
		(5,715,545)	18,953,656
Total comprehensive income/ (loss) for the year attributable to non-controlling interests			
Continuing operations		1,513,398	1,125,126
Discontinued operations		-	(163,195)
		1,513,398	1,288,321

The annexed notes 1 to 63 form an integral part of these consolidated financial statements.

Chief Executive Officer   Director   Chief Financial Officer

Consolidated Statement of Changes in Equity

For the Year Ended December 31, 2024

	Attributable to owners of the Parent Company												Non-controlling interests	Total equity
	Issued, subscribed and paid up share capital		Reserves									Capital and reserves		
			Capital reserves							Revenue reserves				
	Ordinary share capital	Preference shares / convertible stock reserve	Share premium	Exchange differences on translation of foreign operations	FVOCI reserve	Other reserves relating to associates and joint ventures	Transaction with non-controlling interests	Equity portion of loan from shareholder of the Parent Company	Capital redemption reserve	General reserve	Un-appropriated profits	Total		
	(Rupees in thousand)													
Balance as on January 1, 2023	**893,795**	**606,222**	**3,766,738**	**(172,535)**	**17,436,179**	**2,555,591**	**80,653**	**277,219**	**1,615,000**	**21,310,333**	**13,492,287**	**61,861,482**	**4,847,940**	**66,709,422**
Appropriation of reserves														
Transfer to general reserve	-	-	-	-	-	-	-	-	-	1,500,000	(1,500,000)	-	-	-
Transactions with preference shareholders														
Participating dividend on preference shares/convertible stock - note 8.54.1	-	-	-	-	-	-	-	-	-	-	(63,749)	(63,749)	-	(63,749)
Total transactions with owners in their capacity as owners, recognised directly in equity														
Final dividend for the year ended December 31, 2022 of Rs 27.50 per share	-	-	-	-	-	-	-	-	-	-	(2,457,937)	(2,457,937)	-	(2,457,937)
Dividends relating to 2022 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(363,840)	(363,840)
	-	-	-	-	-	-	-	-	-	-	(2,457,937)	(2,457,937)	(363,840)	(2,821,777)
Acquisition of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	11,899,731	11,899,731
Reclassification to profit or loss on disposal of subsidiary	-	-	-	166,185	-	-	-	-	-	-	-	166,185	255,883	422,068
Total comprehensive income/ (loss) for the year														
Profit for the year	-	-	-	-	-	-	-	-	-	-	9,277,467	9,277,467	1,211,798	10,489,265
Other comprehensive (loss)/income for the year	-	-	-	192,027	8,517,552	1,035,530	-	-	-	-	(68,920)	9,676,189	76,523	9,752,712
	-	-	-	192,027	8,517,552	1,035,530	-	-	-	-	9,208,547	18,953,656	1,288,321	20,241,977
Balance as on December 31, 2023	**893,795**	**606,222**	**3,766,738**	**185,677**	**25,953,731**	**3,591,121**	**80,653**	**277,219**	**1,615,000**	**22,810,333**	**18,679,148**	**78,459,637**	**17,928,035**	**96,387,672**
Transactions with preference shareholders														
Participating dividend on preference shares/convertible stock - note 8.54.1	-	-	-	-	-	-	-	-	-	-	(63,749)	(63,749)	-	(63,749)
Total transactions with owners in their capacity as owners, recognised directly in equity														
Final dividend for the year ended December 31, 2023 of Rs 27.50 per share	-	-	-	-	-	-	-	-	-	-	(2,457,937)	(2,457,937)	-	(2,457,937)
Dividend relating to 2023 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(955,045)	(955,045)
	-	-	-	-	-	-	-	-	-	-	(2,457,937)	(2,457,937)	(955,045)	(3,412,982)
Total comprehensive (loss) /income for the year														
(Loss)/profit for the year	-	-	-	-	-	-	-	-	-	-	(2,845,899)	(2,845,899)	1,466,932	(1,378,967)
Other comprehensive (loss)/income for the year	-	-	-	123,366	(2,738,771)	(82,829)	-	-	-	-	(171,412)	(2,869,646)	46,466	(2,823,180)
	-	-	-	123,366	(2,738,771)	(82,829)	-	-	-	-	(3,017,311)	(5,715,545)	1,513,398	(4,202,147)
Balance as on December 31, 2024	893,795	606,222	3,766,738	309,043	23,214,960	3,508,292	80,653	277,219	1,615,000	22,810,333	13,140,151	70,222,406	18,486,388	88,708,794

The annexed notes 1 to 63 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2024

	Note	2024	2023
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	51.1	29,046,393	28,993,892
Finance cost paid		(19,573,649)	(11,245,243)
Income tax and levy paid		(6,121,191)	(5,120,740)
Payments for accumulating compensated absences		(51,730)	(32,315)
Long term advances - net		95,739	75,470
Long term loans and deposits - net		(142,710)	(19,179)
Employee benefit obligations paid		(113,354)	(66,713)
Net cash inflow from operating activities		3,139,498	12,585,172
Cash flows from investing activities			
Payments for property, plant and equipment and investment properties		(21,906,498)	(28,258,720)
Payment for acquisition of subsidiary - net of cash acquired		-	(3,650,640)
Proceeds from disposal of property, plant and equipment		612,631	326,487
Dividends from joint venture and associates		165,197	138,640
Dividend received from other long term investments		618,209	997,773
Net cash outflow from investing activities		(20,510,461)	(30,446,460)
Cash flows from financing activities			
Proceeds from long term finances		21,549,035	24,699,238
Repayment of long term finances		(6,820,278)	(6,806,894)
Repayment of short term finances - net		(6,244,539)	(3,960,491)
Participating dividend on preference shares		(63,749)	(63,749)
Payment of lease liabilities (principal)		(47,091)	(66,246)
Dividend paid to equity holders of the Parent Company		(2,659,993)	(2,209,369)
Dividend paid to non-controlling interests		(955,045)	(363,840)
Net cash inflow from financing activities		4,758,340	11,228,649
Net decrease in cash and cash equivalents		(12,612,623)	(6,632,639)
Cash and cash equivalents at the beginning of the year		(29,418,379)	(22,785,795)
Effect of exchange rate changes on cash and cash equivalents		(158)	55
Cash and cash equivalents at the end of the year	51.2	(42,031,160)	(29,418,379)

Refer note 51.3 for reconciliation of liabilities arising from financing activities.

The annexed notes 1 to 63 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Notes to and Forming Part of the Consolidated Financial Statements

For the Year Ended December 31, 2024

1. The Group and its operations

The Group comprises Packages Limited (the 'Parent Company') and its subsidiaries:

- Packages Convertors Limited ('PCL'),
- Packages Investments Limited ('PIL'),
- DIC Pakistan Limited ('DIC'),
- Bulleh Shah Packaging (Private) Limited ('BSPPL'),
- Packages Lanka (Private) Limited ('PLL'),
- Linnaea Holdings Inc. ('LHI'),
- Chantler Packages Inc. ('CPI'),
- Tri-Pack Films Limited ('TRPFL'),
- Packages Real Estate (Private) Limited ('PREPL'),
- Packages Power (Private) Limited ('PPPL'),
- Anemone Holdings Limited ('AHL'),
- StarchPack (Private) Limited ('SPAC'),
- Hoechst Pakistan Limited ('HPL') (formerly Sanofi-Aventis Pakistan Limited) and
- Packages Trading FZCO (together, the 'Group')."

The Group is principally engaged in the following businesses:

- Packaging: Representing manufacture and sale of packaging materials and tissue products.
- Inks: Representing manufacture and sale of finished and semi-finished inks.
- Real estate: Representing all types of construction activities and development of real estate.
- Paper and paperboard: Representing manufacture and sale of paper and paperboard of all kinds.
- Plastic: Representing manufacture and sale of Biaxially Oriented Polypropylene (BoPP) film and Cast Polypropylene (CPP) films.
- Pharmaceutical products: Representing manufacture, sale and trading of pharmaceutical and related products.
- Corn-based starch products: Representing manufacture and sale of Corn-based starch products, its derivatives, by-products and trading of Corn.
- Trading: Representing trading of paper and related products, raw materials, crude plastic, nylon, packing materials and equipment, as well as agricultural materials and waste

For further details of all business activities of the Group, refer note 60.

The Group also holds investments, directly and indirectly, in companies engaged in life insurance, brokerage services, general insurance, technology solutions, and the production and sale of ground calcium carbonate products.

The registered office of the Parent Company is situated at 4th Floor, the Forum, Suite No. 416 - 422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan. Head office is located at Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore, Pakistan. For further details of addresses of all business units of the Group, refer note 60.

2. Basis of preparation

2.1 Statement of compliance

These consolidated 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:

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

ii) Provisions of and directives issued under the Act.

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

2.2 Change in accounting policy

The Institute of Chartered Accountants of Pakistan has issued application guidance on accounting of minimum and final taxes vide its circular No. 07/2024 dated May 15, 2024 ('the Guidance'). According to the Guidance, the minimum taxes in excess of normal tax liability and tax deducted at source other than from dividends from subsidiaries, joint ventures and associates under final tax regime, are out of scope of IAS 12 'Income Taxes' and fall in the ambit of IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets '.

Accordingly, the Group has changed its accounting policy to recognise such taxes as 'levies' which were previously being recognised as 'income tax'. This change has been accounted for retrospectively in line with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. There has been no effect on the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and earnings per share as a result of this change.

The effects of change in accounting policy are as follows:	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
Effects on consolidated statement of profit or loss	(Rupees in thousand)		
For the year ended December 31, 2024			
Final tax - Levy	-	1,473,284	1,473,284
(Loss)/profit before income tax	1,443,856	(1,473,284)	(29,428)
Income tax	2,822,823	(1,473,284)	1,349,539
For the year ended December 31, 2023			
Final tax - Levy	-	1,107,026	1,107,026
(Loss)/profit before income tax	15,396,193	(1,107,026)	14,289,167
Income tax	5,003,209	(1,107,026)	3,896,183

2.3 Initial application of standard, amendments or an interpretation to existing standards

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

2.3.1 Standards, amendments to published standards and interpretations that are effective in the current year

Certain standards, amendments and interpretations to IFRS are effective for accounting period beginning on January 1, 2024 but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated financial statements, except for the following:

a) Amendment to International Accounting Standard (IAS) 1 – Non-current liabilities with covenants

The amendment clarifies how conditions that an entity must comply with within twelve months after the reporting period affect the classification of a liability. The amendment also aims to improve the information an entity provides related to liabilities subject to these amendments. The amendment clarifies that a liability should be classified as a current liability if a breach of covenant that gives the lender the right to demand immediate repayment occurs at or prior to the end of the reporting period, unless sufficient relief is granted by the lender before or at the end of the reporting period.

The above amendment did not result in any significant changes to these consolidated financial statements.

(b) IFRIC Agenda Decision – Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8)

In its July 2024 meeting, the IASB discussed and did not object to an IFRIC agenda decision on 'Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8 Operating Segments)'. IFRS 8 Operating Segments requires an entity to disclose specific information about assets, liabilities, and profit or loss by segment. Specifically, IFRS 8 paragraph 23 requires an entity to disclose certain specified items of profit or loss if these are included in the measure of segment profit or loss reviewed by the chief operating decision maker, or are otherwise regularly provided to the chief operating decision maker, even if not included in that measure of segment profit or loss. Some of the requirements in paragraph 23 are very straightforward – for example, 'revenues from external customers' and 'interest expense'. Others, such as the requirement to disclose 'material items of income and expense disclosed in accordance with paragraph 97 of IAS 1, are much more judgmental. The decision clarifies how an entity applies those requirements. The key takeaways are that:

i) Material items of income and expense that need to be disclosed as specified items are not limited to only unusual or non-recurring items.

ii Determining how much detail needs to be included in the segment reporting will be a matter of judgment considering the entity's specific facts and circumstances, the core principle of IFRS 8, and the principles of materiality.

iii) An entity is not required to disclose by reportable segment each item of income and expense presented in its statement of profit or loss or disclosed in the notes.

The above amendments did not result in any significant changes to these consolidated financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these consolidated financial statements, except for the following:

(a) Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective for annual period beginning on January 1, 2026)

The amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;

- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and

- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

An important clarification brought about in these amendments is that a payment instruction (e.g. a cheque) that is prepared for a future payment will generally not meet the requirements for the financial liability to be discharged and hence derecognised. The previous practice of financial liabilities being derecognized upon issuance of cheques would need to be reconsidered.

(b) Annual improvements to International Financial Reporting Standards – Volume 11 (effective for annual period beginning on January 1, 2026)

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

(c) International Financial Reporting Standard (IFRS) 18, 'Presentation and Disclosure in Financial Statements' (effective for annual period beginning on January 1, 2027)

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Group is yet to assess the impact of this standard and amendments to existing standards on its consolidated financial statements.

3. Basis of measurement

3.1 These consolidated financial statements have been prepared under the historical cost convention except for the following:

- certain financial instruments and plan assets of defined benefit plans at fair value; and
- certain employee benefit obligations, provisions, security deposits and long term advances at present value.

3.2 Critical accounting estimates and judgements

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to the estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

i) Useful lives and residual values of property, plant and equipment, investment properties and intangible assets - notes 4.3, 4.4, 4.5.3, 23, 25 and 26

ii) Employee benefit obligations and accumulating compensated absences - notes 4.8, 15 and 16

iii) Provision for taxation and recognition of deferred tax - notes 4.2, 13, 35 and 45

iv) Impairment of financial assets (other than investments in equity instruments) - notes 4.13 and 33

v) Lease term and discount rate for leases - notes 4.6 and 9

vi) Provision for obsolescence of stores, spare parts and stock in trade - notes 4.9, 4.10, 30 and 31

vii) Provisions, contingent assets and contingent liabilities - notes 4.29 and 22

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

4. Summary of Material Accounting Policies

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

4.1 Principles of consolidation and equity accounting

a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 4.7).

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests ('NCI') in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

When control of subsidiary ceases, non-controlling interests in the equity of subsidiary is measured and disposed of at its proportionate share of the fair value of the net assets of the subsidiary.

b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (refer to note 4.1 (d)), after initially being recognised at cost in the consolidated statement of financial position.

c) Joint arrangements

Under IFRS 11, Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has investments in joint ventures.

Joint ventures

Interests in joint ventures are accounted for using the equity method (refer to note 4.1 (d)), after initially being recognised at cost in the consolidated statement of financial position.

d) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the consolidated statement of profit or loss.

e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the consolidated statement of profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the consolidated statement of profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to the consolidated statement of profit or loss where appropriate.

4.2 Taxation - income tax and levy

Income tax expense is recognized in the consolidated statement of profit or loss except to the extent that relates to items recognised directly in consolidated statement of changes in equity or consolidated statement of comprehensive income in which it is recognized directly in equity or in consolidated statements of comprehensive income.

Current

The charge for current income tax is calculated using prevailing tax rates or tax rates expected to apply to profit for the year if enacted or substantively enacted at the end of the reporting period in accordance with the prevailing law for taxation of income, after taking into account tax credits, rebates and exemptions, if any. Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the tax authorities will accept an uncertain tax treatment. 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. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred

Deferred income tax is provided in full using the liability method on temporary differences arising between the carrying amount of assets and liabilities in the consolidated statement of financial position and the corresponding tax bases used in the computation of the taxable profit. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits 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 reporting date. Deferred tax is charged or credited in the consolidated statement of profit or loss, except in the case of items credited or charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity, in which case it is included in the consolidated statement of other comprehensive income or consolidated statement of changes in equity.

Deferred tax liability is not recognized in respect of taxable temporary differences associated with undistributed reserves and exchange translation reserves of subsidiaries, where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax liability is recognised in respect of taxable temporary differences associated with undistributed reserves of associates and joint ventures.

Group taxation adjustments

The Securities and Exchange Commission of Pakistan ('SECP') vide its certificate dated March 1, 2023, has registered the Company, Bulleh Shah Packaging (Private) Limited ('BSPPL'), Packages Investments Limited ('PIL'), Packages Convertors Limited ('PCL'), StarchPack (Private) Limited ('SPL') and Packages Power (Private) Limited ('PPPL') (together the 'Taxation Group') as a Group for the purpose of group taxation under Section 59AA of the Income Tax Ordinance, 2001. Consequently, the Taxation Group is taxed as one fiscal unit from the tax year 2024 and onwards.

Any adjustments in the current and deferred taxes of the Taxation Group on account of group taxation are credited or charged to consolidated statement of profit or loss in the year in which they arise.

Levies

Minimum taxes that exceed the normal tax liability, as well as income tax deducted at source (other than from dividends received from subsidiaries, joint ventures, and associates) under the provisions of the Income Tax Ordinance, 2001 ('the Ordinance'), are not within the scope of IAS 12 - Income Taxes. Instead, these taxes fall under the provisions of IFRIC 21 - Levies, and IAS 37 - Provisions, Contingent Liabilities and Contingent Assets.

Consequently, a liability for these levies is recognized in accordance with IFRIC 21 when the event specified in the Ordinance that triggers the obligation occurs. Therefore, excess minimum taxes and final taxes are recognized as liabilities when they become due, ensuring compliance with the recognition and measurement principles outlined in IAS 37.

4.3 Property, plant and equipment

4.3.1 Operating fixed assets

Operating fixed assets, except freehold land and leasehold land, are stated at cost less accumulated depreciation and any identified impairment loss. Leasehold land is stated at cost less accumulated amortisation less any identified impairment loss and freehold land is stated at cost less any identified impairment loss. Cost of leasehold land is amortised using the straight line method over the period of lease term. An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation on all owned assets is charged to consolidated statement of profit or loss on straight-line method so as to write off the depreciable amount of an asset over its estimated useful life at the following annual rates:

- Leasehold land	1.01% to 10%
- Buildings	2.50% to 33.33%
- Plant and machinery	3.33% to 50.00%
- Other equipment	5.00% to 50.00%
- Furniture and fixtures	10.00% to 50.00%
- Vehicles	10.00% to 33.33%

The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted if impact on depreciation is significant. The Group's estimate of the residual values and useful lives of its operating fixed assets as at December 31, 2024 has not required any adjustment as its impact is considered insignificant.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount as fully explained in note 4.3.4 to these consolidated financial statements.

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 benefits associated with the item shall flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to consolidated statement of profit or loss during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as an income or expense.

4.3.2 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 owned assets as and when these are available for use.

4.3.3 Major spare parts and stand-by equipment

Major spare parts and stand-by equipment qualify as property, plant and equipment when the Group expects to use them for more than one year. Transfers are made to relevant owned assets category as and when such items are available for use.

4.3.4 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

4.4 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Land held for an undetermined future use is also classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property. Some of the investment properties are leased to tenants under long term operating leases with rentals, payable monthly. The investment properties of the Group comprise land, buildings and other equipment. The investment properties, except freehold land, are stated at cost less accumulated depreciation and any identified impairment losses. Freehold land is stated at cost less any identified impairment loss.

Depreciation on buildings and equipment is charged to consolidated statement of profit or loss on straight-line method so as to write off the depreciable amount of investment property over its estimated useful life at the rates ranging from 2.50% to 20.00% per annum.

The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted if impact on depreciation is significant. The Group's estimate of the residual values and useful lives of its investment properties as at December 31, 2024 has not required any adjustment as its impact is considered insignificant.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount as fully explained in note 4.3.4 to these consolidated financial statements.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as an income or expense.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its carrying value at the date of reclassification becomes its cost for subsequent accounting at the date of change in use.

4.5 Intangible assets

4.5.1 Goodwill

Goodwill arises through acquisitions of subsidiaries and represents the excess of the consideration transferred over the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interests in the acquiree. Goodwill on acquisition of subsidiaries is included in 'intangible assets'. Goodwill on acquisitions of associates and joint ventures is included in 'investments in associates' and 'investments in joint ventures' respectively and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit.

4.5.2 Software

Expenditure incurred to acquire computer software and SAP Enterprise Resource Planning ('ERP') System and develop websites are capitalised as intangible assets and stated at cost less accumulated amortisation and any identified impairment loss.

Costs associated with maintaining computer software programmes are recognised as an expense when incurred. However, costs that are directly attributable to identifiable software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of software (license fee) and related overhead cost.

4.5.3 Trademarks

Trademarks, licences and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. Trademarks represent brand names of medicines being sold. These are considered to have indefinite useful lives since they are expected to generate net cashflows indefinitely and have minimum renewal cost. These are tested for impairment annually at each reporting date.

4.5.4 Research and development

Research expenditure and development expenditure that do not meet the criteria in 4.5.2 above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

4.5.5 Amortisation methods and periods

Intangible assets that have a finite useful life are amortised using the straight line method over the estimated useful lives at the annual rates ranging from 10.00% to 20.00%. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Useful lives of intangible assets are reviewed, at each statement of financial position date and adjusted if the impact of on amortisation is significant. The Group's estimate of the useful lives of its intangible assets as at December 31, 2024 has not required any adjustment as its impact is considered insignificant.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount as fully explained in note 4.3.4 to these consolidated financial statements.

4.6 Leases

(1) The Group is the lessee:

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

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 Group's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments 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 Group is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured 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 Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group 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-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of right-of-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, as fully explained in note 4.3.4 to these consolidated financial statements and adjusted for certain remeasurements of the lease liability.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease, it is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

(2) The Group is the lessor:

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rental income received under operating leases (net of any incentives given to the lessee) is recognised as income on a straight-line basis over the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. The respective leased assets are included in the consolidated statement of financial position as investment properties.

4.7 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the following:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interests in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in the consolidated statement of profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the consolidated statement of profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated statement of profit or loss.

4.8 Employee benefits

4.8.1 Short term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leaves that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

4.8.2 Post employment benefits

(i) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine its present value. The calculation is performed annually by a qualified actuary using the Projected Unit Credit method.

(a) Gratuity plan

There are approved funded defined benefit gratuity plans for all permanent employees of the Parent Company, BSPPL, DIC, PCL, PREPL, TPFL, Packages Trading FZCO and HPL subject to attainment of service of prescribed minimum period. Monthly contributions are made to the funds on the basis of actuarial recommendations at the rate of 4.50 percent per annum of basic salaries. The latest actuarial valuation for the gratuity scheme was carried out as at December 31, 2024. The eligible employees are entitled to gratuity payments on the basis of their service with the Group and in accordance with the Group policy.

The Group operates defined benefit gratuity plan in accordance with the local regulatory framework in Pakistan. The plan provides benefits to members in the form of a gratuity amount payable at the end of employment. This is a trustee-administered fund. Plan assets held by the fund are subject to local regulations and practice. Responsibility for governance of the plan – including investment decisions and contributions schedules – lies jointly with the board of trustees which are either directors, senior executives or employees of the Group in accordance with the plan's regulations.

The actual return on plan assets represents the difference between the fair value of plan assets at the beginning of the year and as at the end of the year after adjustments for contributions made by the Group as reduced by benefits paid during the year. The actual return on plan assets during the year was Rs 264.773 million (2023: Rs 202.521 million).

The Group ensures that its investment positions are managed within an asset-liability matching (ALM) framework developed to align with its gratuity obligations. Within this framework, the Group's ALM objective is to match assets to the gratuity obligations by investing in equity securities, floating-rate long-term bonds and short-term debt securities. The Group actively monitors how the duration and expected yield of these investments align with the expected cash outflows arising from the gratuity scheme obligations.

The amount recognized in statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of the plan assets.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the year in which they arise. Past service costs are recognized immediately in the statement of profit or loss.

The future contribution rates of these plans include allowances for deficit and surplus. Projected unit credit method, using the following significant assumptions, is used for valuation of this scheme:

	2024	2023
Discount rate per annum	12.25% - 15.50%	14.50% - 15.50%
Expected rate per annum of increase in salary level	10% - 12.25%	15.50%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	SLIC 2001 - 2005 Setback 1 Year
Expected rate of return per annum	12.25% - 15.50%	14.50% - 15.50%
Retirement Assumption	58 Years	58 Years

Plan assets include long term government bonds, equity instruments of listed companies, units of mutual funds, izafa certificates, treasury bills, sukuk and term deposits with banks.

The Group is expected to contribute Rs 128.383 million to the gratuity funds in the next financial year.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity through other comprehensive income in the period in which they arise. Past service costs are recognised immediately in consolidated statement of profit or loss.

(b) Pension plan

Management and executive staff of the Parent Company hired before January 1, 2016 and management and executive staff of TPFL hired before March 15, 2018, participate in the pension fund managed by the Parent Company.

On December 26, 2012, the Board of Trustees of the pension fund, decided to convert the defined benefit plan to defined contribution plan for all its active employees with effect from January 1, 2013 with no impact on the pensioners appearing on the pensioners' list as of that date. The proposed scheme was approved for implementation by the Commissioner Inland Revenue on February 22, 2013 and employees' consent to the proposed scheme was sought and obtained.

Management and executive staff of the Parent Company who have joined on or after January 1, 2016, and management and executive staff of TPFL who have joined on or after March 15, 2018, do not participate in the pension fund.

Consequently, the pension fund currently operates two different plans for its members:

- Defined contribution plan for active employees hired before January 1, 2016 of the Parent Company and March 15, 2018 for active employees of TPFL; and

- Defined benefit plan for pensioners who have retired on or before December 31, 2012.

In respect of the defined contribution plan for active employees as above, the Group contributes 20.00% of members' monthly basic salary to the scheme; whereas, an employee may or may not opt to contribute 6.00% of his monthly basic salary to the scheme.

The obligation in respect of the defined benefit plans are determined by the funds' actuary at each year end. Any funding gap identified by the funds' actuary is paid by the Group from time to time. The last actuarial valuation was carried out as at December 31, 2024, based on the following assumptions:

	2024	2023
Discount rate per annum	12.25%	15.50%
Expected rate of increase in pension level per annum	10% - 12.25%	15.50%
Expected mortality rate	SLIC 2001-2005 Setback 1 Year	SLIC 2001-2005 Setback 1 Year
Expected rate of return per annum	12.25%	15.50%
Average duration of liability	6 Years	6 Years

The Group operates defined benefit pension plan in accordance with the local regulatory framework in Pakistan. The plan provides benefits to members in the form of a pension amount payable at retirement. This is a trustee-administered fund. Plan assets held by the fund are subject to local regulations and practice. Responsibility for governance of the plan – including investment decisions and contributions schedules – lies jointly with the board of trustees which are either directors, senior executives or employees of the Group in accordance with the plan's regulations.

Plan assets include long term government bonds, equity instruments of listed companies, units of mutual funds, term finance certificates, izafa certificates, treasury bills, sukuk and term deposits with banks.

The actual return on plan assets represents the difference between the fair value of plan assets at the beginning of the year and as at the end of the year after adjustments for contributions made by the Group as reduced by benefits paid during the year.

The Group ensures that its investment positions are managed within an asset-liability matching (ALM) framework developed to align with its pension obligations. Within this framework, the Group's ALM objective is to match assets to the pension obligations by investing in equity securities, floating-rate long-term bonds and short-term debt securities. The Group actively monitors how the duration and expected yield of these investments align with the expected cash outflows arising from the pension scheme obligations.

The amount recognised in consolidated statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of the plan assets.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for the defined benefit plan are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognised immediately in consolidated statement of profit or loss.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in consolidated statement of profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Parent Company, BSPPL, DIC, PCL, PREPL, TPFL and HPL operate a recognised/approved contributory provident fund for its permanent employees. Equal monthly contributions at the rate of 10.00% per annum of basic salaries plus dearness allowance and cost of living allowance are made by the Group and the employees to the fund. The nature of contributory pension fund has been explained in note 4.8.2 (b) above.

Employees of Packages Lanka (Private) Limited, a subsidiary incorporated in Sri Lanka, are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective statutes and regulations. The contributions are made at the rate of 12.00% and 3.00% per annum of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund, respectively.

4.8.3 Accumulating compensated absences

The Group provides for accumulating compensated absences when the employees render services that increase their entitlement to future compensated absences. The annual leaves can be encashed at the time the employee leaves the Group on the basis of gross salary while no encashment is available for medical leaves. The employees of the Group are entitled to earned annual and medical leaves on basis of their service with the Group and in accordance with the Group policy.

As per the Group's leaves policy, employees are entitled to following earned leaves along with their maximum accumulation.

	Earned leaves entitlement per year (days)	Maximum accumulation of compensated leaves (days)
Service up to 14 years	15	30
Service of 15 years or more	21	42

Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to consolidated statement of profit or loss. The most recent valuation was carried out as at December 31, 2024 using the Projected Unit Credit Method.

The amount recognised in the consolidated statement of financial position represents the present value of the defined benefit obligations. Actuarial gains and losses are charged to the consolidated statement of profit or loss immediately in the period when these occur.

Projected Unit Credit method, using the following significant assumptions, has been used for valuation of accumulating compensated absences:

	2024	2023
Discount rate per annum	12.25% - 15.5%	14.5% - 15.5%
Expected rate of increase in salary level per annum	10% - 12.25%	15.50%
Expected mortality rate	SLIC 2001-2005 Setback 1 Year	SLIC 2001-2005 Setback 1 Year
Average Duration of the plan	6 years	5 years

4.9 Stores and spares

Stores and spares are valued at moving weighted average cost except for items in transit which are stated at invoice value plus other charges paid thereon till the reporting date. For items which are slow-moving and/or identified as obsolete, adequate provision is made for any excess book value over estimated realisable value on a regular basis. The Group reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence.

4.10 Stock-in-trade

Stock of raw materials (except for those in transit), work-in-process and finished goods are valued principally at the lower of weighted average cost and net realisable value ('NRV'). Stock of packing material is valued principally at moving average cost. Cost of work-in-process and finished goods comprises cost of direct materials, labour and related production overheads (based on normal operating capacity). It excludes borrowing cost.

Materials in transit are stated at cost comprising invoice value plus other charges paid thereon.

Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

If the expected net realisable value is lower than the carrying amount, a write-down is recognised for the amount by which the carrying amount exceeds its net realisable value. Provision is made in the consolidated financial statements for obsolete and slow moving stock-in-trade based on management estimate.

4.11 Investments

Investments intended to be held for less than twelve months from the statement of financial position date or to be sold to raise operating capital, are included in current assets, all other investments are classified as non-current. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

4.11.1 Investments in equity instruments of associates and joint ventures

Investments in equity instruments of associates and joint ventures are accounted for using the equity method of accounting as referred to in note 4.1 (d).

4.12 Financial assets

4.12.1 Classification

The Group classifies its financial assets other than investments in subsidiaries in the following measurement categories:

- those to be measured subsequently at fair value [either through other comprehensive income ('OCI') or through profit or loss]; and

- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

4.12.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

4.12.3 Measurement

At initial recognition, the Group 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 profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

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

i) **Amortised 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 amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the consolidated statement of profit or loss.

ii) **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 OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method. Impairment expenses are presented as a separate line item in the consolidated statement of profit or loss.

iii) **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value other than investments in associates and joint ventures. Where the Group'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 profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

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

4.13 Impairment of financial assets other than investment in equity instruments

The Group 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 and contract assets, the Group applies IFRS 9 simplified approach to measure the ECL ('loss allowance') which uses a life time expected loss allowance to be recognised from initial recognition, while general 3-stage approach is applied for other financial assets such as deposits, loans, other receivables, short term investments and bank balances 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.

Following are the financial assets that are subject to the ECL model:

- Trade debts;
- Loans, deposits and other receivables;
- Long term security deposits and loans;
- Bank balances; and
- Short term investments.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses. The Group considers that a financial asset is in default when a contractual payment is 90 days past due. The definition is based on the Group's internal credit risk management policy.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group recognizes 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.

The Group 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 Group 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 Financial liabilities

All financial liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method. Gains and losses are recognised in the consolidated statement of profit or loss, when the liabilities are derecognised, as well as through effective interest rate amortization process.

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

4.15 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the consolidated financial statements only when there is a legally enforceable right to set off the recognised amount and the Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.16 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Group holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest rate method, less loss allowance.

4.17 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Additionally, cash and cash equivalents encompass short-term borrowings that are repayable on demand and are an integral part of the Group's cash management, as well as bank overdrafts. Bank overdrafts and short-term borrowings are presented within borrowings in current liabilities in the statement of financial position.

4.18 Borrowings

Borrowings are recognised initially at fair value (proceeds received), net of transaction costs incurred. Borrowings are subsequently accounted at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in consolidated statement of profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Company is required to comply with after the reporting period do not affect the classification at the reporting date.

4.19 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer).

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

4.20 Revenue recognition

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised good or service to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, commissions and government levies. Revenue is recognised upon satisfaction of performance obligations and specific criteria has been met for each of the Group's activities as described below:

(i) Sales revenue is recognised when or as performance obligations are satisfied by transferring control of a promised good or service to a customer. In case of local sales, revenue is recognized at the time of delivery of goods to the customer. In case of export sales, revenue is recognized at the time of delivery of goods at the port of destination.

No significant element of financing is deemed present as the sales are generally made with a credit term of 30 days, which is consistent with market practice. The Group has no obligation to repair or replace faulty products.

(ii) Service and management charges are recognized in the period in which the services are rendered. When the Group is acting as an agent, the commission rather than gross income is recorded as revenue.

(iii) Ancillary and marketing income is recognized when the event is performed.

4.21 Foreign currency transactions and translation

a) Functional and presentation currency

Items included in the consolidated financial statements of the each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Pakistani Rupees ('Rupees' or 'Rs'), which is the Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss on a net basis within other expenses/(income).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each consolidated statement of financial position item presented are translated at the closing rate at the date of that consolidated statement of financial position;

(ii) income and expenses for each item of consolidated statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognised in consolidated other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in consolidated other comprehensive income.

4.22 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Qualifying assets are assets that necessarily take a substantial time to get 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 capitalisation.

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

4.23 Dividend and appropriation to reserves

Dividend distribution to the members and appropriations to reserves are recognised in the financial statements in the period in which these are approved.

4.24 Compound financial instruments

Compound financial instruments issued by the Group represent preference shares/convertible stock that can be converted into ordinary shares or can be settled in cash.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

4.25 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Chief Operating Decision Makers ('the CODMs') to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Parent Company.

Segment results that are reported to the CODMs include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets, liabilities and related income and expenses. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and investment property.

The business segments are engaged in providing products or services which are subject to risks and rewards which differ from the risk and rewards of other segments.

The Group's strategic steering committee, consisting of the Board of Directors of the Parent Company, examines the Group's performance, both from a product and geographic perspective, and has identified the following reportable segments of its business:

Types of Segments	Nature of business
Packaging	Manufacture and market packing products
Consumer Products	Manufacture and market consumer/tissue products
Ink	Manufacture and market industrial and commercial ink products
Real Estate	Construction and development of real estate
Paper and Board	Manufacture and market paper and board products
Plastic	Manufacture and market Biaxially Oriented Polypropylene (BoPP) film and Cast Polypropylene (CPP) films
Pharmaceutical Products	Manufacture, sale and trading of pharmaceutical and related products
Corn Starch Products	Manufacture and sale of Corn-based starch products, its derivatives, by-products and trading of Corn
Trading	Trading of paper and related products, raw materials, crude plastic, nylon, packing materials and equipment, as well as agricultural materials and waste.
Unallocated	Workshop and other general business

4.26 Provisions

Provisions for legal claims and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will 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 management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

4.27 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

4.28 Earnings per share

The Group presents basic and diluted earnings per share ('EPS') data for its ordinary shares.

Basic EPS is calculated by dividing:

- the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares.

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted EPS adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

4.29 Contingent liabilities and assets

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

  Contingent liabilities are not recognised. A contingent liability is disclosed unless the possibility of an outflow is remote.

  Contingent asset is disclosed when an inflow of economic benefits is probable. Contingent assets are not recognised in the financial statements since this may result in recognition of income that may never be realised.

Contingent liabilities and assets are generally estimated using:

- The single most likely outcome; or

- A weighted average of all the possible outcomes (the 'expected value' method). This is likely to be the most appropriate method for a large population of similar claims, but can also be applied to a single obligation with various possible outcomes.

4.30 Contract asset and contract liability

A contract asset is recognised for the Group's right to consideration in exchange for goods or services that it has transferred to a customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Group presents the amount as a contract asset, excluding any amounts presented as a receivable.

A contract liability is recognised for the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Group transfers a good or service to the customer, the entity shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

4.31 Finance income

Finance income comprises interest income on funds invested (financial assets), gain on disposal of financial assets and changes in fair value of investments. Interest income is recognized as it accrues in profit or loss, using effective interest method.

4.32 Rounding of amounts

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

5. Issued, subscribed and paid up share capital - ordinary share capital

2024	2023		2024	2023
(Number of Shares)			(Rupees in thousand)	
33,603,295	33,603,295	Ordinary shares of Rs 10 each fully paid in cash	336,033	336,033
148,780	148,780	Ordinary shares of Rs 10 each issued for consideration other than cash (property, plant and equipment)	1,488	1,488
5,000,000	5,000,000	Ordinary shares of Rs 10 each issued against shares/convertible stock	50,000	50,000
50,627,429	50,627,429	Ordinary shares of Rs 10 each issued as bonus shares	506,274	506,274
89,379,504	89,379,504		893,795	893,795

5.1 26,707,201 (2023: 26,707,201) ordinary shares of the Parent Company are held by its associate, IGI Investments (Private) Limited.

6. Other reserves

Composition of other reserves is as follows:

	Note	2024	2023
		(Rupees in thousand)	
Capital reserves			
- Share premium	6.1	3,766,738	3,766,738
- Exchange differences on translation of foreign operations	6.2	309,043	185,677
- FVOCI reserve	6.3	23,214,960	25,953,731
- Other reserves relating to associates and joint ventures	6.4	3,508,292	3,591,121
- Transaction with non-controlling interests	6.5	80,653	80,653
- Capital redemption reserve	6.6	1,615,000	1,615,000
		32,494,686	35,192,920
Revenue reserve			
- General reserve		22,810,333	22,810,333
		55,305,019	58,003,253

6.1 This reserve can be utilised by the Group only for the purposes specified in section 81 of the Act.

6.2 This represents exchange differences arising on translation of the foreign controlled entities that are recognised in other comprehensive income as described in note 4.21. The cumulative amount is reclassified to consolidated statement of profit or loss when the net investment is disposed off.

6.3 This represents the unrealized gain on remeasurement of investments at FVOCI and is not available for distribution.

6.4 This represents Group's share of net other comprehensive income of the associates and joint ventures. The amount shall be transferred to consolidated statement of profit or loss on subsequent reclassification.

6.5 This reserve is used to record the differences described in note 4.1 (c) which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

6.6 This reserve was created on account of redemption of 8.5 million preference shares/convertible stock of Rs 190 each in 2016 as per the requirements of section 85 of the repealed Companies Ordinance, 1984.

7. Equity portion of loan from shareholder of the Parent Company

This represents equity portion of interest free loan from a shareholder of the Parent Company. The loan was initially payable to the shareholder, however, it was assigned to Babar Ali Foundation ('BAF') on May 07, 2018. The entire amount of the outstanding balance of loan (debt portion) was repaid to BAF on December 31, 2021.

8. Long term finances

	Note	2024	2023
		(Rupees in thousand)	
These are composed of:			
- Local currency loans from financial institutions - secured			
Long term finance facility I	8.1	1,500,000	1,500,000
Long term finance facility II	8.2	1,250,000	1,050,000
Long term finance facility III	8.3	-	499,852
Long term finance facility IV	8.4	250,000	-
Long term finance facility V	8.5	750,000	750,000
Long term finance facility VI	8.6	1,000,000	1,400,000
Long term finance facility VII	8.7	373,900	-
Long term finance facility VIII	8.8	256,059	328,060
Long term finance facility IX	8.9	924,780	993,449
Long term finance facility X	8.10	-	333,333
Long term finance facility XI	8.11	1,750,000	2,000,000
Long term finance facility XII	8.12	2,500,000	3,000,000
Long term finance facility XIII	8.13	2,000,000	2,000,000
Long term finance facility XIV	8.14	2,000,000	2,000,000
Long term finance facility XV	8.15	2,000,000	-
Long term finance facility XVI	8.16	2,000,000	-
Long term finance facility XVII	8.17	3,000,000	-
Long term finance facility XVIII	8.18	-	333,333
Long term finance facility XIX	8.19	800,000	1,200,000
Long term finance facility XX	8.20	2,000,000	2,000,000
Long term finance facility XXI	8.21	2,000,000	-
Long term finance facility XXII	8.22	4,729,307	4,331,076
Long term finance facility XXIII	8.23	500,000	700,000
Long term finance facility XXIV	8.24	468,750	656,250
Long term finance facility XXV	8.25	750,000	1,050,000
Long term finance facility XXVI	8.26	900,000	900,000
Long term finance facility XXVII	8.27	3,200,000	3,200,000
Long term finance facility XXVIII	8.28	1,500,000	-
Long term finance facility XXIX	8.29	200,000	600,000
Long term finance facility XXX	8.30	750,000	1,250,000
Long term finance facility XXXI	8.31	1,833,333	2,000,000
Long term finance facility XXXII	8.32	1,600,000	2,000,000
Long term finance facility XXXIII	8.33	782,913	894,758
Long term finance facility XXXIV	8.34	200,000	200,000
Long term finance facility XXXV	8.35	281,250	300,000
Long term finance facility XXXVI	8.36	2,500,000	2,500,000
Long term finance facility XXXVII	8.37	500,000	-
Long term finance facility XXXIII	8.38	-	333,333
Long term finance facility XXXIX	8.39	725,806	-
Long term finance facility XXXX	8.40	740,000	940,000
Long term finance facility XLI	8.41	132,823	150,403
Long term finance facility XLII	8.42	2,037,614	2,493,666
Long term finance facility XLIII	8.43	3,527,885	3,393,390
Long term finance facility XLIV	8.44	3,720,640	1,099,094
Long term finance facility XLV	8.45	994,000	994,000
Long term finance facility XLVI	8.46	1,405,000	-
Long term finance facility XLVII	8.47	1,000,000	-
Long term finance facility XLVIII	8.48	1,823,033	1,823,033
Long term finance facility XLIX	8.49	1,410,406	1,410,406
Long term finance facility L	8.50	1,500,000	1,500,000
Long term finance facility LI	8.51	500,081	-
Long term finance facility LII	8.52	1,285,000	-
Long term finance facility LIII	8.53	1,000,000	-
		68,852,580	54,107,436
- Preference shares/convertible stock - unsecured	8.54	932,650	932,650
		69,785,230	55,040,086
Deferred government grant		(1,030,164)	(770,697)
		68,755,066	54,269,389
Current portion shown under current liabilities	17	(8,514,447)	(6,070,240)
	8.55	60,240,619	48,199,149

The summary of facilities obtained is as follows:

Long term finance facilities	Note	Markup/profit per annum	Profit payment	Number of instal-ments outstanding	Commencement date/ final repayment date*	
Long term finance facility I	8.1	6 months KIBOR	Semi-Annual	8 Half Yearly	Commencement date	July-25
Long term finance facility II	8.2	6 months KIBOR	Semi-Annual	7 Half Yearly	Commencement date	June-26
Long term finance facility III	8.3	6 months KIBOR	Semi-Annual	Settled	N/A	Settled
Long term finance facility IV	8.4	6 months KIBOR	Semi-Annual	7 Half Yearly	Commencement date	October-26
Long term finance facility V	8.5	6 months KIBOR	Semi-Annual	8 Half Yearly	Commencement date	August-25
Long term finance facility VI	8.6	6 months KIBOR	Semi-Annual	1 Half Yearly	Final repayment date	March-25
Long term finance facility VII	8.7	6 months KIBOR	Semi-Annual	8 Half Yearly	Commencement date	February-28
Long term finance facility VIII	8.8	SBP rate + 1%	Quarterly	15 Quarterly	Final repayment date	July-28
Long term finance facility IX	8.9	SBP rate + 0.47%	Semi-Annual	16 Half Yearly	Final repayment date	March-32
Long term finance facility X	8.10	6 months KIBOR + 0.10%	Semi-Annual	Settled	N/A	Settled
Long term finance facility XI	8.11	6 months KIBOR	Semi-Annual	8 Half Yearly	Final repayment date	March-28
Long term finance facility XII	8.12	3 months KIBOR	Quarterly	12 Quarterly	Final repayment date	May-27
Long term finance facility XIII	8.13	6 months KIBOR	Quarterly	16 Quarterly	Commencement date	June-25
Long term finance facility XIV	8.14	6 months KIBOR	Quarterly	16 Quarterly	Commencement date	July-25
Long term finance facility XV	8.15	3 months KIBOR	Quarterly	16 Quarterly	Commencement date	January-27
Long term finance facility XVI	8.16	3 months KIBOR	Quarterly	16 Quarterly	Commencement date	February-26
Long term finance facility XVII	8.17	3 months KIBOR	Quarterly	16 Quarterly	Commencement date	November-26
Long term finance facility XVIII	8.18	6 months KIBOR + 0.20%	Quarterly	Settled	N/A	Settled
Long term finance facility XIX	8.19	6 months KIBOR + 0.10%	Semi-Annual	4 Half Yearly	Final repayment date	January-25
Long term finance facility XX	8.20	6 months KIBOR	Semi-Annual	10 Half Yearly	Commencement date	January-25
Long term finance facility XXI	8.21	3 months KIBOR	Quarterly	10 Half Yearly	Commencement date	April-27
Long term finance facility XXII	8.22	SBP rate + 0.5%	Semi-Annual	16 Half Yearly	Grace period of 2 years from date of disbursements.	
Long term finance facility XXIII	8.23	6 months KIBOR	Semi-Annual	5 Half Yearly	Final repayment date	January-27
Long term finance facility XXIV	8.24	6 months KIBOR	Semi-Annual	5 Half Yearly	Final repayment date	January-27
Long term finance facility XXV	8.25	6 months KIBOR	Semi-Annual	5 Half Yearly	Final repayment date	January-27
Long term finance facility XXVI	8.26	6 months KIBOR	Semi-Annual	8 Half Yearly	Commencement date	January-25
Long term finance facility XXVII	8.27	6 months KIBOR	Semi-Annual	8 Half Yearly	Commencement date	April-25
Long term finance facility XXVIII	8.28	6 months KIBOR	Semi-Annual	10 Half Yearly	Commencement date	June-27
Long term finance facility XXIX	8.29	6 months KIBOR + 0.10%	Semi-Annual	1 Half Yearly	Final repayment date	March-25
Long term finance facility XXX	8.30	6 months KIBOR + 0.10%	Semi-Annual	3 Half Yearly	Final repayment date	May-26
Long term finance facility XXXI	8.31	6 months KIBOR	Quarterly	12 Quarterly	Final repayment date	August-27
Long term finance facility XXXII	8.32	6 months KIBOR	Semi-Annual	10 Half Yearly	Commencement date	April-25
Long term finance facility XXXIII	8.33	SBP rate + 3%	Quarterly	16 Quarterly	Final repayment date	October-31
Long term finance facility XXXIV	8.34	SBP rate + 2%	Semi-Annual	16 Half Yearly	Commencement date	January-25
Long term finance facility XXXV	8.35	SBP rate + 4%	Quarterly	32 Quarterly	Final repayment date	April-32
Long term finance facility XXXVI	8.36	6 months KIBOR	Semi-Annual	10 Half Yearly	Commencement date	July-25
Long term finance facility XXXVII	8.37	6 months KIBOR	Quarterly	20 Quarterly	Commencement date	July-25
Long term finance facility XXXIII	8.38	6 months KIBOR + 0.1%	Quarterly	Settled	N/A	Settled
Long term finance facility XXXIX	8.39	3 months KIBOR + 0.75%	Quarterly	31 Quarterly	Final repayment date	April-32
Long term finance facility XXXX	8.40	3 months KIBOR + 0.75%	Semi-Annual	8 Half Yearly	Final repayment date	December-25
Long term finance facility XLI	8.41	SBP rate + 0.75%	Quarterly	29 Quarterly	Final repayment date	April-31
Long term finance facility XLII	8.42	SBP rate + 1.4%	Quarterly	32 Quarterly	Final repayment date	July-32
Long term finance facility XLIII	8.43	3 months KIBOR + 0.45%	Quarterly	32 Quarterly	Final repayment date	September-32
Long term finance facility XLIV	8.44	3 months KIBOR + 1%	Quarterly	32 Quarterly	Final repayment date	June-32
Long term finance facility XLV	8.45	3 months KIBOR + 0.75%	Semi-Annual	10 Half Yearly	Final repayment date	March-25
Long term finance facility XLVI	8.46	3 months KIBOR + 0.75%	Quarterly	20 Quarterly	Final repayment date	July-25
Long term finance facility XLVII	8.47	3 months KIBOR + 0.5%	Quarterly	24 Quarterly	Final repayment date	September-32
Long term finance facility XLVIII	8.48	6 months KIBOR	Semi-Annual	8 Half Yearly	Commencement date	February-25
Long term finance facility XLIX	8.49	6 months KIBOR + 0.15%	Semi-Annual	6 Half Yearly	Commencement date	September-25
Long term finance facility L	8.50	6 months KIBOR + 0.10%	Semi-Annual	8 Half Yearly	Commencement date	April-25
Long term finance facility LI	8.51	3 months KIBOR + 0.40%	Quarterly	6 Half Yearly	Commencement date	November-25
Long term finance facility LII	8.52	6 months KIBOR	Quarterly	20 Quarterly	Grace period of 2 years from date of disbursements.	
Long term finance facility LIII	8.53	6 months KIBOR	Semi-Annual	10 Half Yearly	Grace period of 2 years from date of disbursements.	

*where repayments are yet to start, commencement month has been mentioned.

8.1 Long term finance facility I

The loan is secured to the extent of Rs 2,000 million against the following:

- First pari passu over all present and future movable fixed assets (both imported and local components) of the Real Estate segment including but not limited to plant, machinery, equipment, fixtures and other installations and such movables of whatsoever nature installed or to be installed at the premises of the Real Estate segment located anywhere in Pakistan.

- First pari passu charge on all that piece and parcel of property owned by the Parent Company, measuring 127 kanals 28 marlas and 283.25 Sq. ft. in aggregate, situated at Moza Amer Sidhu, Tehsil/District Lahore together with all present and future construction thereon, and present & future fixtures and fittings attached thereto, that are presently and/or in future the property of the Parent Company.

8.2 Long term finance facility II

The loan is secured to the extent of Rs 7,800 million against the following:

- First pari passu over all present and future movable fixed assets of the Real Estate segment including but not limited to plant, machinery, equipment, fixtures and other installations and such movables of whatsoever nature installed or to be installed at the premises of the Real Estate segment located anywhere in Pakistan.

- First pari passu charge on all that piece and parcel of property owned by the Parent Company, measuring 119 kanals 15 marlas and 62.25 Sq. ft. in aggregate, situated at Moza Amer Sidhu, Tehsil/District Lahore together with all present and future construction thereon, and present & future fixtures and fittings attached thereto, that are presently and/or in future the property of the Parent Company.

8.3 Long term finance facility III

The loan was secured to the extent of Rs 4,666.67 million against the following:

- First pari passu charge over all present and future movable fixed assets of the Real Estate segment including but not limited to plant, machinery, equipment, machinery in transit, tools, spares, fittings and fixtures and other installations installed or to be installed, stored and kept at the premises of customer located anywhere in Pakistan.

- First pari passu charge on all that piece and parcel of property owned by the Parent Company, measuring 119 kanals 15 marlas and 62.25 Sq. ft. in aggregate, situated at Moza Amer Sidhu, Tehsil/District Lahore together with all present and future construction thereon, and present & future fixtures and fittings attached thereto, that are presently and/or in future the property of the Parent Company.

8.4 Long term finance facility IV

The loan is secured to the extent of Rs 7,800 million against the following:

- First pari passu over all present and future movable fixed assets of the Group including but not limited to plant, machinery, equipment, fixtures and other installations and such movables of whatsoever nature installed or to be installed at the premises of the Group located anywhere in Pakistan.

- First pari passu charge on all that piece and parcel of property owned by the Parent Company, measuring 119 kanals 15 marlas and 62.25 Sq. ft. in aggregate, situated at Moza Amer Sidhu, Tehsil/District Lahore together with all present and future construction thereon, and present & future fixtures and fittings attached thereto, that are presently and/or in future the property of the holding company.

8.5 Long term finance facility V

The loan is secured to the extent of Rs 1,000 million against the following:

- First pari passu over all present and future movable fixed assets of the Real Estate segment including but not limited to plant, machinery, equipment, fixtures and other installations and such movables of whatsoever nature installed or to be installed at the premises of the Real Estate segment located anywhere in Pakistan.

- First pari passu charge on all that piece and parcel of property owned by the Parent Company, measuring 127 kanals 28 marlas and 283.25 Sq. ft. in aggregate, situated at Moza Amer Sidhu, Tehsil/District Lahore together with all present and future construction thereon, and present & future fixtures and fittings attached thereto, that are presently and/or in future the property of the Parent Company.

8.6 Long term finance facility VI

The loan is secured to the extent of Rs 4,666.67 million against the following:

- First pari passu over all present and future movable fixed assets of the Real Estate segment including but not limited to plant, machinery, equipment, fixtures and other installations and such movables of whatsoever nature installed or to be installed at the premises of the Real Estate segment located anywhere in Pakistan.

- First pari passu charge on all that piece and parcel of property owned by the Parent Company, measuring 119 kanals 15 marlas and 62.25 Sq. ft. in aggregate, situated at Moza Amer Sidhu, Tehsil/District Lahore together with all present and future construction thereon, and present & future fixtures and fittings attached thereto, that are presently and/or in future the property of the Parent Company.

8.7 Long term finance facility VII

This loan has been obtained from Allied Bank Limited to meet Balancing, Modernising and Replacement (BMR) of their plant to increase its capacity and efficiency. It is secured by a joint pari passu charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin.

8.8 Long term finance facility VIII

This loan has been obtained from MCB Bank Limited to meet Balancing, Modernising and Replacement (BMR) of their plant to increase its capacity and efficiency. The last repayment date of this loan is July 20, 2032. It is secured by a joint pari passu charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin.

8.9 Long term finance facility IX

This loan has been obtained from Habib Bank Limited against diminishing musharaka agreement to meet the capital expenditure requirements already incurred by the Group from own sources. It is secured by a joint pari passu charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin.

8.10 Long term finance facility X

This loan was obtained from Habib Bank Limited against diminishing musharaka agreement to meet the capital expenditure requirements already incurred by the Group from own sources. It was secured by a joint pari passu charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin.

8.11 Long term finance facility XI

This loan has been obtained from Meezan Bank Limited against diminishing musharaka agreement for the purpose of re-profiling of statement of financial position. It is secured by a joint pari passu charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin.

8.12 Long term finance facility XII

This loan has been obtained from Faysal Bank Limited against diminishing musharaka agreement for the purpose of re-profiling of statement of financial position. It is secured by a joint pari passu charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin.

8.13 Long term finance facility XIII

This loan has been obtained from Meezan Bank Limited against diminishing musharaka agreement for balance sheet re-profiling. It is secured by a joint pari passu charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin.

8.14 Long term finance facility XIV

This loan has been obtained from Meezan Bank Limited against diminishing musharaka agreement for balance sheet re-profiling. It is secured by a joint pari passu charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin.

8.15 Long term finance facility XV

This loan has been obtained from Faysal Bank Limited for the purpose of re-profiling of statement of financial position and meeting capital expenditure requirements of the Group. It is secured by a joint pari passu charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin.

8.16 Long term finance facility XVI

This loan has been obtained from MCB Bank Limited for the purpose of re-profiling of statement of financial position and meeting capital expenditure requirements of the Group. It is secured by a joint pari passu charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin.

8.17 Long term finance facility XVII

This loan has been obtained from Meezan Bank Limited for the purpose of re-profiling of statement of financial position and meeting capital expenditure requirements of the Group. It is secured by a joint pari passu charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin.

8.18 Long term finance facility XVIII

This loan has been obtained from Allied Bank Limited for the purpose of re-profiling of statement of financial position and meeting capital expenditure requirements of the Group. It is secured by a joint pari passu charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin.

8.19 Long term finance facility XIX

This loan has been obtained from Allied Bank Limited against diminishing musharaka agreement for the purpose of re-profiling of statement of financial position. It is secured by a joint pari passu charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin.

8.20 Long term finance facility XX

This loan has been obtained from Allied Bank Limited against diminishing musharaka agreement for the purpose of re-profiling of statement of financial position. It is secured by a joint pari passu charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin.

8.21 Long term finance facility XXI

This loan has been obtained from Allied Bank Limited against diminishing musharaka agreement for the purpose of re-profiling of statement of financial position. It is secured by a joint pari passu charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin.

8.22 Long term finance facility XXII

This loan has been obtained from MCB Bank Limited to meet Balancing, Modernising and Replacement (BMR) of their plant to increase its capacity and efficiency. It is secured by a joint pari passu charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin.

8.23 Long term finance facility XXIII

This facility was obtained from Allied Bank Limited to finance the acquisition of Tri-Pack Films Limited by the Group. The facility is secured against pledge of Nestle Pakistan Limited's shares owned by the Group.

8.24 Long term finance facility XXIV

This facility has been obtained from Allied Bank Limited to finance equity investment in StarchPack (Private) Limited by the Group. The facility is secured against pledge of Nestle Pakistan Limited's shares owned by the Group.

8.25 Long term finance facility XXV

This facility was obtained from Allied Bank Limited to finance equity investment in Tri-Pack Films Limited by the Group through public offer. The facility is secured against pledge of Nestle Pakistan Limited's shares owned by the Group.

8.26 Long term finance facility XXVI

This facility was obtained from Allied Bank Limited to finance equity investment in Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited) by the Group. The facility is secured against pledge of Nestle Pakistan Limited's shares owned by the Group.

8.27 Long term finance facility XXVII

This facility was obtained from Allied Bank Limited to finance equity investment in Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited) by the Group. The facility is secured against pledge of Nestle Pakistan Limited's shares owned by the Group.

8.28 Long term finance facility XXVIII

This facility was obtained from Allied Bank Limited to finance equity injection in StarchPack (Private) Limited by the Group. The facility is secured against pledge of Nestle Pakistan Limited's shares owned by the Group.

8.29 Long term finance facility XXIX

This facility has been obtained from Habib Bank Limited to finance the fixed capital expenditure requirements of the Group. The facility is secured against ranking charge on plant and machinery of the Consumer Product segment (excluding D-Tech Sanitary Napkins F5S and Amica Matrix 600mpm) with the collateral on this loan of Rs 2,000 million.

8.30 Long term finance facility XXX

This facility has been obtained from Habib Bank Limited to finance the fixed capital expenditure requirements of the Group. The facility is secured against ranking charge on plant and machinery of the Consumer Product segment (excluding D-Tech Sanitary Napkins F5S and Amica Matrix 600mpm) with the collateral on this loan of Rs 2,000 million.

8.31 Long term finance facility XXXI

This facility has been obtained from Faysal Bank Limited to finance the fixed capital expenditure requirements of the Group. The facility is secured against ranking charge on plant and machinery of the Consumer Product segment (excluding D-Tech Sanitary Napkins F5S and Amica Matrix 600mpm) with 25% margin, the collateral for this loan is Rs 2,667 million.

8.32 Long term finance facility XXXII

This facility has been obtained from Meezan Bank Limited to finance the fixed capital expenditure requirements of the Group. The facility is secured against ranking charge on plant and machinery of the Consumer Product segment (excluding D-Tech Sanitary Napkins F5S and Amica Matrix 600mpm) with 25% margin, the collateral for this loan is Rs 2,667 million.

8.33 Long term finance facility XXXIII

This facility has been obtained from Meezan Bank Limited to finance the fixed capital expenditure requirements of the Group. The facility is secured against ranking charge on plant and machinery of the Consumer Product segment (excluding D-Tech Sanitary Napkins F5S and Amica Matrix 600mpm) with 25% margin, the collateral for this loan is Rs 1,267 million.

8.34 Long term finance facility XXXIV

This facility has been obtained from BankIslami Pakistan Limited under State Bank of Pakistan's ('SBP') Refinance Scheme for Temporary Economic Refinance Facility ('TERF') obtained by the Group. The facility is secured against ranking charge on plant and machinery of the Consumer Product segment (excluding D-Tech Sanitary Napkins F5S and Amica Matrix 600mpm) and the collateral for this loan is Rs 378 million.

8.35 Long term finance facility XXXV

This facility has been obtained from JS Bank Limited under State Bank of Pakistan's ('SBP') Refinance Scheme for Temporary Economic Refinance Facility ('TERF') obtained by the Group. The facility is secured against ranking charge on plant and machinery of the Consumer Product segment (excluding D-Tech Sanitary Napkins F5S and Amica Matrix 600mpm) with the collateral on this loan of Rs 400 million.

8.36 Long term finance facility XXXVI

This facility has been obtained from Allied Bank Limited to finance the fixed capital expenditure requirements of the Group. The facility is secured against ranking charge on plant and machinery of the Consumer Product segment (excluding D-Tech Sanitary Napkins F5S and Amica Matrix 600mpm) with the collateral on this loan of Rs 2,500 million.

8.37 Long term finance facility XXXVII

This facility has been obtained from Meezan Bank Limited to finance the fixed capital expenditure requirements of the Group. The facility is secured against ranking charge on plant and machinery of the Consumer Product segment (excluding D-Tech Sanitary Napkins F5S and Amica Matrix 600mpm) with the collateral on this loan of Rs 2,500 million.

8.38 Long term finance facility XXXVIII

This loan was obtained from MCB Bank Limited. The facility was secured against first pari passu hypothecation/mortgage charges on the Plastic segment's present and future fixed assets including but not limited to land, building, plant and machinery, equipment, furniture and fixtures etc.

8.39 Long term finance facility XXXIX

This loan has been obtained from Askari Bank Limited. The facility has been secured against first pari passu hypothecation/mortgage charges on the Plastic segment's present and future fixed assets including but not limited to land, building, plant and machinery, equipment, furniture and fixtures etc.

8.40 Long term finance facility XXXX

This facility has been obtained from MCB Bank Limited. The facility has been secured against first pari passu hypothecation/mortgage charges on the Plastic segment's present and future fixed assets including but not limited to land, building, plant and machinery, equipment, furniture and fixtures etc.

8.41 Long term finance facility XLI

This represents a syndicate long term loan agreement under the Temporary Economic Refinance Facility ('TERF') by the State Bank of Pakistan. The facility has been secured against first pari passu hypothecation/mortgage charges on the Plastic segment's present and future fixed assets including but not limited to land, building, plant and machinery, equipment, furniture and fixtures etc.

8.42 Long term finance facility XLII

This facility has been secured against first pari passu hypothecation/mortgage charges on the Plastic segment's present and future fixed assets including but not limited to land, building, plant, machinery and equipment.

8.43 Long term finance facility XLIII

This facility has been secured against first pari passu hypothecation/mortgage charges on the Plastic segment's present and future fixed assets including but not limited to land, building, plant, machinery and equipment.

8.44 Long term finance facility XLIV

This facility has been secured against first pari passu hypothecation/mortgage charges on the Plastic segment's present and future fixed assets including but not limited to land, building, plant, machinery and equipment.

8.45 Long term finance facility XLV

This facility has been secured against first pari passu hypothecation/mortgage charges on the Plastic segment's present and future fixed assets including but not limited to land, building, plant, machinery and equipment.

8.46 Long term finance facility XLVI

This facility has been secured against first pari passu hypothecation/mortgage charges on the Plastic segment's present and future fixed assets including but not limited to land, building, plant, machinery and equipment.

8.47 Long term finance facility XLVII

This facility has been secured against first pari passu hypothecation/mortgage charges on the Plastic segment's present and future fixed assets including but not limited to land, building, plant, machinery and equipment.

8.48 Long term finance facility XLVIII

This facility has been obtained from Habib Bank Limited to finance the fixed capital expenditure of the Group. The facility is secured against land, building, plant and machinery of the Corn-based Starch products segment, out of which land is owned by the Parent Company and leased to that segment.

8.49 Long term finance facility XLIX

This facility has been secured against land, building, plant and machinery of the Corn-based Starch products segment, out of which land is owned by the Parent Company and leased to that segment. The charge will be up-graded to joint pari passu charge before the financial closure of the Corn-based starch products segment's project which is expected by the end of March 2025.

8.50 Long term finance facility L

This facility has been secured against land, building, plant and machinery of the Corn-based Starch products segment, out of which land is owned by the Parent Company and leased to that segment. The charge will be up-graded to joint pari passu charge before the financial closure of the Corn-based starch products segment's project which is expected by the end of March 2025.

8.51 Long term finance facility LI

This facility has been obtained from Askari Bank Limited to finance the fixed capital expenditure of the Group. The facility is secured against land, building, plant and machinery of the Corn-based Starch products segment, out of which land is owned by the Parent Company and leased to that segment.

8.52 Long term finance facility LII

This facility has been obtained from MCB Bank Limited to finance the fixed capital expenditure of the Group. The facility is secured against the fixed assets of the Ink segment amounting to Rs 1,667 million with 10% margin.

8.53 Long term finance facility LIII

This facility has been obtained from MCB Bank Limited to finance the fixed capital expenditure of the Group. The facility is secured against the fixed assets of the Ink segment amounting to Rs 1,667 million with 10% margin.

8.54 Preference shares/convertible stock - unsecured

During the year 2009, the Parent Company issued 10.00% local currency non-voting preference shares/convertible stock at the rate of Rs 190 per share amounting to USD 50 million equivalent to Rs 4,120.50 million under "Subscription Agreement" dated March 25, 2009 with International Finance Corporation ('IFC').

Terms of redemption/conversion

Each holder of preference shares/convertible stock shall have a right to settle at any time, at the option of holder, either in the form of fixed number of ordinary shares, one ordinary share for one preference share/convertible stock, or cash. The Group may, on its discretion, refuse to purchase the preference shares/convertible stock offered to it for purchase in cash. In case of refusal by the Group, preference shareholders shall have the right to either retain the preference shares/convertible stock or to convert them into ordinary shares. The preference shares/convertible stock can be held till perpetuity if preference shareholders do not opt for the conversion or cash settlement.

Rate of return

The preference share/convertible stock holders have a preferred right of return at the rate of 10.00% per annum on a non-cumulative basis till the date of settlement of preference shares/convertible stock either in cash or ordinary shares. In case the amount of dividend paid to an ordinary shareholder exceeds that paid to a preference shareholder, the preference shareholders have the right to share the excess amount with the ordinary shareholders on an as-converted basis.

Preference shares/convertible stock are recognised in the consolidated statement of financial position as follows:

	Note	2024	2023
		(Rupees in thousand)	
Face value of preference shares/convertible stock [8,186,842 (2023: 8,186,842) shares of Rs 190 each]		1,555,500	1,555,500
Transaction costs		(16,628)	(16,628)
		1,538,872	1,538,872
Equity component - classified under equity		(606,222)	(606,222)
Liability component - classified under long term finances	8	932,650	932,650
Accrued return on preference shares/convertible stock - classified under accrued finance cost	21	155,550	155,550

The fair value of the liability component of the preference shares/convertible stock is calculated by discounting cash flows at a rate of approximately 16.50% till perpetuity which represents the rate of similar instrument with no associated equity component. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity as preference shares/convertible stock.

8.54.1 Transactions with preference shareholders

This represents the additional entitlement of the preference shareholders. In addition to the preferred right of return at the rate of 10 percent per annum, either in cash or ordinary shares on a non-cumulative basis till the date of settlement of preference shares/convertible stock, the preference shareholders also have the right to share the excess amount with the ordinary shareholders on an as-converted basis in case the amount of dividend per share paid to an ordinary shareholder exceeds that paid to a preference shareholder. Since ordinary dividend of Rs 27.50 per share was approved for the year ended December 31, 2023 (December 31, 2022: Rs 27.50 per share), which exceeded the preferred return for that year, the additional preference dividend to be paid to the preference shareholders has been distributed to the preference shareholders as participating dividend and charged directly to the equity.

8.55 The reconciliation of the carrying amount of long term finances is as follows:

	2024	2023
	(Rupees in thousand)	
Balance as at beginning of the year	54,269,389	36,079,319
Derecognition due to disposal of FPCPL	-	(203,186)
Disbursements during the year	21,464,752	24,699,238
Repayments during the year	(6,820,278)	(6,806,894)
Exchange adjustment	-	25,824
	68,913,863	53,794,301
Discounting adjustment for recognition at fair value - deferred government grant	(430,266)	(132,829)
Unwinding of discount on liability	271,321	647,817
Transaction cost	148	(39,900)
Balance as at end of the year	68,755,066	54,269,389
Current portion shown under current liabilities	(8,514,447)	(6,070,240)
	60,240,619	48,199,149

9. Lease liabilities

The Group has obtained vehicles, plant and machinery, equipment, land and buildings on lease from different parties. Reconciliation of the carrying amount is as follows:

	Note	2024	2023
		(Rupees in thousand)	
Opening balance		185,558	476,691
Liability recognised during the year		1,632,893	292,835
Reassessment of lease liability		(82,095)	-
Liability derecognised during the year		(37,002)	(5,412)
Derecognition due to disposal of FPCPL		-	(347,026)
Modification of lease liability		16,455	(166,554)
Interest on lease liability	44	110,213	28,735
Exchange rate effect		(28)	1,270
Payments made during the year		(147,432)	(94,981)
Closing balance		1,678,562	185,558
Current portion shown under current liabilities	17	(274,738)	(45,251)
		1,403,824	140,307

9.1 Maturity analysis

	2024	2023
Gross lease liabilities - minimum lease payments:		
Not later than 1 year	561,490	104,833
Later than 1 year but not later than 5 years	2,496,884	157,428
Later than five years	2,543,566	-
	5,601,940	262,261
Future finance charge	(3,923,378)	(76,703)
Present value of finance lease liabilities	1,678,562	185,558

10 Security deposits

	Note	2024	2023
Security deposits against rental contracts	10.1	479,423	466,582

10.1 Interest-free security deposits from tenants are classified as liabilities and are repayable upon cancellation or withdrawal of the license/lease agreements, or upon cessation of business with the Group. As of December 31, 2024, the gross value of these deposits received from tenants is Rs 823.26 million(2023: Rs 791.536 million).

These deposits are measured at amortized cost, utilizing market interest rates ranging from 11% to 17% for similar instruments (2023: 10% to 14%). The gain on initial recognition is recognized as deferred income (refer to note 11) and is amortized over the term of the respective license/lease agreements.

The Group does not maintain these deposits in separate bank accounts, as it has the flexibility to utilize the funds for any purposes stipulated in the agreements with tenants.

	Note	2024	2023
		(Rupees in thousand)	
Cumulative security deposits receipts net of returns		823,259	791,536
Less: Cumulative deferred income upon initial recognition		380,219	316,354
Security deposit recognized		443,040	475,182
Add: Interest on security deposit			
- Prior years		79,508	50,019
- Adjustment of renewals and leavers		(20,418)	(27,182)
- During the year	44	69,088	56,671
		128,178	79,508
Less: Current portion shown under current liabilities	17	91,795	88,108
		479,423	466,582

11. Deferred income

This represents advance received from a customer against installation of plant and machinery at the premises of the Group and the gain on initial recognition as explained in note 10.1. The income is being recognised over the useful life of the plant and machinery capitalised and over the license / lease term. Reconciliation of the carrying amount is as follows:

	Note	2024	2023
		(Rupees in thousand)	
Opening balance		413,912	476,195
Recognised during the year		84,283	39,904
Credited to consolidated statement of profit or loss	42	(105,507)	(102,187)
Closing balance		392,688	413,912
Income to be recognised in the following year classified under current liabilities	17	(97,247)	(72,417)
		295,441	341,495

12. Deferred government grant

This represents deferred government grant recognised in respect of the benefit of below-market interest rate on the facilities availed as explained in note 8.

	Note	2024	2023
		(Rupees in thousand)	
Opening balance		1,209,737	1,378,055
Deducted from borrowing cost		(39,654)	(48,327)
Deferred grant recognised during the year		430,266	51,348
Credited to consolidated statement of profit or loss	42	(233,177)	(171,339)
Closing balance		1,367,172	1,209,737
Current portion shown under current liabilities	17	(327,014)	(225,908)
		1,040,158	983,829

There are no unfulfilled conditions or other contingencies attached to these grants.

13. Deferred taxation

The liability for deferred taxation comprises taxable/(deductible) temporary differences relating to:

	Note	2024	2023
		(Rupees in thousand)	
Deferred tax liability			
Accelerated tax depreciation		11,625,505	10,770,353
Undistributed reserves of subsidiaries		140,236	-
Investments in associates and joint ventures		437,000	351,094
Unrealised profit on stock-in-trade		-	17,356
Capital allowances for tax purposes		80,668	82,202
Long term advances - employee credit balances		658	-
Preference shares/convertible stock		1,008	-
Provision for unfunded defined benefit plan		4,075	-
Intangible assets		-	44
Right-of-use assets		315,402	337,401
		12,604,552	11,558,450
Deferred tax asset			
Unused tax losses - before formation of group	13.1 & 13.2	(933,294)	(933,294)
Unused tax losses - after formation of group	13.3	(2,634,061)	-
Provision for slow moving stock and stores		(322,304)	(272,182)
Lease liabilities		(320,797)	(350,093)
Provision against GIDC		(231,908)	(204,793)
Provision for accumulating compensated absences		(246,201)	(201,144)
Loss allowance on financial assets		(422,444)	(359,255)
Minimum tax available for carry forward	13.3	(1,291,713)	(903,402)
Others		(196,987)	(39,873)
		(6,599,709)	(3,264,036)
	13.4	6,004,843	8,294,414

13.1 The unabsorbed depreciation loss of Rs 3,218.255 million (2023: Rs 3,218.255 million) is available for set off against income of BSPPL under separate return for indefinite period, but not available under the group taxation model.

13.2 For the purpose of current taxation, unused tax losses available for carry forward to the Group are Rs 1,422.28 million (2023: Rs 1,422.28 million). The Group has not recognized any related deferred tax asset due to certain unsettled tax positions.

13.3 Deferred tax asset on tax losses and tax credits available for carry forward have been recognized to the extent that the realisation of related tax benefits is probable from reversal of existing taxable temporary differences and future taxable profits. Based on the approved business plans of entities comprising the Taxation Group, it is probable that sufficient taxable profits will be available for utilization of deferred tax asset. However, the Group has not recognised deferred tax asset in respect of minimum tax available for carry forward under section 113 of the Income Tax Ordinance, 2001 amounting to Rs 1,026.386 million (2023: nil), as sufficient taxable profits would not be available to utilise these in the foreseeable future. Minimum tax on which deferred tax has not been created is set to expire in the following two tax years:

Accounting year to which minimum tax relates	Amount of minimum tax (Rupees in thousand)	Accounting year in which minimum tax will expire
2023	1,026,386	2026

13.4 The gross movement in net deferred tax liability during the year is as follows:

	Note	2024	2023
		(Rupees in thousand)	
Opening balance		8,294,414	5,489,139
Recognition upon acquisition of HPL		-	3,111,437
Credited to consolidated statement of profit or loss	45	(2,399,730)	(770,356)
Charged to consolidated other comprehensive income		39,415	359,292
Exchange gain		70,744	104,902
Closing balance		6,004,843	8,294,414

14. Long term advances

This represents contributions made by employees for purchase of the Group's vehicles. The vehicles are transferred to employees at the end of six years as per Group policy. The interest free long term advances have been carried at amortized cost using market interest rates ranging from 7.05% to 22.09% (2023: 7.05% to 22.09%) per annum to arrive at the present value. The reconciliation of the carrying amount is as follows:

	Note	2024	2023
		(Rupees in thousand)	
Opening balance		276,817	240,209
Additions during the year		148,040	145,435
Deletions during the year		(52,301)	(66,946)
Discounting adjustment credited to profit or loss	42	(55,446)	(73,580)
Unwinding of discounting adjustment - net	44	31,933	31,699
Closing balance		349,043	276,817
Current portion shown under current liabilities	17	(12,796)	(27,824)
		336,247	248,993

15. Employee benefit obligations

	Note	2024	2023
Funded			
- Pension		942,753	796,011
- Gratuity		1,644,641	1,176,333
	15.1	2,587,394	1,972,344
Unfunded			
- Staff gratuity	15.2	72,473	58,551
		2,659,867	2,030,895

15.1 Amounts recognised in consolidated statement of financial position

The amounts recognised in the consolidated statement of financial position are as follows:

	Pension fund		Gratuity fund	
	2024	2023	2024	2023
	(Rupees in thousand)		(Rupees in thousand)	
Present value of defined benefit obligation	1,026,851	957,563	3,436,621	2,806,652
Fair value of plan assets	(84,098)	(161,552)	(1,791,980)	(1,630,319)
Liability as at December 31	942,753	796,011	1,644,641	1,176,333

15.1.1 Movement in net liability for employee benefit obligations

	Pension fund		Gratuity fund	
	2024	2023	2024	2023
	(Rupees in thousand)		(Rupees in thousand)	
Net liability as at January 1	796,011	659,590	1,176,333	934,771
Recognition upon acquisition of HPL	-	-	-	32,844
Charged to consolidated statement of profit or loss	123,382	92,696	404,751	343,250
Net remeasurement for the year recorded in consolidated statement of comprehensive income ('OCI')	23,360	43,725	177,929	(13,063)
Contribution by the Group	-	-	(114,372)	(125,073)
Benefits due but not paid	-	-	-	489
Net transfers	-	-	-	3,115
Net liability as at December 31	942,753	796,011	1,644,641	1,176,333

15.1.2 Movement in present value of defined benefit obligation

	Pension fund 2024	Pension fund 2023	Gratuity fund 2024	Gratuity fund 2023
	(Rupees in thousand)		(Rupees in thousand)	
Present value of defined benefit obligation as at January 1	957,563	886,150	2,806,652	1,741,313
Recognition upon acquisition of HPL	-	6,736	-	642,106
Current service cost	-	-	213,867	181,973
Past service cost	-	-	22,261	30,287
Interest cost	140,196	118,498	404,092	329,336
Benefits paid	(106,139)	(103,958)	(338,474)	(248,821)
Benefits due but not paid	-	-	857	(489)
Remeasurements:Actuarial (gains)/losses form changes in financial assumptions	11,261	27,959	14,564	(40,887)
Experience adjustments	23,970	22,178	313,766	140,484
	35,231	50,137	328,330	99,597
Liability transferred to group companies	-	-	(964)	31,350
Present value of defined benefit obligation as at December 31	1,026,851	957,563	3,436,621	2,806,652

15.1.3 Movement in fair value of plan assets

	Pension fund 2024	Pension fund 2023	Gratuity fund 2024	Gratuity fund 2023
	(Rupees in thousand)		(Rupees in thousand)	
Fair value as at January 1	(161,552)	(226,560)	(1,630,319)	(806,542)
Recognition upon acquisition of HPL	-	(29,315)	-	(609,262)
Interest income on plan assets	(16,814)	(25,802)	(235,469)	(114,862)
Group contributions	-	-	(114,372)	(125,073)
Benefits paid	106,139	126,537	339,378	251,182
Expected return on plan assets	-	-	-	(83,484)
Return on plan assets, excluding interest income	(11,871)	(6,412)	(150,401)	(77,448)
Plan assets transferred to/(from) related parties	-	-	964	(30,510)
Remeasurement of plan assets	-	-	(1,761)	(34,320)
Fair value as at December 31	(84,098)	(161,552)	(1,791,980)	(1,630,319)

15.1.4 Risks faced by the Group on account of gratuity and pension funds

(i) Final salary risk (linked to inflation risk) - the risk that the final salary at the time of cessation of service is greater than the assumed salary. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

(ii) Asset volatility - Most assets are invested in risk free investments of 3, 5 or 10 year Pakistan investment bonds or treasury bills. However, investments in equity instruments are subject to adverse fluctuations as a result of change in the market price.

(iii) Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans bond holdings.

(iv) Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investments.

(v) Risk of insufficiency of assets - This is managed by making regular contribution to the fund as per the trust deed.

(vi) Demographic risks:

- **Mortality risk** - the risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.
- **Withdrawal risk** - the risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

15.1.5 Amounts recognised in the consolidated statement of profit or loss

	Pension fund 2024	Pension fund 2023	Gratuity fund 2024	Gratuity fund 2023
	(Rupees in thousand)		(Rupees in thousand)	
Current service cost	-	-	213,867	181,973
Past service cost	-	-	22,261	30,287
Interest cost for the year	140,196	118,498	404,092	329,336
Interest income on plan asset	(16,814)	(25,802)	(235,469)	(114,862)
Expected return on plan assets	-	-	-	(83,484)
Net expense charged to consolidated statement of profit or loss	123,382	92,696	404,751	343,250

15.1.6 Remeasurements charged to consolidated OCI

	Pension fund 2024	Pension fund 2023	Gratuity fund 2024	Gratuity fund 2023
	(Rupees in thousand)		(Rupees in thousand)	
Actuarial gains from change in financial assumptions	11,261	27,959	14,564	(40,887)
Actuarial gain - unfunded staff gratuity	-	-	-	(892)
Experience adjustments	23,970	22,178	313,766	140,484
Remeasurement of plan assets	-	-	-	(34,320)
Return on plan assets, excluding interest income	(11,871)	(6,412)	(150,401)	(77,448)
	23,360	43,725	177,929	(13,063)

15.1.7 Plan assets

	Pension fund 2024	Pension fund 2023	Gratuity fund 2024	Gratuity fund 2023
	(Rupees in thousand)		(Rupees in thousand)	
Plan assets are comprised as follows:				
Debt instruments	65,384	124,630	1,267,198	977,239
Shares and units of mutual funds	18,251	36,166	287,774	455,747
Cash at banks	463	756	236,647	196,959
Others	-	-	361	374
	84,098	161,552	1,791,980	1,630,319

15.2 Unfunded retirement benefits - staff gratuity (Rupees in thousand)

	2024	2023
	(Rupees in thousand)	
Reconciliation of carrying amount is as follows:		
As at the beginning of the year	58,551	33,278
Interest cost	7,923	9,671
Charge for the year	6,413	4,965
Payments made during the year	(3,310)	(2,151)
Actuarial gain	(1,432)	(892)
Exchange adjustment	4,328	13,680
As at the end of the year	72,473	58,551

15.3 Sensitivity analysis

Year end sensitivity analysis on defined benefit obligation:

	2024 Pension Fund	2024 Gratuity Fund	2023 Pension Fund	2023 Gratuity Fund
	(Rupees in thousand)		(Rupees in thousand)	
Discount rate + 100 bps	964,950	8,011,883	899,704	5,223,384
Discount rate - 100 bps	1,096,621	9,234,722	1,022,752	5,998,053
Salary growth rate + 100 bps	1,105,994	9,238,324	1,031,452	6,000,692
Salary growth rate - 100 bps	955,942	7,662,861	857,947	5,323,587

16. Accumulating compensated absences

This represents provision made to cover the obligation for accumulating compensated absences

	Note	2024	2023
		(Rupees in thousand)	
Opening balance		563,060	470,408
Charged to consolidated statement of profit or loss	16.1	180,267	124,967
		743,327	595,375
Payments made during the year		(51,730)	(32,315)
Closing balance	16.2	691,597	563,060

16.1 Charge during the year

	2024	2023
Current service cost	90,736	63,491
Interest cost	75,358	58,959
Experience (gain)/loss	(1,227)	4,399
Remeasurements during the year	15,400	(1,882)
Expense charged to the consolidated statement of profit or loss	180,267	124,967

16.2 Movement in liability for accumulating compensated absences

	2024	2023
Present value of obligation as at January 1	563,060	470,408
Current service cost	90,736	63,491
Interest cost on defined benefit obligation	75,358	58,959
Benefits paid during the year	(51,278)	(38,402)
Remeasurement during the year	15,400	(1,882)
Experience losses/(gains)	(1,227)	4,399
Net liability transferred from/(to) related parties	(452)	6,087
Present value of obligation as at December 31	691,597	563,060

Year end sensitivity analysis on accumulating compensated absences:	2024	2023
	Accumulating compensated absences	
	(Rupees in thousand)	
Discount rate + 100 bps	430,975	468,107
Discount rate - 100 bps	499,701	333,063
Salary increases + 100 bps	500,137	504,703
Salary increases - 100 bps	435,800	272,861

17. Current portion of non-current liabilities

	Note	2024	2023
		(Rupees in thousand)	
Current portion of:			
Long term finances from financial institutions	8	8,514,447	6,070,240
Lease liabilities	9	274,738	45,251
Rental security deposits	10	91,795	88,108
Deferred income	11	97,247	72,417
Deferred government grant	12	327,014	225,908
Long term advances	14	12,796	27,824
Deferred capital grant		-	9,000
		9,318,037	6,538,748

18. Short term borrowings from financial institutions - secured

	Note	2024	2023
Running finances from financial institutions - secured	18.1	8,126,337	33,776,718
Short term finances from financial institutions - secured	18.2	38,292,114	6,244,539
		46,418,451	40,021,257

18.1 Running finances from financial institutions - secured

Short term running finances available from commercial banks under mark-up arrangements amount to Rs 72,600 million (2023: Rs 64,210 million). The rates of mark-up are based on KIBOR plus spread and range from 12.34% to 23.11% (2023: 16.3% to 24.06%) per annum or part thereof on the balances outstanding. In the event, the Group fails to pay the balances on the expiry of the quarter, year or earlier demand, mark-up is to be computed at the rate 20% to 30% (2023: 20% to 30%) per annum or part thereof on the balances unpaid. The aggregate running finances are secured by hypothecation of stores, spares, stock-in-trade and trade debts of the Group.

18.2 Short term finances from financial institutions - secured

Facilities for obtaining short term finances of Rs 42,475 million (2023: Rs 27,910 million) are available to the Group as a sub-limit of the running finance facilities referred to in note 18.1. The rates of mark-up are based on KIBOR plus spread ranging from 6.5% to 23.43% (2023: 7.79% to 23.18%) per annum or part thereof on the balances outstanding. The aggregate short term finances are secured by hypothecation of current assets of the Group including stores, spares, stock-in-trade and trade debts, and also pledge of Nestle Pakistan Limited's shares owned by the Group under a "Share Pledge Agreement".

18.3 Letters of credit and bank guarantees

Of the aggregate facilities of Rs 77,123 million (2023: Rs 74,184 million) for opening letters of credit (including Rs 15,500 million available to Group as sub-limit of the running finance facilities referred to in note 18.1) and Rs 9,067 million (2023: Rs 7,362 million) for guarantees, the amounts utilised at December 31, 2024 were Rs 10,303 million (2023: Rs 17,948 million) and Rs 3,385.15 million (2023: Rs 3,048.77 million) respectively. The facilities for guarantees are secured by second hypothecation charge over stores, spares, stock-in-trade and trade debts.

19. Trade and other payables

	Note	2024	2023
		(Rupees in thousand)	
Trade creditors	19.1	10,417,278	11,592,223
Accrued liabilities	19.2 to 19.5	10,502,843	8,364,976
Bills payable		2,290,250	3,348,689
Retention money payable		95,015	53,134
Sales tax withholding payable		404,405	299,790
Withholding income tax payable		101,101	48,550
Contract liabilities	19.6	853,015	1,025,587
Payable to retirement funds	19.7	44,412	59,160
Excise duty payable		43,639	47,475
Deposit from customers		40,304	54,078
Security deposits - interest free repayable on demand - unsecured		57,330	22,604
Deposits - interest free repayable on demand	19.8	5,466	5,666
Profit payable on term finance certificate ('TFC')		1,387	1,387
Workers' profit participation fund	19.9	167,759	17,618
Workers' welfare fund	19.10	411,723	412,485
Others		2,043,914	137,950
		27,479,841	25,491,372

19.1 Trade creditors include amount due to related parties as follows:

	2024	2023
Benda Lutz	6,309	5,793
DIC Asia Pacific Pte Limited	30,787	133,314
DIC Graphics (Thailand) Company Limited	959	969
DIC Malaysia SDN. BHD	3,360	4,705
IGI General Insurance Limited	34,089	48,655
IGI Life Insurance Limited	16,385	5,231
OmyaPack (Private) Limited	-	78,262
Sun Chemical AB	-	16,374
Sun Chemical AG	1,803	4,314
Sun Chemical N.V/S.A	2,174	25,717
Sun Chemical SA	4,196	104
Sun Chemical Group	-	740
Sun Chemical Turkey	1,051	-
S.C. Johnson & Sons of Pakistan (Private) Limited	179,220	227,316
Ali Gohar & Company (Private) Limited	-	2,700
	280,333	554,194

19.2 Accrued liabilities include amounts in respect of related parties as follows:

	Note	2024	2023
		(Rupees in thousand)	
IGI Life Insurance Limited		-	5,703
IGI General Insurance Limited		2,462	7,145
IGI FSI (Private) Limited		-	2,250
Josef Meinrad Mueller		2,897	-
		5,359	15,098

19.3 On August 13, 2020, the Honourable Supreme Court announced the order relating to the levy imposed under Gas Infrastructure Development Cess Act, 2015 whereby all arrears of Gas Infrastructure Development Cess ('GIDC') that have become due up to July 31, 2020 and have not been recovered so far, shall be recovered from the gas consumers in twenty-four equal monthly instalments starting from August 1, 2020 without the component of late payment surcharge ('LPS') on the outstanding balance of GIDC. The LPS shall only become payable for the delays that may occur in the payment of any of the twenty-four instalments. Accrued liabilities include an amount of Rs 86.865 million (2023: Rs 86.865 million) in respect of GIDC prior to the promulgation date of GIDC Act, 2015 related to the paper and paperboard segment.

However, on September 18, 2020, the Group obtained a stay order from Honourable Lahore High Court ('LHC') against payment of this GIDC to Sui Northern Gas Pipelines Limited ('SNGPL') on the premise that the matter of the Group is still unresolved at the end of High Level Committee of SNGPL to be formed under Writ Petition No. 31491 of 2016. Therefore, till the time High Level Committee of SNGPL resolves the exact liability of the Group, SNGPL cannot recover the same from the Group. The matter was decided in the favour of the Group on June 17, 2021 by the LHC, while SNGPL filed a review petition against the decision.

The Honourable Lahore High Court ('LHC') disposed of the review petition by an order dated September 21, 2022 by stating the fact that High powered committee already constituted by Government of Pakistan is directed to be activated within a period of two months and thereafter, upon scrutiny and evaluation of the record and documents, the matter of recovery of Cess may commence as per recommendation and directions of the committee.

It also includes a provision of Rs 594.636 million (2023: Rs 594.636 million), in respect of GIDC provided by the Plastic segment. During the previous year, the Plastic segment stopped making payments of instalments as a stay order has been obtained by the Group from honourable High Court of Sindh.

19.4 This includes provision amounting to Rs 550 million (2023: Rs 400 million) in respect of rent of land on lease from the Government of the Punjab ('GoPb') for the period from December 2015 to December 2024.

A portion of the land on which the Group's buildings are situated (note 25), measuring 231 kanals and 19 marlas, was leased out to the Group by GoPb from December 1955 till November 2015 after which the lease has not been renewed. During the year 2015, the Group approached the Board of Revenue ('BoR'), GoPb to renew the lease, however, adequate response was not received. On January 5, 2019, the Supreme Court of Pakistan ('Court'), summoned BoR, to which the BoR stated that the new policy of the GoPb is not to lease state land but to sell it through open auction. Consequently, the Group was directed to deposit Rs 500 million with the BoR as security to the payment of outstanding amount of rent to be determined, with such amount being adjustable against final amount of rent. The Group deposited such amount in compliance with the direction on January 10, 2019. The Court further directed Additional Advocate General, Punjab on January 16, 2019 that subject to the Court's approval, two surveyors be appointed for determination of rent based on industrial usage of the land for the period from December 2015 till date. The surveyors were appointed, who submitted their independent valuation reports to BoR and the Court. The matter is pending for further action as of the date of the authorization for issue of consolidated financial statements. Moreover, the Court has further decided that the land shall be sold as industrial land through an open auction with the Group getting the first right of refusal.

The management has, on the basis of assessment of fair value of the said portion of land by independent valuers, as appointed by the Court, and its understanding of the prevalent market terms relating to rent of such properties in the vicinity of the said portion of land, recognised an expense of Rs 150 million (2023: Rs 90 million) in respect of rent for the year ended December 31, 2024. The management is confident that the final amount of rent will be in congruence with the provision made in these consolidated financial statements, inter alia based on the fair value determined by the independent valuers and the relevant facts and circumstances.

Furthermore, the management also intends to acquire the title of the said portion of land when the open auction takes place and is confident that it will be able to meet the highest bid.

19.5 These include Rs 1,136.99 million (2023: Rs 762.44 million) levied through The Sindh Development and Maintenance of Infrastructure Cess Act, 2017, which superseded the previous levy under Sindh Finance Act, 1994. As per order dated September 1, 2021, the Honourable Supreme Court of Pakistan has directed the petitioners to provide 100% bank guarantees towards the Cess liability.

19.6 This represents contract liabilities of the Group towards various parties. Revenue recognized in the current year that was included in the contract liability balance at the beginning of the year amounting to Rs 998.917 million (2023: Rs 992.495 million).

19.7 Employees' provident and management staff pension funds related disclosure

All investments in collective investment schemes, listed equity, and listed debt securities out of provident fund and management staff pension fund (defined contribution plan) have been made in accordance with the provisions of Section 218 of the Act and the conditions specified thereunder as applicable at the time of making such investments. All fresh investments are now being made in accordance with the newly introduced Employees Contributory Funds (Investment in Listed Securities) Regulations, 2018.

19.8 This represents amounts received from suppliers and truckers as per the respective agreements and kept in separate bank account maintained for that purpose as required under Section 217(2) of the Act. These deposits have not been utilized by the Group.

19.9 Workers' profit participation fund

	Note	2024	2023
		(Rupees in thousand)	
Opening balance		17,618	52,592
Recognition on acquisition of HPL		-	43,253
Refund claimed		-	2,774
Reversal of provision	19.9.1	(83,932)	-
Provision for the year	41	530,454	643,474
		464,140	742,093
Payments made during the year		(296,381)	(724,475)
Closing balance		167,759	17,618

19.9.1 Based on a legal opinion, the Group has reversed the provision in respect of WPPF on the basis that real estate income does not form part of 'profits' under section 2(d) of The Companies Profits (Worker's Participation) Act, 1968 ('1968 Act') amended and adopted by Punjab for the purposes of calculating liability of the Group.

19.10 Workers' welfare fund

	Note	2024	2023
		(Rupees in thousand)	
Opening balance		412,485	289,692
Recognition on acquisition of HPL		-	96,813
Reversal during the year		-	(18,244)
Group adjustment		(123,615)	-
Provision for the year	41	192,354	239,455
		481,224	607,716
Payments made during the year		(69,501)	(195,231)
Closing balance		411,723	412,485

20. This includes dividend payable of Rs 1.434 million (2023: Rs 225.731 million) to DIC Asia Pacific Pte. Limited, a related party.

21. Accrued finance cost

	Note	2024	2023
		(Rupees in thousand)	
Accrued mark-up/interest on:			
- Long term finances from financial institutions		2,006,242	2,454,423
- Preference shares/convertible stock	44	155,550	155,550
- Short term borrowings from financial institutions		1,290,909	2,161,260
		3,452,701	4,771,233

22. Contingencies and commitments

22.1 Contingencies other than disclosed elsewhere, in respect of:

(i) Claims against the Group by ex-employees not acknowledged as liabilities amounting to Rs 105.690 million (2023: Rs 13 million).

(ii) Post dated cheque issued in favour of Commissioner Inland Revenue amounting to nil (2023: Rs 95.697 million) in respect of super tax liability for the tax year 2022.

(iii) Letters of guarantee issued to various parties aggregating to Rs 5,832.384 million (2023: Rs 6,714.221 million).

(iv) For contingencies relating to sales tax and income tax, refer to notes 34 and 35 respectively.

22.2 Commitments

(i) Letters of credit and contracts for capital expenditure Rs 4,328.995 million (2023: Rs 6,147.975 million).

(ii) Letters of credit and contracts other than for capital expenditure Rs 17,201.48 million (2023: Rs 10,041.472 million).

There are no commitments with related parties.

23. Property, plant and equipment

	Note	2024	2023
		(Rupees in thousand)	
Operating fixed assets	23.1	95,935,854	69,353,311
Capital work-in-progress	23.2	10,610,213	24,689,554
Major spare parts and stand-by equipment	23.3	923,058	762,149
		107,469,125	94,805,014

23.1 Operating fixed assets

2024	Cost as at January 1, 2024	Exchange differences	Additions/ (deletions)	Cost as at December 31, 2024	Accumulated depreciation as at January 1, 2024	Exchange differences	Depreciation charge / (deletions) for the year	Accumulated depreciation and impairment as at December 31, 2024	Book value as at December 31, 2024
	(Rupees in thousand)								
Freehold land - 23.1.1 and 23.1.2	1,012,753	47,596	36,480	1,096,829	-	-	-	-	1,096,829
Leasehold land - note 23.1.3	12,955,416	-	-	12,955,416	290,472	-	123,538	414,010	12,541,406
*Buildings on freehold land	9,457,726	13,762	3,420,953 (13,900)	12,878,541	1,730,116	222	472,628 (278)	2,202,688	10,675,853
Buildings on leasehold land - note 23.1.3	395,368	(645)	3,392,850	3,787,573	312,144	(284)	253,710	565,570	3,222,003
Plant and machinery	64,255,594	74,177	23,818,434 (421,220)	87,726,985	21,440,263	57,197	5,643,882 (366,976)	26,774,366	60,952,619
Other equipment (computers, lab equipment and other office equipment)	4,730,909	23,047	2,039,240 (74,683)	6,718,513	2,113,746	19,850	651,299 (61,186)	2,723,709	3,994,804
Furniture and fixtures	312,611	2,623	56,741 (751)	371,224	183,034	2,137	28,800 (456)	213,515	157,709
Vehicles	2,760,585	825	1,733,680 (501,933)	3,993,157	457,876	789	350,657 (110,796)	698,526	3,294,631
	95,880,962	161,385	34,498,378 (1,012,487)	129,528,238	26,527,651	79,911	7,524,514 (539,692)	33,592,384	95,935,854

2023	Cost as at January 1, 2023	Exchange differences	Acquisition of HPL	Additions / (deletions)	Disposal of Subsidiary	Cost as at December 31, 2023	Accumulated depreciation as at January 1, 2023	Exchange differences	Depreciation charge / (deletions) for the year	Disposal of Subsidiary	Accumulated depreciation and impairment as at December 31, 2023	Book value as at December 31, 2023
	(Rupees in thousand)											
Freehold land	858,658	125,839	-	28,256	-	1,012,753	-	-	-	-	-	1,012,753
Leasehold land - note 23.1.3	2,955,416	-	10,000,000	-	-	12,955,416	87,736	-	202,736	-	290,472	12,664,944
Buildings on freehold land	5,065,839	37,414	595,692	3,792,450 (33,669)	-	9,457,726	1,369,374	6,962	387,163 (33,383)	-	1,730,116	7,727,610
Buildings on leasehold land - note 23.1.3	448,361	2,280	-	18,096	(73,369)	395,368	283,969	(382)	88,703	(60,146)	312,144	83,224
Plant and machinery	52,628,803	322,301	2,709,622	13,279,586 (24,629)	(4,660,089)	64,255,594	19,838,613	170,648	4,506,189 (20,106)	(3,055,081)	21,440,263	42,815,331
Other equipment (computers, lab equipment and other office equipment)	2,976,504	77,004	490,697	1,403,475 (17,569)	(199,202)	4,730,909	1,815,849	58,426	426,278 (14,286)	(172,521)	2,113,746	2,617,163
Furniture and fixtures	340,734	8,850	21,103	28,577 (2,935)	(83,718)	312,611	199,232	5,722	32,237 (2,688)	(51,469)	183,034	129,577
Vehicles	1,540,097	3,474	643,770	1,075,956 (428,650)	(74,062)	2,760,585	294,078	1,912	331,174 (110,502)	(58,786)	457,876	2,302,709
	66,814,412	577,162	14,460,884	19,626,396 (507,452)	(5,090,440)	95,880,962	23,888,851	243,288	5,974,480 (180,965)	(3,398,003)	26,527,651	69,353,311

* This includes an amount of Rs 455.935 million which is transferred in from investment property.

23.1.1 The Group's land, measuring 119 Kanals, 15 marlas, and 62.25 sq. ft., located in Lahore, has a book value of Rs 6.149 million (2023: Rs 6.149 million) (the "Mortgaged Security"). This land has been mortgaged under a first exclusive equitable charge of Rs 7,800 million (2023: Rs 7,800 million) in favor of MCB Bank Limited. This charge is against a term finance facility of up to Rs 4,500 million (2023: Rs 4,500 million) and a running finance facility of up to Rs 2,000 million (2023: Rs 2,000 million), both provided to the Real Estate segment under a tri-partite agreement involving the Parent Company, MCB Bank Limited, and the Real Estate segment.

In addition to the arrangements with MCB Bank Limited, the Mortgaged Security is also secured under a first pari passu charge in favor of Allied Bank Limited. This charge covers a term finance facility of up to Rs 4,667 million (2023: Rs 4,667 million), which is likewise provided to the Real Estate segment under a tri-partite agreement among the Parent Company, Allied Bank Limited, and the Real Estate segment.

23.1.2 Included within this owned land is a land measuring 25 acres situated in Kasur with a book value of Rs 72.356 million (2023: Rs 72.356 million), rented out to Corn Starch segment for its industrial activities, which has been mortgaged in favour of Faysal Bank Limited and Meezan Bank Limited against term finance facilities of Rs 1,500 million each (2023: Rs 1,500 million) and in favour of Habib Bank Limited against term finance facility of Rs 1,900 million (2023: Rs 1,900 million) provided to Corn Starch segment. This charge will be up-graded to joint pari passu charge in due course.

23.1.3 Leasehold land comprises lands situated in Karachi and Haripur which were obtained by the Group on lease and are being amortized over the term of 36.5 years to 81.3 years respectively. The title of lands remains with the lessor at end of the lease term. However, leasehold lands have been included in property, plant and equipment in accordance with clarification issued by the Institute of Chartered Accountants of Pakistan through selected opinion.

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

	Note	2024	2023
		(Rupees in thousand)	
Cost of sales and services	38	6,934,479	5,480,031
Administrative expenses	39	384,277	323,827
Distribution and marketing costs	40	205,758	170,622
		7,524,514	5,974,480

23.1.5 Following are the particulars of the Group's immovable fixed assets:

Location	Usage of immovable property	Total area (in Acres)
Kot Radha Kishan Road, District Kasur, Punjab	Factory site and offices	239.73
Depalpur	Purchase center for biomass fuel	13.23
Shahrah-e-Roomi, Lahore, Punjab	Plant site and administrative offices	107.702
Herdo Sehari, Kasur, Punjab	Administrative offices	52.01
Lakho Baryar, Kasur, Punjab	Administrative offices	103.07
148 Minuwangoda Rd, Ja-Ela 11350, Sri Lanka	Freehold land	7.65
Northwestern Industrial Zone, Port Qasim	Factory site	9

23.1.6 Sale of operating fixed assets

Detail of operating fixed assets sold during the year, having book value of Rs 500,000 and more, is as follows:

2024						
Particulars of assets	Sold to	Cost	Book value	Sale proceeds	Gain / (loss) on sale	Mode of sale
		(Rupees in thousand)				
Vehicles	Employees					
	Syed Munzir Hassan	5,709	4,710	5,062	352	As pe Group Policy
	Jehanzeb Akhtar	5,076	4,653	4,713	60	- do -
	Jasir Rehman	4,574	4,460	4,574	114	- do -
	Syeda Fizza Kazmi	4,550	3,678	3,678	-	- do -
	Hamad Afzal Khan	3,883	3,236	3,236	-	- do -
	Muhammad Ahsan	3,360	3,108	3,360	252	- do -
	M Nabeel Anwar	3,420	3,021	3,021	-	- do -
	Fayyaz Hussain	2,935	2,813	2,754	(59)	- do -
	Haris Javed	3,492	2,648	2,537	(111)	- do -
	Salman Kayani	3,233	2,613	2,595	(18)	- do -
	Muhammad Akram	2,644	2,512	2,390	(122)	- do -
	Nazar Hussain	2,656	2,390	2,293	(97)	- do -
	Zunair Shahzad	2,612	2,351	2,220	(131)	- do -
	Mohammad Ilyas	2,612	2,307	2,220	(87)	- do -
	Noor Muhammad	2,804	2,267	2,269	2	- do -
	Taimur Naseer	2,762	2,256	2,082	(174)	- do -
	Syed Shahid Hussain	2,737	2,212	1,977	(235)	- do -
	Alina Kanwal	2,302	2,156	2,644	488	- do -
	Farhan	2,564	2,137	1,917	(220)	- do -
	Umar Shouk	3,350	1,982	2,425	443	- do -
	Raza Anjum	2,863	1,980	1,909	(71)	- do -
	Hassaan ul Haq	2,379	1,796	1,702	(94)	- do -
	Salman Saleem	2,803	1,775	1,866	91	- do -
	Amjad Shaikh	2,249	1,739	2,365	626	- do -
	Saad Ahmad	3,200	1,712	2,261	549	- do -
	Ammad Asif	3,287	1,528	1,899	371	- do -
	Asma Akhtar	1,947	1,509	1,424	(85)	- do -
	Sehrish Javed	1,733	1,502	1,348	(154)	- do -
	Daud Jabran	2,030	1,404	1,420	16	- do -
	M Jahanzaib Hassan Shah	1,747	1,398	1,303	(95)	- do -
	Ammad Tariq	2,515	1,396	1,694	298	- do -
	Malik Danyal Jan	2,495	1,385	1,107	(278)	- do -
	Adnan Sarwar	1,780	1,320	1,100	(220)	- do -
	Muhammad Siddique	1,778	1,274	1,205	(69)	- do -
	Nazish Anwar	1,579	1,237	1,148	(89)	- do -
	Madiha Younas	1,546	1,224	1,224	-	- do -
	Rizwan Akbar	1,815	1,210	1,088	(122)	- do -
	Rana Muhammad Kashif	1,764	1,191	2,710	1,519	- do -
	Faizan Arshad	1,780	1,172	935	(237)	- do -
	Shahmeer Aslam	1,745	1,134	917	(217)	- do -
	Shahzad Tahir	1,404	1,123	1,021	(102)	- do -
	Haider Ali	1,373	1,064	992	(72)	- do -
	Ahsan Cheema	1,335	1,012	825	(187)	- do -
	Mian Abdul Rashid	2,304	1,002	1,322	320	- do -
	Muhammad Saeed	2,488	995	1,682	687	- do -
	Hamza Ayyaz	1,335	990	825	(165)	- do -

Particulars of assets	Sold to	Cost	Book value	Sale proceeds	Gain / (loss) on sale	Mode of sale
		2024				
		(Rupees in thousand)				
Vehicles	Employees					
	Numan Noor	2,431	972	4,000	3,028	As per Group Policy
	Shahid Islam	1,429	905	762	(143)	- do -
	Muhammad Imran Saeed	1,853	784	3,050	2,266	- do -
	Shakir Saleem Mughal	1,920	768	1,211	443	- do -
	Muhammad Jamil	1,890	756	1,187	431	- do -
	Adeel Amad	1,447	728	726	(2)	- do -
	Asghar Abbas	1,735	694	2,950	2,256	- do -
	Samreen Saleem	1,670	668	1,049	381	- do -
	Nauman Zafar	1,452	581	616	35	- do -
	Rana Javed Bashir	1,399	560	668	108	- do -
	Hina Jamil	1,270	508	708	200	- do -
	Sabika Sheikh	1,270	508	479	(29)	- do -
	Mansoor Hassan Bhatti	14,730	13,707	14,730	1,023	- do -
	Ayyaz Zafar	2,972	1,672	1,893	221	- do -
	Malik Umair Aslam	3,063	2,081	2,448	367	- do -
	Muhammad Rauf Khan	2,612	2,503	2,481	(22)	- do -
	Usman Malik	1,537	523	563	40	- do -
	Shabee Ul Hassan	1,790	859	822	(37)	- do -
	Zohair Tarar	1,739	696	780	84	- do -
	Faisal Ammar	1,404	1,088	1,021	(67)	- do -
	Ashraf Ashiq	1,100	440	566	126	- do -
	Qasim Ali	3,579	3,280	3,087	(193)	- do -
	Tariq Mehmood Awan	1,730	1,240	1,062	(178)	- do -
	Muhammad Asif Javid	1,900	874	948	74	- do -
	Nasir Ali	1,733	693	1,053	360	- do -
	Muhammad Adeel	1,435	574	547	(27)	- do -
	Adrees	1,625	683	848	165	- do -
	Syeda Aliza Imam	3,237	2,725	2,510	(215)	- do -
	Shoaib	1,710	1,382	1,242	(140)	- do -
	Ammad Butt	2,530	2,150	2,155	5	- do -
	Rafiq Shahid	8,884	7,995	7,837	(158)	- do -
	Abid Riaz	2,651	2,099	2,040	(59)	- do -
	Nauman Rashid	7,141	6,189	6,296	107	- do -
	Khubaib Alam	4,489	3,816	3,512	(304)	- do -
	Saad Moeen Bajwa	5,949	5,247	5,457	210	- do -
	Umme-Farwa Zaidi	8,230	7,681	7,759	78	- do -
	Farwa Saleem	1,433	955	886	(69)	- do -
	Umair Riaz	1,610	1,181	1,071	(110)	- do -
	Abdul Kabeer	1,546	1,327	1,181	(146)	- do -
	Zaheer Asghar	1,747	1,427	1,311	(116)	- do -
	Sajal Faheem	2,607	2,151	2,031	(120)	- do -
	Ali Nazeer	2,428	2,335	2,036	(299)	- do -
	Zahra Batool	3,287	2,931	2,852	(79)	- do -
	Khola Malik	3,718	3,408	3,718	310	- do -
	Kamran Waheed	8,849	8,480	8,481	1	- do -
	Tahir Majeed	9,139	8,225	8,194	(31)	- do -
	Muhammad Abid	7,863	6,159	6,629	470	-do-
	Asghar Abbas	6,989	6,174	6,163	(11)	-do-
	Muneef Abid	6,100	5,185	5,373	188	-do-
	Usman Dodhy	5,282	4,534	4,708	174	-do-
	Adeel Riaz	5,103	4,593	4,813	220	-do-
	Hiba Amjad	4,127	2,786	3,191	405	-do-
	Moiz Hassan	4,109	3,184	3,232	48	-do-

Particulars of assets	Sold to	Cost	Book value	Sale proceeds	Gain / (loss) on sale	Mode of sale
		2024				
		(Rupees in thousand)				
Vehicles	Employees					
	Hijab Fatima	4,035	3,598	3,651	53	As per Group Policy
	Waqas Munir	3,856	2,796	4,850	2,054	-do-
	Emad Ud Din	3,450	2,932	2,831	(101)	-do-
	Hussain Mohsen	2,988	1,793	2,755	962	-do-
	Nabeel Shahid	2,965	2,743	2,565	(178)	-do-
	Abrar Saeed	2,955	2,512	4,120	1,608	-do-
	Ehtisham Qureshi	2,843	1,658	1,598	(60)	-do-
	Ayesha Aziz	2,705	1,893	2,017	124	-do-
	Muhammad Latif	2,495	1,435	1,107	(328)	-do-
	Muhammad Umair	2,421	2,118	2,116	(2)	-do-
	Sadar Bahadur	2,371	1,996	1,851	(145)	-do-
	Hafiz Muhammad Tahir	2,300	1,514	1,501	(13)	-do-
	Tayyab Khan	2,284	1,789	1,807	18	-do-
	Asghar Abbas	6,118	4,385	4,277	(108)	-do-
	Asfand Yar	2,265	1,378	1,483	105	-do-
	Umer Zubairi	2,145	1,770	1,624	(146)	-do-
	Tahir Mahmood	2,092	837	1,160	323	-do-
	Haris Bin Khalid	1,914	1,515	1,464	(51)	-do-
	Mudassir Hussain	1,780	1,216	921	(295)	-do-
	Syed Taqi	1,745	1,091	1,031	(60)	-do-
	Imran Elahi	1,733	693	831	138	-do-
	Saad Nagiana	1,633	1,048	922	(126)	-do-
	Adnan Sarwar	1,551	620	959	339	-do-
	Hassnain	1,499	1,224	1,123	(101)	-do-
	Khalid Rasool	1,398	780	730	(50)	-do-
	Naeem ul Haq	1,340	536	731	195	-do-
	Qaiser Iqbal	1,330	687	780	93	-do-
	Zafar Iqbal	1,274	510	676	166	-do-
	Noor Fareed	1,274	510	740	230	-do-
	Muhammad Awais	1,270	508	479	(29)	-do-
	Erum Unber	3,876	3,585	3,411	(174)	- do -
	Zeeshan Ur Rehman	1,817	1,378	1,320	(58)	- do -
	Ali Raza	3,450	2,760	2,633	(127)	- do -
	Tariq Naveed Khan	6,926	4,987	5,125	138	- do -
	Shariq Mehmood	3,954	3,242	3,281	39	- do -
	Sohail Hassan	3,928	2,867	2,907	40	- do -
	Maria Saquib	3,828	3,024	3,062	38	- do -
	Faisal Hassan Khan	3,272	2,683	2,683	-	- do -
	Faiq Mehfooz	3,272	2,389	2,421	32	- do -
	Ishaq Rajput	3,108	1,274	1,305	31	- do -
	Omar Zahid	3,004	1,202	1,202	-	- do -
	Arfan Ahmad Rana	2,855	1,142	1,142	-	- do -
	Muhammad Ahsen Zeshan	2,854	1,142	1,142	-	- do -
	Umar Akram	2,675	1,626	1,653	27	- do -
	Irfan Hashmey	2,657	1,674	1,700	26	- do -
	Imran Faraz	2,657	1,435	1,461	26	- do -
	Zeeshan Ali	2,515	1,434	1,459	25	- do -
	Syed Muhammad Tahir	2,379	1,023	1,047	24	- do -
	Shahzada Aurangzeb	2,304	922	922	-	- do -
	Sohail Akhtar	2,229	892	892	-	- do -
	Khawaja Iqbal Hasan Danish	2,114	846	846	-	- do -
	Syed Muhammad Irfan	2,074	830	830	-	- do -

2024						
Particulars of assets	Sold to	Cost	Book value	Sale proceeds	Gain / (loss) on sale	Mode of sale
		(Rupees in thousand)				
Vehicles	**Employees**					
	Muhammad Khalid	2,049	820	820	-	As per Group Policy
	Aisha Anwar	2,009	804	804	-	-do-
	Nadeem Ahmed	1,780	997	1,015	18	-do-
	Junaid Ahmed Khan	1,745	698	698	-	-do-
	Salar Ali	1,745	698	698	-	-do-
	Sarfaraz Ahmed Khan	1,745	698	698	-	-do-
	Syed Tariq Ali	1,745	698	698	-	-do-
	M. Azeem Akram Siddiqui	1,745	698	698	-	-do-
	Syed Amir Ali	1,745	698	698	-	-do-
	Kamran Ahmed	1,483	593	593	-	-do-
	M Usman Rasheed	1,483	593	593	-	-do-
	Bilal Zaidi	1,476	590	590	-	-do-
	Usman Ahmed Khan	1,476	590	590	-	-do-
	Irshad Muhammad	1,440	576	576	-	-do-
	Owais Qadir	1,410	592	606	14	-do-
	Imran Masood	1,410	564	564	-	-do-
	Shoaib Ahmed Khan	1,380	552	552	-	-do-
	Asad Mehmood Malik	1,340	536	536	-	-do-
	Syed Masood Yaseen	1,340	536	536	-	-do-
	Muhammad Sheraz Quresh	1,340	536	536	-	-do-
	Taimoor Shahzad	1,340	536	536	-	-do-
	Asfia Salahuddin	1,340	536	536	-	-do-
	Fakhar Uddin Ahmed	1,340	536	536	-	-do-
	Azhar Ali Khan	1,300	520	520	-	-do-
	Waseem Tufail Chughtai	1,270	508	508	-	-do-
	Aslam Farhan	1,270	508	508	-	-do-
	Waqar Ahmed	1,270	508	508	-	-do-
	Muhammad Rizwan Khan	860	344	344	-	-do-
	Related parties					
	IGI General Insurance Limited	1,836	735	2,400	1,665	Negotiation
	OmyaPack (Private) Limited	3,915	3,621	3,621	-	- do -
	OmyaPack (Private) Limited	7,295	6,748	6,748	-	- do -
	Outsiders					
	Shakoor Hussain	3,735	2,210	4,650	2,440	Negotiation
	Bilal Mustafa	2,220	888	1,322	434	- do -
Plant and machinery	**Outsiders**					
	M/s Mubashir Brothers	83,369	52,800	52,800	-	Negotiation
	M/s Printickle (Private) Limited	2,374	674	738	64	-do-
Other equipment	**Employee**					
	Zeeshan Ur Rehman	207	46	108	62	Negotiation

2023						
Particulars of assets	Sold to	Cost	Book value	Sale proceeds	Gain / (loss) on sale	Mode of sale
		(Rupees in thousand)				
Vehicles	**Employees**					
	Anis Ahmed	1,987	917	1,387	470	As per Group policy
	Mansoor Ahmed Mirza	1,766	1,052	1,035	(17)	- do -
	Mobin Javed	1,900	1,115	1,151	36	- do -
	Ahsan Riaz	1,335	1,135	1,142	7	- do -
	Usman Rehman	1,546	1,391	1,323	(68)	- do -
	Naveed Ahmad	1,730	1,398	1,324	(74)	- do -
	Taimour Nasir	1,815	1,407	1,132	(275)	- do -
	Tayyab Mustafa	1,764	1,525	1,513	(12)	- do -
	Fakhar Abbas	2,371	2,094	2,085	(9)	- do -
	Zain Najam ul Tariq	2,490	2,137	2,179	42	- do -
	Shahzeb Haider	5,117	4,733	4,598	(135)	- do -
	Ahsan Riaz	4,866	4,744	4,866	122	- do -
	Soban Waqar	5,403	4,953	4,680	(273)	- do -
	Imran Fazal	6,883	6,023	6,046	23	- do -
	Samar Khosa	7,860	7,336	7,281	(55)	- do -
	Ubaid Allaudin	1,537	617	955	338	- do -
	Imran Aziz Salari	1,810	745	1,027	282	- do -
	Tahira Yasmeen	2,150	907	1,216	309	- do -
	Shafaqat Saleem	1,250	500	704	204	- do -
	Babar Jehangir Khan	1,650	660	1,035	375	- do -
	Abdul Rehman	1,270	542	707	165	- do -
	Abdul Razzaq	2,297	1,114	1,202	88	- do -
	Muhammad Akmal	2,753	1,298	1,610	312	- do -
	Mamoona Syed	1,213	578	688	110	- do -
	Omer Javed	1,780	935	941	6	- do -
	Ghulam Mustafa	1,267	802	672	(130)	- do -
	Umar Farooq	1,429	893	886	(7)	- do -
	Hadi Ahmad	2,823	1,953	2,079	126	- do -
	Anam Anwar	2,645	1,962	2,170	208	- do -
	Naubahar Ali Khan	2,072	1,537	1,640	103	- do -
	Muhammad Umar	3,098	2,349	2,416	67	- do -
	Hafiz M. Bilal	2,952	2,435	2,663	228	- do -
	Waqas Ahmad	3,022	2,569	2,691	122	- do -
	Mazahir Hussain	2,651	2,364	2,321	(43)	- do -
	Tuba Ajmal	6,474	5,773	5,866	93	- do -
	Numan Noor	7,142	6,666	6,408	(258)	- do -
	Ubaidullah Arif	1,768	1,635	1,552	(83)	- do -
	Manahill Iftikhar	1,988	1,872	1,988	116	- do -
	Abdul Rauf	2,014	1,897	2,014	117	- do -
	Sifat Ahmad Khan	1,430	572	853	281	- do -
	Muhammad Abbas	1,114	529	644	115	- do -
	Nasir Mehmood But	1,733	806	1,160	354	- do -
	Abdur Rehman Nasir	1,373	666	824	158	- do -
	Syed Imran Adil	2,825	1,441	2,183	742	- do -
	Mansoor Ehsan	2,988	2,291	2,444	153	- do -
	Muhammad Tahir	1,780	1,335	1,211	(124)	- do -

2023						
Particulars of assets	Sold to	Cost	Book value	Sale proceeds	Gain / (loss) on sale	Mode of sale
		(Rupees in thousand)				
Vehicles	Employees					
	Misbah Masood	2,705	1,938	2,048	110	As per Group policy
	Yasir Bhatti	1,589	1,245	1,194	(51)	- do -
	Shahzad Hussain	2,684	2,102	2,228	126	- do -
	Hafiz Nabeel	1,830	1,464	1,366	(98)	- do -
	Arslan Akram	2,149	1,719	1,712	(7)	- do -
	Syed Asim Shamim	2,603	1,228	4,200	2,972	- do -
	Ayaz Mahmood	5,566	4,870	5,244	374	- do -
	Rushana Khan	3,066	2,836	2,785	(51)	- do -
	Syed Hassan Iqbal	1,809	724	2,550	1,826	- do -
	Jhanzeb Athar	1,250	500	704	204	- do -
	Umar Farooq	1,375	550	575	25	- do -
	Zain Ul Abadin	1,250	527	555	28	- do -
	Syed Muhammad Umair	1,733	881	964	83	- do -
	Tooba Shahid	2,048	1,130	1,453	323	- do -
	Waqas Ahmed Nasir	1,144	545	630	85	- do -
	Gulsher Ali	1,684	968	984	16	- do -
	Syed Awais Haider	1,964	933	1,207	274	- do -
	Muhammad Qasim	1,467	892	776	(116)	- do -
	Muhammad Ali	1,253	839	660	(179)	- do -
	Rizwan Zafar	1,334	849	705	(144)	- do -
	Muhammad Yaseen	1,518	1,004	865	(139)	- do -
	Khadim Hussain	1,450	916	905	(11)	- do -
	Asad Ali Khan	1,440	1,008	896	(112)	- do -
	Ammar Farooq	2,559	1,685	1,815	130	- do -
	Hira Khan	1,598	1,238	1,054	(184)	- do -
	Khurram Mannan	2,683	1,968	2,081	113	- do -
	Shaheen Sadiq	3,743	2,901	2,901	-	- do -
	Mazz Shahid	1,335	1,179	1,094	(85)	- do -
	Saad Munawar	4,535	3,893	4,198	305	- do -
	Ismail Zuberi	1,866	1,555	1,586	31	- do -
	M. Ahsan Iftikhar	1,546	1,353	1,323	(30)	- do -
	Awais Ibrahim	3,063	2,833	2,869	36	- do -
	Taseer Raza Hassan	3,859	3,441	3,447	6	- do -
	Asma Shahzad	4,311	4,131	4,195	64	- do -
	Ahsan Irfan	1,768	1,606	1,527	(79)	- do -
	Ali Raza	1,733	1,603	1,516	(87)	- do -
	Shumaila	1,976	1,877	1,784	(93)	- do -
	Osama Bin Haroon	4,469	4,283	4,469	186	- do -
	Shanzeh Butt	2,014	1,863	2,014	151	- do -
	Abdullah Akhlaq	5,699	5,367	5,245	(122)	- do -
	Rafiq Shahid	2,510	1,004	3,205	2,201	- do -
	Mohsin Ali	1,464	1,147	1,064	(83)	- do -
	Muzammil Ahmad Khan	3,427	3,255	3,236	(19)	- do -
	Saeed Ahmad	2,799	2,543	2,384	(159)	- do -
	Amina Ghafoor	3,810	3,524	3,005	(519)	- do -
	Zohaib Khan Durrani	2,433	1,472	3,645	2,173	- do -
	Hamza Suleman	1,565	1,435	1,332	(103)	- do -
	Amir Ijaz Khan	1,900	1,425	1,318	(107)	- do -
	Sufian Irfan	1,782	1,650	1,541	(109)	- do -
	Amin Akhtar	4,374	4,265	4,259	(6)	- do -
	Zain Asif	2,792	2,489	2,325	(164)	- do -

2023						
Particulars of assets	Sold to	Cost	Book value	Sale proceeds	Gain / (loss) on sale	Mode of sale
		(Rupees in thousand)				
Vehicles	Employees					
	Talha Umar	1,398	979	864	(115)	As per Group policy
	Khalid Quddus	2,259	904	2,060	1,156	- do -
	Nouman Tahir	2,835	2,599	2,509	(90)	- do -
	Qasim Hamid	2,933	2,444	2,544	100	- do -
	M Jahangir	1,830	1,586	1,618	32	- do -
	Munir Ahmed	1,830	1,510	1,429	(81)	- do -
	Ali Mustafa	1,922	1,455	1,494	39	- do -
	Junaid Zafar	3,485	2,469	2,628	159	- do -
	Sohrab Kiyani	1,806	722	996	274	- do -
	Zunair Talat	3,369	3,116	3,057	(59)	- do -
	Umair Mustaq	1,138	509	625	116	- do -
	Tahir Majeed	4,019	3,516	3,380	(136)	- do -
	Sarosh Sohail	3,025	2,470	2,485	15	- do -
	Shoaib Riasat	2,589	1,798	2,131	333	- do -
	Arif Hussain	1,780	1,350	1,363	13	- do -
	Mohsin Pervaiz	1,633	1,266	1,116	(150)	- do -
	Yousaf Color	4,930	3,574	3,975	401	- do -
	Hamza Riaz	1,780	1,380	1,382	2	- do -
	Saqib Amin	1,433	1,027	886	(141)	- do -
	Muhammad Ashraf	1,398	979	859	(120)	- do -
	Muhammad Sanaullah	1,398	990	859	(131)	- do -
	Muhammad Hamza	1,279	640	806	166	- do -
	Muhammad Awais	1,410	691	926	235	- do -
	Ammar Ahmad	2,059	968	1,490	522	- do -
	Kamran Bhatti	1,900	836	1,053	217	- do -
	Owais Chhipa	2,506	1,153	1,583	430	- do -
	Muhammad Hussaan	1,274	561	740	179	- do -
	Zohaib Nasir	2,540	1,143	1,945	802	- do -
	Ahsan Anwar	1,270	546	768	222	- do -
	Uffan Sharif	2,638	1,055	1,508	453	- do -
	Muhammad Imran	1,543	617	714	97	- do -
	Ihtasham Ashraf	1,603	641	763	122	- do -
	Ali Raza Khan	1,678	671	1,058	387	- do -
	Khushi Muhammad	1,987	795	1,086	291	- do -
	Jahanzeb Khan	2,593	1,037	1,426	389	- do -
	Faisal Hanif	2,598	1,039	1,107	68	- do -
	Faisal Amjad	2,590	1,037	1,473	436	- do -
	Abdus Samad Basit	1,807	723	807	84	- do -
	Muhammad Nauman Khan	2,735	2,051	2,051	-	- do -
	Rehan Ahmed	1,939	776	776	-	- do -
	Zuhair Ashfaq Ansari	1,745	1,064	1,064	-	- do -
	Sajida Iqbal	1,476	856	856	-	- do -
	Mohsin Raza	1,250	500	500	-	- do -
	Imran Alam Khan	1,250	500	500	-	- do -
	Hayat Muhammad	1,300	624	637	13	- do -
	Atif Hayat	1,250	500	500	-	- do -
	Abdul Shakoor	1,250	500	500	-	- do -
	Shoaib Ahmed Siddiqui	1,780	1,282	1,282	-	- do -
	Salman Shamim	3,997	3,078	3,078	-	- do -
	Tariq Khurshaidi	2,993	2,603	2,602	(1)	- do -
	Shariq Ali	2,657	2,046	2,072	26	- do -

2023						
Particulars of assets	Sold to	Cost	Book value	Sale proceeds	Gain / (loss) on sale	Mode of sale
		(Rupees in thousand)				
Vehicles	**Employees**					
	Umar Akram	1,340	683	683	-	As per Group policy
	Syed Zeeshan Ali	1,340	657	657	-	- do -
	Marium Illahi	2,904	1,452	1,452	-	- do -
	Asad Mirza	2,379	1,166	1,166	-	- do -
	Muhammad Nazir Banduka	4,206	3,659	3,659	-	- do -
	Muhammad Irfan	1,745	1,047	1,047	-	- do -
	Zubair Shahzad	1,780	1,246	1,246	-	- do -
	Asim Jamal	24,700	15,561	15,561	-	- do -
	M Murtaza	1,250	500	500	-	- do -
	Mumtaz Qureshi	1,250	500	500	-	- do -
	Anas Siddiqui	1,969	788	788	-	- do -
	Ghufran Akhtar	2,804	1,178	1,178	-	- do -
	Saba Zubair Abbasi	2,009	1,005	1,005	-	- do -
	Tayyeb Hadi	1,250	500	500	-	- do -
	Kanwar Kashif Siraj	1,440	749	749	-	- do -
	Naheed Anwar	1,440	763	763	-	- do -
	Muhammad Arif Usman	2,379	1,166	1,166	-	- do -
	Rizwan Hussain	1,300	546	546	-	- do -
	Adil Zain	1,745	1,152	1,152	-	- do -
	Syed Muhammad Ali Hasani	5,820	5,005	5,005	-	- do -
	Abbas Ali Ghumro	2,967	2,374	2,374	-	- do -
	Naeem Sabir	2,967	2,374	2,374	-	- do -
	Ather Hussain	2,304	922	922	-	- do -
	Muhammad Talha Rana	1,999	800	800	-	- do -
	Usman Ul Haq	1,745	907	907	-	- do -
	Nudrat Adil	1,745	1,030	1,030	-	- do -
	Asim Shahzad	1,745	1,099	1,099	-	- do -
	Muhammad Amjad Javed	3,108	1,243	1,243	-	- do -
	Mohammad Saeed Zafar	1,745	1,047	1,047	-	- do -
	Related parties					
	IGI Life Insurance Limited and IGI Holdings Limited	7,866	6,555	5,244	(1,311)	Negotiation
	IGI General Insurance Limited	2,304	991	3,100	2,109	- do -
Other equipment						
	Related parties					
	IGI Life Insurance Limited and IGI Holdings Limited	1,906	1,303	1,042	(261)	Negotiation
	Outsiders					
	Asim Mumtaz	1,512	605	2,620	2,015	Negotiation
	Muhammad Shahbaz	2,353	941	3,715	2,774	- do -
	Naveed Ahmed	1,743	712	3,271	2,559	- do -
	Muhammad Shahbaz	928	928	3,555	2,627	- do -
	Muhammad Saeed	3,856	2,774	4,725	1,951	- do -

23.2 Capital work-in-progress

	2024							
	Cost as at January 1, 2024	Exchange differences	Capital expenditure incurre during the year	Advances given during the year	Transfers within capital work-in-progress	Charged off during the year	Transfers to operating fixed assets	Balance as at December 31, 2024
	(Rupees in thousand)							
Civil works	4,075,893	-	2,964,980	-	24,182	(1,152)	(5,738,202)	1,325,701
Plant and machinery	19,485,582	14,217	14,206,509	-	85,684	(810)	(26,218,487)	7,572,695
Advances to suppliers	943,828	-	-	576,780	(124,135)	(182,403)	(640,913)	573,157
Other	184,252	-	1,679,841	-	14,269	-	(739,702)	1,138,660
	24,689,555	14,217	18,851,330	576,780	-	(184,365)	(33,337,304)	10,610,213

	2023										
	Cost as at January 1, 2023	Exchange differences	Recognised on acquisition of HPL	Capital expenditure incurred during the year	Advances given during the year	Transfers within capital work-in-progress	Impairment reversed during the year	Charged off during the year	Transfers to operating fixed assets	Derecognised on disposal of subsidiaries	Balance as at December 31, 2023
	(Rupees in thousand)										
Civil works	1,865,723	-	69,243	4,147,150	-	263,955	-	(38,870)	(2,231,308)	-	4,075,893
Plant and machinery	12,163,161	27,989	166,022	21,947,868	-	363,089	533,091	-	(15,559,522)	(156,116)	19,485,582
Advances to suppliers	3,296,993	-	-	-	811,970	(627,793)	-	(17,754)	(2,519,588)	-	943,828
Other	-	-	44,484	236,110	-	749	-	-	(97,091)	-	184,252
	17,325,877	27,989	279,749	26,331,128	811,970	-	533,091	(56,624)	(20,407,509)	(156,116)	24,689,554

23.3 Major spare parts and stand-by equipment

	2024	2023
	(Rupees in thousand)	
Balance at the beginning of the year	762,149	500,910
Additions during the year	336,861	317,200
Transfers made during the year	(175,952)	(55,961)
Balance at the end of the year	923,058	762,149

24. Right-of-use assets

2024	Cost as at January 1, 2024	Exchange differences	Lease modification	Additions / (deletions)	Cost as at December 31, 2024	Accumulated depreciation as at January 1, 2024	Exchange differences	Depreciation charge for the year	Accumulated depreciation as at December 31, 2024	Book value as at December 31, 2024
	(Rupees in thousand)									
Plant and equipment	51,455	(4,276)	-	-	47,179	28,943	(2,654)	4,967	31,256	15,923
Land and buildings	424,589	-	(59,136)	1,681,908 (17,720)	2,029,641	135,847	-	86,297	222,144	1,807,497
Equipment	26,211	-	-	-	26,211	12,947	-	-	12,947	13,264
	502,255	(4,276)	(59,136)	1,681,908 (17,720)	2,103,031	177,737	(2,654)	91,264	266,347	1,836,684

2023	Cost as at January 1, 2023	Exchange differences	Lease modification	Additions / (deletions)	Disposal of subsidiary	Cost as at December 31, 2023	Accumulated depreciation as at January 1, 2023	Exchange differences	Depreciation charge for the year	Disposal of subsidiary	Accumulated depreciation as at December 31, 2023	Book value as at December 31, 2023
	(Rupees in thousand)											
Plant and equipment	41,035	10,420	-	-	-	51,455	18,978	4,867	5,098	-	28,943	22,510
Land and buildings	1,031,729	130,980	(158,378)	228,057	(807,799)	424,589	580,097	98,953	48,247	(591,450)	135,847	288,742
Equipment	26,211	-	-	-	-	26,211	12,947	-	-	-	12,947	13,264
	1,098,975	141,400	(158,378)	228,057	(807,799)	502,255	612,022	103,820	53,345	(591,450)	177,737	324,516

24.1 Depreciation charge for the year has been allocated as follows:

	Note	2024	2023
		(Rupees in thousand)	
Cost of sales and services	38	60,957	28,218
Administrative expenses	39	21,870	18,661
Distribution and marketing costs	40	8,437	6,466
		91,264	53,345

25. Investment properties

	Note	2024	2023
Developed	25.1	12,790,909	11,932,411
Under construction	25.2	431,075	988,120
		13,221,984	12,920,531

25.1 Investment properties - developed

2024	Cost as at January 1, 2024	Additions	Transfer in	Transfer out to PPE	Cost as at December 31, 2024	Accumulated depreciation as at January 1, 2024	Depreciation charge for the year	Accumulated depreciation as at December 31, 2024	Book value as at December 31, 2024
	(Rupees in thousand)								
Freehold land	746,897	-	486,390	-	1,233,287	-	-	-	1,233,287
Leasehold land	14	-	10,535	-	10,549	-	2,136	2,136	8,413
Buildings on freehold land	9,649,360	-	-	(455,935)	9,193,425	1,995,068	39,561	2,034,629	7,158,796
Buildings on leasehold land	607,074	10,687	682,865	-	1,300,626	24,672	352,788	377,460	923,166
Mall equipment	62,831	48,292	-	-	111,123	45,263	8,956	54,219	56,904
External development	1,599,717	65,088	218,078	-	1,882,883	284,616	60,586	345,202	1,537,681
HVAC system	2,073,351	8,268	270,312	-	2,351,931	1,306,154	106,614	1,412,768	939,163
Electrical system	2,968,170	45,742	153,821	-	3,167,733	2,119,230	115,004	2,234,234	933,499
	17,707,414	178,077	1,822,001	(455,935)	19,251,557	5,775,003	685,645	6,460,648	12,790,909

2023	Cost as at January 1, 2023	Additions	Acquisition of HPL	Transfer out to PPE	Cost as at December 31, 2023	Accumulated depreciation as at January 1, 2023	Depreciation charge for the year	Accumulated depreciation as at December 31, 2023	Book value as at December 31, 2023
	(Rupees in thousand)								
Freehold land	738,285	8,612	-	-	746,897	-	-	-	746,897
Leasehold land	-	-	14	-	14	-	-	-	14
Buildings on freehold land	9,526,884	122,476	-	-	9,649,360	1,677,436	317,632	1,995,068	7,654,292
Buildings on leasehold land	5,966	-	601,108	-	607,074	5,619	19,053	24,672	582,402
Mall equipment	52,343	10,488	-	-	62,831	42,009	3,254	45,263	17,568
External development	1,599,334	383	-	-	1,599,717	231,176	53,440	284,616	1,315,101
HVAC system	1,987,225	86,126	-	-	2,073,351	1,090,739	215,415	1,306,154	767,197
Electrical system	2,927,523	40,647	-	-	2,968,170	1,785,524	333,706	2,119,230	848,940
	16,837,560	268,732	601,122	-	17,707,414	4,832,503	942,500	5,775,003	11,932,411

25.1.1 Depreciation charge for the year has been allocated as follows:

	Note	2024	2023
		(Rupees in thousand)	
Cost of sales and services	38	681,611	939,049
Administrative expenses	39	4,034	3,451
		685,645	942,500

25.1.2 Following are the particulars of the Group's investment properties:

Location	Usage of immovable property	Total area (in Acres)
Depalpur, Punjab	Kept for capital appreciation	16.04
Pakpattan, Punjab	Kept for capital appreciation	21.07
Faizabad, Punjab	Kept for capital appreciation	8.78
Hujra, Punjab	Kept for capital appreciation	9.86
Shahrah-e-Roomi, Chungi Amer Sidhu, Lahore	Rented out - note 25.1.4	0.068
Dullu Kalan, Lahore, Punjab	Kept for capital appreciation	16.84
Korangi Industrial Area, Karachi, Sindh	Rented out	4.02
		76.678

25.1.3 Leasing arrangements

These investment properties are leased out under operating leases with rentals receivable monthly. Minimum undiscounted lease payments receivable on leases of investment properties are as follows:

	Within 1 year	From 1 year to 2 years	Total
	(Rupees in thousand)		
December 31, 2024	13,821	6,168	19,989
December 31, 2023	9,319	3,617	12,936

25.1.4 Fair value of investment properties

Level 2 fair values

Fair value of certain investment properties, based on the valuation carried out by an independent valuer, as at December 31, 2024 is Rs 567.462 million (2023: Rs 567.462 million). The valuation is considered to be level 2 in the fair value hierarchy due to significant observable inputs used in the valuation. The different levels have been defined in note 58.

Valuation techniques used to derive level 2 fair values

Level 2 fair value of investment properties has been derived using a sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price per square foot.

Level 3 fair values

In the absence of current prices in an active market, the fair value is determined by considering the aggregate of the estimated cash flows expected to be received from licensing / leasing out the property less the costs to complete and the estimated operating expenses. The valuation is considered to be level 3 in the fair value hierarchy due to significant unobservable inputs used in the valuation. The different levels have been defined in note 58. Fair value of such investment properties has been determined to be Rs 33,185 million (2023: Rs 15,761 million).

Valuation techniques used to derive level 3 fair values

The Group has determined the fair value of investment properties of the Real Estate segment as on December 31, 2024 by internally generated valuation model instead of involving independent, professionally qualified valuer. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation. The major assumptions used in valuation model and valuation result at reporting date are as follows:

	2024	2023
	(Rupees in thousand)	
Gross rentable area (sq. ft)	702,838	670,030
Rent rates assumed per sq. ft (Rs)	79 - 1713	77 - 1610
Inflation in rent and operating costs	6% - 15%	6% - 15%
Discount rate (%)	13.03%	20.31%
Fair value (Rs in million)	33,185	15,761

The Group has determined the fair value of investment properties of pharmaceutical segment by involving an accredited independent valuer. As at December 31, 2024, the fair value and forced sales value of leasehold land amounts to Rs 750 million (2023: Rs 750 million) and Rs 564.5 million (2023: Rs 564.5 million), respectively, and of buildings on leasehold land amounts to Rs 55.5 million (2023: Rs 52.3 million) and Rs 41.62 million (2023: Rs 39.04 million), respectively. The fair values of these properties have been determined under level 3 with reference to market-based evidence after making adjustments for size, location, time, amenities and other relevant factors by comparing the subject asset with identical or similar assets for which price information is available. Valuation techniques used to derive the fair values of the investment properties have been summarised in the table below:

	2024			
	Fair Value	Valuation Technique	Key unobservable Input	Rate per square meter
	(Rupees in thousand)			
Leasehold land	750,000	Market comparable approach	Price per square meter	151,210
Buildings on leasehold land	55,500			20,893

25.2 Capital work in progress - under construction property

	Balance as at January 01, 2024	Additions during the year	Adjustments during the year	Transfer to Operating Fixed Assets	Inter classification	Balance as at December 31, 2024
	(Rupees in thousand)					
Civil works	260,289	318,038	(3,600)	(6,411)	284,167	105,293
Machine and equipment	135,705	297,346	(7,199)	-	49,953	124,054
Advances to suppliers	136,395	479,636	-	-	(37,743)	81,363
Advances against services	253,162	12,584	-	-	(253,162)	12,584
Overheads	202,569	174,562	-	-	(43,215)	107,781
	988,120	1,282,166	(10,799)	(6,411)	-	431,075

26. Intangible assets

	Note	Trademarks note 26.2	Goodwill	Computer software and ERP Systems	Total
		(Rupees in thousand)			
Year ended December 31, 2024					
Cost					
As at January 1, 2024		5,554,000	-	706,892	6,260,892
Additions during the year		-	-	77,033	77,033
As at December 31, 2024		5,554,000	-	783,925	6,337,925
Accumulated amortisation and impairment					
As at January 1, 2024		-	-	(524,046)	(524,046)
Amortisation for the year	26.1	-	-	(63,075)	(63,075)
As at December 31, 2024		-	-	(587,121)	(587,121)
Book value as at December 31, 2024		5,554,000	-	196,804	5,750,804
Year ended December 31, 2023					
Cost					
As at January 1, 2023		-	266,363	604,058	870,421
Acquisition of HPL		5,554,000	-	27,234	5,581,234
Additions during the year		-	-	75,600	75,600
Derecognition on disposal of subsidiary		-	(266,363)	-	(266,363)
Exchange differences		-	-	-	-
As at December 31, 2023		5,554,000	-	706,892	6,260,892
Accumulated amortisation					
As at January 1, 2023		-	(266,363)	(454,034)	(720,397)
Derecognition on disposal of subsidiary		-	266,363	-	266,363
Amortisation for the year	26.1	-	-	(70,012)	(70,012)
As at December 31, 2023		-	-	(524,046)	(524,046)
Book value as at December 31, 2023		5,554,000	-	182,846	5,736,846

26.1 The amortisation charge for the year has been allocated as follows:

	Note	2024	2023
		(Rupees in thousand)	
Cost of sales and services	38	34,314	27,312
Administrative expenses	39	24,090	38,833
Distribution and marketing costs	40	4,671	3,867
		63,075	70,012

26.2 Material brands of medicine distributed by the pharmaceutical segment were identified as intangible assets during the business combination. Although the contract lives are limited, these assets have an indefinite useful life because they are expected to generate net cash flows indefinitely and have minimal renewal costs. The Group tests intangibles with indefinite useful lives for impairment on an annual basis. As of December 31, 2024, management determined the recoverable amount of these intangibles by assessing the fair value of the underlying assets using the Relief from Royalty Method. The valuation is considered to be Level 3 in the fair value hierarchy due to the unobservable inputs used. The calculations use revenue projections based on approved budgets and projections. No impairment was identified.

Approach and the key assumptions used to determine the fair value were as follows:

Unobservable inputs	Key assumptions	Approach to determine key assumptions
Revenue forecast period	5 years	Board of the pharmaceutical segment reviewed three-year forecasts which are prepared by the pharmaceutical segment's management. Revenues beyond the three-year period is extrapolated using the estimated growth rates stated below.
Post-tax discount rate (%)	15.70%	Reflects specific risks relating to the pharmaceutical segment and the country in which the Group operates.
Long-term growth rate (%)	3.77%	This is the weighted average growth rate used to extrapolate the cash flows beyond the budget period. The rates are consistent with forecasts included in the industry reports.
Royalty rate (%)	4.28% to 6.1%	For the determination of royalty rates, an average has been taken from the 50 transactions that have happened in the global pharmaceutical sector over the past 20 years.
Revenue increase/(decrease) (%)	-23% to 12%	The compound annual growth rate (CAGR) has been calculated by using six year historical brand-wise revenues and projected five-year revenues. The lower rate between the two has been selected.

27. Investments accounted for using the equity method

27.1 The carrying amount of investments is as follows:

	Note	2024	2023
		(Rupees in thousand)	
Investments in associates	27.4	5,538,085	5,422,305
Investment in joint venture	27.5	617,528	563,768
		6,155,613	5,986,073

27.2 Amounts recognised in consolidated statement of profit or loss

	Note	2024	2023
Investments in associates	27.4	198,378	122,027
Investment in joint venture	27.5	53,990	28,510
		252,368	150,537

27.3 Amounts recognised in consolidated statement of other comprehensive (loss)/income

	Note	2024	2023
		(Rupees in thousand)	
Investment in associate	27.4	(82,599)	1,035,397
Investment in joint venture	27.5	(230)	133
		(82,829)	1,035,530

27.4 Investments in associates - equity method

The reconciliation of the carrying amount is as follows:

	Note	2024	2023
		(Rupees in thousand)	
IGI Holdings Limited, Pakistan			
Balance at the beginning		5,422,305	4,229,505
Share of profit for the year		288,576	221,293
Share of OCI for the year		(82,599)	1,035,397
Dividends received during the year		(90,197)	(63,890)
Closing balance		5,538,085	5,422,305
Hoechst Pakistan Limited, Pakistan			
Balance at the beginning		-	999,821
Share of loss for the year		-	(35,374)
Acquisition of control		-	(964,447)
Closing balance	27.4.2.2	-	-
		5,538,085	5,422,305

27.4.1 The breakup of carrying amount is as follows:

	2024	2023
Cost	840,456	840,456
Post acquisition share of profits and reserves net of impairment losses:		
Opening balance	4,581,849	3,353,675
Share of loss from HPL adjusted on acquisition	-	35,374
Share of profit from associates - net of tax	288,576	221,293
Share of other comprehensive (loss)/income - net of tax	(82,599)	1,035,397
Dividends received during the year	(90,197)	(63,890)
Closing balance	4,697,629	4,581,849
Balance as on December 31	5,538,085	5,422,305

27.4.2 Investment in equity instruments of associate - Quoted

	Note	2024	2023
IGI Holdings Limited, Pakistan 15,033,041 (2023: 15,033,041) fully paid ordinary shares of Rs 10 each Equity held 10.54% (2023: 10.54%) Market value - Rs 2,618.906 million (2023: Rs 1,658.896 million)	27.4.2.1	5,538,085	5,422,305

27.4.2.1 The Group's investment in IGI Holdings Limited ('IGIHL') is less than 20% but it is considered to be an associate as per the requirement of IAS 28, 'Investments in Associates' because the Group has significant influence over the financial and operating policies through representation on the board of directors of IGIHL. Consequently, following subsidiaries of IGIHL have also been considered as associates of the Group:

- IGI General Insurance Limited
- IGI Life Insurance Limited
- IGI Investments (Private) Limited
- IGI Finex Securities Limited
- IGI FSI (Private) Limited

27.4.2.2 Pursuant to the share purchase agreement with Sanofi Foreign Participations B.V., Packages Limited acquired a 35% shareholding in Hoechst Pakistan Limited (formerly Sanofi Aventis Pakistan Limited) ("HPL") on April 28, 2023, at a negotiated purchase price of Rs 940 per share, aggregating to Rs 3,173.125 million. Following this acquisition, the Group has a total shareholding of 41.07% in HPL. The management of the Group conducted a detailed assessment under IFRS 10 and concluded that HPL is considered a subsidiary due to the Group's de facto control over it.

27.5 Investment in joint venture

The breakup of investment in joint ventures as at year end is as follows:

	Note	2024	2023
		(Rupees in thousand)	
Cost		1,478,641	1,478,641
Post acquisition share of profit and reserves:			
Opening balance		(914,873)	(943,516)
Share of profit from joint ventures - net of tax		128,990	103,260
Share of other comprehensive (loss)/income from joint ventures - net of tax		(230)	133
Dividends received during the year		(75,000)	(74,750)
Closing balance		(861,113)	(914,873)
Balance as on December 31	27.5.1	617,528	563,768

27.5.1 Investment in equity instruments of joint venture - Unquoted

	2024	2023
OmyaPack (Private) Limited, Pakistan		
49,500,000 (2023: 49,500,000) fully paid ordinary shares of Rs 10 each - Equity held 50% (2023: 50%)	617,528	563,768

27.5.2 Investment in joint ventures - equity method

Reconciliation of investments in joint ventures is as follows:

	2024	2023
Plastic Extrusions (Proprietary) Limited, South Africa		
Balance at the beginning	-	53,029
Disposal of joint venture	-	(53,029)
Closing balance	-	-
OmyaPack (Private) Limited, Pakistan		
Balance at the beginning	563,768	535,125
Share of profit for the year	128,990	103,260
Share of OCI for the year	(230)	133
Dividend received during the year	(75,000)	(74,750)
Closing balance	617,528	563,768
	617,528	563,768

28. Other long term investments - at FVOCI

	Note	2024	2023
Quoted			
Nestle Pakistan Limited			
3,649,248 (2023: 3,649,248) fully paid ordinary shares of Rs 10 each Equity held 8.05% (2023: 8.05%) Cost - Rs 5,778.896 million (2023: Rs 5,778.896 million)	28.1	27,186,897	29,934,781
Systems Limited			
46,050 (2023: 46,050) fully paid ordinary shares of Rs 10 each Equity held 0.0159% (2023: 0.0159%)		28,618	19,505
	28.2	27,215,515	29,954,286
Unquoted			
Coca-Cola Beverages Pakistan Limited			
500,000 (2023: 500,000) fully paid ordinary shares of Rs 10 each Equity held 0.0185% (2023: 0.0185%)	28.3	5,000	5,000
Pakistan Tourism Development Corporation Limited			
2,500 (2023: 2,500) fully paid ordinary shares of Rs 10 each		25	25
		5,025	5,025
		27,220,540	29,959,311

28.1 As of December 31, 2024, an aggregate 2,620,000 (2023: 2,620,000) shares of Nestle Pakistan Limited having market value of Rs 19,519 million (2023: Rs 21,492 million) have been pledged in favour of Habib Bank Limited, Pakistan ('HBL') and Allied Bank Limited.

The details of shares pledged are as follows:

Lender	No. of shares pledged 2024	2023	Purpose
Allied Bank Limited	1,090,000	1,090,000	Shares were pledged against the long term financing obtained to finance the acquisition of Tri-Pack Films Limited.
Allied Bank Limited	700,000	700,000	Shares were pledged against the long term financing obtained to finance the acquisition of Hoechst Pakistan Limited.
Allied Bank Limited	230,000	230,000	Shares were pledged against the long term financing obtained to finance equity investment in StarchPack (Private) Limited.
Habib Bank Limited	600,000	600,000	Shares were pledged against the short term borrowing facility obtained.
	2,620,000	2,620,000	

28.2 Cumulative fair value gain on FVOCI financial assets

	2024	2023
	(Rupees in thousand)	
Balance as at beginning of the year	25,953,731	17,436,179
Changes in FVOCI	(2,738,771)	8,517,552
Balance as at end of the year	23,214,960	25,953,731

28.3 This represents investment in the ordinary shares of Coca-Cola Beverages Pakistan Limited (CCBPL) that is principally engaged in the production, distribution and sale of sparkling and still beverages. CCBPL is currently classified as a Level 3 financial asset and is measured at fair value on the reporting date using income approach. Fair value of investment in the ordinary shares of CCBPL has been determined at the reporting date however, the fair value change was not recorded in these consolidated financial statements as the impact was immaterial.

29. Long term loans

	Note	2024	2023
		(Rupees in thousand)	
Loans to employees - considered good	29.1	9,018	6,628
Current portion shown under current assets	34	(3,362)	(2,363)
		5,656	4,265

29.1 These represent loans for the purchase of motor cars, motorcycles and capital goods repayable in monthly instalments over a period of 36 to 60 months, in accordance with the Group's policy. Loans for the purchase of motor cars and motorcycles are interest free, whereas loans for purchase of capital goods carry interest at the rate of 9% (2023: 9%) per annum. These are repayable within five years in equal monthly instalments, except for loans for purchase of capital goods which are repayable over a period of three years.

Interest free long term loans have not been carried at amortised cost since the effect of discounting is immaterial in the context of these consolidated financial statements

30. Stores and spares

	Note	2024	2023
		(Rupees in thousand)	
Stores [including in transit Rs 156.390 million (2023: Rs 106.278 million)]		1,971,496	2,120,116
Spares [including in transit Rs 116.154 million (2023: Rs 132.283 million)]		3,478,821	3,549,656
	30.1	5,450,317	5,669,772
Provision for obsolete/slow-moving stores and spares	30.2	(138,675)	(133,215)
		5,311,642	5,536,557

30.1 Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

30.2 The movement in provision for obsolete/slow-moving stores and spares during the year is as follows:

	Note	2024	2023
		(Rupees in thousand)	
Balance as at January 1		133,215	91,520
Recognition on acquisition of HPL		-	763
Provision for the year		5,460	40,932
Balance as at December 31		138,675	133,215

31. Stock-in-trade

	Note	2024	2023
Raw materials [including in transit Rs 5,305.799 million (2023: Rs 6,812.914 million)]	31.1	24,814,248	31,133,749
Work-in-process	31.2	2,782,051	2,440,149
Finished goods [including in transit Rs 346.755 million (2023: Rs 245.936)]	31.3 & 31.4	14,765,660	11,780,688
Goods purchased for resale	31.5	471,297	322,353
		42,833,256	45,676,939
Provision for obsolete/slow-moving stock-in-trade	31.6	(701,094)	(645,137)
		42,132,162	45,031,802

31.1 Raw materials amounting to Rs 830.18 million (2023: Rs 918.545 million) are in the possession of various vendors of the Group for further processing into semi-finished and finished goods to be supplied to the Group. Further, raw materials with a cost of Nil (2023: Rs 27.100 million) are being valued at net realizable value ('NRV') of Nil (2023: Rs 23.200 million).

31.2 Work-in-process amounting to Rs 24.539 million (2023: Rs 17.192 million) is in the possession of various vendors of the Group for further processing into other semi-finished and finished goods to be supplied to the Group.

31.3 Finished goods amounting to Rs 2.469 million (2023: Rs 1.370 million) are in the possession of various customers of the Group that are yet to be sold by the Group to these customers. Further, finished goods amounting to Rs 45.700 million (2023: Rs 9.067 million) are in possession of various vendors of the Group for further processing into semi-finished and finished goods to be supplied to the Group.

31.4 Finished goods with a cost of Rs 5,785.475 million (2023: Rs 4,991.25 million) are being valued at net realizable value ('NRV') of Rs 5,020.731 million (2023: Rs 4,496.882 million).

31.5 Goods purchased for resale amounting to Rs 300.800 million (2023: Rs 199.909 million) are in the possession of third parties. Furthermore, goods purchased for resale costing Rs 76.939 million (2023: Rs 47.098 million) are carried at their NRV amounting to Rs 75.963 million (2023: Rs 45.096 million) and the resulting NRV write down expense amounting to Rs 0.976 million (2023: Rs 2.002 million) has been charged to cost of sales.

31.6 The movement in provision for obsolete/slow-moving stock-in-trade during the year is as follows:

	Note	2024	2023
		(Rupees in thousand)	
Opening balance		645,137	221,256
Recognition on acquisition of HPL		-	369,207
Recognition on disposal of subsidiary - FPCPL		-	(44,431)
Provision for the year	38.1	288,873	178,288
Stock-in-trade written off against provision		(232,916)	(79,183)
Closing balance		701,094	645,137

32. Short term investments

	Note	2024	2023
Investments in Term Deposit Receipts - at amortized cost	32.1	165,000	305,000
Investments in mutual funds at FVPL	32.2	452,884	1,129,438
		617,884	1,434,438

32.1 These represent investments in Term Deposit Receipts issued by the banking companies having maturity of one to three months carrying markup rates of 6.75% to 20.70% (2023: 14.2% to 20.70%) per annum.

32.2 These represent investments in units of mutual funds of Al Habib Money Market Fund that are classified as fair value through profit or loss ('FVPL').

33. Trade debts

	Note	2024	2023
		(Rupees in thousand)	
Related parties - unsecured	33.1 & 33.2	162,565	149,234
Others	33.3	20,123,443	15,073,154
		20,286,008	15,222,388
Loss allowance	33.4	(938,409)	(810,351)
		19,347,599	14,412,037

33.1 Related parties - unsecured

This represents balance due from the following:

	Note	2024	2023
OmyaPack (Private) Limited		2,076	442
Tetra Pak Pakistan Limited		10,093	264
IGI Life Insurance Limited		-	133
Flexible Packages Convertors (Proprietary) Limited		122,091	122,091
Dilmah Ceylon Tea Company PLC		24,999	22,250
IGI General Insurance Limited		192	176
S.C. Johnson & Son of Pakistan (Private) Limited		3,114	3,878
	33.1.1	162,565	149,234

33.1.1 The maximum aggregate amount due from these related parties at the end of any month during the year was Rs 162.565 million (2023: Rs 174.29 million).

33.2 The aging analysis of trade receivables from related parties as at reporting date is as follows:

	2024	2023
	(Rupees in thousand)	
Neither past due nor impaired	29,696	27,143
Past due but not impaired:		
Up to 90 days	3,221	-
90 to 180 days	497	-
181 to 365 days	7,060	-
	10,778	-
365 days and above	122,091	122,091
	162,565	149,234

33.3 Includes trade debts of Rs 599.727 million (2023: Rs 369.064 million) which are secured by way of inland letters of credit.

33.4 The reconciliation of loss allowance during the year is as follows:

	2024	2023
	(Rupees in thousand)	
Opening balance	810,351	334,573
Recognition on acquisition of HPL	-	254,213
Impairment loss recognised during the year	128,058	235,462
Bad debts written off	-	(14,308)
Exchange gain	-	411
Closing balance	938,409	810,351

34. Loans, advances, deposits, prepayments and other receivables

	Note	2024	2023
		(Rupees in thousand)	
Current portion of loans to employees	29	40,862	2,363
Advances			
- To employees	34.1	124,259	145,034
- To suppliers		869,091	1,250,824
		993,350	1,395,858
Due from related parties	34.2 & 34.3	259,169	258,867
Trade deposits		290,127	600,796
Profit receivable on deposits		105,721	12,161
Security deposits		42,199	6,581
Prepayments	34.4	660,776	1,234,647
Balances with statutory authorities:			
- Customs duty		268,447	284,077
- Cash margin of cess with bank		43,000	-
- Import rebate receivable		129,421	74,458
- Export rebate receivable		15,238	17,690
- Sales tax receivable	34.5	55,905	1,961,243
- Sales tax recoverable	34.6	4,235,199	2,957,312
		4,747,210	5,294,780
Other receivables	34.7	1,492,803	796,198
		8,632,217	9,602,251
Loss allowance	34.8	(333,274)	(333,274)
		8,298,943	9,268,977

34.1 Included in advances to employees are amounts due from executives of Rs 9.349 million (2023: Rs 6.182 million).

34.2 Due from related parties - unsecured

	2024	2023
This represents balance due from the following:	(Rupees in thousand)	
OmyaPack (Private) Limited	71,637	65,787
IGI Finex Securities Limited	831	645
IGI Holdings Limited	2,494	5,453
IGI General Insurance Limited	10,018	11,408
IGI Investments (Private) Limited	5,202	3,432
Flexible Packages Convertors (Proprietary) Limited	135,377	135,377
IGI Life Insurance Limited	25,506	33,280
Industrial, Technical and Educational Institute	71	35
Babar Ali Foundation	953	387
Pakistan Petroleum Limited	3,313	-
S.C. Johnson & Sons of Pakistan (Private) Limited	2,169	1,501
IGI FSI (Private) Limited	349	246
Packages Foundation	1,249	1,316
	259,169	258,867

These are in the normal course of business and are interest free.

34.3 The maximum aggregate amount due from these related parties at the end of any month during the year was Rs 345.560 million (2023: Rs 258.867 million).

34.4 Prepayments include Rs 31.122 million (2023: Rs 61.047 million) made to IGI Life Insurance Limited, a related party (associate).

34.5 This includes sales tax amounting to Rs 138 million (2023: Rs 1,468.13 million) relating to sales tax on the import of plant and machinery.

34.6 Sales tax recoverable

(a) The Deputy Commissioner Inland Revenue ('DCIR') through order dated June 24, 2015 alleged that in respect of tax periods from 2008 to 2012, the Group had incorrectly adjusted input sales tax credit amounting to Rs 146.107 million on purchases of raw materials from certain suppliers who were subsequently blacklisted / suspended and disallowed the same along with levy of default surcharge and penalty thereon with the total demand aggregating to Rs 292.214 million. In 2016, the taxation authorities adjusted an amount of Rs 292.214 million from income tax refunds of the Group against the said demand.

However, the Appellate Tribunal Inland Revenue ('ATIR'), through order dated August 28, 2017, has decided the case in favour of the Group. The Group has filed an application before the respective authorities to give effect to the order, the outcome of which is still pending. The tax authorities have filed an appeal in High Court of Sindh in the year 2018 against the decision of the ATIR and the case is pending adjudication. Since the case has been decided in the Group's favour on merits by ATIR, no provision for the above amount of Rs 292.214 million has been made in these consolidated financial statements. The case is pending before Sindh High Court.

(b) In respect of tax periods from 2014 to 2016, the Additional Commissioner, Punjab Revenue Authority, through his order dated August 8, 2018 has created a demand of Rs 757.841 million in respect of alleged default on withholding of Punjab Sales Tax on various heads of accounts along with penalty thereon. The Group filed an appeal against the above order with the Commissioner (Appeals) on December 13, 2018. The appeal against the impugned order has been filed on the basis of following major grounds:

- the relevant section of the Punjab Sales Tax on Services Act, 2012 has been wrongly applied retrospectively to the alleged period of default;
- the heads of accounts include multiple line items on which Punjab Sales Tax is not applicable; and
- it has been wrongly assumed that all the expenses disclosed in the consolidated financial statements under the identified heads have actually been paid during the said tax periods.

During the year 2020, Commissioner (Appeals) ordered an inquiry under section 64(5) of The Punjab Sales Tax on Services Act, 2012 which was conducted by Additional Commissioner Enforcement-III and the inquiry report was submitted to Commissioner (Appeals) on May 27, 2019 whereby the demand was reduced to Rs 457.570 million upon verification of the documents provided by the Group. The final outcome of the appeal is still awaited.

During the year 2023, the recovery proceedings were reinitiated and the Additional Commissioner, Punjab Revenue Authority, through an order dated December 18, 2023 again created a demand of Rs 757.841 million whereby the Group was required to deposit the amount of tax along with default surcharge and penalty by December 26, 2023. The Group has obtained stay from recovery proceedings.

The Group has not made any provision against the above demand as the management is confident that the ultimate outcome of the appeal would be in favour of the Group, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.

(c) In respect of tax periods from January 2016 to December 2016, the DCIR through an order dated December 28, 2018 created a demand of Rs 493.391 million in respect of disallowance of input tax claimed by the Group, alleged default on charging of output sales tax and default on withholding of sales tax along with penalty thereon. The Group appealed against the order before the Commissioner Inland Revenue (Appeals) ['CIR(A)'] dated January 26, 2019 and the appeal was decided partially in favour of the Group dated September 18, 2019 and an amount of Rs 311 million was waived, therefore, reducing the demand to Rs 182.391 million. The department and the Group, both, have filed an appeal before the ATIR against CIR(A)'s order, the final outcome of which is still awaited.

The Group has not made any provision against the above demand as the management is confident that the ultimate outcome of the appeal would be in favour of the Group, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.

(d) In respect of sales tax periods from January 2019 to December 2019, the DCIR, through his order No. 3/146/2021-22 dated February 28, 2022 created a demand of Rs 515.70 million in respect of disallowance of input tax claimed by the Group, alleged default on charging of output sales tax and default on withholding of sales tax along with penalty and default surcharge thereon.

Being aggrieved by the order of DCIR, the Group filed an appeal before CIR(A) on various grounds including that the order of the DCIR erred due to not considering the correct facts of the proceedings for the conduct of the audit, despite the identification of the submissions available on record at various occasions during the proceedings and due to wrong applicability of various provisions of the Sales Tax Act, 1990.

During the year 2023, the CIR(A) through his order dated April 18, 2023 has accepted all of the contentions of the Group and has set aside all of the demands created except for an input tax claim amounting to Rs 211.900 million. CIR(A) has directed the DCIR to reconsider the demand in light of the documentary evidence that has been provided by the Group.

Being aggrieved by the decision of the CIR(A), the DCIR has filed an appeal before the ATIR that the order of the CIR(A) be set aside and the order of DCIR be restored.

The Group has not made any provision against the above demand as the management is confident that the ultimate outcome of the appeal would be in favour of the Group, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.

(e) In respect of sales tax periods from January 2018 to December 2018, the DCIR through his order 4/146 dated April 27, 2022 has created a recovery demand of Rs 1,170 million in respect of disallowance of input tax claimed by the Group, alleged default on charging of output sales tax and default on claiming input sales tax along with penalty thereon.

Being aggrieved by the order of DCIR, the Group filed an appeal before the CIR(A) on the grounds that various sections of input tax have been erroneously applied in disallowing the input tax. Furthermore, input tax related to specific suppliers has been disallowed more than once and alleged as inadmissible. DCIR has also held that sales tax along with further tax be recoverable on categories of fixed assets that were scrapped during the period.

During the year 2023, CIR(A) through his order dated April 26, 2023 has accepted all of the contentions of the Group and has set aside all of the demands created except for an input tax claim amounting to Rs 641.931 million. CIR(A) has directed the DCIR to confront the Group under specific provisions of the law and inference is to be drawn after duly rebutting each and every argument of the Group.

Being aggrieved by the decision of the CIR(A), the DCIR has filed an appeal before the ATIR that the order of the CIR(A) be set aside and the order of DCIR be restored.

The Group has not made any provision against the above demand as the management is confident that the ultimate outcome of the appeal would be in favour of the Group, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.

(f) In respect of tax periods from 2015 to 2020, the Additional Commissioner, Punjab Revenue Authority, through his order dated January 11, 2023 created a demand of Rs 62.33 million in respect of alleged default on withholding of Punjab Sales Tax on various heads of accounts along with penalty thereon. The Group being aggrieved, filed an appeal against the above order with the Commissioner (Appeals), Punjab Revenue Authority, on December 21, 2023. As of the reporting date, the date of hearing has not been fixed.

The Group has not made any provision against the above demand as the management is confident that the ultimate outcome of the appeal would be in favour of the Group, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.

(g) For the sales tax periods July 2017 to June 2018, the Deputy Commissioner Inland Revenue ['DCIR'], Unit-3, Audit-III, Large Taxpayers Office, through order dated October 28, 2020 raised an additional sales tax demand of Rs 239.48 million (2023: Rs 239.48 million) along with default surcharge and penalty. The sales tax demand primarily pertains to disallowance of input tax claimed by the Group. The matter was appealed by the Group before the Commissioner Inland Revenue (Appeals) which is currently pending adjudication. Further, the DCIR did not allowed credit of Rs 2,046,122 million being voluntarily paid input tax. In this regard, the Group filed appeal before the Commissioner (Appeals) which was heard and the order is awaited. After the refusal by the Commissioner Appeals to grant further stay, the Group through its legal counsel approached the High Court of Sindh, who vide order in C.P.No. D-2927 of 2021 dated April 28, 2021 granted further stay. The management, in consultation with their legal advisor, is of the view that these sales tax matters will eventually be decided in the favour of the Group, therefore no provision has been made in these consolidated financial statements.

(h) For the sales tax periods January 2019 to December 2019, the DCIR, Unit-3, Audit-III, Large Taxpayers Office, issued a notice dated January 17, 2022 under section 25 of Sales Tax Act, 1990. Through the said notice, the DCIR required certain details and information in connection with the audit proceedings for the above tax periods. The said notice was duly complied by the Group. Thereafter the DCIR through assessment order dated December 31, 2022 raised sales tax demand of Rs 661.697 million along with default surcharge and penalty. The sales tax demand primarily pertains to disallowance of input tax claimed on import and local purchased items which are not allowed under section 8 with SRO 490(I)/2004 as amended by SRO 450(I)/2013. The DCIR has also raised demand in respect of various other issues. However, an appeal dated March 1, 2023 has been filed against the assessment order by the Group before the Commissioner Inland Revenue (Appeals), which is currently pending adjudication. The case was remanded back to DCIR by order no. STA/220/LTO/2023/27 dated 28 April 2023. DCIR fixed the hearing on August 25, 2023. The DCIR issued notice bearing No. DCIR/Remand Back-STA-220/Zone-I/LTO/KHI/202 July 26, 2023. The said notice was issued to initiate proceedings for re-adjudication of the matters remanded back through the appellate order No. STA/220/LTP/2023/27 dated April 28, 2023 passed by the Commissioner Inland Revenue (Appeals-I), Karachi. The compliance of the said notice is under process by the Group. The management, in consultation with their legal advisor, is of the view that these sales tax matters will eventually be decided in the favour of the Group; therefore no provision has been made in these financial statements.

34.7 Other receivables include Rs 4.542 million (2023: Nil) from IGI General Insurance Limited, an associate. It is neither past due, nor impaired.

33.8 The reconciliation of loss allowance is as follows:

	2024	2023
	(Rupees in thousand)	
Opening balance	333,274	-
Recognition on acquisition of HPL	-	161,121
Loss allowance recognised during the year	-	279,708
Reversal of loss allowance	-	(107,555)
Closing balance	333,274	333,274

35. Income tax receivable

	2024	2023
Income tax refundable	4,642,041	3,727,076
Income tax recoverable	2,526,108	2,542,435
	7,168,149	6,269,511

Contingencies related to income tax:

Based on the advice of the Group's tax advisor and/or established precedents, management believes there are meritorious grounds to support the Group's position regarding the matters disclosed below. Consequently, no provision for these amounts has been made in these consolidated financial statements.

35.1 In respect of tax year 2007, the department rejected the Group's claim for interest / additional payment for delayed refunds for the tax years from 1983-84 to 2003 amounting to Rs 64.616 million and adjusted the Group's tax liability for the said year accordingly. The Group being aggrieved of the said order filed an appeal with Commissioner Inland Revenue (Appeals) ['CIR(A)']. CIR(A) through his order dated January 26, 2009 maintained the rejection. An appeal against the said order was filed by the Group with ATIR. ATIR through its order dated February 23, 2010 maintained the rejection. The Group has now filed an appeal in the High Court of Sindh against ATIR's order on June 28, 2010, the outcome of which is still pending. However, the Group has not made any provision against the above recoverable as the management is confident that the ultimate outcome of the appeal would be in favour of the Group, inter alia on the basis of the advices of the tax consultant and legal counsel, the relevant law and facts.

35.2 In respect of tax year 2014, the department amended the deemed assessment for the year raising a tax demand of Rs 606.328 million. In this order, among other issues, the department did not accept the Group's contention for non-taxation of the transfer of paper and paperboard and corrugated business segments to BSPPL under section 97 of the Income Tax Ordinance, 2001. Such transfer has been taxed as capital gain on the value of assets transferred.

Further, certain other disallowances inter alia including on account of allocation of various expenses towards dividend and other incomes, effectively reducing the available tax losses by approximately Rs 1,200 million, were also made by the department in respect of previous tax years.

The Group being aggrieved of the above order filed an appeal before the CIR(A), who through order dated March 2, 2018, has accepted all the contentions of the Group except non-taxation of the transfer of paper and paperboard and corrugated business segments to BSPPL and taxation of provision for retirement benefits on accrual basis thereby reducing the tax refundable claimed by the Group from Rs 352.953 million to Rs 273.986 million and also reducing the original demand to Rs 78.967 million. The Group has filed an appeal against the above order before ATIR on May 4, 2018, the outcome of which is still pending. The ATIR through order No. ITA 723/KB/2018 issued on July 01, 2021 decided the main issue of transfer of assets in between wholly owned subsidiary subject to tax under capital gain in favour of the Group. However, ATIR upheld the decision of CIR(A) on account of claim of provisions for approved staff retirement benefit funds as inadmissible amounting to Rs 259.4 million. Further, being aggrieved by the unfavourable decision of ATIR against inadmissibility of provision against retirement funds, the Group filed an appeal before the Sindh High Court (SHC) on September 24, 2021. The department being aggrieved by the unfavourable decision of ATIR against deleting of output tax, penalty and default surcharge also filed an appeal before the SHC. The Group has not made any provision against the above demand and disallowance as the management is confident that the ultimate outcome of the appeal would be in the Group's favour, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.

35.3 In respect of tax year 2016, the department amended the assessment for the year raising a tax demand of Rs 464.187 million. The Group being aggrieved of the said order filed an appeal before the CIR(A), who through order dated December 11, 2017, accepted all the contentions of the Group except the allowability of provision for Workers' Profit Participation Fund on payment rather than accrual basis and remanded back credit for minimum tax, thereby, reducing the tax demand to Rs 86.864 million. The Group filed an appeal against the above order before ATIR on January 9, 2018, the outcome of which is still pending.

35.4 In respect of tax year 2017, the Deputy Commissioner Inland Revenue ('DCIR') raised a demand through an order dated April 29, 2021, amounting to Rs 1,520 million under section 137(2) of the Income Tax Ordinance 2001, primarily by disallowing certain expenses and also including certain additions in the taxable income. Management believes that the action taken by DCIR is, in an ad hoc and arbitrary manner, despite all matters concluded in the audit for tax year 2014 on similar issues as well as the data provided during the monitoring proceedings for that year have been finalized without providing an adequate opportunity of being heard to the Group and the above mentioned additions/disallowances are made on an 'ex parte basis'. Being aggrieved, the Group filed an appeal before the CIR(A) dated May 28, 2021 against this impugned order, and at the same time, the Group also filed an application for stay against any coercive action taken by Federal Board of Revenue in Sindh High Court dated June 1, 2021. The stay is valid till the decision of CIR(A).

35.5 In respect of tax year 2021, a demand amounting to Rs 307.80 million raised under sections 161, 205 and 182 of the Income Tax Ordinance 2001 by the Deputy Commissioner Inland Revenue ('DCIR') through an order dated March 31, 2022. The tax authorities raised the demand primarily on account of non-withholding of the income tax.

Being aggrieved by the order of the DCIR, the Group filed an appeal before Commissioner Inland Revenue (Appeals) (CIR-A) on the grounds that the order of the DCIR is erred in holding the Group as "Assessee-In-Default" for not withholding tax on payments of salaries which are below taxable slabs and pertains to the reimbursements for employees travelling and conveyance expenses, and professional taxes etc. The outcome of the appeal is still awaited.

Based on the advice of the Group's tax advisor, the management believes that there are meritorious grounds to support the Group's stance in respect of this matter. Consequently, no provision for this amount has been made in these consolidated financial statements.

35.6 In respect of tax year 2017, the DCIR issued notice dated March 11, 2020 under section 177(1) of the Income Tax Ordinance, 2001 in which the DCIR intimated that the Group had been selected for audit under the provisions of Clause 72B of Part-IV of the Second Schedule to the Income Tax Ordinance, 2001 for the above tax year and required the Group to furnish information and documents. The above notice was fully complied by the Group. Based on submissions and explanations, the DCIR vide his notice dated December 22, 2021 issued under section 122(9) of the Ordinance identified some discrepancies and intend to amend the deemed assessment order under section 120 of the Ordinance. In this regard, the Group duly furnished and complied the said notice. In response to the reply to the aforesaid notice, the DCIR passed an order dated April 28, 2022, in which the DCIR worked out tax demand amounting to Rs. 428.944 million. Being aggrieved of the order the Group filed an appeal before the CIR(A). The CIR(A) vide its appellate order dated January 26, 2023 deleted or remanded back the majority disallowances except carry forward of minimum tax paid under section 113(2)(c) of the Ordinance amounting to Rs 426.274 million which is brought forward from tax years 2014, 2015 and 2016. Being aggrieved of the above appellate order to the extent of carry forward of the minimum tax, the Group has filed an appeal before the ATIR however the hearing thereof is pending.

35.7 The Deputy Commissioner Inland Revenue (DCIR), initiated monitoring proceedings under section 156/161 of Income Tax Ordinance, 2001 (the Ordinance) for Tax Year 2009 vide letter dated November 12, 2010. The Group filed constitutional petition before the High Court of Sindh which remanded back the matter vide order dated December 24, 2012. After disposal of constitutional petition, the proceedings were reinitiated by DCIR vide his letter dated December 26, 2012 requiring the Group to explain its position on advertisement and sales promotion expenses amounting to Rs 203.963 million.

In the order dated April 29, 2013, issued under section 161/205 of the Ordinance, the DCIR had imposed tax under section 161 of the Ordinance amounting to Rs. 11.663 million for non deduction of tax under section 156 of the Ordinance from certain payments under the head 'Advertisement and Sales Promotion'.

The Group filed constitutional petition before the High Court of Sindh ('HCS') which restrained the tax department from any coercive recovery measure in respect of the impugned demand till disposal of the petition. The department, however, later adjusted this outstanding demand without issuance of any recovery notice to the Group, against refunds pertaining to Tax Year 2012. The HCS dismissed the petition on May 25, 2013 and directed the petitioner to pursue departmental hierarchy.

The Group then filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the impugned order. The CIR(A) disposed-off the appeal vide order dated August 25, 2015 remanding back the matter to the department. The Group filed an appeal against the CIR(A)'s order before the Appellate Tribunal Inland Revenue (ATIR) dated October 05, 2015. The ATIR passed an order on December 24, 2021 against the Group and dismissed the appeal. The Group filed a reference before the HCS in March 2022, hearing of which is still pending.

The Group also filed a rectification application before the ATIR which allowed the application vide order dated July 29, 2022 and remanded back the matter to the tax officer. The remand back proceedings are still pending.

35.8 The Group's case was selected in the Parametric balloting done for selection of cases for audit for the Tax Year 2011 on February 25, 2013 by the Federal Board of Revenue (FBR) under section 214C of the Ordinance. The Group filed a representation against the said selection before the review panel of the FBR in terms of circular dated February 25, 2013. Without prejudice to the representation against the audit selection, the Group made complete compliance to the Information Document Request (IDR) notice dated April 04, 2013. Later, the DCIR issued the show cause notice under section 122(9) of the Ordinance to which the Group made compliance. However, the DCIR issued amended order dated June 17, 2014 and made additions of Rs. 124.115 million on various expenses. The Group filed an appeal against the DCIR order before the CIR-A, who vide order dated September 10, 2015 had disposed-off the appeal but upheld additions of sundry promotional expenses of Rs. 36.973 million. Accordingly, the Group filed appeal before the ATIR which maintained the disallowance of Rs. 36.973 million vide order dated July 14, 2021. The Group filed a constitutional petition against the ATIR order and rectification application was also filed with the ATIR by the Group dated September 06, 2021.

The ATIR passed order in favour of the Group and allowed the aforementioned expenses through order dated November 29, 2021. Further, the department's appeal for Tax Year 2011 challenging Commissioner Appeal's verdict to delete the disallowances at Rs. 87.142 million has been dismissed by the ATIR vide order dated July 06, 2022. The Department has filed an appeal before the HCS against the ATIR order, hearing of which is still pending.

35.9 The DCIR, amended the deemed assessment vide order dated December 28, 2017, for Tax Year 2014 increasing the tax liability by Rs 275.6 million due to disallowance of certain expenses, hence, adjusting the tax refundable as assessed by the Group in the tax return. The Group was required to pay an amount of Rs.110.6 million being the short payment on account of reassessed tax liability. The Group paid the said amount under protest and filed an appeal with the CIR(A) against the said order. The CIR(A) decided on the above issue against the Group vide order dated May 6, 2019. The Group filed an appeal dated through July 12, 2019 thereagainst with the ATIR, which is pending to be heard.

35.10 In March 2022, DCIR raised demand under section 122(1) of the Ordinance against disallowance / addition from and to the taxable income mainly on account of non-furnishing of details and documentary evidence. Being aggrieved of the said order, the Group filled an appeal before the Commissioner (Appeals) vide letter CT 1476 dated April 29, 2022. The Commissioner (Appeals) has granted stay against the recovery of tax demand and no appellate order in this regard has yet been passed. The maximum exposure as at December 31, 2022 is approximately Rs 217.186 million. The management and their tax advisors are of the opinion that the position of the Group is sound on a technical basis and eventual outcome is expected to be in favour of the Group.

35.11 In August 2023, the ADCIR passed an order under section 122(5A) of the Ordinance for the tax year 2019, thereby disallowing certain deductions. The ADCIR also levied the super tax under section 4B and disallowed deductible allowance under section 60A. Being aggrieved, the Group has filed appeal before the Commissioner (Appeals). The same has been heard and order is being awaited. The maximum exposure as at December 31, 2023 is approximately Rs 94.037 million. The management and their tax advisors are of the opinion that the position of the Group is sound on a technical basis and eventual outcome is expected to be in favour of the Group.

35.12 In respect of tax years 2015, 2018 and 2019, the Commissioner Inland Revenue (Appeals) through order dated August 31, 2020, upheld super tax under section 4B on ex parte basis. The Group filed an appeal before CIRA against which a rectified order was issued dated October 23, 2020 reducing the levy of Super tax for 2015 to nil. Subsequently, the Group received a combined Appellate order dated December 31, 2021 for tax years 2018 and 2019 demanding a levy of super tax under section 4B of Rs 17.7 million and Rs 35.13 million respectively. During the previous year, the Group filed an appeal on the basis of the rectified order which is pending before ATIR. Based on the advise of its tax consultants, the Group is confident that the ultimate decision in respect of the aforementioned matter shall be made in its favour.

35.13 The matters of adjustments of tax credits for tax years 2014 and 2015 amounting to Rs 119.62 million and Rs 68.86 million respectively, adjustment of brought forward losses of Rs 1,683 million and calculation of levy of Workers' Welfare Fund have been directed to be rectified. The Group filed an appeal before the Appellate Tribunal Inland Revenue in respect of the matters maintained. During the previous year, an order dated June 29, 2022 was received on the basis of which a demand of Rs 9.64 million was raised. In relation to this, the Group filed an appeal before CIR(A) which is still pending. The management of the Group, based on the advise of its tax consultants, is confident that the ultimate decision in respect of the aforementioned matter shall be made in its favour.

35.14 In respect of tax year 2022, the Commissioner Inland Revenue (Appeals) through appeals order (under section 170(4)) dated July 13, 2023 short allowed the credit of taxes claimed by Rs 37.451 million pertaining to tax credit under section 61, taxes deducted under various sections and casting errors amounting to Rs 6.04 million, Rs 31.42 million and Rs 9.2 million respectively. Consistent with the previous refund orders issued at the time of seeking exemption certificates, refund was restricted to the extent of the adjustments required for issuance. Accordingly, during the year 2023, on August 10, 2023, the Group filed rectification order. The Group based on the advise of its tax consultant did not file the appeal as they consider that consistent with the previous years, matter can be resolved by way of rectification.

35.15 During the year 2023, on October 26, the Group received notices for the Sindh Workers' Welfare Fund for the tax years 2018, 2019, 2021, 2022, and 2023. No further correspondence was received by year-end for the notices pertaining to the tax years 2018 and 2019. However, for the tax years 2021, 2022, and 2023, demands amounting to Rs 23.8 million, Rs 38.2 million, and Rs 34.4 million, respectively, were raised through Order-in-Original.

As a trans-provincial entity, the Group is liable to pay the Workers' Welfare Fund to the Federal Board of Revenue. Consequently, an appeal was filed by the Group before the CIR (SRB). Based on the advice of its tax consultants, the Group is confident that the ultimate decision regarding the aforementioned matter will be in its favor.

35.16 In respect of the tax year 2020, the Commissioner Inland Revenue (Appeals), through an appeals order (under section 170(4)) dated March 31, 2021, short-allowed the credit of taxes claimed by Rs 235.42 million, pertaining to tax credit under section 61, taxes deducted under various sections, and adjustments from the tax year 2015 amounting to Rs 17.98 million, Rs 3.23 million, and Rs 214 million, respectively. The Group filed an appeal before CIR(A) against the order dated March 31, 2023. During the previous year, on August 29, 2023, an appellate order was passed on an 'ex-parte' basis, which disposed of the appeal filed by the Group in CIR(A) against the order dated March 31, 2021. On August 30, 2023, rectification was filed before CIR(A) against the appellate order dated August 29, 2023. During the year, on January 20, 2024, CIR(A), through an appellate order, rectified the appellate order dated August 29, 2023, and remanded the matter back to the officer.

35.17 In respect of tax year 2019, a demand amounting to Rs 378.79 million was raised under sections 161, 205 and 182 of the Income Tax Ordinance 2001 by the Deputy Commissioner Inland Revenue ('DCIR') through an order dated December 31, 2024. The tax authorities raised the demand primarily on account of non-withholding of the income tax.

Being aggrieved by the order of the DCIR, the Group filed an appeal before ATIR on the grounds that the order of the DCIR is erred in holding the Group as "Assessee-In-Default" for not withholding tax on payments of salaries which are below taxable slabs and pertains to the reimbursements for employees travelling and conveyance expenses, and professional taxes etc. The outcome of the appeal is still awaited.

35.18 The Group received, notice dated April 22, 2024 under section 122(9) of the Income Tax Ordinance, 2001 ('the Ordinance'). Under the said notice the Additional Commissioner, Inland Revenue, Zone-I-Range-3, Zone-I, LTO, Lahore ('AC') disallowed certain expenses for the tax year 2018. The said notice was duly responded by the Group. On June 29, 2024, the AC, through order under section 122(5A), partially accepted the Group's stance and partially rejected it. Thus, as a result thereof, curtailing refunds of the Group by an amount of Rs 127.83 million. The Group being aggrieved, filed an appeal dated July 25, 2024 before the Appellate Tribunal Inland Revenue, Lahore which is pending adjudication.

36. Cash and bank balances

	Note	2024	2023
		(Rupees in thousand)	
At banks:			
- Deposit accounts [including USD 146,900 (2023: USD 120,984)]	36.1	588,500	106,000
- Savings accounts	36.2 & 36.3	457,882	596,320
- Current accounts	36.4	2,717,148	2,195,915
		3,763,530	2,898,235
In hand [including USD 184 (2023: USD 3,798), EURO 6,490 (2023: EURO 10,300) and GBP 550 (2023: nil)]		20,928	25,666
		3,784,458	2,923,901

36.1 This represents 100% cash margin against bank guarantee booked under TDR carrying profit at 5.5% to 18.5% (2023: 14.75% to 18%) per annum.

36.2 The balances in saving accounts bear mark-up which ranges from 5.17% to 22.5% (2023: 8.02% to 20.05%) per annum.

36.3 Included in these are restricted funds of Rs 13.664 million (2023: Rs 12.864 million) in respect of deposits that are repayable on demand.

36.4 Included in these are restricted funds of Rs 1.387 million (2023: Rs 1.387 million) held as payable to TFC holders.

37. Revenue

	Note	2024	2023
		(Rupees in thousand)	
The Group derives the following types of revenue:			
Sale of goods	37.1	170,816,847	151,732,246
Services	37.2	5,944,437	5,239,836
		176,761,284	156,972,082

37.1 Sale of goods

	2024	2023
Local sales		
- Own manufactured	190,152,291	172,712,185
- Purchased for resale	2,194,583	580,442
	192,346,874	173,292,627
Export sales	8,046,208	5,735,158
Toll manufacturing	86,747	104,160
	200,479,829	179,131,945
- Sales tax	(25,153,656)	(23,992,787)
- Trade discount	(4,356,245)	(3,156,581)
- Sales return	(124,912)	(233,822)
- Commission	(28,169)	(16,509)
	(29,662,982)	(27,399,699)
	170,816,847	151,732,246

37.2 Services

	Note	2024	2023
License fee	37.2.1	3,414,357	3,146,678
Service and management charges		2,487,964	2,045,013
Advertisements and parking income	37.2.2	465,032	392,447
		6,367,353	5,584,138
Less: Sales tax		422,916	344,302
		5,944,437	5,239,836

37.2.1 The future aggregate minimum rentals/license fee receivable under non-cancellable operating leases are as follows:

	2024	2023
	(Rupees in thousand)	
- Not later than one year	3,133,527	2,838,582
- Later than one year but not later than five years	15,893,853	14,397,431
	19,027,380	17,236,013

37.2.2 Sales tax is applicable on service and management charges, and advertisements and parking income.

38. Cost of sales and services

	Note	2024	2023
		(Rupees in thousand)	
Cost of sales - own manufactured	38.1	122,270,117	113,846,905
Cost of sales - purchased for resale	38.2	17,345,538	3,379,418
Cost of services	38.3	3,078,392	2,844,178
		142,694,047	120,070,501

38.1 Cost of sales - own manufactured

	Note	2024	2023
Materials consumed		79,755,595	79,391,626
Salaries, wages and amenities	38.1.1 & 38.1.2	9,684,280	7,420,347
Travelling and conveyance		394,702	240,623
Fuel and power		16,273,129	11,048,970
Production supplies consumed		2,254,821	1,783,299
Rent, rates and taxes		109,660	235,886
Insurance	38.1.3	1,295,926	998,552
Repairs and maintenance		2,629,635	2,404,294
Packing expenses		2,815,080	2,462,508
Depreciation on operating fixed assets	23.1.4	6,924,143	5,441,384
Depreciation on right-of-use assets	24.1	60,957	28,218
Amortisation of intangible assets	26.1	34,314	27,312
Safety equipment		46,354	119,305
Technical fee and royalty	38.1.4	348,119	278,633
Provision for obsolete/slow-moving stock-in-trade	31.6	288,873	178,288
Material handling charges		472,899	501,042
Medical expenses		123,217	97,200
Other expenses		2,132,241	1,709,019
		125,643,945	114,366,506
Opening work-in-process		2,424,822	2,872,461
Opening work in process - Disposal of FPCPL		-	(58,173)
Opening work in process - Acquisition of HPL		-	101,522
Closing work-in-process		(2,777,840)	(2,424,822)
Cost of goods manufactured	38.1.5	125,290,927	114,857,494
Opening stock of finished goods		11,715,079	7,139,688
Disposal of FPCPL		-	(255,604)
Opening stock of finished goods - Acquisition of HPL		-	3,820,406
		137,006,006	125,561,984
Closing stock of finished goods		(14,735,889)	(11,715,079)
		122,270,117	113,846,905

38.1.1 Salaries, wages and amenities

Salaries, wages and amenities include following in respect of retirement benefits:

	2024	2023
	(Rupees in thousand)	
Defined benefit plan		
- Gratuity fund	205,095	152,966
Defined contribution plans		
- Provident fund	159,211	126,127
- Pension fund	141,288	128,743
Other benefit plan		
- Accumulating compensated absences	97,695	70,900
	603,289	478,736

38.1.2 Salaries, wages and amenities include Rs 721.008 million (2023: Rs 635.133 million) in respect of services rendered by manpower contractors during the year.

38.1.3 This includes expense of Rs 25.308 million (2023: Rs 22.604 million) charged by IGI Insurance Limited, a related party.

38.1.4 This represents royalty charged by a related party, DIC Corporation, Japan (having its registered office at DIC Building, 7-20, Nihonbashi 3-chome, Chuo-Ku, Tokyo 103-8233, Japan).

38.1.5 Cost of goods manufactured includes an amount of Rs 8,267.17 million (2023: Rs 6,191.12 million) for stores and spares consumed. It also include amounts of Rs 73 million (2023: Rs 25.09 million), Rs 2.190 million (2023: Rs 4.049 million), Rs 85.41 million (2023: Rs 174.07 million) and Rs 162.11 million (2023: nil) for raw material, stores and spares and finished goods written off respectively.

38.2 Cost of sales - purchased for resale

	Note	2024	2023
		(Rupees in thousand)	
Purchases		9,761,549	3,379,969
Opening stock of goods purchased for resale		8,055,286	321,802
Closing stock of goods purchased for resale		(471,297)	(322,353)
		17,345,538	3,379,418

38.3 Cost of services

	Note	2024	2023
Salaries, wages and benefits		203,216	153,476
Depreciation on investment properties	25.1.1	681,611	939,049
Depreciation on operating fixed assets	23.1.4	10,336	38,647
Fuel and power		1,080,111	947,966
Rent, rates and taxes		415,261	264,940
Insurance		79,348	43,032
Consultancy		7,958	739
Mall operating expenses		600,551	456,329
		3,078,392	2,844,178

39. Administrative expenses

	Note	2024	2023
		(Rupees in thousand)	
Salaries, wages and amenities	39.1 & 39.2	3,562,625	2,751,081
Fuel and power		53,105	40,542
Travelling and conveyance		335,724	255,262
Rent, rates and taxes		238,221	195,179
Professional services	39.3	689,994	331,467
Insurance	39.4	65,269	47,098
Printing, stationery and periodicals		67,118	71,398
Postage, telephone and telex		88,929	46,602
Motor vehicles running		82,518	91,185
Computer charges		193,898	126,253
Repairs and maintenance		132,926	122,108
Depreciation on operating fixed assets	23.1.4	384,277	323,827
Depreciation on right-of-use assets	24.1	21,870	18,661
Amortisation of intangible assets	26.2	24,090	38,833
Depreciation on investment properties	25.1.1	4,034	3,451
Communication		9,856	8,287
Security and maintenance		48,386	13,267
Publication and subscription		355	7,204
Software license / maintenance fee		143,163	116,974
Training expenses		3,927	9,946
Electricity		58,639	10,476
Amenities		17,909	14,386
Demurrage charges		12,771	12,990
Shared staff cost		16,796	8,896
Other expenses		479,873	351,543
	39.5	6,736,273	5,016,916

39.1 Salaries, wages and amenities include following:

	2024	2023
Defined benefit plans		
- Gratuity funds	139,802	95,297
- Pension funds	114,967	88,755
Defined contribution plans		
- Provident funds	67,992	53,472
- Pension funds	110,861	97,463
Other benefit plan		
- Accumulating compensated absences	62,144	40,731
	495,766	375,718

39.2 Salaries, wages and amenities include Rs 198.872 million (2023: Rs 121.812 million) in respect of services rendered by manpower contractors during the year.

39.3 Professional services

	2024	2023
	(Rupees in thousand)	
The charges for professional services include the following in respect of auditors' services (excluding sales tax) for:		
Parent Company and nine subsidiaries audited by A.F. Ferguson & Co., Chartered Accountants ('AFF')		
- Statutory audits of separate and consolidated financial statements	28,355	22,610
- Half yearly reviews	8,458	8,348
- Tax services	33,168	43,605
- Other assurance services	1,265	7,933
- Workers' profit participation fund audit, management staff pension and gratuity fund audit, audit of special purpose financial statements and other certification charges	10,318	8,200
Four subsidiaries audited by multiple audit firms other than AFF		
- Statutory audits	14,770	9,909
Out of pocket expenses of all auditors	7,323	6,312
	103,657	106,917

39.4 This includes the expense charged by IGI Insurance Limited, a related party.

39.5 Administrative expenses include Rs 164.141 million (2023: Rs 136.567 million) for stores and spares consumed.

40. Distribution and marketing costs

	Note	2024	2023
		(Rupees in thousand)	
Salaries, wages and amenities	40.1 & 40.2	1,575,295	2,143,204
Travelling and conveyance		581,835	459,412
Rent, rates and taxes		56,361	42,608
Freight and distribution		2,972,158	2,275,498
Insurance	40.3	147,519	122,714
Electricity		9,424	3,351
Postage, telephone and telex		27,700	25,266
Advertisement and sales promotion		1,242,185	1,076,090
Depreciation on operating fixed assets	23.1.4	205,758	170,622
Amortisation on intangible assets	26.1	4,671	3,867
Depreciation on right-of-use assets	24.1	8,437	6,466
Repairs and maintenance		62,374	26,427
Bad debts written off		28,489	-
Training expense		336,122	163,463
Pharmaceutical miscellaneous expenses		125,007	124,638
Sales commission		348,213	173,015
Other expenses		1,866,626	195,452
	40.4	9,598,174	7,012,093

40.1 Salaries, wages and amenities include following:

	2024	2023
Defined benefit plans		
- Gratuity funds	67,037	45,751
Defined contribution plans		
- Provident funds	27,342	24,425
- Pension funds	79,755	67,049
Other benefit plan		
- Accumulating compensated absences	22,871	13,336
	197,005	150,561

40.2 Salaries, wages and amenities include Rs 92.176 million (2023: Rs 62.715 million) in respect of labour contractors for services rendered during the year.

40.3 This includes Rs 0.788 million (2023: Rs 0.580 million) in respect of expense charged by IGI Insurance Limited, a related party.

40.4 Distribution and marketing costs include Rs 15.249 million (2023: Rs 11.424 million) for stores and spares consumed.

41. Other expenses

	Note	2024	2023
		(Rupees in thousand)	
Worker's profit participation fund	19.9	530,454	643,474
Workers' welfare fund	19.10	192,354	239,455
Loss on disposal of operating fixed assets		433	1,568
Exchange loss - net		-	1,963,418
Donations	41.1	97,501	110,930
Central research fund		37,842	9,866
Legal and consultancy		258,433	108,980
Miscellaneous		13,900	-
		1,130,917	3,077,691

41.1 The Group made a donation of Rs 96.012 million (2023: Rs 83.844 million) to its related party, Packages Foundation. Following is the interest of Directors of the Parent Company in the donee:

Name of donee	Directors of the Parent Company	Interest in donee
Packages Foundation	Syed Hyder Ali (Chief Executive Officer)	Trustee
	Hasan Askari	Trustee
	Syed Aslam Mehdi	Trustee

No other directors and their spouses had any interest in the donee during the year.

42. Other income

	Note	2024	2023
		(Rupees in thousand)	
Income on bank deposits		174,315	239,511
Reversal of impairment on property, plant and equipment		-	550,000
Rental income from investment properties	42.1	90,659	67,133
Profit on disposal of operating fixed assets		139,836	45,729
Scrap sales		215,752	181,702
Liabilities, no longer payable, written back		175,022	109,313
Management and technical fee	42.2	-	4,001
Amortization of deferred government grant	12	233,177	171,339
Amortization of deferred income	11	105,507	102,187
Deferred income on capital grant		9,000	9,000
Reversal of provision against stamp duty	42.3	-	96,664
Indenting commission income		4,004	1,780
Insurance gain on assets destroyed by fire	42.4	-	99,337
Bargain purchase gain on acquisition of subsidiary	42.5	-	4,135,900
WPPF provision written back	19.9	4,925	-
Discounting adjustment on long term advances	14	55,446	73,580
Dividend income from mutual funds	42.6	83,732	27,390
Insurance claim	42.7	806,441	62,100
Gain on modification of lease		25,925	8,708
Exchange gain		52,056	-
Others		114,607	102,358
		2,290,404	6,087,732

42.1 This includes rental income from OmyaPack (Private) Limited, a Joint Venture of the Group.

42.2 This represents management fee charged to S.C. Johnson & Sons of Pakistan (Private) Limited, a related party.

42.3 The Group has reversed provision recognised in prior years against stamp duty, upon payment of the demand raised by the relevant authorities amounting to Nil (2023: Rs 29.20 million).

42.4 On October 3, 2022, a fire incident occurred at one of the Group's film manufacturing line sections at Port Qasim facility. The Group lodged the insurance claim with the insurance company and received the claim amounting to Rs 99.34 million in the prior year. The damaged items were carried in the Group's books at zero written down value.

42.5 On April 28, 2023, management determined that the acquisition of HPL was a bargain purchase, as the provisional fair value of net assets acquired exceeded the purchase consideration. Under IFRS 3, this economic gain was immediately recognized in profit or loss.

42.6 This represents dividend income earned from investments in conventional mutual funds.

42.7 During the prior year, the Group had submitted an insurance claim for the recovery of Loss Due to Business Interruption. Loss claim amounting to Rs 791.247 million was acknowledged and confirmed by the Insurance Company during the current year and accordingly, it has been recorded as income in these consolidated financial statements.

43. This represents dividend income from other long term investments as referred to in note 28.

44. Finance cost

	Note	2024	2023
		(Rupees in thousand)	
Interest and mark-up including commitment charges on			
- Long term finances from financial institutions			
- Local currency	44.1	10,325,444	7,182,725
- Foreign currency		-	48,803
- Short term borrowings from financial institutions - secured		7,332,134	5,815,060
- Lease liabilities	9	110,213	28,735
Return on preference shares/convertible stock	8.54 & 21	155,550	155,550
Interest on security deposits	10	69,088	56,671
Unwinding of finance cost on long term advances	14	31,933	31,699
Bank charges		331,776	214,690
		18,356,138	13,533,933

44.1 This includes an amount of Rs 31.593 million (2023: Rs 73.781 million) as annual commitment fee on the undisbursed amount of facility availed from International Finance Corporation ('IFC').

45. Levy and Income Taxes

	Note	2024	2023
		(Rupees in thousand)	
Levies:			
Final taxes		193,847	190,576
Minimum taxes	45.1	1,279,437	916,450
		1,473,284	1,107,026
Current income tax:			
- For the year		3,744,987	4,033,454
- Prior years		4,282	633,085
		3,749,269	4,666,539
Deferred income tax	13.6	(2,399,730)	(770,356)
		1,349,539	3,896,183

45.1 This represents minimum taxes and final taxes paid under sections 113, 150 and 154 of the Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

45.2 Income tax and levy charge reconciliation

Numerical reconciliation between the average effective tax rate and the applicable tax rate

	2024	2023
	(%)	
Applicable tax rate as per Income Tax Ordinance, 2001	29.00	29.00
Tax effect of amounts that are:		
- Not deductible for tax purposes	14.51	3.20
Effect of consolidation adjustments that are subject to tax	74.31	0.19
- Super tax - current year	(44.89)	(3.99)
- Super tax - prior year	-	2.91
- Exempt for tax purposes	(0.93)	-
- Chargeable to tax at different rates	67.34	(0.93)
Effect of change in prior years' tax	0.28	1.22
Group taxation as explained in note 4.2	4.86	(4.50)
Effect of changes in tax rate	(3.54)	1.31
Tax effect under presumptive tax regime and others	1.58	0.10
Prior year minimum tax de-recognized in current year	43.88	-
Tax effect of impairment reversal in respect of which no deferred tax asset has been recognised	-	(1.04)
Deferred tax asset not recognized	7.24	5.16
Effect of tax credit under section 61	(1.28)	(0.10)
Minimum tax	6.46	0.22
Effect of amounts that are allowed for tax purposes	(2.91)	(0.21)
Others	(0.59)	(0.04)
	166.32	3.50
Average effective tax rate charged to consolidated statement of profit or loss	**195.32**	**32.50**

45.3 Unrecognised temporary differences

Temporary differences relating to investments in subsidiaries for which deferred tax liabilities have not been recognised:

	Note	2024	2023
		(Rupees in thousand)	
- Foreign currency translation - PLL	45.3.1	357,838	193,540
- Undistributed earnings	45.3.2	12,843,259	10,988,285
		13,201,097	11,181,825

45.3.1 Temporary differences have arisen as a result of the translation of the financial statements of the Group's subsidiary in Sri Lanka. However, a deferred tax liability has not been recognised as the liability will only crystallise in the event of disposal of the subsidiary, and no such disposal is expected in the foreseeable future.

45.3.2 The Group's subsidiaries have undistributed earnings which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the Parent Company is able to control the timing of distributions from the subsidiaries and is not expected to distribute these profits in the foreseeable future.

46. Remuneration of Chief Executive, Directors and Executives

46.1 The aggregate amount charged in the consolidated financial statements for the year for remuneration, including certain benefits, to the Chief Executive, Executive and Non-Executive Directors of the Parent Company and Executives of the Group is as follows:

	Chief Executive		Executive Director		Non-Executive Directors		Executives	
	2024	2023	2024	2023	2024	2023	2024	2023
	(Rupees in thousand)							
Short term employee benefits								
Managerial remuneration	135,626	101,658	35,335	30,244	-	-	2,127,694	1,752,515
Housing	47,949	36,380	8,256	7,006	-	-	541,287	423,242
Utilities	12,934	9,776	1,835	1,557	-	-	110,457	92,689
Bonus and incentives	60,107	71,117	-	-	-	-	852,828	688,408
Leave passage	8,125	6,148	-	-	-	-	46,373	38,415
Reimbursement of medical expenses	15,963	19,962	87	159	-	-	74,973	62,821
Directors' meeting fees	-	-	-	-	25,075	11,600	-	-
Other perquisites and benefits - note 46.2	23,703	24,294	2,351	769	-	-	624,778	492,603
	304,407	269,335	47,864	39,735	25,075	11,600	4,378,390	3,550,693
Post employment benefits								
Contribution to provident, gratuity and pension funds	33,460	25,154	-	-	-	-	325,194	288,785
	337,867	294,489	47,864	39,735	25,075	11,600	4,703,584	3,839,478
Number of persons	1	1	1	1	8	8	486	541

46.2 The Group also provides the Chief Executive and some of the directors and executives with Group maintained cars, fuel and utilities, which are included in other perquisites and benefits.

46.3 Premium charged in the consolidated financial statements in respect of directors' indemnity insurance policy, purchased by the Group during the year, amounts to Rs 0.847 million (2023: Rs 0.847 million).

47. Transactions with related parties

The related parties include the joint ventures, associates, group companies, key management personnel including directors, staff retirement plans and other related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. The Group in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables, loans and advances and payables. Significant related party transactions have been disclosed in respective notes in these consolidated financial statements, other than the following:

Relationship with the Group	Nature of transactions	2024	2023
		(Rupees in thousand)	
i. Joint ventures	Purchase of goods and services	1,080,554	828,075
	Sale of goods and services	36,347	87,973
	Rental income	8,080	8,027
	Dividend income	75,000	74,750
	Purchase of property, plant and equipment	3,621	3,050
	Reimbursement of salaries to Group	22,075	17,612
ii. Associates	Purchase of goods and services	950,787	367,036
	Sale of goods and services	3,424	9,445
	Dividend income	90,198	63,890
	Rental and other income	24,947	19,044
	Insurance claims	507,070	680,116
	Brokerage commission	-	5,378
	Insurance premium	2,058,131	1,894,972
	Management and technical fee	-	4,001
	Dividend paid	759,448	771,948
	Reimbursement of salaries by Group	2,200	-
	Reimbursement of salaries to Group	157,684	100,041

Relationship with the Group	Nature of transactions	2024	2023
		(Rupees in thousand)	
iii. Other related parties	Purchase of goods and services	1,366,722	1,196,980
	Sale of goods and services	449,174	481,081
	Commission earned	3,775	1,780
	Royalty and technical fee - expense	132,974	128,012
	Dividend paid	683,818	57,813
	Donations	78,040	74,906
	Rental and other income	2,679	2,436
iv. Post employment benefit plans	Expense charged in respect of retirement plans	1,093,509	829,750
	Dividend paid	97,516	77,892
v. Key management personnel	Salaries and other employee benefits - note 47.1	791,961	668,537
	Dividend paid	141,594	88,396
	Meeting fee	25,075	11,600

47.1 This represents remuneration of the Chief Executive, executive director and some of the executives that are included in the remuneration disclosed in note 46 to these consolidated financial statements.

All transactions with related parties have been carried out on mutually agreed terms and conditions.

There are no transactions with key management personnel other than under the terms of employment.

47.2 The related parties with whom the Group had entered into transactions or had arrangements/agreements in place during the year have been disclosed below along with their basis of relationship:

Name	Basis of relationship	Aggregate % of shareholding in the Parent Company
Benda-Lutz Werke Gmbh	Group company	None
Ceylon Tea Services Limited	Group company	- do -
DIC Asia Pacific Pte Limited	Group company	- do -
DIC Australia Pty Limited	Group company	- do -
DIC Corporation Japan	Group company	- do -
DIC Graphics (Thailand) Company Limited	Group company	- do -
DIC Malaysia SDN. BHD	Group company	- do -
PT DIC Graphics	Group company	- do -
PT Pardic Jaya Chemicals, Indonesia	Group company	- do -
Sun Chemical AB	Group company	- do -
Sun Chemical AG	Group company	- do -
Sun Chemical N.V/S.A	Group company	- do -
Sun Chemical S.P.A	Group company	- do -
Sun Chemical SA	Group company	- do -
Sun Chemical Trading (Shanghai)	Group company	- do -
Sun Chemical Turkey	Group company	- do -
Sun Chemical advance material SA	Group company	- do -
Sun Chemical Group Gmbh	Group company	- do -
Nantong DIC Color Co. Ltd.	Group company	- do -
Pakistan-France Business Alliance	Group entity	- do -
Ali Gohar & Co. (Private) Limited	Group company	- do -
Pakistan Petroleum Limited	Group company	- do -
S.C. Johnson & Sons of Pakistan (Private) Limited	Associate	- do -
IGI Life Insurance Limited	Associate	- do -
IGI Holdings Limited	Associate	- do -
IGI Finex Securities Limited	Associate	- do -
IGI General Insurance Limited	Associate	- do -

Name	Basis of relationship	Aggregate % of shareholding in the Parent Company
IGI Investments (Private) Limited	Associate	29.88%
IGI FSI (Private) Limited	Associate	None
OmyaPack (Private) Limited	Joint venture	- do -
Packages Limited Employees Gratuity Fund	Post Employment Benefit Plan	0.12%
Packages Limited Management Staff Pension Fund	Post Employment Benefit Plan	0.74%
Packages Limited Employees Provident Fund	Post Employment Benefit Plan	2.31%
Packages Foundation	Common director/Trustee	None
Babar Ali Foundation	Common director/Trustee	7.49%
Syed Hyder Ali	Chief Executive Officer	2.94%
Towfiq Habib Chinoy	Chairman	0.11%
Tariq Iqbal Khan	Director	0.01%
Syed Aslam Mehdi	Director	0.01%
Syed Shahid Ali	Director	0.17%
Josef Meinrad Mueller	Director	0.00%
Atif Aslam Bajwa	Director	0.00%
Hasan Askari	Director	0.00%
Saba Kamal	Director	0.00%
Osman Khalid Waheed	Director	0.00%
Syed Babar Ali	Key Management Personnel	0.00%
Khurram Raza Bakhtayari	Key Management Personnel	None
Kaifee Siddiqui	Key Management Personnel	- do -
Sajjad Iftikhar	Key Management Personnel	- do -
Muhammad Faizan Mahmood Khan	Key Management Personnel	- do -
Jawad Gilani	Key Management Personnel	- do -
Muhammad Amir Janjua	Key Management Personnel	- do -
Muhammad Ali Sheikh	Key Management Personnel	- do -
Waqas Munir	Key Management Personnel	- do -
Soban Waqar	Key Management Personnel	- do -

48. Capacity and production

	Note	Capacity 2024	Capacity 2023	Actual production 2024	Actual production 2023
Paper and paperboard produced - metric tonnes		394,200	369,200	256,829	236,106
Paper and paperboard converted - metric tonnes		76,326	76,326	43,680	40,154
Plastics all sorts converted - metric tonnes		38,261	29,978	18,642	17,653
Inks produced - tonnes		17,095	16,826	10,166	8,929
BoPP and CPP films produced - microns/mils		111,300	83,800	54,339	42,788
Corrugator - tonnes		186,000	104,000	88,670	84,590
Corn-based starch product - metric tonnes	48.1	85,000	91,250	35,741	863

Other than corn-based starch products, the variance of actual production from capacity is primarily on account of production planned as per market demand.

48.1 Production during the year ended December 31, 2024 was lower than operational capacity as the plant is not operating to its full capacity due to second year of operations.

48.2 The capacity and production of the Pharmaceutical segment is not determinable as it is a multiproduct plant facility involving varying processes of manufacture.

49. Number of employees

	2024	2023
	(Rupees in thousand)	
Total number of employees as at December 31	4,834	4,051
Average number of employees during the year	4,443	3,658

50. Rates of exchange

Following exchange rates have been applied for translating material balances in foreign currency:

	Average rate		Spot rate	
	2024	2023	2024	2023
USD 1	278.36	279.98	278.35	281.86
EURO 1	300.36	302.74	289.14	311.50
LKR 1	0.92	0.86	0.95	0.87
AED 1	75.79	76.65	76.15	77.91

51. Cash flow information

51.1 Cash generated from operations

	Note	2024	2023
		(Rupees in thousand)	
Profit before levy and income tax from:			
Continuing operations		1,443,856	15,396,193
Discontinued operations		-	96,281
Profit before levy and income tax including discontinued operations		1,443,856	15,492,474
Adjustments for:			
- Depreciation on operating fixed assets	23.1.4	7,524,514	5,974,480
- Depreciation on right-of-use assets	24	91,264	53,345
- Gain on disposal of subsidiary		-	(96,281)
- Depreciation on investment properties	25.1.1	685,645	942,500
- Discounting adjustment on long term advances	14	(55,446)	(73,580)
- Reversal of impairment on property, plant and equipment	42	-	(550,000)
- Insurance gain on assets destroyed by fire	42	-	(99,337)
- Capital work in progress and investment property expensed out		195,164	-
- Reversal of provision against stamp duty	42	-	(96,664)
- Gain on modification of lease	42	(25,925)	(8,708)
- Deferred income on capital grant	42	(9,000)	(9,000)
- Amortisation on intangible assets	26	63,075	70,012
- Amortisation of deferred income	11	(105,507)	(102,187)
- Amortisation of deferred government grant	12	(233,177)	(171,339)
- Discounting adjustment of government grant		-	(132,829)
- Government grant deducted from borrowing cost	12	(39,654)	(48,327)
- Provision for accumulating compensated absences	16	180,267	124,967
- Provision for employee benefit obligations	15	542,469	450,582
- Bargain purchase gain on acquisition of subsidiary		-	(4,135,900)
- Impairment losses on financial assets		128,058	239,437
- Exchange (loss)/gain adjustments - net	41 & 42	(52,056)	1,963,418
- Profit on disposal of operating fixed assets	42	(139,836)	(45,729)
- Provisions and unclaimed balances written back	42	(179,947)	(109,313)
- Unwinding of discounting adjustment on long term advances	14	31,933	31,699
- Interest cost on lease liability	9	110,213	28,735
- Provision for obsolete/slow-moving stores and spares	30.2	5,460	40,932
- Transaction cost		148	-
- Unwinding of discount on liability		271,321	-
- Provision made for obsolete/slow-moving stock-in-trade	38.1	288,873	178,288
- Finance cost other than interest on lease liability and unwinding of discount	44	18,213,992	13,533,933
- Dividend income from other long term investments classified as investing cash flows	43	(618,209)	(997,773)
- Share of profit of investments accounted for under equity method - net of tax		(417,566)	(289,177)
Profit before working capital changes		27,899,929	32,158,658
Effect on cash flow due to working capital changes:			
(Increase)/decrease in current assets			
- Stores and spares		219,455	(1,205,452)
- Stock-in-trade		2,843,683	(2,128,516)
- Trade debts		(5,063,620)	1,327,801
- Loans, advances, deposits, prepayments and other receivables		970,034	372,706
- Rental security deposits		(52,560)	133,770
		(1,083,008)	(1,499,691)
- Increase/(decrease) in trade and other payables		2,229,472	(1,665,075)
		29,046,393	28,993,892

51.2 Cash and cash equivalents

	Note	2024	2023
		(Rupees in thousand)	
Cash and bank balances	36	3,769,407	2,923,901
Short term borrowings from financial institutions - secured	18	(46,418,451)	(33,776,718)
Short term investments	32	617,884	1,434,438
		(42,031,160)	(29,418,379)

51.3 Reconciliation of liabilities arising from financing activities

	Opening balance as at January 1, 2024	Cash flows	Other changes*	Closing balance as at December 31, 2024
	(Rupees in thousand)			
Long term finances from financial institutions	55,040,086	14,728,757	16,387	69,785,230
Short term borrowings	40,021,257	(6,244,539)	12,641,733	46,418,451
Lease liabilities	185,558	(147,432)	1,640,436	1,678,562
Unclaimed and unpaid dividend	341,155	(3,615,038)	3,412,982	139,099
	95,588,056	4,721,748	17,711,538	118,021,342

	Opening balance as at January 1, 2023	Cash flows	Other changes*	Closing balance as at December 31, 2023
	(Rupees in thousand)			
Long term finances from financial institutions	37,166,506	17,892,344	(18,764)	55,040,086
Short term borrowings	35,662,097	(3,960,491)	8,319,651	40,021,257
Lease liabilities	476,691	(94,981)	(196,152)	185,558
Unclaimed and unpaid dividend	82,041	(2,573,209)	2,832,323	341,155
	73,387,335	11,263,663	10,937,058	95,588,056

*Other changes represent non-cash movements.

52. (Loss)/earnings per share

52.1 Basic (loss)/earnings per share

		2024	2023
(Loss)/profit for the year - from continuing operations	Rupees in thousand	(2,845,899)	9,017,991
Profit for the year - from discontinued operations	Rupees in thousand	-	259,476
Participating preference dividend	Rupees in thousand	(63,749)	(63,749)
Weighted average number of ordinary shares	Number	89,379,504	89,379,504
Basic (loss)/earnings per share - continuing operations	Rupees	(32.55)	100.18
Basic earnings per share - discontinued operations	Rupees	-	2.90
Total basic (loss)/earnings per share		(32.55)	103.08

52.2 Diluted (loss)/earnings per share

		2024	2023
(Loss)/profit for the year - from continuing operations	Rupees in thousand	(2,845,899)	9,017,991
Profit for the year - from discontinued operations	Rupees in thousand	-	259,476
Return on preference shares/ convertible stock	Rupees in thousand	155,550	155,550
		(2,690,349)	9,433,017
Weighted average number of ordinary shares	Number	89,379,504	89,379,504
Weighted average number of notionally converted preference shares/convertible stock	Number	8,186,842	8,186,842
		97,566,346	97,566,346
Diluted (loss)/earnings per share - from continuing operations	Rupees	(32.55)	94.02
Diluted earnings per share - from discontinued operations	Rupees	-	2.66
Total diluted (loss)/earnings per share		(32.55)	96.68

53. Segment information

A business segment is a group of assets and operations engaged in providing products that are subject to risk and returns that are different from those of other business segments. The Group's operations comprise the following main business segment types:

Types of segments	Nature of business
Packaging	Manufacture and market packing products
Consumer Products	Manufacture and market consumer/tissue products
Ink	Manufacture and market industrial and commercial ink products
Real Estate	Construction and development of real estate
Paper and Board	Manufacture and market paper and board products
Plastic	Manufacture and market Biaxially Oriented PolyPropylene (BoPP) film and Cast PolyPropylene (CPP) films
Pharmaceutical	Manufacture and sale of biopharmaceutical products
Corn starch	Manufacture and sale of Corn-based starch products, its derivatives, by-products and trading of Corn
Trading	Trading of paper and related products, raw materials, crude plastic, nylon, packing materials and equipment, as well as agricultural materials and waste
Unallocated	Workshop and other general businesses

(Rupees in thousand)

	Packaging Division 2024	Packaging Division 2023	Consumer Products Division 2024	Consumer Products Division 2023	Ink Division 2024	Ink Division 2023	Real Estate 2024	Real Estate 2023	Paper and Board 2024	Paper and Board 2023
Total revenue	57,153,540	56,769,288	15,604,270	14,739,261	11,749,894	10,631,936	6,018,471	5,239,836	40,064,094	42,328,005
Intersegment revenue	(1,121,295)	(880,052)	(173,084)	(543,976)	(1,760,215)	(1,644,502)	-	-	(8,243,372)	(7,303,040)
Revenue from external customers	56,032,245	55,889,236	15,431,186	14,195,285	9,989,679	8,987,434	6,018,471	5,239,836	31,820,722	35,024,965
%age of revenue	32%	45%	9%	8%	6%	6%	3%	4%	18%	22%
Interest revenue	-	-	-	-	298	12,424	64,080	60,367	-	-
Interest expense	(2,998,839)	(3,372,789)	(830,938)	(885,793)	(346,340)	(211,765)	(1,607,544)	(1,459,297)	(6,919,157)	(5,179,809)
Depreciation and amortisation	(1,551,963)	(1,095,464)	(401,516)	(340,384)	(101,341)	(116,806)	(640,109)	(974,413)	(2,644,218)	(2,309,843)
Segment profit before tax	3,137,753	5,452,655	2,306,076	2,007,793	1,702,339	1,876,024	989,050	671,516	(5,933,163)	537,288
Segment taxation	(111,656)	(991,844)	-	-	(730,409)	(809,251)	(351,085)	(447,470)	141,389	(425,297)
Segment profit after tax	3,026,097	4,460,811	2,306,076	2,007,793	971,930	1,066,773	637,965	224,046	(5,791,774)	111,991
%age of profit/(loss) after tax	307%	25%	234%	16%	99%	8%	65%	3%	-588%	31%
Segment assets - note 53.7	35,712,748	32,055,110	8,179,727	9,980,091	9,216,192	5,750,953	14,317,124	13,448,641	56,665,400	60,543,631
Segment liabilities	21,961,958	18,739,733	1,829,205	1,550,469	6,805,314	3,358,138	10,093,912	9,758,107	43,909,434	41,411,514

	Plastic 2024	Plastic 2023	Pharmaceutical 2024	Pharmaceutical 2023	Corn Starch 2024	Corn Starch 2023	Trading 2024	Trading 2023	Unallocated 2024	Unallocated 2023	Total 2024	Total 2023
Total revenue	29,413,004	24,842,373	26,747,828	15,240,941	3,598,529	52,427	8,031,080	217,948	23,819	24,841	198,404,529	170,086,856
Intersegment revenue	(3,235,124)	(1,964,792)	-	-	(1,205,913)	(43,987)	(5,565,535)	(4,620)	(338,707)	(729,805)	(21,643,245)	(13,114,774)
Revenue from external customers	26,177,880	22,877,581	26,747,828	15,240,941	2,392,616	8,440	2,465,545	213,328	(314,888)	(704,964)	176,761,284	156,972,082
%age of revenue	15%	15%	15%	10%	1%	0%	1%	0%	0%	0%	100%	100%
Interest revenue	67,975	24,430	4,080	80,215	1	8,673	-	-	37,881	68,354	174,315	254,463
Interest expense	(2,519,344)	(861,347)	(144,517)	(60,224)	(1,278,359)	(155,819)	(82,451)	(12,593)	(1,628,649)	(1,334,497)	(18,356,138)	(13,533,933)
Depreciation and amortisation	(1,698,554)	(1,353,010)	(736,106)	(652,881)	(310,154)	(24,728)	(290)	(61)	(280,247)	(172,747)	(8,364,498)	(7,040,337)
Segment profit before tax	(289,715)	1,165,642	3,479,442	956,695	(1,933,057)	(363,509)	137,611	(65,800)	2,013,369	2,668,260	5,609,705	14,906,564
Segment taxation	(141,731)	(116,717)	(1,622,294)	(336,461)	483,242	79,688	-	-	(2,291,743)	(2,793,657)	(4,624,287)	(5,841,009)
Segment profit after tax	(431,446)	1,048,925	1,857,148	620,234	(1,449,815)	(283,821)	137,611	(65,800)	(278,374)	(125,397)	985,418	9,065,555
%age of profit/(loss) after tax	-44%	1%	188%	0%	-147%	0%	14%	-7%	-28%	-13%	100%	100%
Segment assets - note 53.7	32,263,508	34,790,243	13,541,349	28,478,256	12,608,637	9,198,025	3,625,466	467,116	40,272,125	41,086,859	226,402,276	235,798,925
Segment liabilities	27,084,951	23,880,172	6,726,406	7,596,282	10,969,440	6,767,265	3,250,126	325,980	30,614,322	30,477,533	163,245,068	143,865,193

53.1 Reconciliation of segment profit

	2024	2023
	(Rupees in thousand)	
Total profit for reportable segments	5,609,705	14,906,564
Net income from associates and joint ventures	417,566	289,177
Bargain purchase gain on acquisition of HPL	-	4,135,900
Intercompany adjustment	(4,583,415)	(3,935,448)
Profit before tax as per consolidated statement of profit or loss	1,443,856	15,396,193

53.2 Reconciliation of segment assets

	2024	2023
Total assets for reportable segments	226,402,276	194,244,950
Intersegment assets	(34,415,199)	(978,764)
Fair valuation gain on assets upon acquisition of subsidiaries	25,663,296	26,777,842
Other corporate assets	31,018,569	14,776,133
Total assets as per consolidated statement of financial position	248,668,942	234,820,161

Segment assets are measured in the same way as in the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. Investment in shares (classified as FVOCI, amortised cost or financial assets at fair value through profit or loss) held by the Group are not considered to be segment assets, but are managed by the treasury function.

53.3 Reconciliation of reportable segment liabilities

	2024	2023
	(Rupees in thousand)	
Total liabilities for reportable segments	132,630,746	112,808,416
Intersegment liabilities	(3,284,920)	(5,179,440)
Deferred tax liability on fair valuation gain upon acquisition of subsidiaries	-	4,579,867
Unallocated liabilities	30,614,322	26,223,646
Total liabilities as per consolidated statement of financial position	159,960,148	138,432,489

Segment liabilities are measured in the same way as in the consolidated financial statements. These liabilities are allocated based on the operations of the segment. The Group's borrowings are not considered to be segment liabilities, but are managed by the treasury function.

53.4 Reconciliation of segment taxation and levies

	2024	2023
	(Rupees in thousand)	
Total tax expense including levy for reportable segments	(4,624,287)	(5,841,009)
Intercompany adjustment	1,801,464	837,800
Tax as per consolidated statement of profit or loss	(2,822,823)	(5,003,209)

53.5 Reconciliation of segment (loss) / profit after tax

	2024	2023
Total profit after tax for reportable segments	985,418	9,065,555
Intercompany adjustment for (loss)/profit before tax	(4,165,848)	489,629
Intercompany adjustment for taxation	1,801,464	837,800
(Loss)/Profit as per consolidated statement of profit or loss	(1,378,966)	10,392,984

53.6 Information by geographical area

	Revenue		Non-current assets	
	2024	2023	2024	2023
	(Rupees in thousand)		(Rupees in thousand)	
Afghanistan	1,202,258	458,542	-	-
Italy	19,951	-	-	-
Lebanon	22,035	-	-	-
Macedonia	32,108	67,348	-	-
Albania	-	10,024	-	-
Croatia	-	1,835	-	-
Bahrain	227,545	456,022	-	-
Canada	520,049	72,858	74,473	80,231
Indonesia	1,457	5,907	-	-
Kenya	143,123	126,687	-	-
Belgium	21,348	-	-	-
Ethiopia	88,299	-	-	-
Germany	254,567	-	-	-
Oman	135,038	92,401	-	-
Pakistan	160,726,400	146,897,290	160,780,112	149,291,173
Qatar	31,502	11,334	-	-
Saudi Arabia	364,571	153,870	-	-
Malaysia	21,691	-	-	-
Singapore	-	2,396	-	-
Guatemala	-	6,157	-	-
Spain	176,064	9,663	-	-
Greece	-	107,537	-	-
Sri Lanka	5,098,025	4,822,290	1,152,946	570,764
Sweden	14,722	218,868	-	-
France	6,345	-	-	-
United Arab Emirates (UAE)	4,781,494	2,057,295	574	770
United Kingdom (UK)	548,602	396,092	-	-
United Stated of America (USA)	1,338,677	752,683	-	-
Turkey	752,439	228,197	-	-
Mexico	93,800	-	-	-
Netherlands	72,129	-	-	-
Kosovo	57,665	-	-	-
Tanzania	-	16,786	-	-
Poland	9,380	-	-	-
	176,761,284	156,972,082	162,008,105	149,942,938

Sales are allocated to geographical areas according to the country receiving the goods or services.

53.7 As of the reporting date, certain impairment indicators were observed, prompting the Group management to conduct an impairment test on three of its Cash Generating Units (CGUs), which fall under the following segments: (i) Tri-Pack Films Limited (Plastic segment), (ii) Bulleh Shah Packaging (Private) Limited (Paper and Board segment), and (iii) StarchPack (Private) Limited (Corn-based starch products segment).

As of December 31, 2024, Property, plant, and equipment, right-of-use of assets and intangible assets of these CGUs have a cumulative carrying amount of Rs 72,454.20 million and Rs 67.805 million, respectively.

Considering the impairment indicators, Group management assessed the recoverable amounts of these CGUs, as required by International Accounting Standard 36 – Impairment of Assets, and concluded that it exceeded the carrying amounts of the CGUs. Therefore, the CGUs are not impaired as of the reporting date. The recoverable amount was determined to be the higher of its 'value-in-use' and 'fair value less costs of disposal'.

53.8 Information about major customers

Included in the total revenue is revenue from six (2023: six) customers of the Group from the Packaging, Paper & board and Corrugator (2023: Packaging, Paper & board and Corrugator) segment which represents approximately Rs 24,693.538 million (2023: Rs 27,107.868 million) of the Group's total revenue. The Group's revenue from other segments is earned from a large mix of customers.

54. Financial risk management

54.1 Financial risk factors

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

Risk management is carried out by the Group's finance department under policies approved by the Board of Directors (the 'Board'). The Group'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 currency risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

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

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument shall fluctuate because of changes in foreign exchange rates.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, the Euro, UAE Dirham and the Sri Lankan Rupee. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities or net investments in foreign operations that are denominated in a currency that is not the Group's functional currency.

	2024	2023
	(Rupees in thousand)	
In USD		
Cash at bank	682	166
Loans, advances, deposits and other receivables	349	978
Cash in hand	27	38
Trade debts	2,087	9,459
Trade and other payables	(27,679)	(14,159)
	(24,534)	(3,518)
In EURO		
Cash at bank	7	-
Loans, advances, deposits and other receivables	734	133
Cash in hand	8	5
Trade and other payables	(1,709)	(5,682)
	(960)	(5,544)

At December 31, 2024, if the Rupee had strengthened/weakened by 10% against the US dollar with all other variables held constant, loss for the year would have been Rs 417.400 million lower/higher (2023: Rs 70.931 million), mainly as a result of foreign exchange gains/losses on translation of US dollar-denominated financial assets and liabilities.

At December 31, 2024, if the Rupee had strengthened/weakened by 10% against the Euro with all other variables held constant, loss for the year would have been Rs 14.574 million lower/higher (2023: Rs 119.166 million), mainly as a result of foreign exchange gains/losses on translation of Euro-denominated financial assets and liabilities.

The impact of fluctuation in other currencies is not considered material in the current year, hence, not disclosed.

(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 instruments traded in the market.

The Group is exposed to equity securities price risk because of investments held by the Group and classified as fair value through other comprehensive income. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board. The primary goal of the Group's investment strategy is to maximize investment returns. To manage its price risk arising from investments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The Group's certain investments in equity instruments of other entities are publicly traded on the Pakistan Stock Exchange Limited ('PSX').

The table below summarizes the impact of increases/decreases of the KSE-100 index on the Group's post-tax profit for the year and on equity. The analysis is based on the assumption that the Pakistan Stock Exchange had increased/decreased by 10% with all other variables held constant and all the Group's equity instruments moved in line with the index:

	Impact on other than post-tax profit components of equity	
	2024	2023
	(Rupees in thousand)	
Other long term investments	2,721,550	2,993,478

The Group has short term investment in mutual fund that is carried at fair value through profit or loss ('FVPL'). Therefore, the Group is exposed to other price risk due to macroeconomic factors.

As at December 31, 2024, if the market value of Group's investment in units held in mutual fund had been 10% higher/lower, with all other variables held constant, the impact would have been as follows:

	Impact on profit for the year	
	2024	2023
	(Rupees in thousand)	
Short term investments	45,288	112,944

(iii) Cash flow and fair value 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.

The Group's interest rate risk arises mainly from short term and long-term borrowings, lease liabilities, bank balances and preference shares. These borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit or loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

	2024	2023
	(Rupees in thousand)	
Fixed rate instruments:		
Financial assets		
Bank balances - savings accounts	457,882	596,320
Short term investments	165,000	305,000
	622,882	901,320
Financial liabilities		
Preference shares/convertible stock - unsecured	(932,650)	(932,650)
Lease liabilities	(1,678,562)	(185,558)
	(2,611,212)	(1,118,208)
Net exposure	(1,988,330)	(216,888)
Floating rate instruments:		
Financial liabilities		
Long term finances from financial institutions	(68,852,580)	(54,107,436)
Short term borrowings from financial institutions - secured	(46,418,451)	(40,021,257)
	(115,271,031)	(94,128,693)
Net exposure	(115,271,031)	(94,128,693)

Fair value sensitivity analysis for fixed rate instruments

The Group 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 reporting date would not affect profit or loss of the Group.

Cash flow sensitivity analysis for variable rate instruments

At December 31, 2024, if interest rates on floating rate borrowings had been 2% higher/lower with all other variables held constant, profit for the year would have been Rs 1,636.848 million (2023: Rs 1,336.627 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

(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 Group arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to distributors and customers, including outstanding receivables and committed transactions. 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.

(i) Exposure to credit risk

The Group 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 are as under:

	2024	2023
	(Rupees in thousand)	
Long term loans	5,656	4,265
Long term security deposits	347,699	206,382
Trade debts	19,347,599	14,412,037
Short term investments	617,884	1,434,438
Loans, deposits and other receivables	2,230,881	1,676,966
Balances with banks	3,763,530	2,898,235
	26,313,249	20,632,323

(ii) Impairment of financial assets

The Group's trade debts against local and export sales are subject to the expected credit loss model. While bank balances and debt investments carried at amortised cost are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial and hence, not recognised.

Trade debts

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before December 31, 2024 and 24 months before January 1, 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product and the Consumer Price Index of the country in which it majorly sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at December 31, 2024 and December 31, 2023 was determined as follows:

	Current balances	Up to 90 days	91 to 180 days	181 to 365 days	365 days or more	Total
	(Rupees in thousand)					
December 31, 2024						
Expected loss rate	0.22%	2.42%	23.64%	22.96%	87.02%	
Gross carrying amount of trade debts	12,675,924	6,024,781	444,118	520,987	620,198	20,286,008
Loss allowance	27,887	145,800	104,989	119,619	540,114	938,409

	Current balances	Up to 90 days	91 to 180 days	181 to 365 days	365 days or more	Total
	(Rupees in thousand)					
December 31, 2023						
Expected loss rate	0.09%	2.07%	29.98%	75.34%	100.00%	
Gross carrying amount of trade debts	11,377,456	2,776,198	393,628	204,521	470,585	15,222,388
Loss allowance	10,240	57,474	117,972	154,080	470,585	810,351

(iii) Credit quality of financial assets

The credit quality of Group's financial assets that are neither past due nor impaired (mainly bank balances) can be assessed with reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating Agency	2024	2023
	Short term	Long term		(Rupees in thousand)	
Allied Bank Limited	A1+	AAA	PACRA	123,837	74,429
Bank Al-Habib Limited	A1+	AAA	PACRA	37,540	43,324
BankIslami Pakistan Limited	A1+	AA-	PACRA	1,001,570	968
The Bank of Punjab	A1	AA+	PACRA	500,245	178
Citibank N.A.	F1	A+	Fitch Ratings	10	711
Deutsche Bank AG, Pakistan	A2	A-	S&P	414	37,975
Faysal Bank Limited	A1+	AA-	PACRA	138,658	12,995
Habib Bank Limited	A1+	AAA	PACRA	458,432	581,161
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	433,524	123,120
Hatton National Bank	N/A	AA-	Fitch Ratings	30,201	5,104
Industrial & Commercial Bank of China	F1+	A	Fitch Ratings	69	69
Samba Bank Limited	A1	AA	PACRA	252	-
JS Bank Limited	A1+	AA-	PACRA	39,177	12,645
MCB Bank Limited	A1+	AAA	PACRA	261,470	1,349,777
MCB Islamic Bank Limited	A1	A+	PACRA	188	195
Meezan Bank Limited	A1+	AAA	VIS	107,706	4,045
Pan Asia Banking Corporation	N/A	BBB-	Fitch Ratings	717	656
National Bank of Pakistan	A1+	AAA	PACRA	12,289	12,355
National Development Bank	N/A	A-	Fitch Ratings	1,070	58,585
TD bank	A-	AA-	Fitch Ratings	17,587	19,491
Standard Chartered Bank	A-1+	AAA	VIS	61,649	-
(Pakistan) Limited	A1+	AAA	PACRA	309,758	166,140
United Bank Limited	A1+	AAA	PACRA	4,055	11,764
Soneri Bank Limited	A1+	AA-	PACRA	91,301	-
Commercial Bank of Ceylon PLC	N/A	AA-	Fitch Ratings	7	11
Bank of Montreal	F1+	AA-	Fitch Ratings	57	9,194
Bank of China Limited	F1+	A-	Fitch Ratings	119	120
Bank Alfalah Limited	A1	AA+	PACRA	126,561	369,634
Askari Bank Limited	A1+	AAA	PACRA	3,320	313
Al Baraka Bank Pakistan Limited	A-1	A+	PACRA	661	661
Dubai Islamic Bank Pakistan Limited	A1+	AA	PACRA	1,068	2,431
AfrAsia Bank Limited	F1+	A+	Fitch Ratings	18	184
				3,763,530	2,898,235

(c) Liquidity risk

Liquidity risk represents the risk that the Group shall encounter difficulties 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 Group's businesses, the Group's finance department maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors the forecasts of the Group's cash and cash equivalents (note 51.2) on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group'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.

	Carrying value	Total contractual cashflows	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	(Rupees in thousand)					
At December 31, 2024						
Long term finances from financial institutions	68,755,066	68,755,066	9,305,820	15,659,202	31,043,109	12,746,935
Security deposits	571,218	823,258	91,795	300,447	375,558	55,458
Short term borrowings from financial institutions - secured	46,418,451	46,418,451	46,418,451	-	-	-
Trade and other payables	25,498,199	25,498,199	25,498,199	-	-	-
Unclaimed dividend	135,188	135,188	135,188	-	-	-
Unpaid dividend	3,911	3,911	3,911	-	-	-
Accrued finance cost	3,452,701	3,452,701	3,452,701	-	-	-
Lease liabilities	1,678,562	5,601,940	561,490	2,496,884	2,543,566	-
	146,513,296	150,688,714	85,467,555	18,456,533	33,962,233	12,802,393

	Carrying value	Total contractual cashflows	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	(Rupees in thousand)					
At December 31, 2023						
Long term finances from financial institutions	54,269,389	55,040,086	6,070,240	10,388,083	26,698,855	11,882,908
Security deposits	554,690	791,536	88,108	-	703,428	-
Short term borrowings from financial institutions - secured	40,021,257	40,021,257	40,021,257	-	-	-
Trade and other payables	23,639,867	23,639,867	23,639,867	-	-	-
Unclaimed dividend	113,141	113,141	113,141	-	-	-
Unpaid dividend	228,014	228,014	228,014	-	-	-
Accrued finance cost	4,771,233	4,771,233	4,771,233	-	-	-
Lease liabilities	185,558	262,260	104,833	57,128	100,299	-
	123,783,149	124,867,394	75,036,693	10,445,211	27,502,582	11,882,908

55. Financial instruments by categories

	At fair value through profit and loss	At fair value through other comprehensive income	At amortised cost	Total
	(Rupees in thousand)			
Financial assets as at December 31, 2024				
Long term loans	-	-	9,018	9,018
Long term deposits	-	-	347,699	347,699
Trade debts	-	-	19,347,599	19,347,599
Loans, deposits and other receivables	-	-	2,230,881	2,230,881
Other long term investments	-	27,220,540	-	27,220,540
Short term investments	452,884	-	165,000	617,884
Cash and bank balances	-	-	3,784,458	3,784,458
	452,884	27,220,540	25,884,655	53,558,079
Financial assets as at December 31, 2023				
Long term loans	-	-	6,628	6,628
Long term deposits	-	-	206,382	206,382
Trade debts	-	-	14,412,037	14,412,037
Loans, deposits and other receivables	-	-	1,676,966	1,676,966
Other long term investments	-	29,959,311	-	29,959,311
Short term investments	1,129,438	-	305,000	1,434,438
Cash and bank balances	-	-	2,898,235	2,898,235
	1,129,438	29,959,311	19,505,248	50,593,997

	2024	2023
	(Rupees in thousand)	
Financial liabilities at amortised cost		
Long term finances from financial institutions	68,755,066	54,269,389
Lease liabilities	1,678,562	185,558
Security deposits	571,218	554,690
Short term borrowings from financial institutions - secured	46,418,451	40,021,257
Trade and other payables	25,498,199	23,639,867
Unclaimed dividend	135,188	113,141
Unpaid dividend	3,911	228,014
Accrued finance cost	3,452,701	4,771,233
	146,513,296	123,783,149

56. Offsetting financial assets and financial liabilities

There are no significant financial assets and financial liabilities that are subject to offsetting, enforceable master netting arrangements and similar agreements.

57. Capital management

The Group's objectives when managing capital are to safeguard the Group'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.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

Consistent with others in the industry and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings) including bank overdraft less cash and bank balances and liquid investments.

The gearing ratios as at December 31, 2024 and 2023 were as follows:

	Note	2024	2023
		(Rupees in thousand)	
Borrowings	8 & 18	116,203,681	95,061,343
Less: Cash and bank balances	36	3,784,458	2,923,901
Net debt		112,419,223	92,137,442
Total equity		88,708,794	96,387,672
Total capital		201,128,017	188,525,114
		(Percenage)	
Gearing ratio		56%	49%

In accordance with the terms of agreements with the lenders of long term finance facilities (as disclosed in note 8 to these consolidated financial statements), the Group is required to comply with financial covenants. The Group has complied with these covenants throughout the reporting period.

57.1 Under the terms of the bank loans, which have a carrying amount of Rs 69,558 million (2023: Rs 54,373 million), the Group is required to comply with the covenants at the end of each year. There are no indications that the Group will have difficulties in complying with the covenants within the next 12 months.

58. Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The table below analyses the financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- 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).

The following table presents the Group's assets that are measured at fair value:

At December 31, 2024

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
Assets	(Rupees in thousand)			
Investments - FVPL	452,884	-	-	452,884
Investments - FVOCI	27,215,515	-	5,025	27,220,540
	27,668,399	-	5,025	27,673,424

At December 31, 2023

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
Assets	(Rupees in thousand)			
Investments - FVPL	1,129,438	-	-	1,129,438
Investments - FVOCI	29,954,286	-	5,025	29,959,311
	31,083,724	-	5,025	31,088,749

Valuation techniques used to measure fair values

Fair valuation of investment properties for disclosure purposes has been disclosed in note 25.1.4 to these consolidated financial statements and movement in fair value reserve has been disclosed in the consolidated statement of changes in equity. There were no transfers between Levels 1 and 2 & Levels 2 and 3 during the year and there were no changes in valuation techniques during the year. Since the ordinary shares of Coca-Cola Beverages Pakistan Limited are not listed, therefore these are included in Level 3. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. Changes in Level 2 and 3 fair values are analysed at the end of each reporting period during the annual valuation discussion between the Chief Financial Officer and the investment advisor. As part of this discussion, the investment advisor presents a report that explains the reason for the fair value movements.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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

59. Disclosure requirement for entities not engaged in Shariah non-permissible business activities

Following information has been disclosed as required under Part 1 Clause VII of the Fourth Schedule to the Companies Act, 2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024:

Statement of Financial Position	Note	2024	2023
Financing obtained as per Islamic mode:		(Rupees in thousand)	
Long term finances	8	28,915,466	18,912,046
Short term borrowings	18	12,220,897	9,559,369
Accrued finance cost on Islamic finances	21	1,181,374	1,406,753
Short term investments - Shariah compliant	32	110,000	390,356
Bank balances	36	1,626,130	1,412,528
Statement of Profit or Loss			
Revenue earned from a shariah-compliant business segment	37	176,761,284	156,972,082
Source and detailed break up of other income			
Other income earned from shariah compliant:	*42*		
Profit on disposal of operating fixed assets		122,664	56,571
Technical and management fee		80,899	73,145
Liabilities no longer payable written back		55,978	61,972
Exchange gain - net		31,928	32,562
Amortization of deferred income		31,472	31,472
Government grant		118,388	117,388
Discounting adjustment of long term advances		31,221	50,961
Gain on modification of lease		13,625	8,708
Rental income from investment properties		10,110	11,303
Reversal of impairment on property, plant and equipment		-	550,000
Insurance claims		791,247	-
Miscellaneous		361,564	396,902
Interest income earned from Shariah Compliant		298	12,424
Other income earned from non - shariah compliant:	*42*		
Income from bank deposits		52,000	158,466

59.1 Relationship with shariah compliant institutions

The Group has obtained short term borrowings and long term finances, and has maintained bank balances with shariah compliant banks.

60. Interests in other entities

60.1 Subsidiaries

The Group's subsidiaries at December 31, 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Place of business / country of incorporation	Ownership interest held by the Group 2024	Ownership interest held by the Group 2023	Ownership interest held by non-controlling interests 2024	Ownership interest held by non-controlling interests 2023	Principal activities	Registered address	Principal place of business	Manufacturing units and offices
		(%)							
Bulleh Shah Packaging (Private) Limited	Pakistan	100.00%	100.00%	nil	nil	Manufacturing and sale of paper, paperboard and corrugated boxes.	4th floor, the Forum, Suite No. 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan	4th floor, the Forum, Suite No. 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, and G.D. Arcade, 2nd Floor, 73-E, Fazal-ul-Haq Road, Blue Area, Islamabad – 44000, Pakistan	7 km, Kot Radha Kishan Road, Off 4 km Kasur-Raiwind Road, District Kasur & Main Korangi Road, Sector 28, Landhi Town, Karachi
Anemone Holdings Limited	Mauritius	100.00%	100.00%	nil	nil	Intermediate holding company of FPCPL	2nd floor, The AXIS, 26 Cyber city, Ebene, Republic of Mauritius	2nd floor, The AXIS, 26 Cyber city, Ebene, Republic of Mauritius	None
DIC Pakistan Limited	Pakistan	54.98%	54.98%	45.02%	45.02%	Manufacturing and sale of inks	4th floor, the Forum, Suite No. 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan	Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore and Plot No. 6, Sector No. 28, Korangi Industrial Area, Karachi	Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore and Plot No. 6, Sector No. 28, Korangi Industrial Area, Karachi
Tri-Pack Films Limited	Pakistan	69.26%	69.26%	30.74%	30.74%	Manufacture and sale of biaxially oriented polypropylene (BoPP) film and cast polypropylene (CPP) films.	4th Floor, The Forum, Suite No. 416-422, G-20,Block No. 9, Clifton, Khayaban-e-Jami, Karachi	4th Floor, The Forum, Suite No. 416-422, G-20,Block No. 9, Clifton, Khayaban-e-Jami, Karachi	Plot No. D-9 to D-14 & G-1 to G-4 North Western Industrial Zone, Port Qasim Authority, Karachi Plot No. 68, 69, 78/1, Phase IV, Hattar Industrial Estate, Hattar, Khyber Pakhtunkhwa.
Packages Lanka (Private) Limited	Sri Lanka	79.07%	79.07%	20.93%	20.93%	Manufacturing and sale of flexible packaging Holding company of Linnaea Holdings Inc.	148, Minuwandoga Road, 11350, Ja-Ela Sri Lanka	148, Minuwandoga Road, 11350, Ja-Ela Sri Lanka	148, Minuwandoga Road, 11350, Ja-Ela Sri Lanka

Name of Entity	Place of business / country of incorporation	Ownership interest held by the Group 2024	Ownership interest held by the Group 2023	Ownership interest held by non-controlling interests 2024	Ownership interest held by non-controlling interests 2023	Principal activities	Registered address	Principal place of business	Manufacturing units and offices
		(%)							
Linnaea Holdings Inc.	Canada	79.07%	79.07%	20.93%	20.93%	Intermediate holding company of CPI	880 Lakeshore Road East, Mississauga, Ontario	880 Lakeshore Road East, Mississauga, Ontario	None
Chantler Packages Inc. ('CPI')	Canada	72.07%	72.07%	27.93%	27.93%	Manufacturing and sale of flexible packaging	880 Lakeshore Road East, Mississauga, Ontario	880 Lakeshore Road East, Mississauga, Ontario	880 Lakeshore Road East, Mississauga, Ontario
Packages Real Estate (Private) Limited	Pakistan	75.16%	75.16%	24.84%	24.84%	Development and construction of real estate	4th floor, the Forum, Suite No. 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan	Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore	Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore
Packages Power (Private) Limited	Pakistan	100.00%	100.00%	nil	nil	Generation and sale of electricity	4th floor, the Forum, Suite No. 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan	Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore	None
Packages Convertors Limited	Pakistan	100.00%	100.00%	nil	nil	Manufacturing and sale of packaging material and tissue products	4th floor, the Forum, Suite No. 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan	Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore	Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore
StarchPack (Private) Limited	Pakistan	100.00%	100.00%	nil	nil	Manufacturing and sale of corn-based starch products, its derivatives and by products	4th floor, the Forum, Suite No. 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan	Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore	Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore Village Lakhu Baryar, 7 Km Kot Radha Kishan Road, Off 4-Km Kasur - Raiwind Road, Kasur
Packages Investments Limited	Pakistan	100.00%	100.00%	nil	nil	Holding of investments in various companies	4th floor, the Forum, Suite No. 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan	Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore	None
Hoechst Pakistan Limited (formerly Sanofi Aventis Pakistan Limited)	Pakistan	41.07%	41.07%	58.93%	58.93%	Manufacturing, sale and trading of pharmaceutical and related products.	Plot 23, Sector 22, Korangi Industrial Area, Karachi	Plot 23, Sector 22, Korangi Industrial Area, Karachi	Plot 23, Sector 22, Korangi Industrial Area, Karachi
Packages Trading FZCO	United Arab Emirates	100.00%	100.00%	nil	nil	Trading of packaging products	6 WB, 541, 5th Floor, Building 6 West B, P.O box 54598, Dubai Airport Freezone Authority	6 WB, 541, 5th Floor, Building 6 West B, P.O box 54598, Dubai Airport Freezone Authority	None

60.1.1 In addition to the offices mentioned above, the Group has following sales offices :

- 2nd Floor, G.D. Arcade, 73-E, Fazal-ul-Haq Road, Blue Area, Islamabad, Pakistan.
- C-2, Hassan Arcade Nusrat Road, Multan Cantt., Pakistan.
- House No. 18-B, Sir Abdullah Haroon Road, Near Marriott Hotel, Karachi.
- Unit No 4, 17 Aziz Avenue, Canal Bank, Lahore.
- Jaspal Arcade, Plot No 5, I&T Center, Sector G-8/4, Islamabad.
- New Building located at, 31/E-I, Gulberg III, Lahore.
- 71A , Small industrial state, Kohat Road, Peshawar.
- No 502, 5th Floor, Plot no 74-Abdali Road, Multan.
- P-833 situated at State Life Building No.02, Faisalabad.

60.2 Non-controlling interests ('NCI')

Set out below is summarized financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

	Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited)		Tri-Pack Films Limited		DIC Pakistan Limited		Packages Lanka (Private) Limited and its subsidiaries		Packages Real Estate (Private) Limited	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	(Rupees in thousand)									
Summarized statement of financial position										
Current assets	10,970,298	7,816,272	12,969,883	13,405,169	5,627,466	4,533,189	2,417,824	1,962,210	2,168,269	1,782,064
Current liabilities	6,532,317	4,398,924	13,780,691	13,436,927	4,340,547	3,273,276	1,882,124	1,132,584	4,726,471	4,611,496
Current net assets/ (liabilities)	4,437,981	3,417,348	(810,808)	(31,758)	1,286,919	1,259,913	535,700	829,626	(2,558,202)	(2,829,432)
Non-current assets	2,586,437	2,054,090	19,293,625	14,865,084	3,588,726	1,217,764	1,613,230	1,035,247	12,148,855	11,666,577
Non-current liabilities	209,475	-	13,304,260	9,007,533	2,464,767	84,862	280,973	277,979	5,367,441	5,146,611
Non-current net assets	2,376,962	2,054,090	5,989,365	5,857,551	1,123,959	1,132,902	1,332,257	757,268	6,781,414	6,519,966
Net assets	6,814,943	5,471,438	5,178,557	5,825,793	2,410,878	2,392,815	1,867,957	1,586,894	4,223,212	3,690,534
Accumulated NCI	12,943,848	12,305,852	3,045,100	3,326,032	1,078,108	1,068,288	383,221	323,541	1,049,046	916,903
Summarized statement of comprehensive income										
Revenue	26,747,828	21,368,949	29,413,004	24,842,373	11,749,894	10,631,425	5,873,255	5,209,207	6,018,471	5,310,551
Profit for the year	1,857,147	360,807	(431,446)	1,123,370	971,930	1,066,774	683,916	504,953	637,964	224,046
Other comprehensive income/(loss)	16,820	72,433	17,010	(20,307)	(6,695)	2,630	166,857	425,147	(4,662)	1,540
Total comprehensive income/ (loss)	1,873,967	433,240	(414,436)	1,103,063	965,235	1,069,404	850,773	930,100	633,302	225,586
Total comprehensive income/(loss) allocated to NCI	950,707	397,746	(209,369)	228,914	436,182	471,325	178,317	106,648	157,342	55,663
Dividends paid to NCI	312,612	-	71,560	59,634	426,402	225,107	119,503	41,608	25,000	37,491
Summarized cash flows										
Cash flows from operating activities	(834,060)	2,515,573	1,839,221	2,995,392	244,346	999,374	441,778	923,458	607,305	1,245,722
Cash flows from investing activities	177,288	(998,361)	(5,001,421)	(7,254,547)	(2,501,913)	(758,340)	(671,470)	(55,435)	(1,022,565)	(1,183,834)
Cash flows from financing activities	659,195	(41,123)	4,891,683	1,296,374	1,085,174	(297,246)	(699,482)	(720,419)	(216,725)	(1,467,938)
Net increase/ (decrease) in cash and cash equivalents	2,423	1,476,089	1,729,483	(2,962,781)	(1,172,393)	(56,212)	(929,174)	147,604	(631,985)	(1,406,050)

60.3 Interests in associates and joint ventures

Set out below is the associate and joint venture of the Group as at December 31, 2024 which, in the opinion of the directors, are material to the Group. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of Entity	Place of business / country of incorporation	% of ownership interest		Nature of relationship	Measurement method	Quoted fair value		Carrying amount	
		2024	2023			2024	2023	2024	2023
						(Rupees in thousand)			
IGI Holdings Limited	Pakistan	10.54%	10.54%	Associate	Equity method	2,168,906	1,658,896	5,538,085	5,422,305
OmyaPack (Private) Limited	Pakistan	50.00%	50.00%	Joint venture	Equity method	(*)	(*)	617,528	563,768
Total equity accounted investments								6,155,613	5,986,073

Business activities of Group's associates and joint ventures

IGI Holdings Limited (formerly IGI Insurance Limited) is engaged in investment business.

OmyaPack (Private) Limited is engaged in manufacture and sale of high quality ground calcium carbonate products.

(*) These are privately held entities for which no quoted price is available.

60.3.1 There are no commitments and contingent liabilities of the Group in respect of associates and joint ventures.

60.3.2 Summarized financial information of associates

The table below provides summarized financial information of the associates. The information disclosed reflects the amounts presented in the consolidated financial statements of the relevant associates and not the Group's share of those amounts:

	Hoechst Pakistan Limited		IGI Holdings Limited	
	2024	2023	2024	2023
	(Rupees in thousand)		(Rupees in thousand)	
Summarized statement of financial position				
Current assets	-	-	44,165,886	34,787,759
Non-current assets	-	-	86,550,715	82,313,529
Total assets	-	-	130,716,607	117,101,288
Current liabilities	-	-	28,021,330	24,710,906
Non-current liabilities	-	-	36,405,325	26,228,049
Total liabilities	-	-	64,426,655	50,938,955
Net assets	-	-	66,289,952	66,162,333
Reconciliation to carrying amounts:				
Opening net assets	-	-	66,162,332	51,089,779
Profit for the year	-	-	2,390,030	3,911,640
Other comprehensive (loss)/income for the year	-	-	(1,406,869)	11,777,094
Dividends paid	-	-	(855,783)	(616,180)
Closing net assets	-	-	66,289,952	66,162,333
Effect of equity method adjustments as at	-	-	(13,746,451)	(14,717,314)
Closing net assets after equity method adjustments	-	-	52,543,501	51,445,019
Group's share - %	41.07%	41.07%	10.54%	10.54%
Group's share	-	-	5,538,085	5,422,305
Carrying amount	-	-	5,538,085	5,422,305
Summarized statement of comprehensive income				
Revenue	-	6,128,008	25,164,655	17,492,304
(Loss)/profit before tax		(481,048)	2,877,689	5,753,735
(Loss)/Profit after tax	-	(582,786)	2,409,076	3,911,640
Other comprehensive loss	-	-	(1,406,869)	(309,781)
Total comprehensive (loss)/ income	-	(582,786)	1,002,207	3,601,859
Dividends received from associates	-	-	90,197	63,890

60.3.3 Summarized financial information of joint venture

The table below provides summarized financial information of the joint venture that is material to the Group. The information disclosed reflects the amounts presented in the financial statements of the joint venture and not the Group's share of those amounts. These have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy:

	OmyaPack (Private) Limited	
Summarized statement of financial position	2024	2023
	(Rupees in thousand)	
Current assets		
Cash and bank balances	199,743	116,448
Other current assets	884,679	783,289
Total current assets	1,084,422	899,737
Non-current assets	1,022,363	1,015,828
Current liabilities		
Financial liabilities (excluding trade payables)	43,513	128,214
Other current liabilities	562,068	428,246
Total current liabilities	605,581	556,460
Non-current liabilities		
Financial liabilities	110,954	139,552
Other non-current liabilities	155,169	91,992
Total non-current liabilities	266,123	231,544
Net assets	1,235,081	1,127,561
Reconciliation to carrying amounts:		
Opening net assets	1,127,561	1,070,275
Transaction with owners in their capacity as owners (dividend paid)	(150,000)	(149,500)
Profit for the year	257,981	206,520
Other comprehensive (loss)/income	(461)	266
Closing net assets	1,235,081	1,127,561
Group's share - %	50.00%	50.00%
Group's share	617,541	563,768
Carrying amount	617,541	563,768
Summarized statement of comprehensive income		
Revenue	2,117,980	1,550,080
Interest income	49,505	40,743
Depreciation and amortisation	116,418	113,200
Interest expense	20,629	31,513
Income tax expense	(198,695)	(129,572)
Profit before tax	456,676	338,356
Profit after tax	257,981	206,520
Other comprehensive (loss)/income	(461)	266
Total comprehensive income	257,520	206,786
Dividends received from joint venture	75,000	74,750

61. Date of authorization for issue

These consolidated financial statements were authorized for issue on March 25, 2025 by the Board of Directors. The Board of Directors have the power to amend and re-issue the financial statements.

62. Events after the reporting period

The Board of Directors has proposed a final cash dividend for the year ended December 31, 2024 of Rs. 15.00 per ordinary share (2023: Rs 27.50 per ordinary share), amounting to Rs 1,340.693 million (2023: Rs 2,457.039 million) at their meeting held on March 25, 2025 for approval of the members at the Annual General Meeting to be held on April 30, 2025.

63. Corresponding figures

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison and better presentation. However, there were no material re-arrangements, other than Assets amounting to Rs 193.038 million previously presented under operating fixed assets, now presented under Right-of-use assets.

Chief Executive Officer | Director | Chief Financial Officer

Shareholders' Information

Registered Office
4th Floor, The Forum, Suite # 416-422, G-20, Block 9
Khayaban-e-Jami, Clifton Karachi - 75600
Tel: (021) 35874047 - 49
Fax: (021) 35860251

Share Registrar
FAMCO Share Registration Services (Pvt.) Limited
8-F, Near to Hotel Faran, Nursery, Block 6, P.E.C.H.S.
Shahrah-e-Faisal Karachi - 75400
Tel: (021) 34380101-2
Fax: (021) 34380106

OWNERSHIP
On December 31, 2024, there were 3,870 members on the company's ordinary share register.

DIVIDEND PAYMENT
The Board of Directors of Packages Limited (the 'Company') has recommended a 150% (Rs. 15/-) final dividend for the year ended 2024. The proposal shall be placed before the shareholders of the Company in the Annual General Meeting for their consideration and approval on Wednesday, April 30, 2025. The dividend shall be paid within ten working days from the date of AGM, if approved by the shareholders, and the same will be directly credited to the designated bank accounts of the shareholders listed in the Company's share register at the close of business on Tuesday, April 22, 2025, and shall be subject to the Zakat and tax deductions as per applicable laws.

Financial Calendar

RESULTS

First quarter ended March 31, 2024	Approved and announced on	25-04-2024
Half year ended June 30, 2024	Approved and announced on	27-08-2024 28-08-2024
Third quarter ended September 30, 2024	Approved and announced on	25-10-2024 28-10-2024
Year ended December 31, 2024	Approved and announced on	25-03-2025 26-03-2025

DIVIDEND

Final – Cash (2023)	Approved on Statutory time limit up to which payable Paid on	29-04-2024 13-05-2024 10-05-2024
70th Annual General Meeting to be held on		30-04-2025

Listing on Stock Exchange
The equity shares of the Company are listed on the Pakistan Stock Exchange Limited (PSX).

Stock Code
The trading symbol for dealing in equity shares of Packages Limited at the PSX is 'PKGS'.

Share Registrar
The shares department of the Company is operated by FAMCO Share Registration Services (Pvt.) Limited and serves around 3,870 of its shareholders. It is managed by a well-experienced team of professionals and is equipped with the necessary infrastructure in terms of computer facilities and comprehensive set of systems and procedures for conducting the registration function.

The Share Registrar has online connectivity with the Central Depository Company of Pakistan Limited (CDC). It undertakes activities pertaining to dematerialization of shares, share transfers, transmissions, issue of duplicate/replaced share certificates, change of address and other related matters.

For assistance, shareholders may contact either the Registered Office or the Share Registrar at details appearing below:

Contact persons:

Mr. Ubaid Hussain/Ms. Suman Kishore
Tel. (021) 35874047-49 Ext: 237 & 233
Fax. (021) 35860251
Email: shares.desk@packages.com.pk

Muhammad Taha
Tel. (021) 34380101-5
Fax. (021) 34380106
Email: info.shares@famcosrs.com

Service Standards
Packages Limited has always endeavored to provide its investors and shareholders with prompt services. Listed below are various services and the maximum time limits set for their execution, subject to receipt of the complete set of required documents:

	For requests received through post or over the counter
Transfer of shares	15 days after receipt
Transmission of shares	15 days after receipt
Issue of duplicate share certificates	30 days after receipt
Updating of IBAN	2 working days after receipt
Change of address	2 days after receipt

Well qualified personnel of Share Registrar have been entrusted with the responsibility of ensuring that services are rendered within the set time limits.

Statutory Compliance
During the year, the Company has complied with all applicable provisions, filed all returns/forms and furnished all the relevant and prescribed information.

Dematerialization of Shares
The equity shares of the Company are under the dematerialization category. As of date, 72.75% of the equity shares of the Company have been dematerialized by the shareholders.

Members holding shares in physical form are encouraged to convert their physical shares into Book-Entry- Form (CDC) pursuant to the requirements of Section 72 of the Companies Act, 2017.

Investors' Grievances
To date none of the investors or shareholders has filed any letter of complaint against any service provided by the Company to its shareholders.

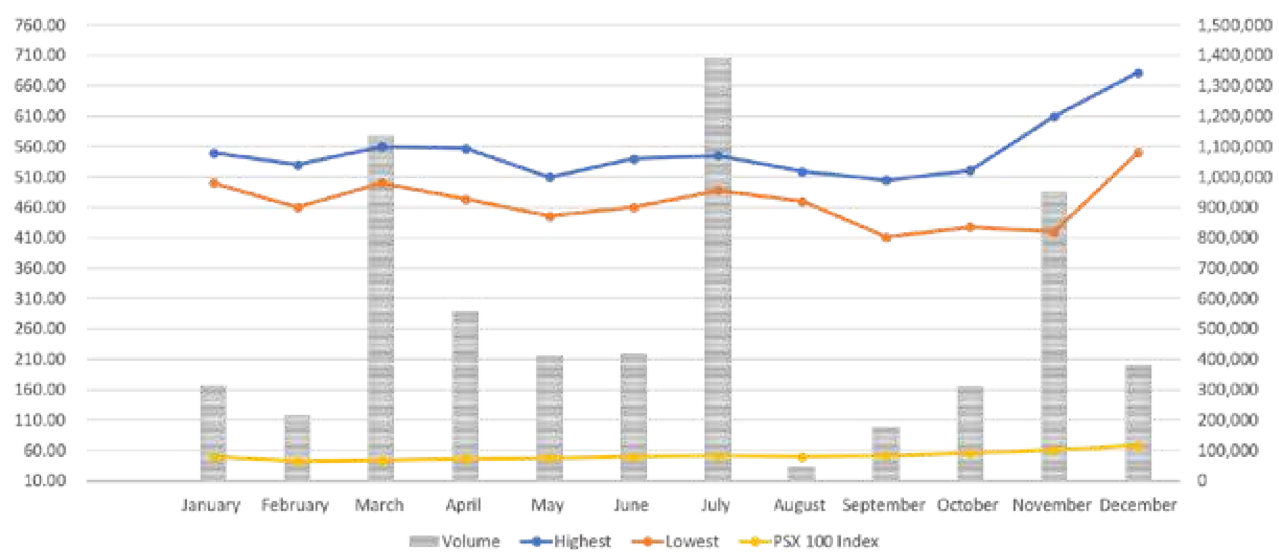
Legal Proceedings
No case has ever been filed by shareholders against the Company for non-receipt of shares/refund.

Web Presence
Updated information regarding the Company can be accessed at its website, www.packages.com.pk. The website contains the latest financial results of the Company along with its profile and corporate philosophy.

Share Price/Volume

The monthly high and low prices and the volume of shares traded on the Pakistan Stock Exchange during the financial year 2024 are as under:

Month(s)	Share price on the PSX (Rs.)		Volume of Shares Traded	PSX-100 Index
	Highest	Lowest		Close
January	550.00	500.00	313,485	78,824.33
February	529.99	460.00	216,485	64,578.52
March	560.00	500.00	1,135,001	67,142.12
April	557.00	473.95	556,765	72,742.74
May	510.00	445.55	412,528	75,983.03
June	539.90	460.11	419,695	78,810.49
July	545.50	488.00	1,393,849	81,839.86
August	519.00	470.15	46,675	78,801.42
September	505.00	411.16	176,636	82,247.91
October	521.00	428.00	311,197	90,864.09
November	610.00	420.00	950,743	101,357.32
December	682.00	551.10	383,458	116,169.41



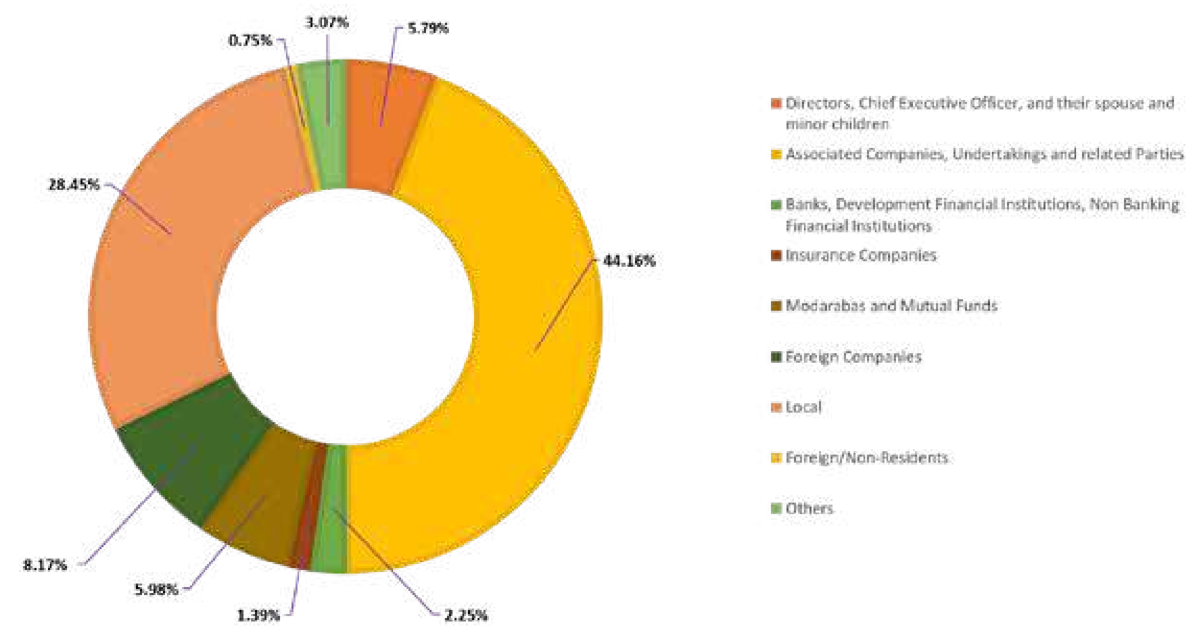
Pattern of Shareholding

The shareholding pattern of the equity share capital of the Company as of December 31, 2024 is as follows:

Shareholding		Number of Shareholder(s)	Total Shares Held
From	To		
1	100	2,015	43,956
101	500	720	201,393
501	1,000	334	261,769
1,001	5,000	464	1,091,864
5,001	10,000	114	861,407
10,001	15,000	40	491,974
15,001	20,000	19	337,246
20,001	25,000	23	524,172
25,001	30,000	19	531,055
30,001	35,000	14	456,557
35,001	40,000	5	190,936
40,001	45,000	6	253,012
45,001	50,000	7	336,934
50,001	55,000	5	263,856
55,001	60,000	3	169,674
60,001	65,000	6	372,680
65,001	70,000	3	198,186
70,001	75,000	4	287,539
75,001	80,000	5	388,402
80,001	85,000	2	166,310
85,001	90,000	1	86,999
90,001	95,000	1	90,037
95,001	100,000	2	198,167
100,001	105,000	2	208,494
110,001	115,000	1	113,800
120,001	125,000	1	122,157
135,001	140,000	1	135,037
145,001	150,000	4	591,401
150,001	155,000	3	458,305
155,001	160,000	1	157,806
160,001	165,000	1	161,366
190,001	195,000	1	192,482
210,001	215,000	1	210,005
215,001	220,000	1	217,547
220,001	225,000	1	221,210
235,001	240,000	1	236,263
240,001	245,000	1	241,975

Shareholding		Number of Shareholder(s)	Total Shares Held
From	To		
245,001	250,000	1	250,000
260,001	265,000	1	264,239
270,001	275,000	1	273,390
280,001	285,000	1	281,500
285,001	290,000	1	287,290
290,001	295,000	1	293,377
300,001	305,000	2	607,668
320,001	325,000	1	322,842
335,001	340,000	1	339,189
350,001	355,000	1	350,987
400,001	405,000	1	403,055
420,001	425,000	1	421,300
465,001	470,000	1	467,000
580,001	585,000	1	584,319
595,001	600,000	1	600,000
660,001	665,000	2	1,321,428
690,001	695,000	1	692,476
730,001	735,000	1	734,028
820,001	825,000	1	821,714
975,001	980,000	1	975,237
985,001	990,000	1	986,600
990,001	995,000	1	990,641
1,195,001	1,200,000	1	1,198,668
1,250,001	1,255,000	1	1,250,457
1,870,001	1,875,000	1	1,874,970
2,065,001	2,070,000	1	2,067,893
2,285,001	2,290,000	1	2,287,175
2,530,001	2,535,000	1	2,533,529
2,575,001	2,580,000	1	2,577,184
2,985,001	2,990,000	1	2,988,093
3,250,001	3,255,000	1	3,251,285
3,500,001	3,505,000	1	3,504,115
4,545,001	4,550,000	1	4,548,820
5,395,001	5,400,000	1	5,396,650
5,850,001	5,855,000	1	5,853,211
26,705,001	26,710,000	1	26,707,201
		3,870	**89,379,504**

S.No.	Shareholders' Category	Number of Shareholder(s)	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	12	5,177,904	5.79
2	Associated Companies, Undertakings and Related Parties	8	39,467,530	44.16
3	Banks, Development Financial Institutions & Non-Banking Financial Institutions	15	2,009,717	2.25
4	Insurance Companies	7	1,239,963	1.39
5	Modarabas and Mutual Funds	21	5,342,111	5.98
6	Foreign Companies	14	7,306,298	8.17
7	General Public:			
	a. Local	3,505	25,426,528	28.45
	b. Foreign/Non-Resident	214	666,576	0.75
8	Others	74	2,742,877	3.07
	Total	**3,870**	**89,379,504**	**100.00**

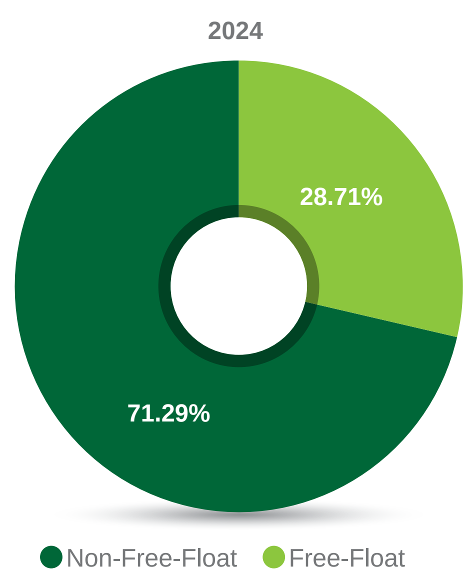


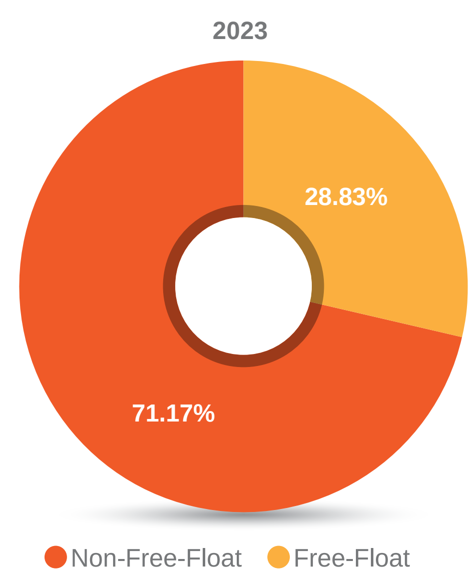
Details of Shareholdings

Shareholders' Category	Number of Shareholder(s)	Number of Shares held
i. Associated Companies, Undertakings and Related Parties		
Babar Ali Foundation	3	9,927,905
IGI Finex Securities Limited	1	01
IGI Investments (Pvt.) Limited	1	26,707,201
Trustees Packages Limited Employees Provident Fund	1	2,067,893
Trustees Packages Limited Management Staff Pension Fund	1	660,036
Trustees Packages Limited Employees Gratuity Fund	1	104,494
Total:	**8**	**39,467,530**
ii. Directors and their spouse(s) and minor children		
Amina Hyder Ali	1	24,919
Atif Aslam Bajwa	1	100
Azra Tariq	1	4,100
Hasan Askari	1	100
Osman Khalid Waheed	1	1,000
Saba Kamal	1	300
Syed Aslam Mehdi	1	10,081
Syed Hyder Ali	2	4,864,359
Syed Shahid Ali	1	153,145
Tariq Iqbal Khan	1	6,000
Towfiq H. Chinoy	1	113,800
Total:	**12**	**5,177,904**
iii. Executive	**1**	**100**
iv. Shareholders Holding 10% or more Voting Rights		
IGI Investments (Pvt.) Limited	**1**	**26,707,201**
Babar Ali Foundation	**1**	**9,927,905**

Free Float and Non-Free Float of Shares

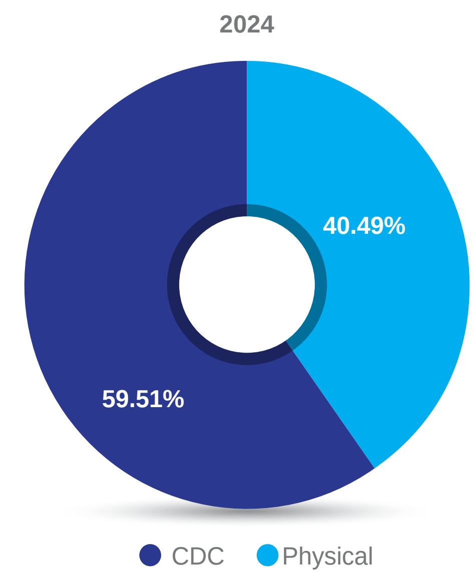
	2024		2023	
	Non-Free Float	Free Float	Non-Free Float	Free Float
	63,714,651	25,664,853	63,611,006	25,768,498
Total	**89,379,504**		**89,379,504**	

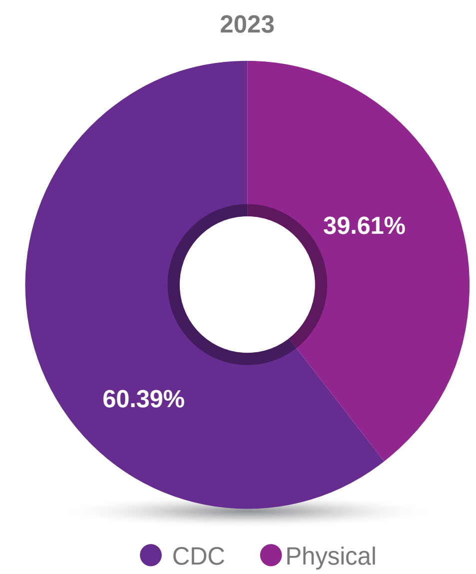




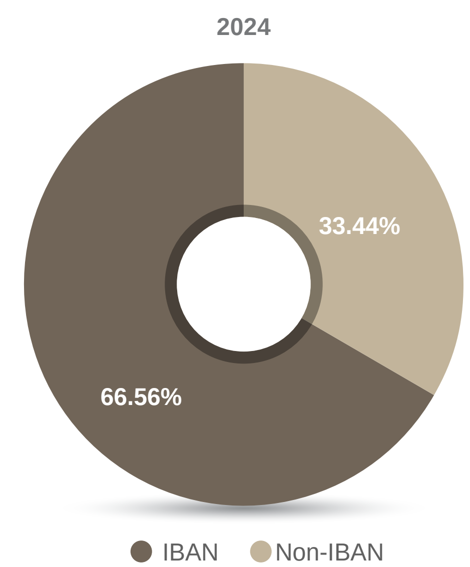
Shareholding Position/IBAN

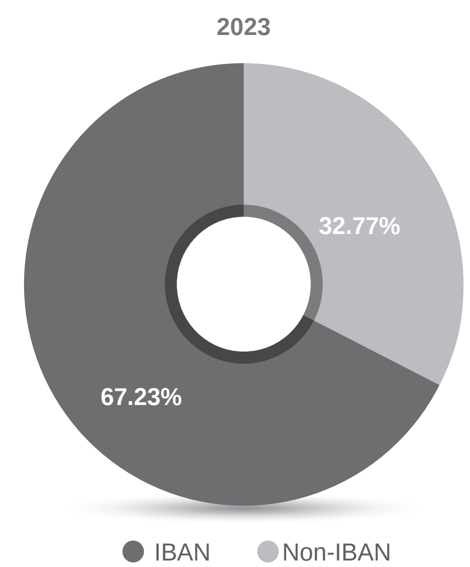
	2024		2023	
	Physical	CDC	Physical	CDC
	1,567	2,303	1,575	2,401
No. of Shareholders	**3,870**		**3,976**	





	2024		2023	
	Non-IBAN	IBAN	Non-IBAN	IBAN
	1,294	2,576	1,303	2,673
No. of Shareholders	**3,870**		**3,976**	





Notice of the 70th Annual General Meeting

Notice is hereby given that the 70th Annual General Meeting of the shareholders of Packages Limited (the 'Company') will be held at the Institute of Chartered Accountants of Pakistan (ICAP), Chartered Accountants Avenue, Block 8 Clifton, Karachi, on Wednesday, April 30, 2025 at 10:00 a.m and virtually via Zoom to transact the following business:

ORDINARY BUSINESS

1) To confirm the minutes of the last Annual General Meeting of the Company held on April 29, 2024.

2) To receive, consider and adopt the Audited Financial Statements of the Company together with the Directors' and Auditors' Report thereon for the year ended December 31, 2024.

   www.packages.com.pk/financial-reports/

3) To consider, approve and declare the dividend on the ordinary and preference shares of the Company. The Board of Directors has recommended a final cash dividend for the year ended December 31, 2024:

   a) to the preference share/convertible stock holder (International Finance Corporation) at the rate of Rs. 19/- (10%) per preference share/convertible stock of Rs. 190 proposed by the Board in terms of and as adjusted under the Subscription Agreement between Packages Limited and International Finance Corporation, totaling Rs. 155,549,998; and

   b) to the ordinary shareholders at the rate of Rs. 15/- (150%) per ordinary share of Rs. 10/-.

4) To appoint external auditors of the Company for the ensuing year and to fix their remuneration. The current auditors, A.F. Ferguson & Co., Chartered Accountants, being eligible to do so, have given their consent to be re-appointed as auditors of the Company and the Board of Directors has recommended their appointment.

SPECIAL BUSINESS

1) To consider and, if deemed fit, pass a Special Resolution, as proposed in the Statement of Material Facts, pursuant to Section 199 of the Companies Act, 2017 (the 'Act') to authorize grant of a cross-company security to DIC Pakistan Limited, an unlisted subsidiary of the Company.

   A Statement of Material Facts covering the above-mentioned Special Business, as required under Section 134(3) of the Act has been circulated to the shareholder(s) along with this notice of annual general meeting.

ANY OTHER BUSINESS

1) To transact any other business with the permission of the Chair.

By Order of the Board

IQRA SAJJAD
Company Secretary

April 09, 2025
Karachi

Virtually Participation in the AGM Proceedings

The Securities and Exchange Commission of Pakistan ("SECP"), vide its circulars issued from time to time has directed the listed companies to hold general meetings virtually in addition to the requirements of holding physical meetings. The shareholders interested in attending the AGM virtually are requested to get themselves registered by sending their particulars at the designated email address **shares.desk@packages.com.pk** mentioning their name, folio number and email address by the close of business hours on April 28, 2025. The log-in credentials and link to participate in the AGM would be provided to the registered shareholders via a response email. The shareholders are also encouraged to send their comments/suggestions, related to the agenda items of the AGM on the abovementioned email address by April 28, 2025.

Notes:

1. The Share Transfer Books of the Company will be closed for determining the entitlement for the payment of final cash dividend from Wednesday, April 23, 2025 to Wednesday, April 30, 2025 (both days inclusive). Transfer requests received at the office of the Share Registrar of the Company, FAMCO Shares Registration Services (Pvt.) Limited, situated at 8-F, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi at the close of business on Tuesday, April 22, 2025 will be treated in time for the purposes of entitlement to the transferees.

2. A shareholder entitled to attend and vote at the meeting may appoint another person as his/her proxy to attend, speak and vote at the meeting on his/her behalf. Instrument appointing proxy must be deposited at the Registered Office of the Company situated at 4th Floor, The Forum, Suite # 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi not less than 48 hours before the time of the meeting.

3. Shareholders holding physical shares are also required to bring their original Computerized National Identity Card (CNIC) and/or copy of CNIC of shareholder(s) of whom he/she/they hold proxy(ies) for. Such shareholder(s) shall not be allowed to attend the AGM and/or sign the Register of Shareholders at the AGM without such CNIC(s).

4. The CDC Account Holders and Sub-Account Holders, whose registration details are available in the Share Book Details Report, shall be required to produce their respective original CNIC or original passport at the time of attending the Annual General Meeting to facilitate identification. Such Account Holders and Sub-Account Holders should also bring/know their respective participation I.D. No. and the CDC Account No. and in case of proxy, he/she must enclose an attested copy of his/her CNIC or Passport. Representative(s) of corporate shareholder(s) should bring attested copy of Board Resolution/ Power of Attorney and/or all such documents that are required for such purpose and enumerated under Circular No. 1 dated 26 January 2000 issued by the SECP. Proxy form is also available on the Company's website and can be downloaded from www.packages.com.pk

Circulation of Annual Accounts and Notice of the Meetings

In accordance with Section 223 of the Companies Act, 2017 and pursuant to SRO 389(1)/2023 dated 21 March 2023, the audited financial statements of the Company for the year ended December 31, 2024, along with the Directors', Auditors', and Chairman Report thereon, Notice of Annual General Meeting, and other related material have been made available on the Company's website and published for sharing using a QR Code. The same can be downloaded and viewed from the QR enable code and weblink. The Company has obtained shareholders' approval to do so in one of its earlier General Meetings. Furthermore, shareholders are hereby informed that under Section 223(6) and 473 of the Act, whereby circulation of Audited Financial Statements and Notice of the Meeting has been allowed in electronic format through email, the same has been circulated through email in cases where email addresses have been provided by the shareholders to the Company and hence the consent of shareholder(s) to receive the copies through email is not required.

Shareholders can request a hard copy of the same, which shall be provided free of cost, if a request has been made by the shareholders on the standard request form available on the website of the Company.

Statutory Code of Conduct at AGM

Shareholders are requested to observe the Statutory Code of Conduct at the AGM in accordance with Section 215 of the Companies Act, 2017 and Regulation 28 of the Companies (General Provisions and Forms) Regulations, 2018, whereby shareholders are not permitted to exert influence or approach the Management directly for decisions which may lead to creation of hurdles in the smooth functioning of the Management. As mentioned in these provisions, shareholders shall not bring material that may cause threat to participants or premises where the AGM is being held, confine themselves to the agenda items covered in the notice of the AGM and shall not conduct themselves in a manner to disclose any political affiliation. Additionally, the Company is not permitted to distribute gifts in any form to its shareholders in its meetings as per Section 185 of Companies Act, 2017.

Withholding Tax on Dividend Income

i. Pursuant to Section 150 of the Income Tax Ordinance, 2001, withholding tax on dividend paid will be deducted for 'Filer' and 'Non-Filer' shareholders at 15% and 30% respectively. All shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of the Federal Board of Revenue (FBR), despite the fact that they are filers, are advised to make sure that their names along with their valid CNICs/NTNs (National Tax Numbers) are entered into ATL, before April 22, 2025; enabling the Company to make required tax deduction on the amount of cash dividend. Accordingly, shareholders are also advised to check and ensure their respective status as appearing in the ATL available at FBR's website http://www.fbr.gov.pk/ as well as to ensure that their CNIC/passport number has been recorded by the Participant/Investor Account Services or by Share Registrar (in case of physical shareholding). Corporate bodies (non-individual shareholders) should ensure that their names and NTNs are mentioned and appear in the ATL maintained on FBR's website and recorded by respective Participant/Investor Account Services or in case of physical shareholding, by Company's Share Registrar.

ii. According to the FBR, withholding tax in case of joint shareholders accounts will be determined separately based on the 'Filer/Non-Filer' status of the principal shareholder as well as the status of the joint holder(s) as per their shareholding proportions. Shareholders who hold shares jointly with other shareholders are requested to provide, in writing, the shareholding proportions of the principal shareholder and the joint holder(s) in respect of shares held by them to the Company's Share Registrar, FAMCO Shares Registration Services (Pvt.) Limited. In case the required information is not provided to the Company's Registrar before April 22, 2025 it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s).

iii. Withholding tax exemption from dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the Company's Share Registrar before April 22, 2025.

iv. Non-resident shareholder(s) shall submit declaration of such undertaking with copy of valid passport under definition contained in Section 82 of the Income Tax Ordinance, 2001 for determination of their residential status for the purposes of tax deduction on dividend to the Company Share Registrar before April 22, 2025. Shareholder may send a declaration using a standard format as placed on Share Registrar and Company's websites as mentioned below:

www.famcosrs.com & www.packages.com.pk

Zakat Deduction

To claim exemption from compulsory deduction of Zakat, shareholders are requested to submit a notarized copy of Zakat Declaration Form "CZ-50" on NJSP to the Share Registrar. In case shares are held in scrip less form, such Zakat Declaration Form (CZ -50) must be uploaded in the CDC account of the shareholder, through their Participant/Investor Account Services. Further, Non-Muslim shareholders are also required to file Solemn Affirmation (on the format available on Company's website) with the Share Registrar of the Company in case shares are held in physical certificates or with CDC Participant/Investor Account Services in case shares are in scripless form. No exemption from deduction of Zakat will be allowed unless the above documents complete in all respects have been made available as above.

Payment of Cash Dividend Through Electronic Mode (Mandatory)

Under Section 242 of the Act, it is mandatory for all listed companies to pay cash dividend to its shareholders through electronic mode directly into the bank account designated by the entitled shareholders, in order to receive dividend directly into their bank account.

Furthermore, in accordance with the Companies (Distribution of Dividend) Regulations, 2017, shareholders are advised to provide their CNIC Number and International Bank Account Number (IBAN) details, if they have not already done so, to our Share Registrar (if shares are held in physical form) at their above-referred office address or to the respective Participants/Broker (if shares are held through CDS Account).

As per Regulation No. 6 of the Companies (Distribution of Dividend) Regulations, 2017 and Section 243(3) of the Companies Act, 2017, the Company will be constrained to withhold payment of dividend to shareholders in case of non-availability of CNIC and/or NTN of the shareholder or authorized person, as the case may be.

Unclaimed Dividend/Shares

Under Section 244 of the Companies Act, 2017 the Company is required to approach shareholders to claim their unclaimed dividend/shares. In this regard the Company has been periodically reaching out to its shareholders by publishing notices in newspapers after sending individual letters. Those shareholders, who have not claimed their dividend amounts as yet, are hereby once again requested to ensure that their claims for unclaimed dividend amounts and/or shares certificate are lodged promptly.

Change of Particulars (Postal/Email Address and IBAN etc.)

Shareholders having physical shares are requested to promptly notify any change in their particulars to Company's Share Registrar, in writing whereas CDC account holders are requested to update their addresses with their CDC Participant/CDC Investor Account Services on immediate basis of any change occurring in the particulars.

Conversion of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP. The Company has periodically reached out to its shareholders through various newspaper notices requesting conversion of physical shareholding. The shareholders are hereby again encouraged to open a CDC sub-account with any broker or Investor Account directly with CDC to convert their physical shares into scripless form. This is beneficial in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

Postal Ballot/E-Voting

In accordance with the Companies (Postal Ballot) Regulations, 2018, the right of vote through postal ballot shall be provided to the shareholders of every company, subject to the requirements of Sections 143 and 144 of the Companies Act, 2017.

a) E-voting Procedure Details of the e-voting facility will be shared through an e-mail with those shareholders of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of shareholders of the Company within due course. The web address, login details, will be communicated to shareholders via email. Identity of the shareholders intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login. E-voting lines will start from April 28, 2025, 09:00 a.m. and shall close on April 29, 2025 at 5:00 p.m. Shareholders can cast their votes any time in this period. Once the vote is cast by a shareholder, he/she shall not be allowed to change it subsequently.

b) For voting through postal ballot, shareholders may exercise their right to vote as per provisions of the Companies (Postal Ballot) Regulations, 2018. The shareholders shall ensure that duly filled and signed ballot paper along with copy of CNIC should reach the Chairman of the meeting through post on the Company's registered office situated at 4th Floor, The Forum, Suite # 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi or email at **share.desk@packages.com.pk** one day before the AGM i.e. on April 29, 2025, during working hours. The signature on the ballot paper shall match with the signature on CNIC. Ballot paper for voting through post will be published and will also be available on the Company's website **www.packages.com.pk**

c) A.F. Ferguson & Co. Chartered Accountants (the 'firm'), has been appointed as a Scrutinizer. The firm has received a satisfactory rating under the quality review program of ICAP and is registered with the Audit Oversight Board of Pakistan. All partners of the firm are qualified and have sufficient experience to perform their duties in light of applicable laws regulations and said engagement.

The Company Secretary
Packages Limited
4th Floor, The Forum, Suite No. 416-422, G-20,
Block-9, Khayaban-e-Jami, Clifton,
Karachi-75600, Pakistan

Form of Proxy

70th Annual General Meeting

I/We ____

of ____ being member(s) of

Packages Limited and holder of ____

Ordinary Shares as per Share Register Folio ____________________ and/or CDC Participant I.D. No. and Sub

Account No. ____________________ hereby appoint Mr./Ms. ____________________ of

____________________ or failing him / her ____________________

of ____________________ as my/our proxy in my/our absence to attend and vote for me/us on my/our behalf at the Seventieth Annual General Meeting of the Company to be held on Wednesday, the 30th day of April 2025, at 10:00 a.m. at the Auditorium of the Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi and at any adjournment thereof.

Signed ____________________ this day of ____________ 2025.

1. Witness

Signature:

Name: ____________________

Address: ____________________

____

CNIC or ____________________

Passport No. ____________________

2. Witness

Signature:

Name: ____________________

Address: ____________________

____

CNIC or ____________________

Passport No. ____________________

Signature

Please affix
Rupees five
revenue stamp

(Signature should agree with the specimen signature registered with the Company)

Note:

Proxies must be received by the Company not less than 48 hours before the meeting. A proxy need not be a member of the Company.

CDC Shareholders and their Proxies are requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

تشکیل نیابت داری

70واں سالانہ اجلاسِ عام

میں/ہم ____________________

ساکن ____________________ بطور پیکجز لمیٹڈ ____________________

رکن وحامل ____________________ عام حصص بمطابق شیئر رجسٹرڈ فولیو نمبر ____________________

(حصص کی تعداد) ____________________ اورذیلی کھاتہ نمبر ____________________ یا بصورت دیگر ____________________

ساکن ____________________ یا بصورت دیگر ____________________ ساکن ____________________

کو اپنی جگہ بروز بدھ مورخہ 30 اپریل 2025 بوقت صبح 10:00 بجے بمقام انسٹیٹوٹ آف چارٹرڈ اکاؤنٹنٹس، چارٹرڈ اکاؤنٹنٹس ایونیو، بلاک 8 کلفٹن کراچی میں منعقد یا ملتوی ہونے والا 70واں سالانہ اجلاسِ عام میں رائے دہندگی کے لئے اپنا نمائندہ مقرر کرتا/کرتی ہوں۔

دستخط کیے گئے مورخہ ____________________ 2025

گواہان:

۱ دستخط: ____________________

نام: ____________________

پتہ: ____________________

____

سی این آئی سی یا پاسپورٹ نمبر: ____________________

____

دستخط:

(دستخط کمپنی کے پاس درج نمونہ
دستخط کے مطابق ہونے چاہیئے)

۲ دستخط: ____________________

نام: ____________________

پتہ: ____________________

____

سی این آئی سی یا پاسپورٹ نمبر: ____________________

.

نوٹ:

پراکسیز کے مؤثر ہونے کے لئے لازم ہے کہ وہ اجلاس سے 48 گھنٹے قبل کمپنی کو موصول ہوں۔ نیابت دار کا کمپنی کا رکن ہوناضروری نہیں ہے۔
سی ڈی سی کے حصص یافتگان اور ان کے نمائندوں سے التماس ہے کہ وہ اپنے کمپیوٹر ائزڈ قومی شناختی کارڈ نمبر یا پاسپورٹ کی تصدیق کا پی
پراکسی فارم کے ساتھ کمپنی میں جمع کرائیں۔

Electronic Dividend Credit Mandate Form

We wish to inform you that in accordance with 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 the bank account designated by the entitled shareholders.

In order to receive your dividends directly in your bank account, please complete the particulars as mentioned below and return this letter duly signed along with a copy of your CNIC to the Share Registrar of the Company FAMCO Share Registration Services, 8-F, Near Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi.

In case your shares are held in CDC then you must submit this dividend mandate form directly to your Broker/Participant/CDC Account Services.

Yours sincerely,

Iqra Sajjad
For Packages Limited
Company Secretary

SHAREHOLDER'S SECTION:

I hereby communicate to receive my future dividends directly in my bank account as detailed below:

Name of shareholder	: ____________________
Folio No. / CDC Participant ID & A/C No.	: ____________________ Company name: Packages Limited
Contact number of shareholder	Landline ____________________ Cell: ____________________
Name of Bank	: ____________________
Bank branch & full mailing address	: ____________________
IBAN Number (See note below)	: ____________________
Title of Account	: ____________________
CNIC No. (copy attached)	: ____________________
NTN (in case of corporate entity)	: ____________________

It is stated that the above particulars given by me are correct to the best of my knowledge and I shall keep the Company / Participant/CDC Investor Account Services informed in case of any change in the said particulars in future.

____________________ CNIC No. ____________________

Shareholder's Signature (Copy attached)

Note: Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly into your bank account.

The payment of cash dividend will be processed on the basis of the account number alone. Your Company is entitled to rely on the account number as per your instructions. The Company shall not be responsible for any loss, damage, liability or claim arising, directly or indirectly, from any error, delay, or failure in performance of any of its obligations hereunder which is caused by incorrect payment instructions and/or due to any event beyond the control of the Company.

الیکٹرونک کریڈٹ مینڈیٹ فارم

معزز شیئر ہولڈر

آپ کو مطلع کیا جاتا ہے کہ کمپنیز ایکٹ 2017 کے سیکشن 242 کی شقوں کے مطابق ایک لسٹڈ کمپنی کے لئے یہ ضروری ہے کہ وہ اپنے شیئر ہولڈرز کو نقد منافع منقسمہ کی ادائیگی صرف بذریعہ الیکٹرونک طریقہ کار براہ راست شیئر ہولڈرز کی جانب سے نامزد کردہ بینک اکاؤنٹ میں کرے۔

اپنے منافع منقسمہ کو براہ راست اپنے بینک اکاؤنٹ میں وصولی کی غرض سے برائے مہربانی ذیل میں درج کوائف کو مکمل کریں اور اس خط کو باقاعدہ دستخط کرکے اپنے کمپیوٹرائزڈ/ اسمارٹ شناختی کارڈ کی کاپی کے ہمراہ کمپنی کے رجسٹرار میسرز **فیمکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ، 8-ایف، نزد ہوٹل فاران، نرسری، بلاک-6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی** کو جمع کرادیں۔

سی ڈی سی شیئر ہولڈرز سے درخواست ہے کہ اپنے منافع منقسمہ کے مینڈیٹ اور کمپیوٹرائزڈ شناختی کارڈ کی کاپی کو براہ راست اپنے بروکر (پارٹیسپینٹ)/سی ڈی سی کو جمع کرادیں۔

آپ کی مخلص
برائے پیکجز لمیٹڈ

اقراء سجاد
کمپنی سیکریٹری

شیئر ہولڈرز پُر کریں:

میں بذریعہ ہذا اطلاع دیتا ہوں کہ آئندہ میں اپنے منافع منقسمہ کو براہ راست اپنے بینک اکاؤنٹ میں درج ذیل تفصیل کے مطابق وصول کروں گا۔

شیئر ہولڈر کا نام : --
فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر : --
شیئر ہولڈر کا رابطہ نمبر : --
شیئر ہولڈر کا بینک اکاؤنٹ کا ٹائٹل : --
آئی بی اے این نمبر (نیچے درج نوٹ نمبر 1 ملاحظہ فرمائیں) : --
بینک کا نام : --
بینک برانچ اور ڈاک کا مکمل پتہ : --
کمپیوٹرائزڈ شناختی کارڈ نمبر (کاپی منسلک کریں) : --
این ٹی این (کارپوریٹ ادارے کی صورت میں) : --

آگاہ کیا جاتا ہے کہ میری جانب سے فراہم کردہ مذکورہ بالا کوائف درست اور میری معلومات کے عین مطابق ہیں اور میں آئندہ ان کوائف میں کسی بھی تبدیلی کی صورت میں کمپنی/ پارٹیسپینٹ/ سی ڈی سی انویسٹر اکاؤنٹ سروسز کو مطلع کرتا رہوں گا۔

---------------------- شیئر ہولڈر کے دستخط

-------------------------- کمپیوٹرائزڈ/ اسمارٹ شناختی کارڈ نمبر (کاپی منسلک)

مورخہ: -----------------

نوٹ:

1- **برائے مہربانی اپنا مکمل آئی بی اے این اپنی متعلقہ برانچ سے چیک کرنے کے بعد فراہم کریں تاکہ الیکٹرونک کریڈٹ براہ راست آپ کے بینک اکاؤنٹ میں ممکن ہو سکے۔**

2- نقد منافع منقسمہ کی ادائیگی صرف بینک اکاؤنٹ نمبر کی بنیاد پر عمل میں لائی جائے گی۔ کمپنی آپ کی ہدایات کے مطابق اکاؤنٹ نمبر پر انحصار کرنے کا استحقاق رکھتی ہے۔ کمپنی ایسے کسی بھی نقصان، ضیاع، مالی ذمے داری یا دعویٰ کے لئے بلواسطہ یا بلاواسطہ قطعی ذمے دار نہ ہوگی جو کسی غلطی، تاخیر ایسی کسی مالی ادائیگی کی پرفارمنس میں ناکامی کی صورت میں سامنے آئے جو ادائیگی کی غلط اور نامناسب ہدایات کی وجہ سے ہو اور/ یا کسی ایسے واقعے کے باعث پیش آئے جس پر کمپنی کا کوئی اختیار نہ ہو۔

Request Form for Transmission of Annual Report & Notice of Meeting(s) Through Email or in Hard Copy

FAMCO Share Registration Services (Pvt) Limited
8-F, Near Hotel Faran
Nursery, Block 6, P.E.C.H.S.
Shahrah-e-Faisal
Karachi.

Sub: Request for transmission of Annual Reports and Notice of AGM through Email or in Hard copy

I/we hereby request to receive the Annual Report and Notice of the Meeting through email or in hard copy instead of receiving the same through QR code.

Name of the Shareholder(s)____Folio No. / CDC Participants ID A/C No.________________________ CNIC No.__________________________Contact Number__________________ Passport No. (in case of foreign shareholder)________________________________ Valid Email Address____ Valid Postal Address____

Mode of Receiving all Future Annual Reports along with Notice of the Meeting through email or in hard copy under section 223 (6) of the Companies Act, 2017, instead of receiving them through QR code.

(Please select any one option)

OPTION 1: Through email on the valid email address provided above ☐

OPTION 2: Hard copy(s) on my postal address ☐

I/we hereby further authorize the Company to update my/our particulars mentioned above in the member register of the Company along with email address mentioned.

____

Signature of the Shareholder

کمپنیز (ڈسٹری بیوشن آف ڈیوڈنڈ) ریگولیشنز، 2017 کے ریگولیشن نمبر 6 اور کمپنیز ایکٹ، 2017،کے سیکشن 243(3) کے مطابق کمپنی شیئر ہولڈر یا مجاز فرد، جیسا معاملہ ہو، کہ CNIC اور/ یا NTN کی عدم دستیابی کی صورت میں، شیئرہولڈرز کو ڈیوڈنڈ کی ادائیگی روکنے پر مجبور ہوگی۔

غیر دعویٰ شدہ ڈیویڈنڈ/ شیئرز

کمپنیز ایکٹ، 2017 کے سیکشن 244 کے تحت ، کمپنی کو چاہیے کہ وہ شیئر ہولڈرز سے رجوع کرے تاکہ وہ اپنے غیر دعویٰ شدہ ڈیویڈنڈ/ شیئرز کا دعویٰ کریں۔ اِس سلسلے میں کمپنی انفرادی خطوط بھیجنے کے بعد اخبارات میں نوٹس شائع کرکے اپنے شیئرہولڈرز سے رابطہ میں ہے۔ وہ شیئرہولڈرز، جنہوں نے ابھی تک اپنے ڈیویڈنڈ کی رقم کا دعویٰ نہیں کیاہے، اُن سے ایک بار پھر اس بات کو یقینی بنانے کی درخواست کی جاتی ہے کہ غیردعویٰ شدہ ڈیویڈنڈ کی رقم اور / یا شیئرز سرٹیفیکیٹ کے لئے فوری طور پر دعویٰ درج کریں۔

تفصیلات کی تبدیلی (پوسٹل / ای میل ایڈریس اور IBAN وغیرہ)

فزیکل شیئرز رکھنے والے شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنی تفصیلات میں ہونے والی کسی بھی تبدیلی کوفوری طور پر کمپنی کے شیئر رجسٹرار کو تحریری طور پر مطلع کریں جبکہ CDC اکائونٹ ہولڈرز سے درخواست کی جاتی ہےکہ وہ اپنی تفصیلات میں ہونے والی کسی بھی تبدیلی، اپنے پتے کو فوری بنیاد پر CDC پارٹسیپنٹ / CDC انویسٹر اکائونٹ سروسز کے ساتھ اپ ڈیٹ کرکے کریں۔

فزیکل شیئرز کی CDC اکاؤنٹ میں تبدیلی

کمپنیز ایکٹ،2017 کے سیکشن 72کے مطابق،ہر موجودہ لسٹڈ کمپنی کے لیے لازم ہے کہ وہ اپنے فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرے جیسا کہ بیان کیا ہے اور SECP کی مطلع کردہ تاریخ سے کمپنی نے اپنے شیئر ہولڈرز سے،جن کے پاس فزیکل شیئر ہولڈنگ ہے،اخباری نوٹس کے ذریعے درخواست کی ہے۔شیئر ہولڈرز کی ایک بار پھر حوصلہ افزائی کی جاتی ہے کہ وہ کسی بھی بروکر یا انویسٹر اکاؤنٹ میں براہِ راست CDCکے ساتھ CDC سب اکائونٹ کھولیں جس میں وہ اپنے فزیکل شیئرز کواسکرپ لیس فارم میں تبدیل کراسکتے ہیں،یہ بہت سے طریقوں سے فائدہ مند ہے،بشمول شیئرز کی محفوظ تحویل اور جب چاہیں ان کی فروخت،کیونکہ پاکستان اسٹاک ایکسچینج کے موجودہ ضوابط کے تحت فزیکل شیئرز کی تجارت کی اجازت نہیں ہے۔

پوسٹل بیلٹ/ای ووٹنگ

کمپنیز) پوسٹل بیلٹ(ریگولیشنز،2018کے مطابق،ڈائریکٹرز کے انتخاب کے مقصد کے لیے اور کمپنیز ایکٹ،2017کے سیکشن143اور144کے تقاضوں سے مشروط کسی دوسرے ایجنڈا کے لیے مجموعی طور پر10%یا اس سے زیادہ کے حامل ممبرز قانون کے مطابق شیئر ہولڈنگ کو پوسٹل بیلٹ کے ذریعے یعنی ڈاک یا ای ووٹنگ کے ذریعے اپنے ووٹ کا حق استعمال کرنے کی اجازت دی جائے گی،مذکورہ ضابطوں میں موجود شرائط کے ساتھ۔

1. ای ووٹنگ کی سہولت کے ای ووٹنگ طریقہ کار کی تفصیلات کمپنی کے اُن شیئرہولڈرز کے ساتھ ای میل کے ذریعے شیئر کی جائیں گی جن کے فعال CNIC نمبر، سیل نمبراور ای میل ایڈریس مقررہ وقت کے اندر کمپنی کے شیئر ہولڈرز کے رجسٹر میں دستیاب ہونگے۔ ویب ایڈریس، لاگ اِن تفصیلات، ای میل کے ذریعے شیئرہولڈرز کو بتائی جائیں گی۔ ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے شیئرہولڈرز کی شناخت الیکٹرونک سگنیچر یا لاگ اِن کے لیے تصدیق کے ذریعے کی جائیں گی۔ ای ووٹنگ کی لائنز23 اپریل 2025 شام 05:00 بجے شروع ہونگی اور 29 اپریل 2025 شام 05:00 بجے بند ہونگی۔ شیئرہولڈرز اس مدت کے دوران کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں۔ ایک بار جب کسی شیئرہولڈر کی طرف سے ووٹ ڈال دیا جاتا ہے تو اُسے بعد میں تبدیل کرنے کی اجازت نہیں ہوگی۔

2. پوسٹل بیلٹ کے ذریعے ووٹنگ کے لیے، شیئرہولڈرز کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کی دفعات کے مطابق ووٹ کا حق استعمال کرسکتے ہیں۔ شیئر ہولڈرز اس بات کو یقینی بنائیں کہ CNIC کی کاپی کے ساتھ باضابطہ طور پر پُر کیا گیا اور دستخط شدہ بیلٹ پیپر میٹنگ کے چیئرمین تک چوتھی منزل، دی فورم ، سوئٹ نمبر 416-422، G-20، بلاک 9 ، خیابانِ جامی، کلفٹن ، کراچی میں واقع کمپنی کے رجسٹرڈ آفس پر پوسٹ کے ذریعے یا ای میل chairman.generalmeetings@packages.com.pkپر AGM سے ایک دن پہلے یعنی 29 اپریل 2025 کو کاروباری اوقات کے دوران پہنچ جائے ۔ بیلٹ پیپر پر دستخط CNIC پر دستخط سے مماثل ہونے چاہیں۔ پوسٹ کے ذریعے ووٹنگ کے لیے بیلٹ پیپر شائع کیا جائے گا اوریہ کمپنی کی ویب سائٹ www.packages.com.pk پر بھی دستیاب ہوگا۔

3. اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکائونٹنٹس (' فرم') کو اسکروٹنائزر مقرر کیا گیا ہے۔ فرم نے ICAP کے کوالٹی ریوئیو پروگرام کے تحت ایک تسلی بخش ریٹنگ حاصل کی ہے اور یہ آڈٹ اوور سائٹ بورڈ آف پاکستان میں رجسٹرڈ ہے۔ فرم کے تمام پارٹنرز اہل ہیں اور قابلِ اطلاق قوانین، ضوابط اور مذکورہ کام کی روشنی میں اپنے فرائض انجام دینے کے لیے کافی تجربہ رکھتے ہیں۔

درخواست فرام برائے ترسیل سالانہ رپورٹ / اجلاسِ عام کا نوٹس

فیمکو شیئر رجسٹریشن سروسز پرائیویٹ لمٹیڈ
ایف 8 نزد ہوٹل فاران، نرسری بلاک 6،
پی ای سی ایچ ایس نرسری شاہراہ فیصل،
کراچی

عنوان: درخواست برائے سالانہ رپورٹ اور نوٹس برائے سالانہ اجلاس عام کی ای میل یا ہارڈ کاپی کی صورت میں ترسیل

میں/ہم اس کے ذریعے میٹنگ کی سالانہ رپورٹ اور نوٹس کیو آر کوڈ کے ذریعے وصول کرنے کی بجائے ای میل یا ہارڈ کاپی میں وصول کرنے کی درخواست کرتے ہیں۔

شیئر ہولڈر کا نام ______________________ فولیو نمب/ سی ڈی سی شرکت کنندہ کی آئی ڈی اکاؤنٹ نمبر ______________________

قومی شناختی کارڈ نمبر ______________________ ٹیلیفون نمبر ______________ موبائل نمبر ______________

پاسپورٹ نمبر (غیر ملکی شیئر ہولڈر کی صورت میں)______________________________________

valid ای میل ایڈریس ______________________ valid پوسٹل ایڈریس ______________________

کمپنیز ایکٹ 2017 کی دفعہ 223 (6) کے تحت مستقبل کی تمام سالانہ رپورٹس کیوآرکوڈ کے بجائے ای میل کے ذریعے یا ہارڈ کاپی میں وصول کرنے کا طریقہ:

برائے مہربانی درج ذیل میں سے ایک کا انتخاب کریں

آپشن 1: درج بالا فراہم کردہ Valid ای میل ایڈریس پر بذریعہ ای میل ☐

آپشن 2: میرے رجسٹرڈ پوسٹل ایڈریس پر ہارڈ کاپیز کی صورت میں ☐

اس درخواست کے ذریعے کمپنی کو مزید اس بات کا اختیار دیتا ہوں/ دیتے ہیں کہ وہ مذکورہ ای میل ایڈریس کے ساتھ کمپنی کے ممبر رجسٹر میں مذکورہ بالا میری ہماری تفصیلات اپ ڈیٹ کرے۔

شیئر ہولڈر کے دستخط ______________________

میل ایڈریس ہو، مورخہ 28اپریل 2025تک کاروباری اوقات کے اختتام تک مل جانے چاہئیں۔ AGMمیں شرکت کے لئے لاگ اِن اور لنک کی تفصیلات رجسٹرڈ شیئر ہولڈرز کو ای میل کے ذریعے فراہم کردی جائیں گی۔شیئر ہولڈرز کی حوصلہ افزائی کی جاتی ہے کہ وہ 28اپریل 2025 تک مذکورہ ای میل ایڈریس پر AGM کے امور سے متعلق اپنے تبصرے / تجاویز بھیجیں۔

تصریحات:

1- کمپنی کی شیئرٹرانسفر بکس حتمی ڈیویڈنڈ کی ادائیگی کے سلسلے میں اہلیت کا تعین کرنے کے لئے 23اپریل ، 2025بروز بدھ سے 30 اپریل ، 2025 بروزبدھ (بشمول دونوں ایام) بند رہیں گی۔ تاہم کمپنی کے رجسٹرار میسرز فیمکو شیئرز رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ،F-8 نزد ہوٹل فاران، نرسری، بلاک- 6،پی ای سی ایچ ایس، شاہراہ فیصل، کراچی میں 22اپریل 2025 بروزمنگل کو کاروباری اوقات کے اختتام تک وصول ہونے والی ٹرانسفر کی درخواستیں ٹرانسفریز کی اہلیت کے لئے بروقت تصور ہوں گی۔

2- کوئی شیئر ہولڈر جو اجلاس میں شرکت کرنے اور ووٹ دینے کا حقدارہے، وہ اپنی جگہ کسی دوسرے فرد کوشرکت کرنے، بولنے اور ووٹ دینے کے لئے اپنا پراکسی مقرر کرسکتا ہے۔ پراکسی کی تقرری کی دستاویز کمپنی کے رجسٹرڈ دفترواقع چوتھی منزل، دی فورم، سوئٹ نمبر416-422، G-20، بلاک 9،خیابان جامی، کلفٹن، کراچی کے پتے پر اجلاس کےوقت سے کم ازکم 48 گھنٹے قبل جمع کرانی ہوگی ۔

3- فزیکل شیئر کے حامل شیئر ہولڈرزکو اپنا اصل CNIC اور یا شیئرہولڈر(ز) کے CNIC کی کاپی ،جن کی پراکسی کے حامل ہیں، ساتھ لانا ہوگی ۔ CNIC کے بغیر شیئرہولڈرز کو AGM میں شرکت کرنے اور/ یا شیئر ہولڈرز ممبرز کے رجسٹر میں دستخط کرنے کی اجازت نہیں ہوگی۔

4- CDC اکاؤنٹ ہولڈرز اور سب اکاؤنٹ ہولڈرز ، جن کے رجسٹریشن کی تفصیلات شیئر بک تفصیلات رپورٹ میں دستیاب ہیں، ان کو سالانہ اجلاس عام میں شرکت کے وقت اپنی شناخت کی تصدیق کے لئے اپنا متعلقہ اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ پیش کرنا ہوگا۔ایسے اکاؤنٹ ہولڈرز اور سب اکاؤنٹ ہولڈرز کو اپنا متعلقہ شرکت کا آئی ڈی نمبر اور CDC اکاؤنٹ نمبر، اور پراکسی ہونے کی صورت میں اپنے CNIC یا پاسپورٹ کی تصدیق شدہ کاپی منسلک کرنا ہوگی۔ کارپوریٹ ممبر(ز) کے نمائندہ ہونے کی صورت میں بورڈ کی قرارداد پاور آف اٹارنی اور یا ایسی تمام دستاویز ساتھ لانا ہوں گی جو SECP کے سرکلر نمبر1مجریہ 26جنوری2000 کے تحت اس مقصد کےلئے درکار ہیں۔ پراکسی فارم کمپنی کی ویب سائٹ www.packages.com.pk پر بھی دستیاب ہے۔

سالانہ اکاؤنٹس اور اجلاسوں کے نوٹس کی ترسیل

کمپنیز ایکٹ ،2017 کے سیکشن 223 اور SRO 389(1)/2023 مورخہ 21 مارچ 2023 کے مطابق ، 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشوارے ، ڈائریکٹرز، آڈیٹرز اور چیئرمین رپورٹ کے ساتھ، سالانہ اجلاسِ عام کی اطلاع اور دیگر متعلقہ مواد کمپنی کی ویب سائٹ پر دستیاب اور بذریعہ QR کوڈ اشتراک کے لئے شائع کردیا گیا ہے۔ اسے فعال QR کوڈ اور ویب لنک کے ذریعے بھی ڈاؤنلوڈ کیا اور دیکھا جاسکتا ہے۔ کمپنی نے اپنی ایک گذشتہ جنرل میٹنگ میں ایسا کرنے کے لئے شیئر ہولڈرز کی منظوری حاصل کی ہے۔ مزید برآں ، ممبرز کو مطلع کیا جاتا ہے کہ کمپنیز ایکٹ، 2017 کے سیکشن 223(6) اور 473 کے مطابق ، جس کے تحت ای میل کے ذریعے الیکٹرانک فارمیٹ میں آڈٹ شدہ مالیاتی گوشوارے اور اجلاس کی اطلاع کی ترسیل کی اجازت دی گئی ہے۔ یہ ای میل کے ذریعے اُن ممبرز کو بھیجا گیا ہے جن کی جانب سے کمپنی کو ای میل ایڈریس فراہم کیا گیا ہے اور اس لیے ای میل کے ذریعے کاپیاں وصول کرنے کے لیے ممبرز کی رضامندی کی ضرورت نہیں ہے۔

شیئر ہولڈرز اس کی ہارڈ کاپی کی درخواست کر سکتے ہیں، جو مفت فراہم کی جائے گی، اگر ممبر کی جانب سے کمپنی کی ویب سائٹ پر دستیاب اسٹینڈرڈ ریکویسٹ فارم پر درخواست کی گئی ہو۔

AGMمیں قانونی ضابطہ اخلاق

شیئر ہولڈرز سے درخواست ہے کہ وہ کمپنیز ایکٹ2017کے سیکشن215اور کمپنیز(جنرل پرویژن اینڈ فارمز) ریگولیشنز2018 کے ریگولیشن 28کے مطابق AGM میں قانونی ضابطہ اخلاق کی پابندی کریں، جب کہ شیئر ہولڈرز کو اثرو رسوخ پر زور دینے یا فیصلوں کے لئے براہ راست انتظامیہ تک پہنچنے کی اجازت نہیں ہوگی جو انتظامیہ کےلئے امور کی ہموار انجام دہی میں رکاوٹ کا سبب بن سکتے ہیں۔ جیسا کہ ان دفعات میں درج ہے، شیئر ہولڈرز کوئی ایسا سامان اپنے ساتھ نہیں لائیں گے جو شرکاء یا AGM کے منعقد ہونے کی حدود میں کسی خطرے کا باعث ہو، اور خود کوAGMکے نوٹس میں شامل ایجنڈا تک محدود رکھیں گے اور نہ ہی ایسا رویہ اختیار کریں گے جو کسی سیاسی وابستگی کو ظاہر کرتا ہو۔ اس کے علاوہ کمپنیز ایکٹ 2017 کے سیکشن 185کی رو سے کمپنی کو اپنے اجلاسوں میں شیئر ہولڈرز کوکسی بھی شکل میں تحائف تقسیم کرنے کی اجازت نہیں ہے۔

ڈیویڈنڈ انکم پر ودھ ہولڈنگ ٹیکس

i انکم ٹیکس آرڈیننس، 2001 کے سیکشن 150 کے مطابق ، ادا کردہ ڈیویڈنڈ پر ودھ ہولڈنگ ٹیکس ' فائلر' اور ' نان فائلر' شیئرہولڈرز کے لئے بالترتیب 15 اور 30 فیصد پر کٹوتی ہوگی۔ تمام ممبرز/ شیئر ہولڈرز جن کے نام فیڈرل بورڈ آف ریونیو (FBR) کی ویب سائٹ پر فراہم کردہ ایکٹو ٹیکس پیئرزلسٹ (ATL) میں درج نہیں ہیں، باوجود اس کے کہ وہ فائلرز ہیں، کو مشورہ دیا جاتا ہے کہ وہ اس بات کو یقینی بنائیں کہ اُن کے نام کارآمد CNIC/NTNs (نیشنل ٹیکس نمبرز) کے ساتھ 22اپریل ،2025 سے پہلے ATL میں درج ہوں؛ تاکہ کمپنی کے لئے کیش ڈیویڈنڈ پر مطلوبہ ٹیکس کی کٹوتی کرنا ممکن ہو۔ اس مناسبت سے، شیئر ہولڈرز کو یہ مشورہ بھی دیا جاتا ہے کہ وہ FBR کی ویب سائٹ http://www.fbr.gov.pk/ پر دستیاب ATL میں اپنی مطلقہ حیثیت کو چیک کریں اور یقینی بنائیں اور ساتھ ہی یہ بھی یقینی بنائیں کہ ان کا CNIC/Passport نمبر پارٹیسپینٹ/ انویسٹر اکاؤنٹ سروسز یا کمپنی کے شیئر رجسٹرار (فزیکل شیئر ہولڈنگ کی صورت میں) کے ذریعے ریکارڈ کیا گیا ہے۔

ii FBR کے مطابق جوائنٹ شیئر ہولڈرز اکاؤنٹس کی صورت میں ودھ ہولڈنگ ٹیکس کا تعین الگ سے پرنسپل شیئرہولڈر کے ' فائلر/ نان فائلر' ہونے کی حیثیت اور ساتھ ساتھ جوائنٹ ہولڈرز کی شیئر ہولڈنگ کے تناسب کے مطابق حیثیت کی بنیاد پر کیا جائے گا۔ دوسرے شیئر ہولڈرز کے ساتھ مشترکہ طور پر شیئرز رکھنے والے ممبرز سے درخواست کی جاتی ہے کہ وہ تحریری طور پر پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈر ز کے شیئر ہولڈنگ کا تناسب کمپنی کے شیئر رجسٹرار ، فیمکو شیئرز رجسٹریشن سروسز (پرائیوٹ) لمیٹڈ کو فراہم کریں۔ اگر 22اپریل ، 2025سے پہلے کمپنی کے رجسٹرار کو مطلوبہ معلومات فراہم نہیں کی گی تو یہ تصور کیا جائے گا کہ شیئرز پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈرز کے برابر تناسب میں رکھے گئے ہیں۔

iii ڈیویڈنڈ انکم سے ودھ ہولڈنگ ٹیکس سے استثنیٰ کی اجازت صرف اس صورت میں دی جائے گی جب 22اپریل ، 2025 سے پہلے کمپنی کے شیئر رجسٹرارکو درست ٹیکس استثنیٰ کے سرٹیفیکیٹ کی کاپی دستیاب کردی جائے۔

iv انکم ٹیکس آرڈیننس، 2001 کے سیکشن 82 برائے رہائشی کی حیثیت کے تعین کی تعریف کے تحت، ڈیویڈنڈ پر ٹیکس کی کٹوتی کے لیے غیر رہائشی شیئر ہولڈرز کو انڈرٹیکنگ کی ڈیکلریشن مع کارآمد پاسپورٹ کی کاپی، کمپنی کے شیئر رجسٹرار کے پاس 22اپریل، 2025 سے پہلے جمع کرانا ہوگی۔ ممبرز درج ذیل رجسٹرار اور کمپنی کی ویب سائٹ پر موجود مقررہ فارمیٹ استعمال کرتے ہوئے ڈیکلریشن بھیج سکتے ہیں:
www.famcorsrs.com & www.packages.com.pk

زکوٰۃ کی کٹوتی

زکوٰۃ کی لازمی کٹوتی سے استثنیٰ کا دعویٰ کرنے کے لیے، شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ NJSP پر زکوٰۃ اعلامیہ فارم CZ-50کی ایک نوٹرائز ڈکاپی شیئر رجسٹرار کو جمع کرائیں۔ اگر شیئرز اسکرپ لیس فارم میں رکھے گئے ہیں تو اس طرح کے زکوٰۃ اعلامیہ فارم (CZ-50) کو شیئر ہولڈر کے CDC اکاؤنٹ میں، ان کے شریک / انویسٹر اکاؤنٹ سروسز کے ذریعے اپ لوڈ کیا جانا چاہیے۔ مزید برآں، غیر مسلم شیئر ہولڈرزکے لئے بھی لازمی ہے کہ وہ کمپنی کے شیئر رجسٹرار کے پاس (کمپنی کی ویب سائٹ پر دستیاب فارمیٹ پر) شیئرزکے فزیکل سرٹیفکیٹ میں یا CDC کے شراکت دار انویسٹر اکاؤنٹ کی خدمات کے پاس اسکرپ لیس فارم کی صورت میں شیئرز ہونے کی تصدیق کریں۔ زکوٰۃ کی کٹوتی سے اس وقت تک کوئی رعایت نہیں دی جائے گی جب تک کہ مندرجہ بالا تمام دستاویزات مکمل طور پر جمع نہ کر دی جائیں۔

کیش ڈیویڈنڈ کی الیکٹرونک ذریعہ سے ادائیگی (لازمی)

کمپنیز ایکٹ، 2017 کے سیکشن 242 کے تحت، تمام لسٹڈ کمپنیوں کے لئے لازمی ہے کہ وہ اپنے حقدار شیئر ہولڈرز کو الیکٹرانک موڈ کے ذریعے براہِ راست اُن کے نامزد کردہ بینک اکاؤنٹ میں نقد ڈیویڈنڈ ادا کریں۔ براہِ راست اُن کے بینک اکاؤنٹ میں ڈیویڈنڈوصول کرنے کے لئے۔

مزید برآں ، کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈ)ریگولیشنز، 2017 کے مطابق، شیئرہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اپنا CNIC نمبر اور انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) کی تفصیلات ہمارے شیئر رجسٹرار (اگر شیئر فزیکل فارم میں رکھے گئے ہیں) کو اُن کے اوپر دیئے گئے دفتری پتے یا متعلقہ پارٹیسپینٹس/ بروکر (اگر شیئرز CDS اکاؤنٹ کے ذریعے رکھے گئے ہیں) کو فراہم کریں، اگر اب تک ایسا نہیں کیا گیا ہے۔ معلومات نا ملنے کی صورت میں، کمپنی ڈیویڈنڈ کی ادائیگی روکنے پر مجبور ہوگی۔

حصص داری کی ساخت

31 دسمبر 2024 تک حصص یافتگان کے مخصوص طبقے کی حصص داری کی ساخت کا بیان، جس کا انکشاف رپورٹنگ فریم ورک کے تحت ضروری ہے، رپورٹ میں منسلک ہے، براہ کرم صفحہ نمبر 297 ملاحظہ کریں ۔

بورڈ اور اس کی کمیٹیوں کا سالانہ جائزہ

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت بورڈ نے اپنے انفرادی ممبران، بورڈ اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لیا ہے۔

بورڈ کے جائزہ کا عمل اندرونی طور پر کمپنی سیکرٹری کے ذریعے کیا گیا جس نے ایک سالانہ تشخیصی سوالنامہ تیار کیا جسے بورڈ کے اراکین کے درمیان بورڈ کی کارکردگی کے بارے میں وضاحتیں اور مزید نگرانی اور نقطہ نظر فراہم کرنے کے لئے تقسیم کیا جاتا ہے۔

اس کے بعد کمپنی سکریٹری جمع کی گئی معلومات سے تمام جوابات اکٹھا کرتا ہے۔ پُرشدہ سوالنامے اور ڈائریکٹران کے تبصرے موصول ہونے پر کمپنی سیکرٹری کی طرف سے سختی کے ساتھ رازداری پر عمل کیا جاتا ہے۔

کمپنی کا عملہ اور صارفین

انتظامیہ کمپنی کے متعلقین خاص طور پر اپنے صارفین کے اس کی مصنوعات اور خدمات پر مسلسل اعتماد پر ان کی مشکور ہے۔

انتظامیہ کمپنی کے تمام ملازمین کا بھی شکریہ ادا کرنا چاہتی ہے جنہوں نے انتھک محنت کی۔ ہم ان کی محنت، دیانت اور لگن کو سراہتے ہیں۔

مستقبل کا منظر نامہ

2024 میں پاکستان کی معاشی کارکردگی میں لچک پذیری اور بتدریج بہتری دیکھنے میں آئی۔ کمپنی کو توقع ہے کہ پالیسی کے تحت محتاط انتظام ، مالیاتی نظم و ضبط کو برقرار رکھنے، غیر ملکی زرمبادلہ کے ذخائر میں بہتری، سیاسی استحکام اور دوست ممالک کی جانب سے اقتصادی امداد کی بدولت ملک کا معاشی منظر نامہ مسلسل بہتر ہوتا رہے گا۔

2024 میں انٹرنیشنل مانیٹری فنڈ (IMF) پروگرام کے تحت توسیعی فنڈ سہولت انتظام (EEF) سے سات بلین ڈالر کے قرض کی پہلی قسط نے بھی انتہائی ضروری مالی معاونت فراہم کرنے، سرمایہ کاروں کے اعتماد کو بحال کرنے اور معاشی ماحول کو مستحکم کرنے میں بہت اہم کردار ادا کیا ۔ مجموعی طور پر یہ اقدامات معاشی تنوع، مستقبل میں پائیدار ترقی اور استحکام کے لیے ایک مثبت راستہ پر گامزن ہیں۔

اسٹارچ پیک (پرائیویٹ) لمیٹڈ ('SPAC') کے پہلے سال کے کاروباری نقصانات، کلیدی سرمائے کے اخراجات اور بلھے شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ (BSPL) کو درپیش مارکیٹ کے منفی حالات کی وجہ سے ٹرائی پیک فلمز لمیٹڈ ('TPFL') کی بلند فرسودگی اور مالیاتی لاگت کے نتیجے میں ان سرمایہ کاریوں پر منفعت متاثر ہوئی ۔ لیکن انتظامیہ کو یقین کہ آخرکار بحالی آئے گی اور منافع کو یقینی بنانے کے لیے اقدامات کر رہی ہے۔ اس سلسلے میں ایک نظرثانی شدہ تین سالہ حکمت عملی تیار کی گئی جس کے بعد کمپنی کے بورڈ آف ڈائریکٹرز نے SPAC میں تین(3) بلین پاکستانی روپے اور BSPL میں آٹھ(8) بلین پاکستانی روپے تک مختلف شکلوں میں سرمایہ کاری کی منظوری دی جس میں عمومی حصصی سرمایہ، ماتحت قرضے اور دونوں کمپنیوں کے سرمائے کے ڈھانچے کو بہتر بنانے کے لیے پیشگی قرض کی ایکویٹی میں ممکنہ تبدیلی شامل ہے۔

توفیق حبیب چنائے
(چیئرمین)

سید حیدر علی
(چیف ایگزیکٹو آفیسر اور منیجنگ ڈائریکٹر)

25 مارچ، 2025
لاہور

اطلاع برائے 70 واں سالانہ اجلاسِ عام

بذریعہ ہٰذا مطلع کیا جاتا ہے کہ پیکجز لمیٹڈ(' کمپنی ') کے شیئر ہولڈرز کا 70واں سالانہ اجلاس بروزبدھ 30 اپریل2025بوقت صبح 10:00 بجے بمقام انسٹی ٹیوٹ آف چارٹرڈ اکائونٹنٹس آف پاکستان(ICAP) ، چارٹرڈ اکائونٹنٹس ایوینیو، بلاک8 ، کلفٹن، کراچی اور ورچوئل بذریعہ زوم درج ذیل امور کی انجام دہی کے لئے منعقد ہوگا۔

عمومی امور

1۔ کمپنی کے گزشتہ سالانہ اجلاس عام منعقدہ29 اپریل 2024 کی کاروائی کی توثیق۔

2- آڈٹ شدہ مالیاتی گوشوارے مع ڈائریکٹرزاور آڈیٹرکی رپورٹ برائے سال مختتمہ 31دسمبر2024وصول کرنا، ان پر غور کرنا اور ان کو اختیارکرنا۔

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3- کمپنی کے عمومی اور ترجیحی شیئرز پر ڈیویڈنڈ پر غورکرنا، منظوری دینا اور اعلان کرنا۔ بورڈ آف ڈائریکٹرزنے نقد منافع منقسمہ برائے سال مختتمہ31 دسمبر 2024 درج ذیل کی سفارش کی ہے:

(الف) ترجیحی شیئر/ تبادلہ پذیر اسٹاک ہولڈرز (انٹرنیشنل فنانس کارپوریشن) کو 19.00 روپے(10فیصد) فی 190 روپے ترجیحی شیئر/ تبادلہ پذیر اسٹاک کے حساب سے ادائیگی جو بورڈ کی جانب سے تجویزکردہ اور پیکجز لمیٹڈ اور انٹرنیشنل فنانس کارپوریشن کے درمیان سبسکرپشن معاہدہ کی رو سے اور اس کے تحت ہم آہنگ کیا گیا مجموعی مزانیہ 155,549,998 روپے اور

(ب) عام شیئرہولڈرز کو 15.00 روپے (150 فیصد) فی 10 روپے والے عام حصص پر

4- رواں سال کے لئے کمپنی کے بیرونی آڈیٹرز کا تقرر کرنا اور ان کے مشاہرے کا تعین کرنا۔ موجودہ آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی (چارٹرڈ اکائونٹنٹس) نے اہل ہونے کی بنا پر بطور آڈیٹر دوبارہ تقرری کے لئے رضامندی ظاہر کی ہے اور بورڈ آف ڈائریکٹرز نے ان کی دوبارہ تقرری کی سفارش کی ہے۔

خصوصی امور

1- غور کرنا اور اگر مناسب سمجھا جائے تو، ایک خصوصی قرارداد منظور کرنا، جیسا کہ کمپنیز ایکٹ ، 2017 (' ایکٹ')کے سیکشن 199 کے مطابق، مادی حقائق کے بیان میں تجویز کیا گیا ہے، تاکہ کمپنی کی ان لسٹڈ ذیلی کمپنی DIC پاکستان لمیٹڈ کو کراس کمپنی ضامن کی منظوری دی جاسکے۔

مذکورہ بالا خصوصی امور کا احاطہ کرنے والے مادی حقائق کا بیان جیسا کہ ایکٹ کے سیکشن 134(3) کے تحت ضروری ہے، سالانہ اجلاسِ عام کے اس نوٹس کے ساتھ شیئرہولڈرز کو بھیج دیا گیا ہے۔

دیگر امور

1- صدرِ مجلس کی اجازت سے کسی دیگر امور کی انجام دہی ۔

بحکم بورڈ

اقرا سجاد
کمپنی سیکرٹری

09 اپریل، 2025
کراچی

ورچوئل طور پر AGM کی کاروائی میں شرکت

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") نے اپنے وقتاً فوقتاً جاری کردہ سرکلرز کے ذریعے لسٹڈ کمپنیزکو ہدایت کی ہے کہ وہ اپنے سالانہ اجلاس فزیکل میٹنگ کی ضروریات کے علاوہ ورچوئل طور پر بھی منعقد کریں۔ کمپنی کی جانب سے شیئر ہولڈرز کوAGMمیں شرکت کےلئے مزید سہولت فراہم کرنے کی غرض سے درج ذیل انتظامات کئے گئے ہیں۔ AGMمیں ورچوئل طور پر شرکت کے خواہشمند شیئرہولڈرز سے درخواست ہے کہ وہ اپنے کوائف مقررہ ای میل ایڈریس shares.desk@packages.com.pk پر بھیج کر خود کو رجسٹر کروالیں جن میں ان کا نام، فولیو نمبراور اپنا ای

نقدی کے بہاؤ کو شرح سود کے خطرے سے دوچار کرتے ہیں۔ ہمارا ادارہ مالیاتی نتائج پر ممکنہ اثرات کو کم کرنے کے لئے شرح سود کے خطرات کی فعال طور پر نگرانی اور انتظام کرتا ہے۔

زرمبادلہ کے خطرات
غیر ملکی کرنسی کا خطرہ بنیادی طور پر وہاں پیدا ہوتا ہے جہاں غیر ملکی کرنسیوں میں لین دین کی وجہ سے قابل وصولی اور واجب الاد رقومات ہوں۔

سرمائے کا انتظام
کمپنی کی پالیسی کے تحت سرمائے کی ایک مضبوط بنیاد کو برقرار رکھنا ہے تاکہ سرمایہ کاروں، قرض دہندگان اور مارکیٹ کا اعتماد بحال رکھا جا سکے اور مستقبل میں کاروباری ترقی کے تسلسل کو برقرار رکھا جا سکے۔ سال کے دوران سرمائے کے انتظام کے لحاظ سے کمپنی کے نقطہ نظر میں کوئی تبدیلی نہیں آئی۔

قومی خزانے میں معاونت
آپ کی کمپنی قومی معیشت میں اہم شراکت دار ہے اور اس نے سال 2024 کے دوران سیلز ٹیکس، انکم ٹیکس، درآمدی ڈیوٹیوں اور آبکاری محصولات کی مد میں قومی خزانے میں 487ملین روپے جمع کرائے ہیں۔

ریٹائرمنٹ فنڈز
کمپنی اس وقت تین ریٹائرمنٹ فنڈز چلا رہی ہے جن میں پراویڈنٹ فنڈ، گریجویٹی فنڈ اور پنشن فنڈ شامل ہیں۔ 31 دسمبر 2024 کو ان کے غیرآڈٹ شدہ مالیاتی گوشواروں کی بنیاد پر ان فنڈز سے کی گئی سرمایہ کاری کی مالیت درج ذیل تھی:

پراویڈنٹ فنڈ	4,098.52 ملین روپے
گریجو یٹی فنڈ	704.42 ملین روپے
پنشن فنڈ	3,082.19 ملین روپے

مصارف منافع
کمپنی کے بورڈ آف ڈائریکٹرز نے کمپنی کے سال 2024 کے مالیاتی نتائج کے مدنظر رکھتے ہوئے 150 فیصد (یعنی 15روپے فی حصص) نقد منافع منقسمہ کی سفارش کی ہے۔ اس کے مطابق مندرجہ ذیل تخصیصات کی گئی ہیں

	روپے ۔ ہزاروں میں
ترجیحی منافع منقسمہ / منفعت کی تخصیص کے بعد سال 2024 کی کل جامع آمدنی	1,825,465
غیر مختص منافع جو آگے لایا گیا	486,029
تخصیص کے لیے دستیاب	2,311,494
منافع منقسمہ	(1,340,693)
2025 میں لے جایا جائے گا	970,801

آڈیٹرز
موجودہ آڈیٹر میسرز A.F. فرگوسن اینڈ کو ریٹائر ہو رہے ہیں اور انہوں نے اپنی دوبارہ تقرری کی پیشکش کی ہے۔ انہیں انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کی جانب سے تسلی بخش درجہ بندی حاصل ہے،اس کے ساتھ انہوں نے ICAP کے اختیار کردہ انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے ضابطہ اخلاق کے رہنما اصولوں کی پاسداری کی تصدیق کی ہے ۔

آڈٹ کمیٹی کی تجویز پر بورڈ آف ڈائریکٹرز نے 31 دسمبر 2025 کو ختم ہونے والے سال کے لئے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے جن کی فیس باہمی رضامندی سے طے ہوگی۔

کمپنی کے کاروبار سے ماحولیات پر اثرات اور ادارتی سماجی ذمہ داری
ماحولیات پر کمپنی کے کاروباری اثرات اور ادارتی سماجی ذمہ داری کے حوالے سے آپ کی کمپنی کی طرف سے کئے گئے اقدامات کا بیان سالانہ رپورٹ کے صفحہ 64 پر کیا گیا ہے۔

ادارتی نظم و ضبط کے ضابطے کی پاسداری
لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز2019 کو کمپنی نے اختیار کیا ہے اور اس کی باضابطہ پاسداری کی جاتی ہے۔ اس سلسلے میں ایک بیان رپورٹ کے ساتھ منسلک ہے، براہ کرم صفحہ 95 ملاحظہ کریں۔

اہم تبدیلیاں
31 دسمبر 2023 کے بعد سے کوئی اہم تبدیلیاں رونما نہیں ہوئی ہیں اور کمپنی نے کوئی ایسا معاہدہ نہیں کیا ہے جو اس تاریخ پر اس کی مالیاتی پوزیشن کو متاثر کرے سوائے ان کے جنہیں کمپنی کے 31 دسمبر 2024 کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشواروں میں بیان کیا گیا ہے۔

ڈائریکٹروں کی تعداد

الف۔ مرد	9
ب۔ خاتون	1

بورڈ کی تشکیل

قسم	تعداد
آزاد ڈائریکٹران	3
نان ایگزیکٹو ڈائریکٹران	5
ایگزیکٹو ڈائریکٹران	2
خاتون ڈائریکٹر (آزاد ڈائریکٹران میں شامل)	1

قسم	فیصد
آزاد ڈائریکٹران	30%
نان ایگزیکٹو ڈائریکٹران	50%
ایگزیکٹو ڈائریکٹران	20%

بورڈ کی ساخت میں تبدیلیاں
2024 کے دوران بورڈ کی تشکیل میں کوئی تبدیلی نہیں ہوئی۔

بورڈ آف ڈائریکٹرز کے اجلاس
سال 2024 کے دوران بورڈ آف ڈائریکٹرز کے آٹھ (8) اجلاس ہوئے اور ہر ڈائریکٹر کی طرف سے شرکت کئے گئے اجلاسوں کی تعداد ذیل میں بیان گئی ہے:

نمبر شمار	ڈائریکٹران کے نام	حاضر شدہ اجلاس کی تعداد
1	جناب توفیق حبیب چنائے (چیئرمین)	8
2	سید حیدر علی	8
3	سید شاہد علی	3
4	جناب حسن عسکری	8
5	ناب عاطف اسلم باجوہ	6
6	محترمہ صبا کمال	8
7	جناب طارق اقبال خان	8
8	سید اسلم مہدی	7
9	جناب جوزف میتزاڈ مولر	6
10	جناب عثمان خالد وحید	7

جو ڈائریکٹران بورڈ کے اجلاسوں میں شرکت نہ کرسکے ان کی رخصت منظور کرلی گئی۔

آڈٹ کمیٹی
کوڈ آف کارپوریٹ گورننس کے نفاذ سے بورڈ کی ایک آڈٹ کمیٹی موجود ہے۔ یہ کمیٹی کے چیئرمین سمیت تین (3) نان ایگزیکٹو ڈائریکٹر ان اور دو (2) آزاد ڈائریکٹران پر مشتمل ہے۔

سال کے دوران آڈٹ کمیٹی کے چار (4) اجلاس ہوئے۔ ہر ممبر کی حاضری درج ذیل رہی:

نمبر شمار	ممبر کا نام	حاضر شدہ اجلاس کی تعداد
1	جناب حسن عسکری صاحب(چیئرمین)	4
2	سید شاہد علی	3
3	جناب عاطف اسلم باجوہ	4
4	جناب طارق اقبال خان	4
5	جناب عثمان خالد وحید	4

آڈٹ کمیٹی کے اجلاسوں میں جو ممبران شرکت نہ کرسکے ان کی رخصت منظور کرلی گئی۔

آڈٹ کمیٹی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز2019 میں بیان کردہ اپنی ذمہ داریوں کو اختیار کیا ہے۔

انسانی وسائل اور معاوضہ کمیٹی
انسانی وسائل اور معاوضہ کمیٹی چھ (6) ممبران پر مشتمل ہے جس میں تین (3) نان ایگزیکٹیو ڈائریکٹران، ایک (1) ایگزیکٹو ڈائریکٹر اور دو (2) آزاد ڈائریکٹران بشمول کمیٹی کی چیئرپرسن شامل ہے۔

سال کے دوران انسانی وسائل اور معاوضہ کمیٹی کے دو (2) اجلاس ہوئے۔ ہر ممبر کی حاضری درج ذیل رہی:

نمبر شمار	ممبر کا نام	حاضر شدہ اجلاس کی تعداد
1	محترمہ صبا کمال (چیئرپرسن)	2
2	سید حیدر علی	2
3	جناب حسن عسکری	2
4	جناب عاطف اسلم باجوہ	2
5	جناب توفیق حبیب چنائے	2
6	جناب جوزف میتزاڈ مولر	2

انسانی وسائل اور معاوضہ کمیٹی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں بیان کردہ ذمہ داریوں کو اپنایا ہے۔

ملحقہ فریقین کے ساتھ سودے
کمپنیز ایکٹ، 2017 کی دفعہ 208 اور کمپنیز (ریلیٹڈ پارٹی ٹرانزیکشنز اور مینٹیننس آف ریلیٹڈ ریکارڈز) ریگولیشنز، 2018 کے تحت کمپنی نے:

(الف) ملحقہ فریقین کے سودوں کی پالیسی قائم کی ہے جس کی بورڈ نے باضابطہ منظوری دی ہے۔

(ب) ملحقہ فریقین کے ساتھ لین دین کے لیے شرائط مرتب کیں تاکہ "عمومی طریقہ کار کے تحت یکساں بنیاد پر" انجام پائیں۔

(ج) ملحقہ فریق کے ساتھ سودوں کی منظوری کے لئے درکار کم از کم معلومات بورڈ کے کاغذات میں ڈائریکٹران کو ترسیل اور منکشف کی جاتی ہیں۔

ڈائریکٹران کا معاوضہ
اس پالیسی کا مقصد بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے انفرادی ڈائریکٹران کے معاوضے کے پیکیجز کو طے کرنے کے لیے شفاف طریقہ کار کو اپنانا ہے۔

پالیسی کے تحت بورڈ یا کمیٹیوں کے ڈائریکٹران کے اجلاسوں میں شرکت کے لیے ڈائریکٹران کے معاوضے کا تعین بورڈ وقتاً فوقتاً مارکیٹ کے رجحانات کی بنیاد پر کرے گا۔

گروپ کی دیگر کمپنیوں میں پیکیجز کے نامزد ڈائریکٹران بورڈ/کمیٹی کے اجلاس کی فیس کی وصولی کے حقدار نہیں ہوں گے۔ اگر کوئی ڈائریکٹر اس جگہ سے باہر رہائش پذیر ہے جہاں بورڈ کا کوئی اجلاس ہوتا ہے اور جو بورڈ/کمیٹی کے اجلاسوں میں شرکت کے مقصد سے اس جگہ سے آئے گا تو ڈائریکٹر اصل کی بنیاد پر اخراجات کی وصولی کا حقدار ہوگا۔

ایگزیکٹو اور نان ایگزیکٹیو ڈائریکٹران کو ادا کئے گئے معاوضوں کی مجموعی رقم کی مزید تفصیلات اس سالانہ رپورٹ کے مالیاتی گوشواروں کے نوٹ 33، صفحہ نمبر167 میں بیان کی گئی ہیں۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک
آپ کی کمپنی کے ڈائریکٹر ان بیان کرتے ہیں کہ:

(1) کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشواروں میں معاملات کی حالت، اس کے کاروباری نتائج، نقدی کے بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کو شفاف انداز سے پیش کیا گیا ہے۔

(2) کمپنی کے کھاتوں کی کتابیں مناسب انداز سے مرتب کی گئی ہیں۔

(3) مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا اطلاق کیا گیا ہے اور حساباتی تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

(4) کمپنیز ایکٹ 2017 اور بین الاقوامی مالیاتی رپورٹنگ کے معیارات جو پاکستان میں لاگو ہیں، ان کے مطابق مالی گوشوارے تیار کیے گئے ہیں۔ کسی بھی انحراف کا مناسب طور پر منکشف کیا گیا ہے اور وضاحت کی گئی ہے۔

(5) اندرونی گرفت کا نظام بشمول مالیاتی اور کاروباری کنٹرولز، خرید و فروخت، رسیدوں اور ادائیگیوں، اثاثوں اور واجبات کی بروقت اور مناسب ریکارڈنگ کے لیے اکاؤنٹنگ سسٹم اور رپورٹنگ کا ڈھانچہ ڈیزائن کے لحاظ سے درست ہے اور اسے مؤثر طریقے سے نافذ کیا گیا ہے اور نگرانی کی جاتی ہے۔

(6) کمپنی کے چلتے ہوئے ادارے کی صلاحیت کے بارے میں کوئی شبہات نہیں ہیں۔

(7) لسٹنگ ریگولیشنز میں بیان کردہ ادارتی نظم و ضبط کے بہترین طور طریقوں سے کوئی انحراف نہیں ہوا۔

(8) ڈائریکٹرز رپورٹ میں کمپنی کے گزشتہ سال کے کاروباری نتائج سے قابل ذکر انحراف کو اجاگر کیا گیا ہے اور وجوہات کو وضاحت سے بیان کیا گیا ہے۔

(9) گزشتہ چھ سالوں کے کلیدی کاروباری اور مالیاتی اعدادوشمار صفحہ نمبر 97 پر منسلک ہیں۔

(10)ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کی مد میں اگر کوئی قانونی ادائیگی بقایا ہے تو اس کی مختصر تفصیل اور وجوہات کے ساتھ رقم مالیاتی گوشواروں میں منکشف کی گئی ہے۔

(11) اہم منصوبوں اور فیصلوں جیسے کہ ادارتی تنظیم نو، کاروبار میں توسیع اور آپریشنز کی بندش کے ساتھ مستقبل کے امکانات، خطرات اور غیر یقینی صورتحال ،اگرکوئی ہوں، تو انہیں منکشف کیا گیا ہے۔

(12) سال کے دوران منعقد ہونے والے بورڈ اور کمیٹیوں کے اجلاسوں کی تعداد اور ہر ڈائریکٹر کی حاضری منسلک ہے۔

(13) تربیتی پروگراموں کی تفصیلات جن میں ڈائریکٹران نے شرکت کی ،صفحہ نمبر پر 88 منسلک ہیں۔

(14) حصص داری کی ساخت صفحہ297نمبر پر منسلک ہے، اور

(15) ڈائریکٹران، اعلیٰ انتظامی عملے اور ان کے شریک حیات اور نابالغ بچوں کی کمپنی کے حصص میں تمام خریدوفروخت منسلک کی گئی ہے۔

چیف ایگزیکٹو آفیسر/ڈائریکٹران/سرپرستوں/شریک حیات اور اعلیٰ انتظامی عملے کی حصص میں خریدوفروخت
ڈائریکٹران، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری، اندرونی آڈٹ کے سربراہ، دیگر اعلیٰ انتظامی عملے، ان کے شریک حیات/ سرپرستوں اور نابالغ بچوں کی کمپنی کے حصص میں خریدوفروخت کی تفصیلات درج ذیل ہیں:

حصص کی خریداری/ فروخت	حصص کی تعداد
ڈائریکٹران	-
چیف ایگزیکٹو آفیسر	-
چیف فنانشل آفیسر	-
کمپنی سیکرٹری	-
اندرونی آڈٹ کے سربراہ	-
دیگر ایگزیکٹو(ز)	-
شریک حیات/سرپرست	182,425
نابالغ بچے	-

حصص یافتگان کے لئے ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹران آپ کی کمپنی کی رپورٹ کے ساتھ 31 دسمبر 2024 کو ختم ہونے والے سال کے مالیاتی گوشوارے پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

مالیاتی کارکردگی

مالیاتی کارکردگی کا خلاصہ درج ذیل ہے:

	2024	2023
	(روپے ۔ ملین میں)	
منافع منقسمہ کی آمدن	4,060	5,840
کرایہ جاتی آمدن	667	553
خالص کاروباری مناگ	4,727	6,393
EBIT	3,618	5,517
مالیاتی لاگتیں	(1,588)	(1,438)
دیگر آمدن- خالص	219	210
سرمایہ کاریوں پر فرسودگی	-	(1,202)
آمدن قبل از محصولات و انکم ٹیکس	2,249	3,087
محصولات و انکم ٹیکس	(337)	(309)
سال کی آمدن	1,912	2,778
بنیادی آمدنی فی حصص - روپے	20.68	30.37

پیکجز لمیٹڈ ایک انویسٹمنٹ ہولڈنگ کمپنی کے طور پر کام کر تی ہے اور اس کی کارکردگی کا تعین پاکستان کے اندر اور باہر واقع اس کی گروپ کمپنیوں کی مالیاتی کارکردگی سے ہوتا ہے جو کہ عام اقتصادی ماحول سے متاثر ہوتی ہیں۔

منافع منقسمہ کی آمدنی پیکجز لمیٹڈ کی آمدنی کا بڑا ذریعہ ہے۔ نتیجے کے طور پر اس کی آمدنی کی ساخت گروپ کمپنیوں کے منافع منقسمہ کی تقسیم کی ساخت کے مطابق ہوگی۔ انتظامیہ کا خیال ہے کہ یہ ادارتی ڈھانچہ گروپ کمپنیوں کے مرکوز انتظام کے لیے سازگار ہے جو بہتر کاروباری کارکردگی کا باعث بنتا ہے۔

کمپنی کو گزشتہ سال 5,840 ملین روپے کے مقابلے میں سال 2024 کے دوران 4,060 ملین روپے کا منافع منقسمہ حاصل ہوا۔ منافع میں کمی بنیادی طور پر موجودہ سال (2023 میں1,750 ملین روپے) میں بلھے شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ سے کوئی منافع منقسمہ حاصل نہ ہونے کی وجہ سے ہے۔ سال 2024 میں مالیاتی لاگت بلند رہی یعنی 150 ملین رہی جس کی وجہ گروپ کمپنیوں (اسٹارچ پیک (پرائیویٹ) لمیٹڈ، ٹرائی پیک فلمز لمیٹڈاور ہکسٹ پاکستان لمیٹڈ (سابقہ سنوفی ایونٹس پاکستان لمیٹڈ) میں سرمایہ کایہ کاری کے لئے قرضوں کا حصول تھا۔ گزشتہ سال کے دوران انیمون ہولڈنگس لمیٹڈ، ماریشس میں سرمایہ کاری کی مالیت پر ایک مرتبہ1,202 ملین روپے کا خسارہ بک کیا گیا ۔ اس سے سال کے دوران آمدن بعد از ٹیکس میں 31فیصد کمی ہوئی جو کہ گزشتہ سال کے 2,778 ملین روپے سے کم ہوکر موجودہ سال 1,912ملین روپے رہ گئی۔

گروپ کمپنیوں میں سرمایہ کاری

آپ کی کمپنی نے پیکجز ٹریڈنگ FZCO اور اسٹارچ پیک (پرائیویٹ) لمیٹڈ میں حصصی سرمایہ کاری کرکے 852.2 ملین روپے کی معاونت کی ۔

پیکجز ٹریڈنگ FZCO، دبئی، متحدہ عرب امارات میں سرمایہ کاری

سال کے دوران کمپنی نے پیکیجز ٹریڈنگ FZCO میں 1.330 ملین عرب امارات درہم (AED) (2023 میں 2.670 ملین AED) کی ایکویٹی سرمایہ کاری کی جو کہ سرمایہ کاری کی تاریخ پر پاکستانی روپے میں102.277 ملین روپے (2023میں 202.928 ملین روپے) کے برابر تھی۔ اس ادارے کو ایک مکمل ذیلی ملکیتی ادارے کے طور پر قائم کیا گیا ہے جس کا مقصد گروپ کے اداروں کی طرف سے تیار کردہ اشیاءکی برآمدات کو بڑھانا اور گروپ کی سطح پر درآمدی بل کو کم کرنے کے لئے لاگت کی بچت کے اقدامات کی نشاندہی کرنا اور ان پر عمل درآمد کروانا ہے۔

اسٹارچ پیک (پرائیویٹ) لمیٹڈ میں سرمایہ کاری

بورڈ آف ڈائریکٹرز کے فیصلے کے تحت کمپنی نے شیئر ڈپازٹ کی رقم کے طور پر 500 ملین روپے (2023 میں 250 ملین روپے) کا سرمایہ لگایا اور 250 ملین روپے کے بقایا قرض کو فیس ویلیو 100 کے حامل 2.5 ملین عمومی حصص کی شکل میں ایکویٹی میں تبدیل کیا ۔

حکومت پنجاب (GoPB) سے لیز پر لی گئی زمین کا کرایہ

زمین کا ایک حصہ جس پر کمپنی کی عمارتیں واقع ہیں (جیسا کہ منسلکہ مالی گوشواروں کے نوٹ 17 میں بتایا گیا ہے)، جس کی پیمائش 231 کنال اور 19 مرلے ہے ، اس کو حکومت پنجاب نے کمپنی کو دسمبر 1955 سے نومبر 2015 تک لیز پر دیا تھا جس کے بعد لیز کی تجدید نہیں کی گئی۔ معاملہ معزز سپریم کورٹ تک پہنچایا گیا اور اس کی ہدایات کے مطابق کمپنی نے500ملین روپے جمع کرائے اوربعد ازاں صنعتی استعمال کے لیے زمین کے کرائے کا حساب لگانے کے لیے دو سرویئر مقرر کیے گئے۔ سرویئر کی رپورٹیں جمع کرا دی گئی ہیں اور اس کے بعد سے معاملہ انفرادی مالیاتی گوشواروں کے اجراءکی اجازت کی تاریخ تک مزید کارروائی کے لیے زیر التواءہے ۔ مزید برآں عدالت نے فیصلہ کیا ہے کہ کمپنی کو انکار کا پہلا حق ملنے کے ساتھ کھلی نیلامی کے ذریعے زمین کو صنعتی زمین کے طور پر فروخت کیا جائے گا۔

انتظامیہ نے آزاد تشخیص کنندگان کی طرف سے کی گئی زمین کے مذکورہ حصے کی تشخیص کی بنیاد پر دسمبر 2024 کو ختم ہونے والے سال کے دوران کرائے کے سلسلے میں 150 ملین روپے (2023 میں 90 ملین روپے) کے اخراجات کو بک کیا ہے۔

مزید برآں عدالت کی طرف سے معاملے کا فیصلہ آنے پر انتظامیہ زمین کے مذکورہ حصے کی ملکیت حاصل کرنے کا ارادہ رکھتی ہے۔

مالیاتی انتظام

کمپنی کے پاس ایک نقدی کے بہاؤ کا موثر نظام ہے جس کے تحت نقدی کی آمد اور اخراج کا مستقل بنیادوں پر تخمینہ لگایا جاتا ہے اور اس کی سخت نگرانی کی جاتی ہے۔

منافع کاری اور خطرات کی تشخیص کے ذریعے سرمایہ جاتی اخراجات کا محتاط انتظام کیا جاتا ہے۔ بڑے سرمایہ جاتی اخراجات کو طویل مدتی معاہدوں کی تائیدحاصل ہوتی ہے تاکہ کاروبار میں نقدی کے بہاؤکے خطرے کو کم سے کم کیا جا سکے۔ 2024 کے دوران سرمایہ جاتی اخراجات 770.3 ملین روپے تھے۔

کمپنی کا سرمایہ کاری پورٹ فولیو کافی متنوع ہے جو کہ نیسلے پاکستان لمیٹڈ، پیکجز کنورٹرز لمیٹڈ، ٹرائی پیک فلمز لمیٹڈ، بلھے شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ، ڈی آئی سی پاکستان لمیٹڈ، پیکجز رئیل اسٹیٹ (پرائیویٹ) لمیٹڈ، پیکیجز لنکا (پرائیویٹ) لمیٹڈ، اسٹارچ پیک (پرائیویٹ) لمیٹڈ، پیکجز ٹریڈنگ FZCO، ہکسٹ پاکستان لمیٹڈ (سابقہ سنوفی ایونٹس پاکستان لمیٹڈ)، انیمون ہولڈنگز (پرائیویٹ) لمیٹڈ اور دیگر کلیدی سرمایہ کاریوں میں ایکویٹی شراکت سے ظاہر ہوتا ہے۔

بورڈ اس بات مطمئن ہے کہ طویل مدتی یا قلیل مدتی بشمول قرضوں تک رسائی میں کوئی رکاوٹ نہیں ہے اور 31 دسمبر 2024 کو ایک مضبوط کھاتے کے ساتھ خالص قرضہ ایکویٹی کی شرح 14:86 ہے۔

خطرات کا انتظام

بورڈ آف ڈائریکٹرز اور بورڈ کی آڈٹ کمیٹی اثرات اور رونما ہونے کے امکانات کے لحاظ سے خطراتی پہلوؤں کا باقاعدگی سے جائزہ لیتے ہیں۔ چیف ایگزیکٹو آفیسر کی قیادت میں اعلیٰ انتظامی ٹیم خطرے میں کمی کے اقدامات کی ذمہ دار ہے۔ مارکیٹ کے حالات کا مسلسل جائزہ لینے کی کمپنی کی صلاحیت اور بروقت کارروائی سے کمپنی کو مو ئژر طریقے سے خطرات سے نمٹنے میں مدد ملتی ہے۔

قرضہ جاتی خطرہ

کمپنی کے تمام مالیاتی اثاثے سوائے نقد رقم کے قرضہ جاتی خطرے کے تابع ہیں۔ کمپنی کو یقین ہے کہ اسے قرضہ جاتی خطرات کی کسی بڑی تعداد کا سامنا نہیں ہے اور وہ متوقع قرضہ جاتی خساروں (ECL) کی رسائی کے ذریعے مالیاتی اثاثوں پر پڑنے والے اثرات کا مسلسل جائزہ لیتی رہتی ہے۔ 'A' درجہ بندی کے حامل بینکوں اور مالیاتی اداروں میں اپنے متنوع سرمایہ کاری پورٹ فولیو کے ذریعے اثرات کو کم کیا جاتا ہے۔

روانیت کا خطرہ

روانیت کے خطرات کے محتاط انتظام سے مراد وعدوں کو پورا کرنے کے لئے کافی فنڈز کی دستیابی ہے۔ کمپنی کی رقومات کے انتظام کی حکمت عملی کا مقصد نقدی کی اندرونی پیداوار اور مالیاتی اداروں سے طے شدہ قرضہ جاتی طریقوں کے ذریعے روانیت کے خطرات کا انتظام کرنا ہے۔

شرح سود کا خطرہ

متغیر طویل مدتی قرضے کی شرح میں شرح سود کے خطرے کے خلاف "قبل از وقت ادائیگی کے اختیار" کو بنیادی شرح سود میں کسی بھی منفی حرکت کی صورت میں استعمال کیا جا سکتا ہے۔ کمپنی کو شرح سود کا خطرہ طویل مدتی قرضوں اور قلیل مدتی قرضوں سے پیدا ہوتا ہے۔ مقررہ نرخوں پر مالیاتی اوزار بلحاظ مالیت شرح سود کے خطرے سے دوچار کرتے ہیں۔ متغیر شرحوں پر مالیاتی اوزار کمپنی کے جاتی اخراجات جس کے نتیجے میں فرسودگی اور مالیاتی لاگت میں اضافہ ہو اور موجودہ سال کے دوران BOPP کی قیمتوں کا نارمل ہونا تھا۔ مستقبل میں کمپنی کو توقع ہے کہ وہ بلند حجم فروخت، رواں سرمائے کے بہتر انتظام اور مقررہ لاگتوں پر سخت کنڑول کے ذریعے کلیدی سرمایہ جاتی اخراجات سے استفادہ کرے گی۔

پیکجز ٹریڈنگ FZCO، دبئی، متحدہ عرب امارات

پیکیجز ٹریڈنگ FZCO گروپ کی مکمل ملکیت میں ایک کمپنی ہے جو کہ دبئی انٹیگریٹڈ ا یکنامک زونز اتھارٹی ایمپلی مینٹنگ ریگولیشنز 2022 کے تحت قائم ہوئی اور دبئی انٹیگریٹڈ ایکنامک زونز اتھارٹی میں رجسٹر ہے- یہ ذیلی کمپنی بنیادي طور پر تجارتی خریدوفروخت کے ساتھ ساتھ ضمنی سر گرمیوں جیسے درآمدات، برآمدات، تقسیم اور ویئر ہاؤسنگ میں مصروف عمل ہے- موجودہ سال کے دوران سرپرست کمپنی نے 1.330 ملین AED کی ایکویٹی سرمایہ کاری کی اور FZCO کی خالص آمدن 106 ملین AED رہی جبکہ 2023 کے دوران خالص آمدن 5.5 ملین AED تھی اور منافع 1.8 ملین AED رہا جبکہ گزشتہ سال خسارہ قبل از ٹیکس 0.8 ملین AED تھا۔ یہ آپریشنز کا پہلا مکمل سال تھا اور توقع ہے کہ مستقبل میں آنے والے سالوں میں گروپ کی کمپنیوں کو برآمدی اور درآمدی تعاون فراہم کرے گی۔

ہکسٹ پاکستان لمیٹڈ (سابقہ سنوفی اوینٹس پاکستان لمیٹڈ)

ہکسٹ پاکستان لمیٹڈ (سابقہ سنوفی اوینٹس پاکستان لمیٹڈ)('HPL') بنیاد ی طور پر دواسازی اور ملحقہ مصنوعات کی تیاری ، فروخت اور ٹریڈنگ میں مصروف عمل ہے- سال 2024 کے دوران HPL کی خالص آمدن 26,748 ملین روپے رہی جو کہ گزشتہ سال اسی مدت میں 21,369ملین روپے تھی جس سے 25فیصد اضافے کی نشاندہی ہوتی ہے- موجودہ سال کے دوران HPL کا قبل منافع از محصولات و انکم ٹیکس 3,479ملین روپے رہا جبکہ 2023 میں 916ملین روپے تھا جس سے 3.8 گنا اضافے کی نشاندہی ہوتی ہے ، جس کی بنیادی وجوہات میں حجم فروخت میں میں اضافہ، مصنوعات کا سازگار مرکب ، فروخت کی حتمی سطح پر بلند قیمتیں اور رواں سرمائے کا موثر انتظام شامل ہیں۔

مستقبل کا منظر نامہ

2024 میں پاکستان کی معاشی کارکردگی میں لچک پذیری اور بتدریج بہتری دیکھنے میں آئی۔ گروپ کو توقع ہے کہ پالیسی کے تحت محتاط انتظام ، مالیاتی نظم و ضبط کو برقرار رکھنے، غیر ملکی زرمبادلہ کے ذخائر میں بہتری، سیاسی استحکام اور دوست ممالک کی جانب سے اقتصادی امداد کی بدولت ملک کا معاشی منظر نامہ مسلسل بہتر ہوتا رہے گا۔

2024 میں انٹرنیشنل مانیٹری فنڈ (IMF) پروگرام کے تحت توسیعی فنڈ سہولت انتظام (EEF) سے 7بلین ڈالر کے قرض کی پہلی قسط نے بھی انتہائی ضروری مالی معاونت فراہم کرنے، سرمایہ کاروں کے اعتماد کو بحال کرنے اور معاشی ماحول کو مستحکم کرنے میں بہت اہم کردار ادا کیا ۔ مجموعی طور پریہ اقدامات معاشی تنوع، مستقبل میں پائیدار ترقی اور استحکام کے لیے ایک مثبت راستہ پر گامزن ہیں۔

اسٹارچ پیک (پرائیویٹ) لمیٹڈ ('SPAC') کے پہلے سال کے کاروباری نقصانات، کلیدی سرمائے کے اخراجات اور بلھے شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ ('BSPL') کو درپیش مارکیٹ کے منفی حالات کی وجہ سے ٹرائی پیک فلمز لمیٹڈ ('TPFL') کی بلند فرسودگی اور مالیاتی لاگت کے نتیجے میں ان سرمایہ کاریوں پر منفعت متاثر ہوئی ۔ لیکن انتظامیہ کو یقین ہے کہ آخرکار بحالی آئے گی اور منافع کو یقینی بنانے کے لیے اقدامات کر رہی ہے۔ اس سلسلے میں ایک نظرثانی شدہ تین سالہ حکمت عملی تیار کی گئی جس کے بعد کمپنی کے بورڈ آف ڈائریکٹرز نے SPAC میں 3 بلین پاکستانی روپے اور BSPL میں 8 بلین پاکستانی روپے تک مختلف شکلوں میں سرمایہ کاری کی منظوری دی جس میں عمومی حصصی سرمایہ، ماتحت قرضے اور دونوں کمپنیوں کے سرمائے کے ڈھانچے کو بہتر بنانے کے لیے پیشگی قرض کی ایکویٹی میں ممکنہ تبدیلی شامل ہے۔

توفیق حبیب چنائے
(چیئرمین)

سید حیدر علی
(چیف ایگزیکٹو آفیسراور مینجنگ ڈائریکٹر)

25 مارچ، 2025

لاہور

مجموعی مالیاتی گوشواروں کے بارے میں ڈائریکٹرز کی رپورٹ

31 دسمبر 2024 کو ختم ہونے والے سال کے لیے

سرپرست کمپنی کے ڈائریکٹران 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے گروپ کے مجموعی مالیاتی گوشوارے پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔ سال 2023 کے مقابلے میں سال 2024 کے مجموعی نتائج کا موازنہ درج ذیل ہے:

	2024	2023
	(روپے ۔ ملین میں)	
فروخت - خالص	176,761	156,972
آپریشنز سے منافع - EBIT	18,764	23,507
ملحقہ اور مشترکہ کاروباری اداروں کے منافع میں حصہ	418	289
ہکسٹ پاکستان کی حصولی کی خریداری پر سودے بازی پر منافع(2023)	-	4,136
سرمایہ کاری آمدن	618	998
مالیاتی لاگت	(18,356)	(13,534)
منافع قبل از محصولات و انکم ٹیکس	1,444	15,396

سال 2024 کے دوران گروپ کی خالص فروخت 176,761ملین روپے رہی جبکہ گزشتہ سال 156,972 ملین روپے تھی ، اس طرح فروخت 13فیصد زیادہ رہی ، اس کے ساتھ ساتھ کاروباری منافع 18,764 ملین روپے رہا جو کہ گزشتہ سال 23,507 ملین روپے تھا۔ فروخت میں کمی کی بنیادی وجوہات میں فروخت کا ناموافق مرکب، خام مال اور ایندھن کی بلند لاگتیں جو کہ حتمی صارفین سے مکمل طور پر بازیاب نہ کرائی جا سکیں اور سابقہ سالوں میں کی گئی کلیدی سرمایہ کاریوں پر بلند فرسودگی اخراجات شامل ہیں۔ان ذیلی کمپنی کی انتظامیہ مصنوعات کے بہتر مرکب ، مقررہ لاگتوں کو قابو کرنے اور لاگت میں اضافے کی صارفین کو بروقت منتقلی کے ذریعے اس مسئلے کو حل کرنے کے لیے اقدامات کر رہی ہے۔

گروپ کا منافع قبل از محصولات و انکم ٹیکس 1,444 ملین روپے رہا جو کہ گزشتہ سال 15,396 ملین روپے تھا یعنی اس میں 91فیصد کمی ہوئی۔ منافع میں کمی کی بنیادی وجہ کاروباری منافع میں کمی ہے جسے اوپر وضاحت سے بیان کیا گیا ہے ، مالیاتی لاگت بڑھ کر 4,822 ملین روپے رہی اسٹارچ پیک (پرائیویٹ) لمیٹڈ اور پیکیجز ٹریڈنگ FZCO میں کلیدی سرمایہ کاریوں کے لئے سرمایہ جاتی اخراجات کے مقاصد کے لئے بھاری قرضوں کے حصول اور اور ہکسٹ پاکستان لمیٹڈ (سابقہ سنوفی ایونٹس پاکستان لمیٹڈ) کے حصص کی ایک مرتبہ خریداری پر سودے بازی پر 4,136 ملین روپے کا منافع کی وجہ سے تھی۔

گروپ کی ذیلی کمپنیوں کی کاروباری کارکردگی کا ایک مختصر جائزہ درج ذیل ہے:

پیکیجز کنورٹرز لمیٹڈ

پیکیجز کنورٹرز لمیٹڈ ('PCL') گروپ کی ایک آنلسٹڈ پبلک لمیٹڈ مکمل ملکیتی ماتحت کمپنی ہے۔ یہ بنیادی طور پر پیکیجنگ کے مواد، ٹشو مصنوعات اور سینیٹری نیپکن کی تیاری اور فروخت میں مصروف عمل ہے۔ 2024کے دوران PCL کی خالص فروخت 49,176 ملین روپے رہی جبکہ 2023 میں 49,379 ملین روپے تھی ، جس سے 0.4فیصد کمی کی نشاندہی ہوتی ہے۔ PCL کا منافع قبل از ٹیکس 4,717 ملین روپے رہا جبکہ گزشتہ سال 5,387 روپے تھا جس سے 12فیصد کمی کی نشاندہی ہوتی ہے۔ کمی کی بنیادی وجہ فروخت کے ناموافق مرکب کے ساتھ پیکیجنگ ڈویژن میں گاہکوں کا کم حجم فروخت ہے۔ مستقبل میں انتظامیہ بلند حجم فروخت، لاگتوں میں کمی، مصنوعات اور پیداواری عمل میں بہتری اور رواں سرمائے کے منضبط انتظام کے ذریعے کاروباری نتائج کو بہتر بنانے پر توجہ مرکوز کرے گی۔

بلھے شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ

بلھے شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ ('BSPL') گروپ کی مکمل ملکیتی ذیلی کمپنی ہے، جو بنیادی طور پر کاغذ اور کاغذی بورڈ اور کوروگیٹڈ گتے کی تیاری اور تبدیلی میں مصروف عمل ہے۔ سال 2024 کے دوران BSPL کی فروخت 57,870 ملین روپے رہی جو کہ گزشتہ سال 2023 میں 59,074 ملین روپے تھی یعنی گزشتہ سال کی بہ نسبت حجم فروخت میں 11فیصد اضافے کے باوجود اس میں 2فیصد کمی ہوئی۔ BSPL کا خسارہ قبل از ٹیکس 6,426 ملین روپے رہا جبکہ 2023 کے دوران منافع قبل از محصولات اور انکم ٹیکس 1,452 ملین روپے تھا ۔ خساروں کی بنیادی وجوہات میں گتے اور کاغذ کی مصنوعات کی بلارکاوٹ درآمدات، فروخت کا ناموافق مرکب، خام مال اور ایندھن کی بڑھتی ہوئی لاگتیں جو کہ گاہکوں کو منتقل نہ کی جا سکیں اور کمپنی کے کلیدی سرمایہ جاتی اخراجات کی وجہ سے بلند مالیاتی لاگت شامل ہیں۔ مستقبل میں BSPL کاروباری نتائج کو بہتر بنانے کے لئے حجم فروخت میں اضافے، فروخت کے سازگار مرکب، مالیاتی لاگت میں کمی اور لاگتوں پر سخت کنٹرول پر توجہ مرکوز کرے گی۔

ڈی آئی سی پاکستان لمیٹڈ

ڈی آئی سی پاکستان لمیٹڈ ('DIC') گروپ کی ایک ان لسٹڈ پبلک لمیٹڈ ذیلی کمپنی ہے جو بنیادی طور پر صنعتی روشنائی کی تیاری، پروسیسنگ اور فروخت میں مصروف عمل ہے۔ سال 2024 کے دوران ڈی آئی سی کی خالص فروخت 11,750 ملین روپے رہی جو کہ گزشتہ سال 10,632 ملین روپے تھی، جس سے فروخت میں 11فیصد اضافے کی عکاسی ہوتی ہے۔ سال 2024 کے دوران ڈی آئی سی کا منافع قبل از محصولات و انکم ٹیکس 1,702 ملین روپے رہا جبکہ 2023 کے دوران 1,876ملین روپے تھا ۔ اس کی بنیادی وجوہات مصنوعات کا متفرق مرکب ، فروخت کے بلند اخراجات اور بلند مالیاتی لاگتیں ہیں۔ مستقبل میں انتظامیہ حجم فروخت میں اضافے اور لاگتوں پر سخت کنٹرول کے ذریعے نتائج کو بہتر بنانے پر توجہ مرکوز کرے گی۔ اس وقت کمپنی کی منتقلی کا عمل جاری ہے اور توقع ہے کہ 2025 کی دوسری سہ ماہی کے اختتام تک قصور میں نئی بہتر جگہ پر تجارتی پیداواری آپریشنز کا آغاز ہوجائے گا۔

پیکجز لنکا (پرائیویٹ) لمیٹڈ

پیکجز لنکا (پرائیویٹ) لمیٹڈ ('PLL') سری لنکا میں قائم گروپ کی ایک ذیلی کمپنی ہے، جو بنیادی طور پر لچکدار پیکیجنگ کی تیاری اور فروخت میں مصروف عمل ہے۔ PLL کا سال 2024 میں منافع 4,999 ملین سری لنکن روپے رہا جو کہ گزشتہ سال 2023 میں 4,659 ملین سری لنکن روپے تھا جس سے فروخت میں سات فیصد اضافے کی نشاندہی ہوتی ہے۔سال 2024میں کمپنی کا منافع قبل از ٹیکس 1,006ملین سری لنکن روپے رہا جبکہ 2023 میں منافع قبل از ٹیکس 818ملین سری لنکن روپے رہا جس سے 23فیصد اضافے کی نشاندہی ہوتی ہے۔ اس کی وجوہات میں مصنوعات کا بہتر مرکب، لاگتوں پر سخت کنٹرول، شرح سود میں کمی اور رواں سرمائے کا بہتر انتظام شامل ہیں۔

پیکیجز رئیل اسٹیٹ (پرائیویٹ) لمیٹڈ

پیکیجز رئیل اسٹیٹ (پرائیویٹ) لمیٹڈ ('PREPL') گروپ کی ایک ذیلی کمپنی ہے جو بنیادی طور پر غیر منقولہ جائیداد کی ترویج میں مصروف عمل ہے۔ یہ اس وقت 'پیکیجز مال' کے نام سے ایک رئیل اسٹیٹ پروجیکٹ چلارہی ہے اوراداراتی صارفین کو دفتر کی جگہ بھی لیز پر دیتی ہے۔ سال 2024کے دوران PREPL کی خالص آمدن6,018 ملین روپے رہی جو کہ 2023 میں 5,311 ملین روپے تھی جس سے 13فیصد اضافے کی عکاسی ہوتی ہے۔ سال 2024کے دوران PREPL کا منافع قبل از محصولات و انکم ٹیکس989 ملین روپے رہا جو کہ 2023 میں 672ملین روپے تھا، جس سے 47فیصد اضافے کی عکاسی ہوتی ہے۔

اسٹارچ پیک (پرائیویٹ) لمیٹڈ

اسٹارچ پیک (پرائیویٹ) لمیٹڈ ('SPL') گروپ کی مکمل ملکیت میں ذیلی کمپنی ہے، جو کہ بنیادی پر مکئی کے نشاستے کی مصنوعات، اس کے ماخذ، ذیلی مصنوعات کی تیاری اور فروخت اور مکئی کی خرید و فروخت میں مصروف عمل ہے- نشاستے کے مقامی پلانٹ نے تجارتی پیداوار کا آغاز یکم دسمبر 2023 کو کیا تھا جبکہ نشاستے اور گلوکوز کے جدید پلانٹوں سے تجارتی پیدار کا 2024 کی دوسری ششماہی میں ہوگیا تھا- ان کے آغاز کے ساتھ ہی SPL کو اپنی پیداواری سہولیات میں کامیابی سے تجارتی آپریشنز کا حصول ہوا۔ چونکہ یہ پہلا پیداواری سال تھا ، اس لئے SPL کی خالص فروخت 3,599 ملین روپے رہی اور خسارہ قبل از محصولات و انکم ٹیکس1,933 ملین روپے رہا- مصنوعات خاص طور پر قیمتی نشاستوں کے پورٹ فولیو میں اضافے ، مستعد پیداوار اور مکئی کی بہتر خریداری کے ذریعے SPL مالیاتی سال 2025 میں مستحکم کارکردگی کا ہدف رکھتی ہے ۔

ٹرائی پیک فلمز لمیٹڈ('TPFL')

ٹرائی پیک فلمز لمیٹڈ('TPFL') گروپ کی ایک ذیلی لسٹڈ پبلک لمیٹڈ کمپنی ہے جو کہ خصوصی طور پر بائی ایگزیلی اورینٹڈ پولی پروپائلین (BOPP) فلم اور کاسٹ پولی پروپائلین (CPP) فلمز کی تیاری اور فروخت میں مصروف عمل ہے- سال 2024 کے دوران TPFL کی خالص فروخت 29,413ملین روپے رہی جبکہ گزشتہ سال فروخت 24,919 ملین روپے تھی جس سے 18 فیصد اضافے کی نشاندہی ہوتی ہے جس کی بنیادی وجہ BOPP فلم کی برآمدات میں اضافہ تھی- سال 2024 کے دوران TPFL کا خسارہ قبل ازمحصولات اور انکم ٹیکس 290ملین روپے رہا جبکہ اسی مدت میں منافع قبل از محصولات و انکم ٹیکس1,708 ملین روپے تھا- کمی کی بنیادی وجوہات میں BOPP کی نئی پیداواری منصوبے میں سرمایہ