Packages Limited

Preserve the Earth

Annual Report 2023

Creating a Better Tomorrow!

Introduction

Climate change refers to long-term shifts in temperatures and weather patterns. Such shifts can be natural, due to changes in the sun's activity or large volcanic eruptions. But since the 1800s, human activities have been the main driver of climate change, primarily due to the burning of fossil fuels like coal, oil and gas.

Energy, industry, transport, buildings, agriculture and land use are among the main sectors causing greenhouse gases.

Change your source of Energy

If your energy comes from oil, coal or gas if possible, see if you can switch to renewable sources such as wind or solar for your household and office energy needs.


O NOT

Higher Temperatures

Heat-trapping gases emitted by power plants, automobiles, deforestation and other sources are warming up the planet.

Agriculture

The toll that climate change will take on agriculture is nearly incalculable. As a result, our food security will be at risk. All over the world, farmers are already struggling to keep up with shifting weather and increasingly unpredictable water supplies. Farmers also must contend with unexpected attacks from weeds, diseases and pests, which all affect crop yield.

Sea Level Rise

As the Earth heats up, sea levels rise because warmer water takes up more room than colder water, a process known as thermal expansion. Melting glaciers compound the problem by dumping even more fresh water into the oceans. Rising seas threaten to inundate low-lying areas and islands, threaten dense coastal populations, erode shorelines, damage property and destroy ecosystems such as mangroves and wetlands that protect coasts against storms.

Human Health

The impacts of climate change on health will depend on many factors, including the effectiveness of a community's public health and safety systems to address or prepare for the risk and the behaviour, age, gender, and economic status of individuals affected. Impacts will likely vary by region, the sensitivity of populations, the extent and length of exposure to climate change impacts, and society's ability to adapt to:

- More heat related illnesses and deaths
- Increased respiratory symptoms
- Increased bacterial infections
- Increased probability of more infectious diseases
- Malnutrition and food poisoning
- Increased mental illnesses

Water Resources

There are four main factors of worsening water situation.

Population growth: It is expected to rise from the present 6.5 billion to 8.9 billion by 2050. Water use has been growing at more than twice the rate of population increase in the last century, and, although there is no global water scarcity as such, an increasing number of regions are chronically short of water.

Increased urbanization: This will focus on the demand for water among a more concentrated population. Asian cities alone are expected to grow by 1 billion people in the next 20 years.

High level of consumption: As the world becomes more developed, the amount of domestic water used by each person is expected to rise significantly.

Resources of freshwater: These will disappear as climate change increases.

About Cover

Preserve the Earth: A Call to Action

The Earth, our home and the only planet with life in the solar system is facing unprecedented challenges that threaten its delicate balance, ecosystem and the well-being of all forms of life. From climate change and deforestation to pollution and loss of biodiversity, the signs of environmental degradation are undeniable. However, there is still hope. By taking concerted and immediate action, we can preserve the Earth for current and future generations. Dedicated focus on sustainable practices by the corporates and industries can help to ensure this preservation, resulting in a healthy and thriving planet for our generations to come. Preserving the Earth requires collective action and a commitment to sustainable living.

By addressing climate change, protecting biodiversity, promoting sustainable development and fostering environmental education and awareness, we can create a brighter future for our planet and all its inhabitants. Let us act now, for the Earth's sake and for the generations yet to come.

"If you plan for a year, plant a seed. If for ten years, plant a tree. If for 100 years, teach the people. When you sow a seed once, you will reap a single harvest. When you teach the people, you will reap a hundred harvests."

Syed Babar Ali

"There are enormous opportunities for us to play a critical role in the transition to a sustainable, climate-safe future by acting as a catalyst to help."

Syed Hyder Ali

"Encourage eco-friendly and environmentally safe industry. Clean air, water, food and neighborhoods are the rights of all citizens."

Syeda Henna Babar Ali

PEOPLE

Our people represent the essence of who we are as a company. At Packages Group, we celebrate our purpose driven culture and the people who live it every day. Our people thrive on delivering value to our customers, suppliers, partners and the communities where we live and work, as well as to one another.

Our people are our greatest asset. We encourage innovation and we offer skills development and challenging work opportunities that advance people's careers.

PLANET

At Packages Group, we are committed to practicing environmental responsibility and adhering to sustainable practices in our operations as we seek to fulfill our mission of "Creating a Better Tomorrow". We aim to be a leader in environmental responsibility in our sector to help preserve the planet for our communities and future generations, as well as protect our long-term future as a business. We at Packages Group respect the environment and are aware of our corporate environmental responsibility.

PROSPERITY

Whilst Sustainability is not possible without prosperity, profitability should be achieved in a way that is harmonious with the principles of Sustainability – to operate responsibly! It is this belief that has helped us create a rich legacy of shared value in the last 67 years and we envision to enable prosperity in the coming years through our deeply focused business strategies aimed at creating long-term value for ourselves as well as all our stakeholders.

Contents

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. Irfan Mustafa**
(Independent 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. Atif Aslam Bajwa	Member
Mr. Towfiq Habib Chinoy	Member
Mr. Josef Meinrad Mueller	Member
Mr. Osman Khalid Waheed	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

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+

*In alphabetical order by last name
**Mr. Irfan Mustafa resigned on 25 August 2023 and Mr. Osman Khalid Waheed joined the Board of Directors of the Company on 30 October 2023 as an Independent Director in his place.

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, Next to 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.pk

Handling Desk for Shareholders' Affairs
(Corporate Secretarial & 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.
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

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.

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

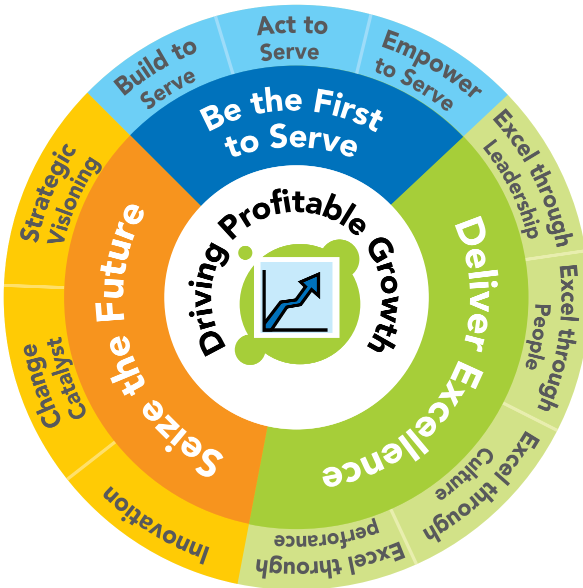
The way we do business.

CREATING A BETTER TOMORROW

VALUE

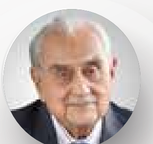
- CARE
- RESPECT
- LEAD
- HONESTY
- COURAGE

PEOPLE EXPECTATIONS



LEADERSHIP EXPECTATIONS

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

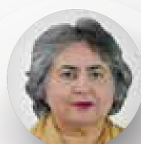


"We will re-gain the business we loose, if we keep the trust."

Syed Babar Ali

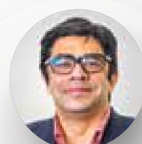
"Honesty forms core of the Packages group, which is the foundation of our success along with care, respect, leadership and courage."

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



"In today's times, business strategy and business ethics cannot be separated from each other. We must emphasize on ethics rather than rules."

Khurram Raza Bakhtayari

Our Values

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

Care
Fairness and consideration are integral to our culture.

Courage
We stand up for what we believe in.

Respect
We treat people with respect and dignity.

Lead
We aspire to lead in everything that we do.

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

Code of Conduct

Packages Group has built a reputation for conducting its business with integrity, in accordance with 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's 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 highest standards of integrity and ethical behavior is mandatory and benefits all stakeholders which includes customers, communities, shareholders and ourselves.

All Group Companies carefully checks 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.

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!

Environment, Health and Safety

We continually improve our environmental performance. To achieve continual improvements in our environmental performance, we need to understand the potential environmental impacts of all our operations and activities, set improvement targets, take the necessary steps to reach these targets and monitor our progress. It is important that everyone should understand their own roles and responsibilities with respect to environmental issues, in order to make the right decisions. All employees should promote resource conservation and minimize waste of paper and other resources.

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 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, request for personal benefits of oneself or others, either directly or through third parties, are prohibited without any exception.

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 judgment or actions while conducting the business in which 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 could arise in a number of ways.

Confidentiality
Employees shall not keep or make copies of correspondence, documents, records, list 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, list 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 organization or individual only on "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 stake holders working for, or representing, any of the Packages Group Companies, in any capacity, including business partner, suppliers, vendors, consultants, financial advisers, agents, to comply with these laws and practices.

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

Any gift or hospitality which is of greater value and can potentially impact the business dealings, should be immediately reported to supervisor, Head of internal audit 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 relationship is prior to any personal interest of employee. Being in business everyone has to ensure their professional commitment and reputation of the group.

Anti-Fraud Policy
Packages Group is committed to the highest possible standards of openness, transparency and accountability in all its affairs. The intent is to promote a culture of honesty and opposition to fraud in all its forms.

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.

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.

Packages Internal Audit department is authorized to blacklist any vendor, service provider, customer, contractor, agency, distributor etc. who are convicted of fraud under this policy.

Responsibility for Prevention and Detection
All employees are responsible for prevention and detection of fraud, misappropriation and other irregularities.

Dealings in Securities/Shares and Insider Trading
Packages Group employee 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 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 employee should be aware of and comply with any local laws and regulations governing share dealings.

COURAGE

Whistle blow

Packages Group is committed to highest standards of ethical, moral and legal business conduct. In line with this commitment and the Group's commitment to open communication, there is a whistle blowing policy which 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;
- Misuse of company's assets;
- Violation of applicable laws and regulations;
- Actions raising safety, security, and environmental concerns;
- Damage to 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.

Note: Complainants have the right to raise complaint anonymously but they are encouraged to include contact information which would be useful during investigation. Confidentiality and protection of complainant's identity would be ensured. Internal Audit Department may involve/consult relevant departments for investigation of the complaint.

Complaint Reporting and Investigation Procedure

- Any employee, contractor or stakeholder who believes that he/she has been a victim of discrimination, 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 respective company or send email to respective company whistle blowing email address.

RESPECT

Equal Opportunity Employer

Packages Group recognizes the value of striving for a balanced work force 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 effect.

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 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, 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, which 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 complaint in accordance with the Anti-Harassment Policy of the respective group company. The complainant may wish to discuss the case with immediate supervisor for guidance in this regard.

2. The Chief Anti-Harassment Officer (CAHO), usually HR Head of 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 compliant to 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. In order to block the implication of the misuse of this Policy, the basic requirement for the implementation of its clauses and for 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 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, humor 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 rumors or insulting someone by word or behavior (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.

Email, Computers and Network Security

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

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 computer without prior permission.

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

Protection of Company's Assets and Proprietary Information

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 Group Company's assets or proprietary information by any employee in other business or personal activities is forbidden.

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

Public Activities and Relationships with Stakeholders

Agreements with all our stake holders working for any of Packages Group Company in any capacity including business partner, suppliers, vendors, financial adviser, 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.

Relationships and dealings with Government officials, external agencies, parties and individuals at all times should be such that the Company's integrity and its reputation shall not be damaged, if details of the relationships or dealings were to become public knowledge. Payment of any nature to government officials for any reason whatsoever is strictly prohibited. Furthermore, no employee of Packages Group shall support any political party or contribute to the funds of the groups whose activities are intended to promote any party interests.

Due care should be taken while discussing the Company performances or plans with outsiders. Any Group employee having questions on how to comply with this requirement should seek guidance and advice from the respective supervisor.

Code of Conduct Compliance

Packages Group enforces its Code of Conduct by investigating any reports of mis-conduct or rules being broken. Where infringements are proven, actions will be taken to prevent this 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.

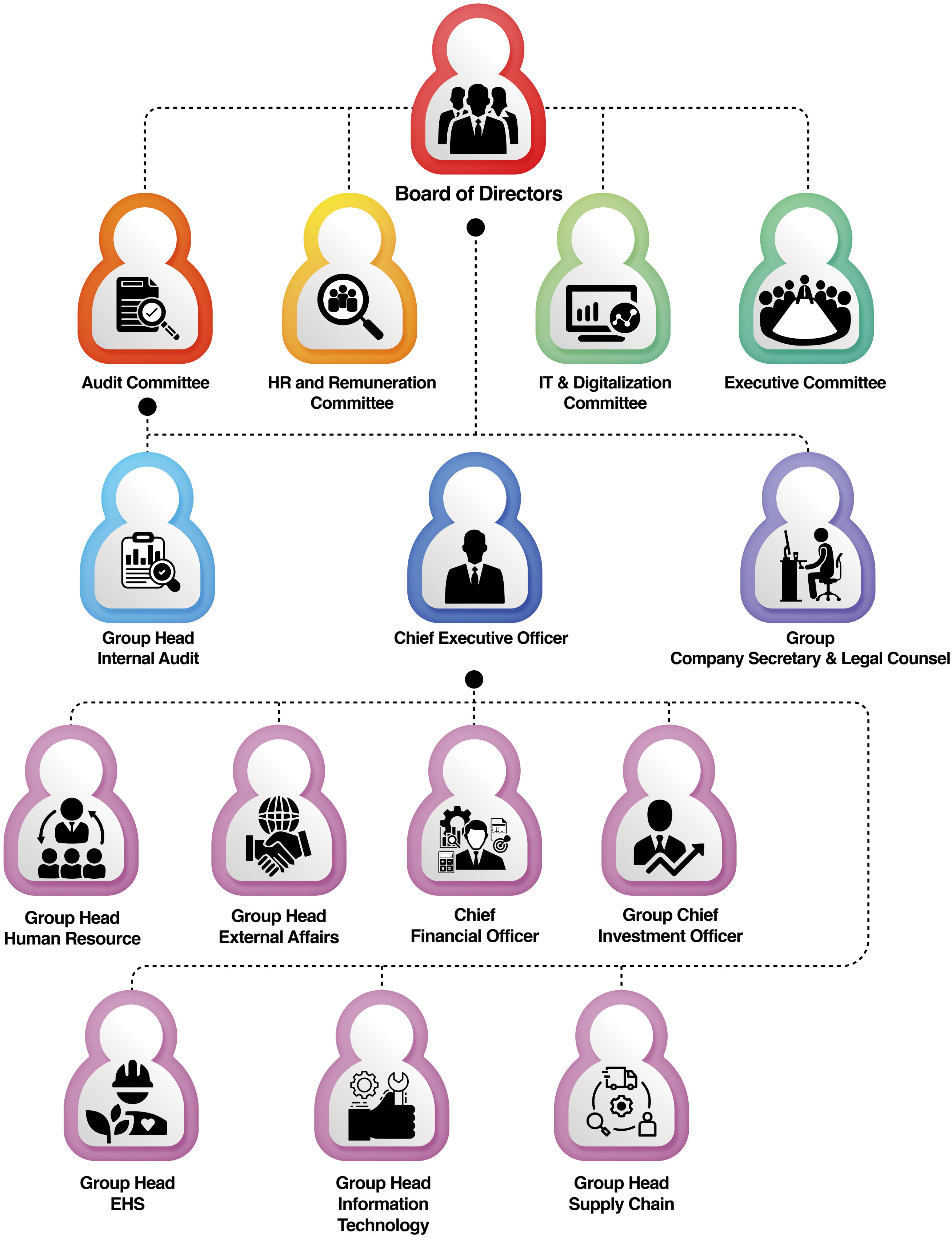
Code of Conduct for Partners

We also require all agents, consultants, vendors and business partners who work on behalf of Packages Group to comply with the 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 see or suspect misconduct, make a report immediately. We encourage you to speak directly to your own supervisor. You can also report your concerns anonymously in confidentiality through whistle blowing channel.

Organizational Structure



Group Structure

OmyaPack (Private) Limited

OmyaPack provides versatile calcium carbonate based product solutions that contribute to multiple industries such as Construction, Printing & Writing, Packaging, Food, Personal & Home Care, Pharmaceuticals, Agriculture and Forestry, Water and Energy.

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 Limited continued to enhance its facilities to meet the growing demand of packaging products and in the year 2019, its 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 investment company, managing its investments in numerous subsidiaries, associates and joint ventures, engaged in various businesses.

IGI Holdings Limited

IGI Holdings Limited - formerly IGI Insurance Limited, a Packages Group Company, is a public listed company and was incorporated in 1953. Objects of IGI Holdings Limited now 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 FSI (Private) Limited
- IGI Finex Securities Limited

Packages Convertors Limited

Subsequent to internal restructuring in 2019-20, Packages Limited transferred its manufacturing businesses including folding cartons, flexible packaging, consumer product etc. to Packages Convertors Limited (PCL), 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 (BSP), 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 throughout the nation.

Hoechst Pakistan Limited

Hoechst Pakistan Limited is a public limited Company incorporated in Pakistan under the repealed Companies Act, 1913 (Now the Companies Act, 2017). 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.

Packages Real Estate (Private) Limited

Packages Mall is one of the latest ventures of Packages Real Estate. The Mall has been designed on international standards by a team of foreign and local professionals. Packages Mall has rapidly risen since its inception in 2017 to become the new home of entertainment where Lahore comes to shop.

Tri-Pack Films Limited

Tri-Pack Films Limited (Tri-Pack) was a joint venture between Packages Limited and Mitsubishi Corporation of Japan. In 2022, Packages Limited acquired 19.33% equity of Tri-Pack from Mitsubishi Corporation and now holds 69.26% shareholding. It is principally engaged in the manufacturing and sale of Biaxially Oriented Polypropylene and Cast Polypropylene films.

Starch Pack (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 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 and is primarily engaged in commercial trading with import, export, distribution, and warehousing as its ancillary activities.

DIC Pakistan Limited

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

Packages Lanka (Private) Limited

Established in 1998 as a subsidiary of Packages Ltd, Pakistan, Packages Lanka (Pvt) Ltd is a leading manufacturer of laminated, printed/unprinted flexible packaging for consumer products by placing it as a market leader in Sri Lanka. 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 acquisition of operations of a flexible packaging company in South Africa.

Chantler Packages Inc.

Chantler Packaging Inc. is a subsidiary of Packages Lanka (Private) Limited. It has a joint venture with Chantler Packaging Canada and it represents the joining together of a major packaging company with a global footprint and a long established Canadian enterprise with a history of innovation.

Linnaea Holdings Inc.

It is the intermediate holding company of Chantler Packages Inc.

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

Asghar Abbas
CEO – Bulleh Shah Packaging (Private) Limited and Packages Power (Private) Limited

Nasir Jamal
CEO – Tri-Pack Films Limited

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

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

Faisal Khan
CEO – IGI General Insurance Limited

Fazeel Rehman
CEO – StarchPack (Private) Limited

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

Ahmed Ramzan
CEO – Packages Lanka (Private) Limited

Ahmad Raza
CEO – OmyaPack (Private) Limited

S. Raza Hussain Rizvi
CEO – IGI Finex Securities Limited

Ali Nadim
CEO – IGI Life Insurance Limited

Syed Aslam Mehdi
Group Head External Affairs

Waqas Munir
Group Chief Investment Officer

Iqra Sajjad
Group Company Secretary & Legal Counsel

Jawad Gilani
Group Head Human Resource

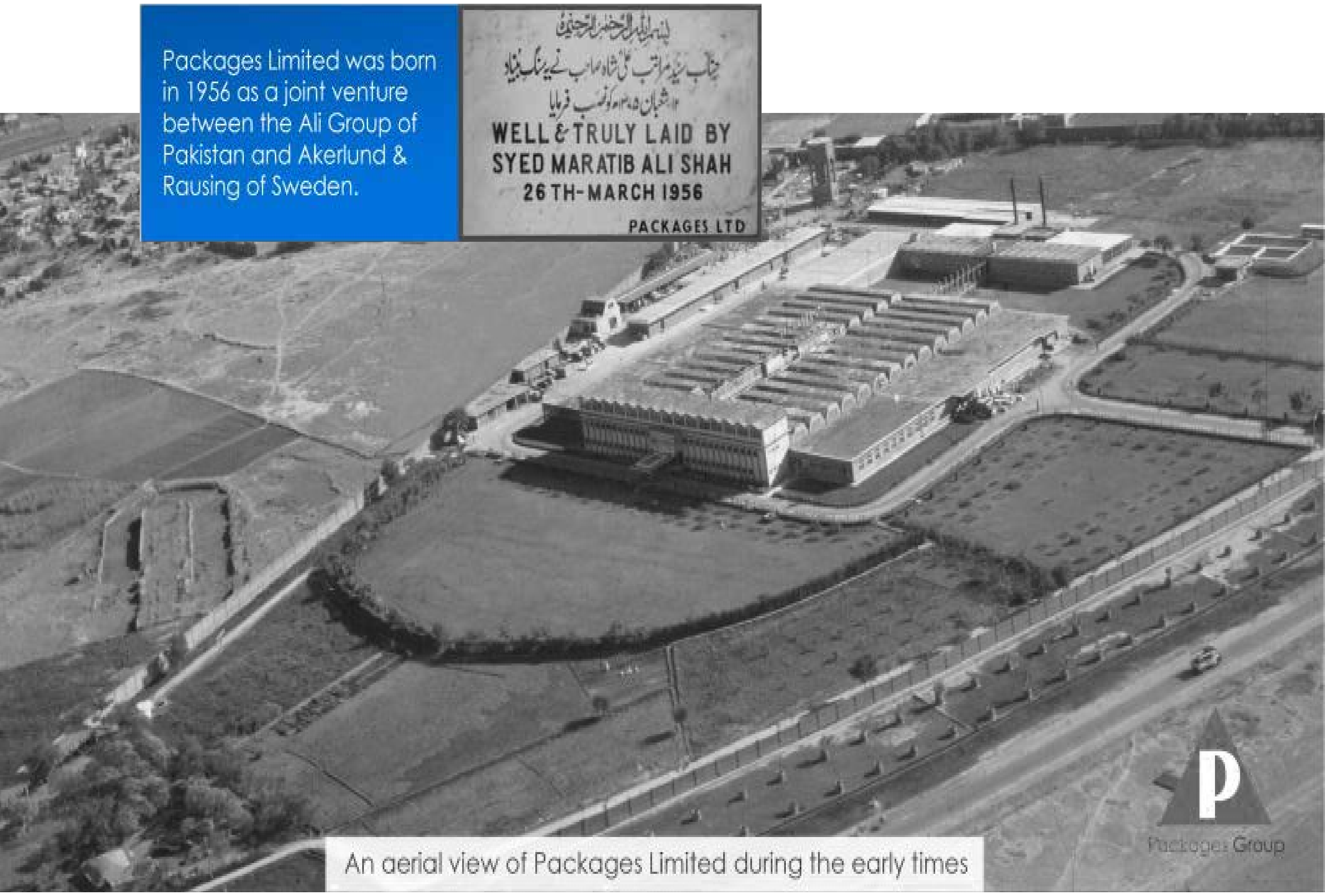
Amir Janjua
Group Head Supply Chain

Soban Waqar
Group Head Internal Audit

Muhammad Ali Sheikh
Group Head EHS

Faizan Mahmood
Group Head Information Technology

FROM THE PAST



An aerial view of Packages Limited during the early times

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.

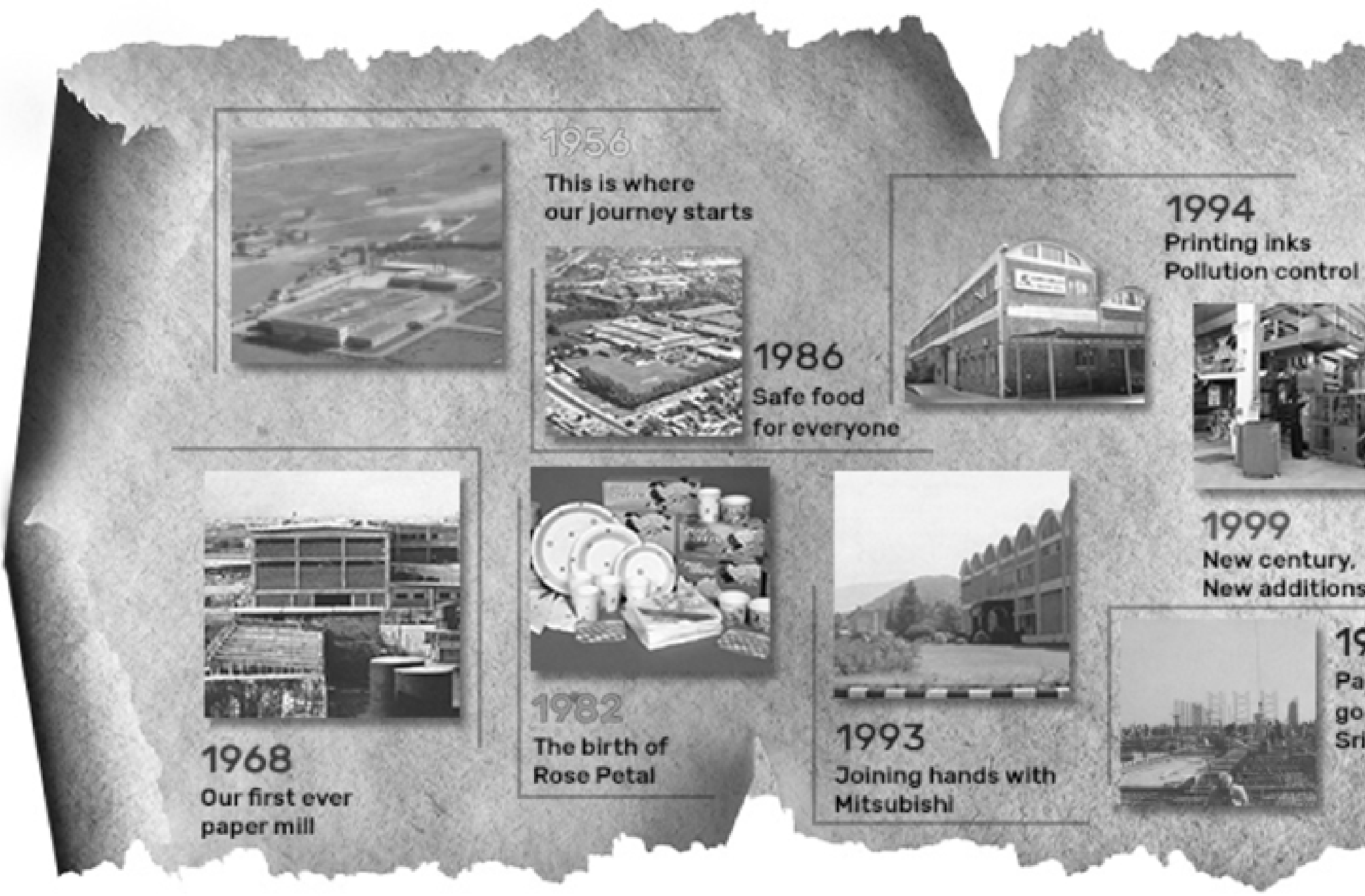
Packages Mall was inaugurated on April 20, 2017 and the customer response since then has been very encouraging. The mall has been designed on international standards by a team of foreign and local professionals. Packages Mall offers over 180 brands, a multiplex cinema, food court, play area and grocery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

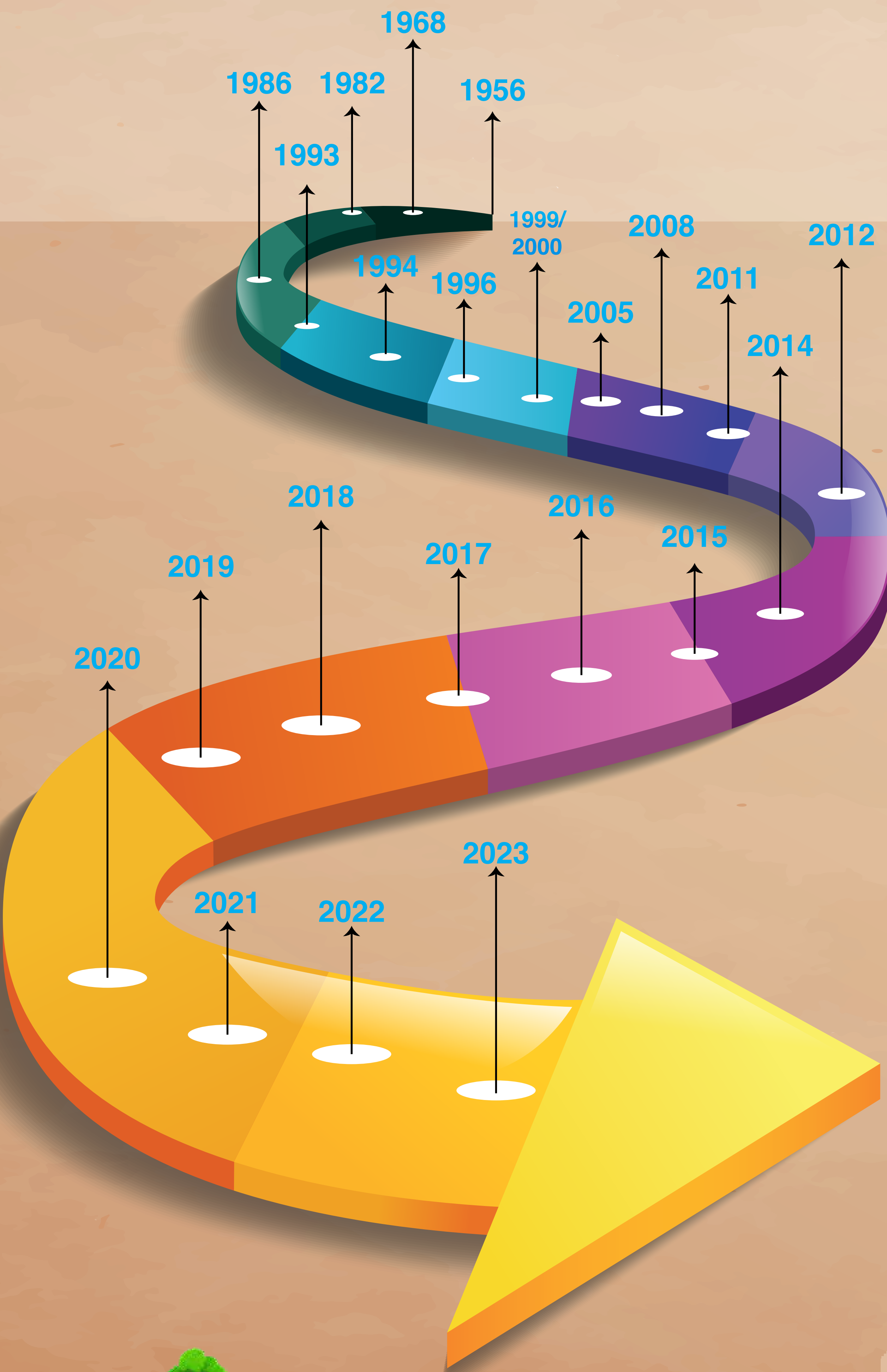
Packages Limited also entered into an agreement with Mitsubishi Corporation to purchase its stake of 19.33% in the shareholding of Tri-Pack Films Limited. On December 31, 2021, the Company concluded the transaction and acquired a further 16.59% of shareholding in Tri-Pack Films Limited from the public 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 now has a total shareholding of 41.07% in HPL and it is one of its subsidiaries.

Milestones


1956
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2008
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2015
2016
2017
2018
2019
2020
2021
2022
2023

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
Acquisition of share of Tri-Pack, completed obligations under Takeover Regulations in relation to the public offer to acquire 6.07% of capital of Sanofi Aventis Pakistan Limited & incorporation of Packages Trading FZCO in Dubai

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.

Products of our Group Companies

Manufacturing

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

Financial Services

General Insurance I Life Insurance I Brokerage

Others

Real Estate I Power Generation

Significant Changes From Prior Year

Hoechst Pakistan Limited (formerly Sanofi Aventis Pakistan Limited)

In December 2021, the Board of Directors of Packages Limited accorded its in-principle approval to become part of the Investor Consortium to evaluate and conduct a due diligence for a potential transaction for the purchase of entire 52.87% shareholding of Sanofi Foreign Participants B.V (Sanofi) held in then named Sanofi Aventis Pakistan Limited (Sanofi Pakistan). The Investor Consortium comprises of Packages Limited, IGI Investments (Private) Limited and affiliates of Arshad Ali Gohar Group along with acquisition of such number of ordinary shares of Sanofi Pakistan as may be offered and acquired in accordance with the provisions of Part IX of the Securities Act, 2015 and Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017. Accordingly, under a mandatory Public Announcement of Offer (PAO) made in 2022 by a Manager to the Offer, Packages Limited fulfilled all its obligations under the Takeover Regulations and acquired 585,254 shares of Sanofi Pakistan from the shareholders who tendered their shares in response to the PAO.

On April 28, 2023, subsequent to the share purchase agreement with Sanofi, Packages 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 now has a total shareholding of 41.07% in HPL and it is one of its subsidiaries.

Significant Factors Effecting the External Environment

	P — POLITICAL	E — ECONOMIC	S — SOCIAL
DEFINITION	Political factors pertain to the extent to which government policies and actions impact the economy, a specific industry and an organization.	Economic factors take into account the various aspects of financial state of the economy and are generally measured and reported by the Central Bank.	Social factors include the cultural and demographic trends of the society. They form the norms, customs, culture and values within which the organization operates.
FACTORS AFFECTING EXTERNAL ENVIRONMENT	Political uncertainty may disrupt the overall business and operations environment including demand.	During the year the Country faced unprecedented challenges such as rising interest rates, devalued currency and impacts of climate changes, increased POL prices, and political uncertainty. In addition, global instability strained the demand-supply balance which led to a slow-down of the global economic growth. Besides, fiscal deficit, mounting public debt, and circular debt situation have also added to the economic challenges. Inflation being on an unprecedented higher side, reduced the purchasing power of end consumers significantly. These challenges are expected to mount pressure on the economy in the coming year and policy makers would have to bring reforms to ensure a sustained economic environment.	An array of social factors such as cultural norms, values, trends, demographics and societal attitudes towards diversity and inclusion affect corporate landscape. Societal expectations regarding ethical business practices, environmental sustainability, and community involvement can also be factors influencing the external environment.
ORGANIZATION'S RESPONSE	The Company remains vigilant of the ever changing political landscape of the country.	These economic factors are regularly being monitored by the Management taking proactive measures to consolidate on positive economic indicators while countering the negative ones.	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.

	T TECHNOLOGICAL	E ENVIRONMENTAL	L LEGAL
DEFINITION	Technological factors form link to innovations in technology that may affect the operations of the industry and the market favorably or unfavorably.	Environmental factors refer to the ecological conditions and climate changes that affect the Company. Every company has its impact on the environment.	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	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.	Increasing frequency and intensity of extreme weather events, shifts in temperature and precipitation patterns, and rising sea levels are posing risks to corporate infrastructure, supply chains, and operations, leading to increased costs and business disruptions. This coupled with resource scarcity, growing consumer demand for environmentally sustainable products and services, as well as investor pressure for responsible corporate practices, can drive companies to adopt more sustainable business models, including renewable energy usage, waste reduction, and eco-friendly packaging. Considering and addressing these environmental factors is essential for corporate entities to effectively manage risks, seize opportunities, and demonstrate commitment to sustainability and corporate social responsibility.	Companies are required to follow all the legal requirements that are applicable to the industry they operates in.
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, deliver quality and reporting accuracy. During the year, the Group has embarked on 'Project Buraq' for upgrading its ERP systems.	Packages Group remains is always committed to have a 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 activites which play a pivotal role in our concious efforts to remain environmentally responsible.	Packages Group abides by all the applicable laws like Companies Act, 2017, Income Tax Ordinance, 2001, SECP Act, Code of Corporate Governance, laws related to labor, environment etc. Related reporting wherever required has been made a part of this Annual Report.

Geographical Presence

LOCAL

LAHORE
Head Office

KARACHI
Registered Office

Key Performance Indicators

Operating revenue (Rs in Million)
6,393

Profit before income tax (Rs in Million)
3,088

Return on Equity (percentage)
4.74

Operating profit (Rs in Million)
4,526

Profit for the year (Rs in Million)
2,778

Basic earning per share (EPS) (Rupees)
31.08

Share holders' equity (Rs in Million)
58,654

Price earning ratio (Times)
17.06

Dividend yield (percentage)
5.19

Debt to equity ratio
11:89

No. of employees
151

Proposed Cash dividend (percentage)
275

Awards and Certifications

Packages Group 'Climate 2 Equal' project in collaboration with IFC - International Finance Corporation and CERB won a recognition award in the category of Climate Resilience at the 1st Sustainability Investment Expo and 26th Sustainable Development Conference organized by SDPI

Packages Group has been acknowledged as one of the ten winners of Recycling Heroes 2023 by the Global Recycling Foundation.

20th Annual Environmental Excellence Awards by the NFEH

Awarded "Responsible Partner" award from Total PARCO Pakistan Limited

The IFC and PBC's Employer of Choice Gender Diversity Awards

11th Annual CSR Summit & Awards by Professionals Network for Community Impact

14th Annual Women Empowerment & CSR Awards by NFEH for Sustainability Initiatives

3rd Living the Global Compact Best Sustainability Initiatives Awards

2nd ICE Conference and Exhibition by World Bank and EPA

12th Annual CSR Summit & Awards by Professionals Network for Responsible Supply Chain Initiatives

4th Living the Global Compact Best Sustainability Initiatives Awards

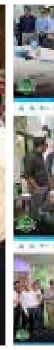
Recognition by UN Women for Women's Economic Empowerment through Community Initiatives

15th Annual CSR Awards by NFEH for Green Energy Initiatives









Major Events

JANUARY - JUNE

- Board Meeting - Budget 2023
- Human Resource and Remuneration Committee Meeting
- Audit Committee Meeting for Year Ended 31 December 2022
- Human Resource and Remuneration Committee Meeting
- Board Meeting for Year Ended 31 December 2022
- Audit Committee Meeting for Quarter Ended 31 March 2023
- Board Meeting for the Quarter Ended 31 March 2023
- 68th Annual General Meeting

JULY - DECEMBER

- Audit Committee Meeting for Quarter Ended 30 June 2023
- Human Resource and Remuneration Committee Meeting
- Board Meeting for the Quarter Ended 30 June 2023
- IT & Digitalization Committee Meeting
- Human Resource and Remuneration Committee Meeting
- Audit Committee Meeting for the Quarter Ended 30 September 2023




- IT and Digitalization Committee Meeting
- Election of Directors
- Corporate Briefing Session-2023
- Acquisition of equity of Hoechst Pakistan Limited (formerly known as Sanofi Aventis Pakistan Limited)
- Syed Babar Ali's talk with the Leadership of the Group
- Career Fairs and Recruitment Drives 2023
- WWF - Green Office Training
- Workshop on ESG Implementation
- UN International Campaigns at Packages Group

- Board Meeting for the Quarter Ended 30 September 2023
- MTO and FTO Program 2023
- Project Buraq Kicked Off!
- Independence Day Celebrated Across the Packages Group
- IFC: In Conversation with Women Climate Leaders COP28

Risks and Opportunities

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.
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 through MOU with Zero Carbon
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 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.
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	Financial	- Inflation rate - Interest rates - Trade deficit - Market borrowing rate - GDP growth - Exchange rate parity - Unemployment levels	- 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.

Risk Description	Classification	Key risk indicators	Mitigating Controls
- 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.		- Adverse Proposed Changes in regulations affecting competitive Position in Local Market	- 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
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. This working is reconciled with accounts and signed off by CFO. - 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 outside the normal course of its business 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;

  Provided that nothing in sub-clauses (f) and (g) shall apply to the advice, directions or instructions given in a professional capacity;
- 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 the 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

1. Introduction

The purpose of this policy is to outline the acceptable use of IT equipment at Packages. These rules are in place to protect the employee and Packages. Inappropriate use exposes Packages to risks including virus attacks, compromise of network systems and services, and legal issues. Effective security is a team effort involving the participation and support of every Packages employee and affiliate who deals with information and/or information systems. It is the responsibility of every computer user to know these guidelines, and to conduct their activities accordingly. This policy apply to employees, and an employee is defined as permanent, temporary employee, contractors, consultants, and other workers at Packages Limited, including all personnel affiliated with third parties. This policy applies to all computer resources that are owned or leased by Packages Limited. All the systems, including but not limited to, computer equipments, software, operating system, storage media, network accounts providing electronic mail, Internet browsing, File transfer services, etc., are the property of Packages Limited.

2. General Use and Ownership

- While Packages' network administration desires to provide a reasonable level of privacy, users should be aware that the data they create on the corporate systems remains the property of Packages.
- Employees are responsible for exercising good judgment regarding the reasonableness of personal use. If there is any uncertainty, employees should consult their supervisor or manager.
- For security and network maintenance purposes, authorized individuals within Packages may monitor equipment, systems and network traffic at any time, as per IT Audit Policy.

- Packages reserve the right to audit networks and systems on a periodic basis to ensure compliance with this policy.
- Installing / uninstalling of all software will be done by ERP Department.

3. Unacceptable Use

Under no circumstances is an employee of Packages authorized to engage in any activity that is illegal under local, state, federal or international law while utilizing Packages-owned resources.

4. Security and Proprietary Information

- The user interface for information contained on Internet/Intranet systems should be classified as either confidential or not confidential, as defined by corporate confidentiality guidelines, details of which can be found in Human Resources policies. Examples of confidential information include but are not limited to: company private, corporate strategies, competitor sensitive, trade secrets, specifications, customer lists, and research data. Employees should take all necessary steps to prevent unauthorized access to this information.
- Keep passwords secure and do not share accounts. Authorized users are responsible for the security of their passwords and accounts. Passwords should be changed every three months.
- All PCs, laptops and workstations should be secured with a password-protected screensaver with the automatic activation feature set at 10 minutes or less, or by logging-off (control-alt-delete for Win2K users) when the host will be unattended, all users are advised to lock their systems if they are to remain unattended for longer period.
- Registration of company email addresses on social sites and subscription of packages email addresses on different sites is not allowed.
- All hosts used by the employee that are connected to the Packages Internet/Intranet, whether owned by the employee or Packages, shall be continually executing approved virus-scanning software with a current virus database.
- Employees must use extreme caution when opening e-mail attachments received from unknown senders, which may contain viruses, e-mail bombs or Trojan horse code.
- Postings on newsgroups should not be allowed from a Packages email unless it is solely for official purpose.

Packages email addresses should not be used for personal correspondence.

DISASTER RECOVERY PLAN (DRP)

Disaster Recovery Plan (DRP) is a part of overall business continuity plan (BCP) at Packages Limited. As a result of this reliance, ERP/IT services are considered a critical component in the daily operations at Packages Limited, requiring a comprehensive Disaster Recovery Plan (DRP) to assure that these services can be re-established quickly and completely in the event of a disaster of any magnitude. Response to and recovery from a disaster at Packages Limited is managed by the Emergency Response Team and the Contingency Operations staff. Their activities are governed by the Packages Limited Emergency Response Plan. The ERP/IT DRP presents the requirements, and the steps that will be taken in the event of any disaster affecting IT services at Packages Limited, with the fundamental goal of allowing basic business functions to resume and continue until such time as all systems can be restored to pre-disaster functionality.

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.

Sustainability

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 to 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 opportunities of growth for everyone. A robust training and development function caters 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 daycare 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 50% of our Group's energy needs in Pakistan are met through renewable energy sources including solar and biomass. A 6.14 Mega Watt Solar installation in Lahore, a biomass boiler with 30 Mega Watt capacity, 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 protect the planet.

We have recently installed Pakistan's first Solvent Recovery Plant which recovers up to 80% of the solvents evaporated during 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 boiler. 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 fresh water 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 to the best global standards of quality and food safety to meet our customers' requirements and expectations.

We help in 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 wellbeing 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 12,000 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"

INTEGRATED MANAGEMENT SYSTEMS POLICY

Packages Limited

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

Chantler Packages IGI IGI FSI

Our Approach to Sustainability

At Packages Group, our commitment to sustainability is deeply ingrained in our corporate ethos and aligns with our renewed sustainability strategy that embraces ESG principles. Our mission, "Creating a Better Tomorrow," embodies our dedication to global collaboration, striving to enhance our positive impact while diligently minimizing any adverse effects.

Throughout our history, sustainability principles and actions have been integral to our company's strategy, culture, and daily operations. Guided by our Founder, Syed Babar Ali, we have a proud tradition of giving back to our communities, underpinned by values such as innovation, entrepreneurship, humanity, and a people-centric ethos. We ensure that our achievements translate into socio-economic advancements for the communities we engage with, providing our customers, employees, and communities with every opportunity to prosper.

For Packages Group, sustainability transcends being a mere means to reduce negative externalities and manage risks. Instead, we view it as a profound opportunity for innovation, growth, and the pursuit of purpose-driven, impact-oriented, and enduring value creation. Our renewed sustainability strategy, pivoting from People, Planet, Prosperity to Trust, Stewardship, and Excellence, is fortified by our Green Vantage and Sustain Right approaches, amplifying our commitment to fostering a sustainable future.

Our dedication to creating social value reflects our core mission: to provide products and services essential for society's transition towards a more sustainable future. We are committed to fulfilling this role responsibly. We recognize that our stakeholders and partners are placing increasing emphasis on our sustainability performance, considering it a vital factor in evaluating our industry. Our aim is to consistently enhance and surpass these expectations.

As we navigate the path towards a resilient future, Packages Group is formulating a comprehensive sustainability approach that revolves around the concept of "Creating harmony between people, planet, and prosperity." Our mission is to contribute to a better tomorrow by going beyond mere environmental compliance and embracing long-term social and environmental responsibility, ensuring the sustainable growth of our business.

At the core of our corporate culture lies the commitment to shape and fortify the economic, social, and financial well-being of communities. Packages Group's sustainability journey is evident in our adherence to the United Nations Global Compact and our alignment with numerous national and international standards.

Our ESG Philosophy

At Packages, our ESG philosophy is not just a statement; it's a guiding principle that shapes our daily operations, influences our strategic decisions, and reflects our dedication to creating a more sustainable, responsible, and ethical future for our Group and the world. We are committed to creating sustainable, responsible, and ethical packaging materials that benefit our customers, employees, suppliers, and the environment while contributing to a better future for all.

"Building resilience through sustainable growth"

We are committed to continuing the growth of an impactful business, grounding our actions on sustainability principles to protect our planet and future. This means embedding social responsibility in each product and process towards preserving a greener and livable environment. Our entire value chain and all processes are anchored upon sustainable resilience and an unwavering commitment to fundamental business principles without compromising our growth and expansion.

Our Aspiration

At Packages Group, our aim is to leverage ESG principles as a competitive advantage in comparison to our business rivals and other boutique firms. We recognize that companies with successful ESG initiatives tend to enhance their market position and bolster their brand strength relative to competitors.

We aim to be more appealing to ESG-focused stakeholders, as ESG consciousness and investing have become integral parts of our markets. Packages Group aspires to be the preferred choice and a shining example for Green and Sustainable investments and business practices.

Our Refreshed ESG Strategy

• GreenVantage | SustainRight

Creating a better and sustainable tomorrow by turning environmentally conscious practices into our competitive advantage and our commitment to ethical and responsible business.

• GreenVantage

Emphasizes our competitive advantage in sustainability and environmentally conscious practices.

• SustainRight

A play on "sustainability" and "doing what's right," conveying our commitment to ethical and responsible practices.

At Packages, sustainability is woven into our business model, and we can have the most significant positive impact by helping to create a low-carbon, circular economy. It's not a sojourn but a transformation, we alone cannot make happen. We need our people, customers, suppliers and other stakeholders to work with us in shaping our collective better and sustainable tomorrow.

We are refreshing our strategy with our GreenVantage and SustainRight Sustainability Strategy and set ambitious near and long-term targets that confirm our commitment to the circular economy and our purpose of redefining packaging for a more-than-ever-evolving world.

Our GreenVantage and SustainRight Strategy sets and communicates our aspirations, focusing on the sustainability challenges we face today and those that will impact our joint tomorrow. This allows us to be the front-runner for a sustainable, low-carbon, circular economy in Pakistan.

• Our Sustainability Policy

Our Sustainability Policy describes our overall approach to sustainability. At the same time, our code of conduct and other policies and guidelines on specific sustainability topics further elaborate our approach, while also guiding our employees in their everyday work.

Packages Group Sustainability Policy

Packages Limited

1.0 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.

2.0 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

3.0 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.

4.0 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.

Syed Hyder Ali
Chief Executive & Managing Director

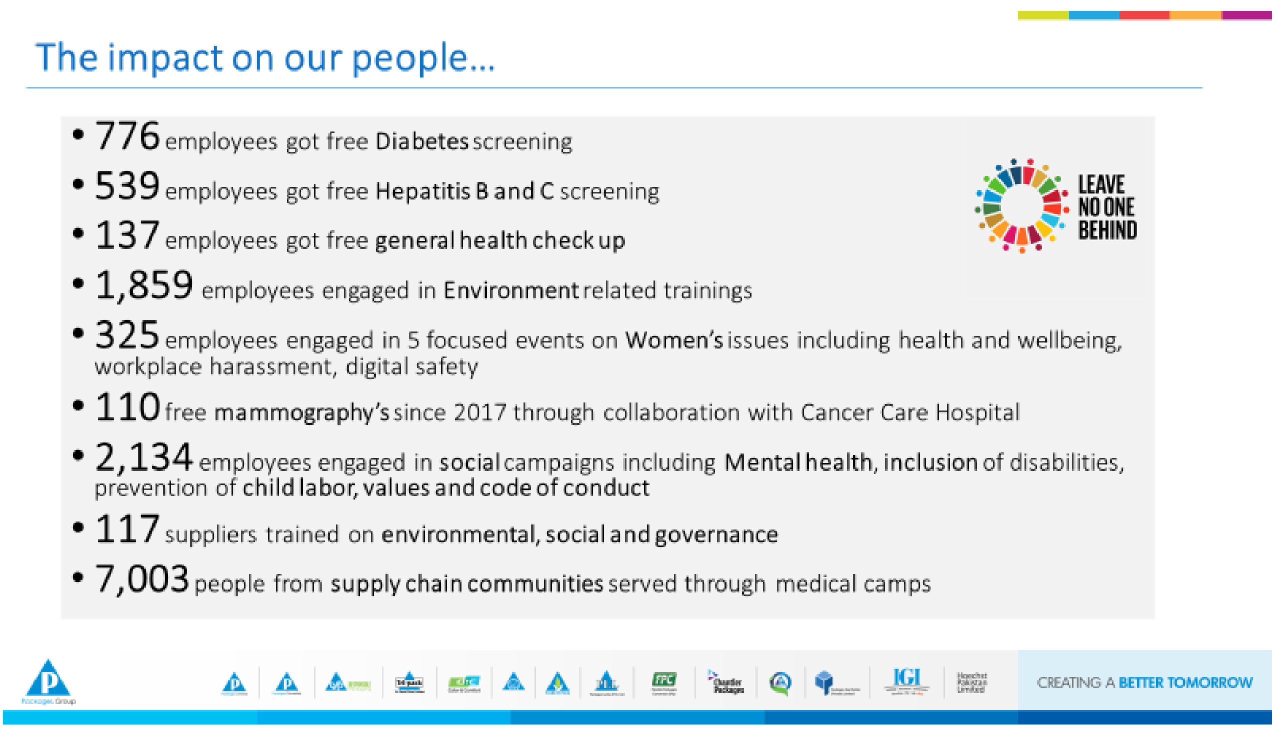
Packages Group SEMA (Stakeholder Engagement and Materiality Assessment) Policy

Packages Limited being cognizant of the significance of responsible and transparent corporate practices and in alignment with the adopted reporting standards including Global Reporting Initiative (GRI) standards, the IFRS, the UN SDGs defines the Stakeholder Engagement and Materiality Assessment [SEMA] Policy through this document.

This SEMA Policy outlines the Company's approach to engaging with stakeholders and identifying Material Topics for the purpose of planning our ESG initiatives and later reporting on the progress of our initiatives to demonstrate the achievement of our sustainability-related business commitments.

Key Sustainability Milestones 2023

UN Global Compact Commitment



International Campaigns and Employee Engagement

International Women's Day 2023

International Women's Day was celebrated at the Packages Group in collaboration with our new brand Embrace. Female employees from across the Group representing Packages Limited, Packages Convertors Limited, Bulleh Shah Packaging Pvt. Ltd., DIC Pakistan Limited, Tri Pack Films Ltd., Packages Mall, OmyaPack, Starch Pack, and IGI participated in the event in addition to our senior management represented by the Group CEO & MD, Syed Hyder Ali, Syeda Henna Babar Ali, Mr. Jawad Gilani, Mr. Waqas Munir, Mr. Ahsan Cheema and Mr. Tariq Ikram were also present to support the women of the Packages Group and endorse the Group's commitment towards gender equality and sustainable development. A half-day workshop on unconscious bias was conducted by Ms. Medeeha J. Khan from the Center of Advanced HR and Executive Presence.

ACTS 6th Anniversary

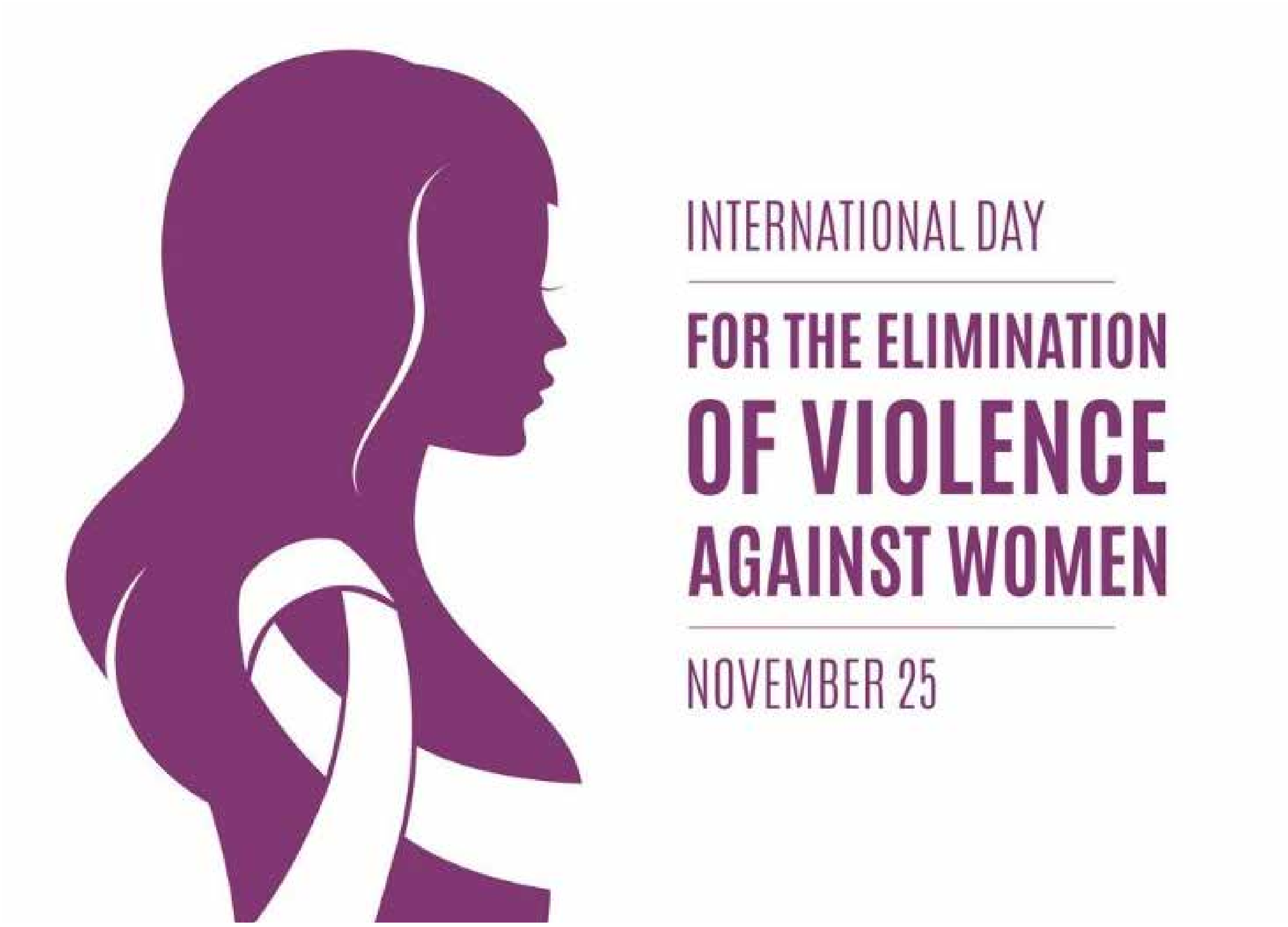
The 6th Anniversary of our women's platform ACTS was celebrated with a discussion on an important issue prevalent in Pakistan - Domestic Violence and Abuse. ILO's new convention C-190 also addresses this issue as a part of the impact on employee health and wellbeing due to domestic violence and abuse. Our esteemed panel included Ms. Massarat Misbah from Smile Again Foundation, Dr. Noreen Zafar, renowned gynecologist, and social activist, Ms. Medeeha J. Khan from CHREP, Dr. Qurat-ul-Ain, a clinical psychologist from Pheonix Foundation for Research and Development, and last but not the least Ms. Sidra Humayun from UN Women Pakistan. Syeda Henna Babar Ali shared her views on the subject and how to address it effectively. Dr. Haiqa Nasir a renowned self-defense trainer also conducted a talk on how to protect yourself if faced with such circumstances. The event was attended by more than 70 women from different companies including Packages Limited, Packages Convertors, Bulleh Shah Packaging, DIC Pakistan Limited, OmyaPack, Starch Pack, and Packages Mall. The event concluded with a cake-cutting ceremony to celebrate the 6-year journey of Actively Caring through Sharing.

Mother's Day

Packages organized a Women's ACTS (a forum for women at Packages Group) session on account of Mother's Day in Lahore. Working women in general and working mothers specifically face a lot of challenges while balancing their responsibilities with their careers. An interactive discussion on how to overcome those challenges and what improvements can be made to our policies was led by the Group Sustainability Team, along with valuable insights from Syeda Henna Babar Ali, Chairperson of DIC Pakistan Limited, and Advisor Consumer Division at Packages Limited. Former CEO of Starch Pack Ms. Humaira Shazia, the founding member of the ACTS platform also shared her experience over a long career. Ms. Afia Mansoor from Maria B. Cares was the guest speaker at the event. We also took the opportunity to thank and acknowledge our dear colleague Ms. Robina Aziz, who has served the Packages Group for over three decades before she retired the following month.

Elimination of Violence against Women

The International 16 Days Campaign is a global initiative aimed at combating violence directed towards women and girls. This annual campaign



spans from November 25th, observed as the International Day for the Elimination of Violence against Women, to December 10th, recognized as Human Rights Day.

Aligned with our Core Values of Care, Respect, Lead, Honesty, and Courage, and in adherence to our commitment to achieving the Sustainable Development Goals, we actively participate in the 16 Days of Activism endorsed by the United Nations.

As part of our ongoing efforts and in continuation of our annual campaign on the Prevention of Sexual Harassment in the Workplace, we organized a dynamic and interactive session on “Respectful Workplaces” at Irshad Hall, Packages Limited, Lahore.

This initiative reflects our dedication to fostering a work environment that upholds the principles of dignity and safety for all. 45 people representing PL, PCL, BSP, DIC, PREPL, OmyaPack and Starch Pack participated in this training with a total of 90 man-hours invested.

Code of Conduct

Code of conduct serves as a framework for promoting ethical behavior, fostering a positive and inclusive environment, and ensuring accountability. Packages Group conducted several COC trainings across the Group to empower its employees to handle ethical issues they face in everyday work, aligned with our Core Values of Care, Respect, Lead, Honesty, and Courage. A total of 87 employees participated in the training.


GROUNDWATER
MAKING THE INVISIBLE VISIBLE
UN WATER
WORLD WATER DAY
WORLD DAY AGAINST CHILD LABOUR
12 JUNE 2023
INTERNATIONAL DAY OF
ZERO WASTE
30 March 2023
SOCIAL JUSTICE FOR ALL.
END CHILD LABOUR!
BEAT PLASTIC POLLUTION
5-9 JUNE
BE THE CHANGE YOU WANT TO SEE IN THE WOR
World Health Organization
75
HEALTH FOR ALL
Health For All
صحت
سب کے لیے
#ActionsMatter
Food and Agriculture Organization of the United Nations
World Health Organization
SUSTAINABLE DEVELOPMENT GOALS
WORLD FOOD SAFETY DAY
7 JUNE 2023
FOOD STANDARDS SAVE LIVES
خوراک کے معیارات زندگیاں بچاتے ہیں
Global Recycling Day
18 • 03
BE THE CHANGE
18 MARCH 2023
REDUCE • REUSE • RECYCLE
#SAVETHEPLAN
5-9 JUNE
ENVIRONMENT WEEK

Environment, Health & Safety

Successful Food Safety Audit - BRC Hi-Hygiene Audit for Packaging Material With AA Grade

During the year, we had a successful completion of a Food Safety Audit – BRC Hi-Hygiene Audit with AA Grade, focusing on packaging material. This audit is crucial in ensuring that Packages maintains the highest standards of food safety throughout its operations. The successful completion of the BRC Hi-Hygiene Audit signifies Packages Group's dedication to ensure the highest level of safety and quality in packaging materials. It also highlights the Group's ongoing commitment to provide customers with products that meet or exceed industry standards for food safety.

Successful FSSC 22000 V5.1 Recertification - Food Safety System Certification (Extension to Scope Audit)

We are pleased to announce that during the year we achieved successful recertification of Packages' Food Safety System Certification (FSSC) 22000 V5.1. This recertification includes an extension to the scope audit for Paper Straw Material, ensuring continued compliance with the highest standards of food safety. During the recertification and extension to scope audit, Packages underwent a thorough evaluation of its food safety management system. The audit team meticulously examined all aspects of the Packages' operations to assess compliance with the FSSC 22000 V5.1 requirement.

Mock Drills Conducted at Packages Lahore

In a dedicated effort to fortify our commitment to employee safety, we have conducted comprehensive mock drills across our entire factory. From fire-fighting to snake 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 across the Group 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 – Awareness Session on ERP, Fire Safety, Risk Assessment, PTW, Rescue, First Aid, Food Safety and Halal 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 and 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 Halal Certification.

Successful Customer Audits

During the customer audits, team's professionalism, attention to detail, and adherence to industry standards were evident throughout. The constructive feedback provided during the review has been invaluable in helping us identify areas for improvement, and further enhance our processes across the Group. Customer audits are a very important part of validating management system implementation. Customer audits including Pepsi-Cola, Nestle, Ismail Industries, Qarshi, and, Yums were conducted successfully.

Dengue Control and Awareness Campaign

The EHS dengue team developed a comprehensive approach through effective work, and collaborative efforts to control the risk of dengue among employees. In line with this initiative, the team did an awareness campaign to educate people about the prevention of dengue fever. This plan included different aspects like making people aware, watching for larvae, finding cases early, and doing research. All the departments worked together to control dengue and aware masses about it.

2nd Safety Awareness Week Celebrations at Packages Group

The 2nd Safety Awareness Week was celebrated at Packages Group with active participation from all the 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 quizzes, hazard-hunting activities, fire safety & ERP mock drill, basic life support and 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.

Smog Awareness Session - EHS Collaboration with WWF

Packages EHS team, in collaboration with WWF, conducted a smog awareness session which focused on addressing the issue of smog. In addition to the session, several other smog awareness initiatives were implemented to further promote safety, and awareness among the employees. These initiatives included an awareness campaign, environmental monitoring, HTV fitness audits, and raising awareness through employee notifications & alerts.

Road Safety Awareness Training

A Road Safety awareness campaign was conducted in August 2023 with the main theme focusing on safe driving. Various topics were covered including pre-ride checkups, misconceptions and good practices of driving. The training was very well received by the employees.

Behaviour-Based Safety Training for Senior Management

Behavior-Based Safety Training was tailored for our senior management within the Group. This specialized initiative was designed to cultivate a safety-first mindset among our leadership, emphasizing the pivotal role that behavior plays in creating a secure workplace. Through interactive sessions and practical activities, our senior management gained insights into identifying and mitigating potential risks. The enthusiastic participation underscores our leadership's commitment to setting and promoting a culture of safety.

Basic Lift Support Awareness Training in Collaboration with Rescue 1122 Team

This targeted initiative focused on equipping our workforce with essential knowledge and skills related to basic lifesaving practices. The training, comprising practical demonstrations, and expert guidance, emphasized the importance of proper life-saving techniques to prevent injuries and promote a culture of well-being.

Building Safety Measures Certificate from Rescue 1122

Packages Group received a “Building Safety Measure Certificate” from the Rescue 1122 Team as the first high-rise building in Punjab i.e. Packages Mall and others being extruder hall (BUFP) and tissue manufacturing hall (BUCP). The collaborative efforts between our team have resulted in the recognition of our buildings' safety standards.

Appreciating our Fire Heroes

Certificates of Appreciation were given to the best fire officers in the factory for their exceptional dedication, skill, and commitment to maintain top-notch fire safety protocols. These individuals have gone above and beyond to ensure the safety of our workplace. Their expertise is not only commendable but also instrumental in upholding the highest standards of fire safety.

Awareness Session on Basic Life Support - By First Response Initiative of Pakistan

EHS is thrilled to highlight the impactful Awareness Session on Basic Life Support conducted by the First Response Initiative of Pakistan. This session not only equipped participants with essential life-saving skills, but also forecasted a culture of preparedness within BSP and DIC Pakistan. The main topics covered were CPR, basic bleeding control and safe mobility. This feature serves as a testament to the power of education in saving lives, and building resilient communities.

Stakeholders' Relationship & Engagement

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 session

- 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.

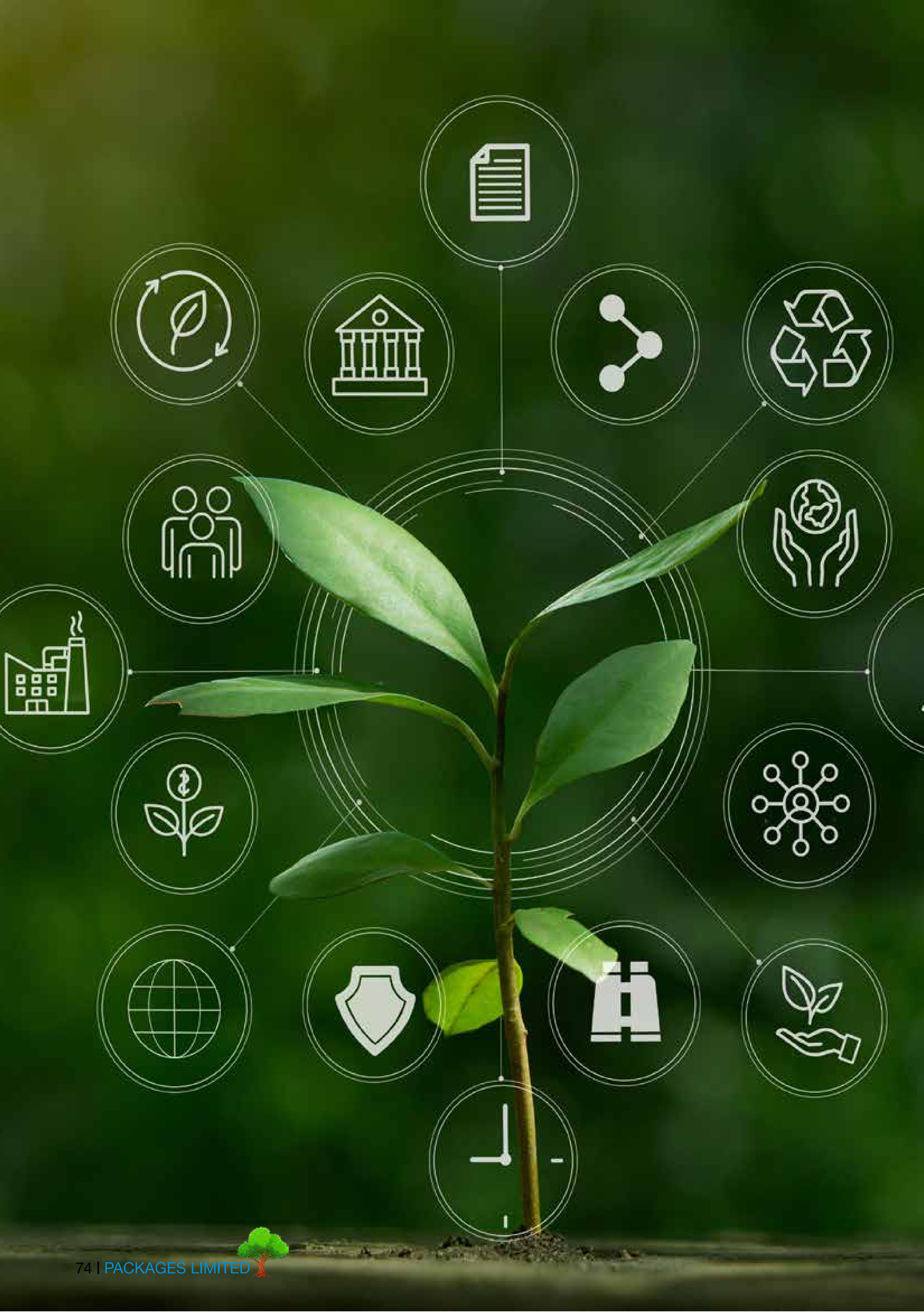
Investors' Section on Website

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.



Governance Framework

Leadership Structure

MR. TOWFIQ HABIB CHINOY
(Since 21 May 2008)

Mr. Towfiq Habib Chinoy, Non-Executive Director, has been associated with the Company as the Chairman of its Board of Directors since 2008. He was the Managing Director of International Industries Limited (IIL) for 37 years until 2011. He was also the founding Managing Director of International Steels Limited (ISL) and served for 8 years until 2015. Currently, he is the Chairman of Yaqin Steels Limited and Director of Standard Chartered Bank (Pakistan) Limited. He is a Trustee of the Mohatta Palace Gallery Trust. Amongst the positions he has previously held are Chairman of the International Steels Limited, Board of Governors at Indus Valley School of Art & Architecture for two terms, Chairman of Jubilee General Insurance Company Limited for 23 years, Chairman of Pakistan Cables Limited for 14 years and Chairman of PICIC Commercial Bank Limited for 3 years. He has also been 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 and has also been the Vice-Chairman of Pakistan Business Council. He is also a certified director from the Institute of Directors.

SYED HYDER ALI
Since 25 August 1994

Syed Hyder Ali joined Packages Limited in July 1987 and presently holds the position of Managing Director and CEO of the Company and IGI Holdings Limited. He has done his Masters in Sciences from Institute of Paper Chemistry and has also served as Mill Manager of Paper and Board operations of the Company.

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

SYED SHAHID ALI
Since 25 May 2005

Syed Shahid Ali is currently associated with the Company as Non-Executive Director. He is the Chairman of Treet Corporation Limited and Gulab Devi Chest Hospital. He also holds directorship of several 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 and holds senior positions on the governing boards of several hospitals and philanthropic organizations, including Presidentship 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 a rich background in investment banking, principally on the advisory side as well as in debt capital markets.

At Old Mutual, his last executive position, he ran the Group's business in the UK, Europe, and Asia. He was one of the five executives who ran the Group worldwide. Old Mutual plc, which now has its regional businesses listed separately, was listed on the London Stock Exchange with a market capitalization in excess of £20 billion. Mr. Askari also holds a directorship in a philanthropic organization namely The Hasan A. Foundation and is also a trustee of Packages Foundation. He is also a certified director from 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 international career spanning more than 40 years of executive leadership roles in banking and of multiple boards and public interest positions. He started his professional journey with Citibank in 1982, and has since held numerous 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 of ABN AMRO's Asia Pacific Region, and Country Manager of ABN AMRO Pakistan. Mr. Bajwa has been active in business, social and public interest areas and has led key advocacy institutions to impact economic and social sectors. In this regard, he has served as the Chairman of Pakistan Business Council (PBC) and the President of Overseas Investors Chamber of Commerce and Industry (OICCI). He has also served as Director on boards of various private and public sector companies. Mr. Bajwa received his education from Columbia University, New York.

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

MS. SABA KAMAL

Since 29 May 2020

Ms. Saba Kamal has extensive experience working for IBM Corporation in Pakistan and internationally including 20 years in senior leadership roles. She started her career as a System Engineer and rose to client-facing and leadership positions such as Banking, Finance & Securities Leader, South Territory Manager, and Products Manager and established and led IBM Software Group in Pakistan.

From 2010 to 2019, Ms. Saba Kamal held regional roles and was promoted to Executive in IBM Middle East & Africa. She led the Web Sphere and Middleware teams in the region comprising the Middle East, Pakistan, all of Africa and Turkey. She was also the Executive Strategic Projects and responsible for key projects, geographical expansion of operations and special initiatives.

Ms. Saba Kamal is an MBA from IBA Karachi and has done various courses within IBM's education centers as well as from Insead, Boston University and China Europe International Business School. She is also a certified director from Pakistan Institute of Corporate Governance.

She is associated with the Company as an Independent Director and also holds directorship in Habib Bank Limited and is a Member of the Governing Body of Institute of Business Administration.

MR. TARIQ IQBAL KHAN
Since 22 October 2001

Mr. Tariq Iqbal Khan is associated with the Company as a Non-Executive Director. He is a Fellow member of the Institute of Chartered Accountants of Pakistan with a diversified and rich experience of more than 45 years. He has held leading policy-making positions in various associations and institutions in the country, including being a Founding Director and President of Islamabad Stock Exchange, Commissioner and Acting Chairman Securities and Exchange Commission of Pakistan and Managing Director/Chairman at Investment Corporation of Pakistan/National Investment Trust.

He holds Chairmanship in Interloop Asset Management Limited and Packages Convertors Limited and directorship of Attock Refinery Limited, Pakistan Oilfields Limited, Shifa Medical Center Islamabad (Pvt.) Limited, and KIA Lucky Limited. He is also serving on the Board of Trustees of High-Altitude Sustainability Trust, Human Element Foundation, Islamic International Medical Trust and Pakistan Academy of Engineering Endowment Fund. Moreover, he is also a member of Audit Oversight Board and Society for the Promotion of Engineering Sciences and Technology in Pakistan. He is also a certified director from Pakistan Institute of Corporate Governance.

SYED ASLAM MEHDI
Since 23 August 2007

Syed Aslam Mehdi, Non-Executive Director and Group Head External Affairs has a Masters' degree in Business Administration from Institute of Business Administration, Karachi and has been associated with different companies of the Packages Group in various capacities over the years. He also served as the General Manager of Packages Limited from September 2008 to September 2014.

Currently, he holds directorships 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 is also a member of the Board of Governors of the National Management Foundation (LUMS), Ali Institute of Education and Babar Ali Foundation. He is also serving on the Board of Trustees of Packages Foundation. He is also a certified director from the Institute of Chartered Accountants of Pakistan.

MR. JOSEF MEINRAD MUELLER

Since 21 April 2014

Mr. Josef Meinrad Mueller is associated with the Company as a Non- Executive Director. He was born in Switzerland where he obtained his education including MBA from IMD (formerly IMEDE) in Lausanne where he also served as an Executive-in-Residence. He has over 40 years of senior international management experience at the Nestle Group in developed and emerging markets. He is familiar with Pakistan where he served as Managing Director of Nestle Pakistan Limited during 1992-1995. Throughout his international career, he was entrusted with several senior leadership positions in different countries, including his important role as CEO and Chairman of Nestle in the Greater China Region. Following his retirement from the Nestle Group, Mr. Mueller continues to remain very active in the international business world as an independent business advisor.

MR. OSMAN KHALID WAHEED

(Since 30 October 2023)

Mr. Osman Khalid Waheed is the Chief Executive Officer and Director of Ferozsons Laboratories Limited which he joined in 1993 after obtaining his undergraduate degree from Harvard University, USA. He has worked in logistics, sales and marketing before assuming the role of Company President in 1999.

During this period, Ferozsons expanded its portfolio of medical solutions for critical diseases by forging alliances with a number of leading international partners including the Boston Scientific Inc., USA the world's leading manufacturer of medical devices, a joint venture with the Bago Group of Argentina to establish BF Biosciences Limited, Pakistan's first biotech pharmaceutical manufacturing company and Gilead Sciences, Inc. USA for their range of Hepatitis C and anti-viral therapies, to name a few.

Mr. Waheed is currently serving on the boards of a number of other companies including Packages Limited, and BF Biosciences Limited, and is also a Trustee of Lahore University of Management Sciences and has previously served on the boards of Murree Brewery, Nestle Pakistan Limited, Trade Development Authority of Pakistan (TDAP), Pakistan Industrial Development Corporation (PIDC), and as President of the 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

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 (HR&R) Committee

Ms. Saba Kamal (Independent Director)	Chairperson
Syed Hyder Ali (Chief Executive Officer & MD)	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

Terms of Reference of Human Resource And Remuneration (HR&R) Committee

The terms of reference of the Human Resource and Remuneration (HR&R) 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

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;

Executive Committee

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

Terms of Reference Of Executive Committee

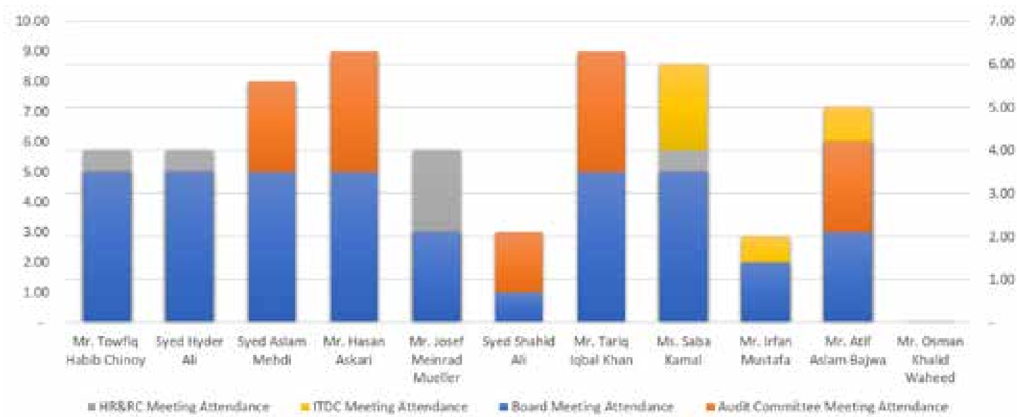
Executive Committee is involved in day-to-day operations of the Company and is authorized to conduct every business except the businesses to be carried out by the Board as required by section 183 of the Companies Act, 2017. The Executive Committee meets periodically to review operating performance of 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.

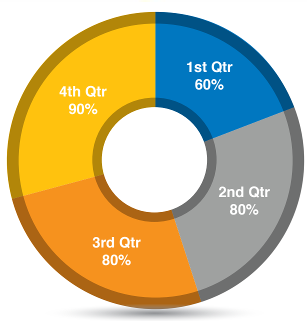
Attendance at Board and Board Committee Meeting- FY 2023

Sr. No.	Name of Director	Board of Directors Meeting	Audit Committee Meeting	HR and Remuneration Committee Meeting	IT & Digitalization Committee Meeting
1	Mr. Towfiq Habib Chinoy	5/5	-	4/4	-
2	Syed Hyder Ali	5/5	-	4/4	-
3	Syed Shahid Ali	1/5	2/4	-	-
4	Mr. Hasan Askari	5/5	4/4	-	-
5	Mr. Atif Aslam Bajwa	3/5	3/4	3/4	2/2
6	Ms. Saba Kamal	5/5	-	4/4	2/2
7	Mr. Tariq Iqbal Khan	5/5	4/4	-	-
8	Syed Aslam Mehdi	5/5	3/4	-	-
9	Mr. Josef Meinrad Mueller	3/5	-	4/4	-
10	Mr. Irfan Mustafa*	2/3	-	1/4	1/2
11	Mr. Osman Khalid Waheed*	0/1	-	-	-

Meetings held during the year 2023

Board of Directors Metting held on	Audit Committee Meetings held on	HR&R Committee Meetings held on	IT & Digitalization Committee Meeting held on
04-Jan-23	22-Mar-23	05-Jan-23	25-May-23
24-Mar-23	26-Apr-23	22-Mar-23	19-Oct-23
26-Apr-23	24-Aug-23	24-Aug-23	
25-Aug-23	25-Oct-23	20-Oct-23	
26-Oct-23			





Mr. Irfan Mustafa resigned on 25 August 2023 and Mr. Osman Khalid Waheed joined the Board of Directors of the Company on 30 October 2023 as an Independent Director in his place.

List of Directorships

DIRECTORS	ORGANIZATIONS
Towfiq Habib Chinoy	***Chairman*** Packages Limited Yaqin Steels Limited ***Director*** Standard Chartered Bank (Pakistan) Limited ***Trustee*** Mohatta Palace Gallery Trust
Syed Hyder Ali	***CEO & Director*** Packages Limited IGI Holdings Limited ***CEO - Deemed Director*** Packages Convertors Limited ***Director*** Babar Ali Foundation Bulleh Shah Packaging (Private) Limited Flexible Packages Convertors (Pty) Limited Hoechst Pakistan Limited (formerly Sanofi-Aventis Paksitan Limited) IGI General Insurance Limited IGI Investments (Private) Limited IGI Life Insurance Company Limited National Management Foundation Nestle Pakistan Limited Packages Real Estate (Private) Limited Packages Lanka (Pvt) Limited Packages Trading FZCO Pakistan Centre for Philanthropy Syed Maratib Ali Religious & Charitable Trust Society Tri-Pack Films Limited ***Member*** Ali Institute of Education International Chamber of Commerce, Pakistan Lahore University of Management Sciences World Wide Fund for Nature – Member Advisory Council ***Trustee*** Packages Foundation
Syed Aslam Mehdi	***Director*** Packages Limited Bulleh Shah Packaging (Private) Limited DIC Pakistan Limited Packages Real Estate (Private) Limited Packages Lanka (Pvt) Limited Packages Convertors Limited ***Member – Board of Governors*** Babar Ali Foundation Ali Institute of Education National Management Foundation – LUMS ***Trustee*** Packages Foundation

DIRECTORS	ORGANIZATIONS
Syed Shahid Ali	***Chairman*** Gulab Devi Chest Hospital Treet Corporation Limited ***Director*** Packages Limited 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 Treet Power Limited ***President*** Liaquat National Hospital
Mr. Tariq Iqbal Khan	***Chairman*** Packages Convertors Limited Interloop Asset Management Limited ***Director*** Packages Limited Attock Refinery Limited KIA Lucky Limited Pakistan Oilfields Limited Shifa Medical Centre Islamabad (Pvt.) Limited ***Trustee*** High Altitude Sustainability Trust Human Element Foundation Islamic International Medical Trust Pakistan Academy of Engineering Endowment Fund ***Member*** Audit Oversight Board Society for the Promotion of Engineering Sciences and Technology in Pakistan

DIRECTORS	ORGANIZATIONS
Mr. Atif Aslam Bajwa	***CEO*** Bank Alfalah Limited ***Director*** Packages Limited Alfalah Insurance Company Limited Avant Hotels (Pvt.) Limited Karachi Education Initiative Minhal Finance S.A. Pakistan International Airlines Corporation Limited PIA Investment Limited Roosevelt Hotel Corporation N.V. The Institute of Bankers Pakistan
Mr. Josef Meinrad Mueller	***Director*** Packages Limited
Mr. Hasan Askari	***Director*** Packages Limited The Hasan A. Foundation ***Trustee*** Packages Foundation
Ms. Saba Kamal	**Director** Packages Limited Habib Bank Limited ***Member Governing Body*** Institute of Business Administration
Mr. Osman Khalid Waheed	***Director*** Packages Limited ***CEO & Director*** Ferozsons Laboratories Limited ***Director and President*** BF Biosciences Limited ***Member Board of Trustees*** Lahore University of Management Sciences

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 2023.

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. 84.

Governance Practices Exceeding Legal Requirements

Package 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.

III. 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, 2023.

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, 2023 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, 2023, 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, 2023 and shall retire on the conclusion of the 69th 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.

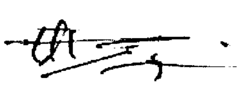
- The external auditors were allowed direct access to the Audit Committee and also met the Audit Committee once a year without the presence of the management.

- 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, 2024 on terms & remuneration negotiated by the Chief Executive Officer.

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



Mr. Hasan Askari
Chairman - BAC

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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 for the year ended December 31, 2023 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, 2023.

A.F. Ferguson & Co.
Chartered Accountants

Place: Lahore

Date: April 5, 2024

UDIN: CR202310070B5eHksNTM

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
308-Upper Mall, Shahrah-e-Quaid-e-Azam, P.O. Box 39, Lahore-54000, Pakistan.
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KARACHI LAHORE ISLAMABAD

Statement of Compliance

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

For the Year Ended December 31, 2023

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.

*During the year, Mr. Osman Khalid Waheed joined the Board of Directors of the Company on 30 October 2023 as an Independent Director in place of Mr. Irfan Mustafa.

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;

    During the year Mr. Soban Waqar was appointed as Head of Internal Audit in place of Mr. Hammad Ahmed Butt.

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

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 4
b) Human Resource and Remuneration Committee 4

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 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 26, 2024
Lahore

Six Years at a Glance

(Rupees in million)

	2023	2022	2021	2020	2019	2018
Assets Employed:						
Fixed Assets at Cost	2,681	2,495	2,286	2,175	14,736	13,184
Accumulated Depreciation/Amortization	766	692	639	586	6,835	6,459
Net Fixed Assets	**1,915**	**1,804**	**1,647**	**1,589**	**7,902**	**6,726**
Other Non-Current Assets	61,801	50,580	46,928	46,454	47,722	51,334
Current Assets	4,662	3,834	4,565	5,125	11,203	10,116
Current Liabilities	1,917	1,379	1,744	2,194	9,811	9,492
Net Current and Other Non-Current Assets	**64,546**	**53,035**	**49,748**	**49,385**	**49,114**	**51,958**
Net Assets Employed	**66,462**	**54,839**	**51,396**	**50,974**	**57,015**	**58,683**
Financed By:						
Paid up Capital	894	894	894	894	894	894
Reserves	57,154	48,448	46,658	48,191	51,422	54,934
Preference Shares/Convertible Stock Reserve	606	606	606	606	606	606
Shareholder's Equity	**58,654**	**49,948**	**48,158**	**49,691**	**52,922**	**56,434**
Deferred Liabilities	1,033	826	747	342	1,261	1,229
Lease Liabilities	-	-	-	-	41	-
Long Term Finances	6,751	4,045	2,483	933	2,733	933
Long Term Advances	24	19	8	8	59	87
Total Non-Current Liabilities	**7,808**	**4,891**	**3,237**	**1,283**	**4,093**	**2,249**
Total Funds Invested	**66,462**	**54,839**	**51,396**	**50,974**	**57,015**	**58,683**
Dividend Income	5,840	4,862	4,196	1,917	1,934	3,029
Rental Income	553	487	424	261	151	140
Employees Remuneration	390	266	182	1,594	2,699	2,520
Profit/(Loss) from Operations	4,526	4,841	4,881	1,701	1,287	941
Profit Before Tax	3,088	4,177	4,664	2,836	2,166	3,445
Profit/(Loss) After Tax	2,778	3,868	4,122	2,820	1,346	2,736
Key Ratios:						
Liquidity						
Current Ratio	2.43	2.78	2.62	2.34	1.14	1.07
Quick Ratio	2.42	2.76	2.60	0.08	0.72	0.67
Gearing:						
Debt : Equity Ratio	11:89	8:92	5:95	2:98	5:95	4:96
Return on Equity (%)	4.74	7.74	8.56	5.67	2.54	4.85
Investment:						
Basic EPS (Rs.)	31.08	43.27	46.12	31.55	15.06	29.69
Diluted EPS (Rs.)	30.07	41.24	43.84	30.48	14.93	29.18
Price - Earning Ratio	17.06	8.55	10.78	18.92	23.64	13.03
Interest Cover Ratio	3.16	7.53	23.89	4.72	3.08	7.87
Dividend Yield (%)	5.19	7.43	5.53	3.77	3.37	3.88
Dividend Cover Ratio	1.13	1.57	1.68	1.40	1.26	2.04
Cash Dividend %	275.00	275.00	275.00	225.00	120.00	150.00
Break-up Value per Ordinary Share (Rs.)	649.45	552.05	532.03	549.17	585.32	624.62
Market Value per Ordinary Share - Year End (Rs.)	530.09	370.16	497.27	596.92	356.00	386.82
Cash Dividend per Share	27.50	27.50	27.50	22.50	12.00	15.00

Horizontal & Vertical Analysis

Balance Sheet

HORIZONTAL ANALYSIS

(Rupees in Million)

	2023	23 vs 22	2022	22 vs 21
	Rs	%	Rs	%
EQUITY & LIABILITIES				
SHARE CAPITAL & RESERVES				
Issued, subscribed and paid up capital	894	-	894	-
Preference shares/convertible stock of Rs 190 each	606	-	606	-
Reserves	54,146	22.70	44,128	4.20
Un-appropriated profit / (loss)	3,008	(30.38)	4,320	0.29
NON-CURRENT LIABILITIES				
Long term finances	6,751	66.90	4,045	62.94
Lease liabilities	-	-	-	-
Long term advances	24	22.42	19	150.68
Deferred taxation	-	-	-	-
Retirement benefits	947	24.84	759	26.30
Deferred liabilities	86	27.74	68	29.77
CURRENT LIABILITIES				
Current portion of long-term finances	688	27.91	538	5,921.06
Finances under mark up arrangements - secured	3	-	-	-
Trade and other payables	697	29.35	539	(64.02)
Unclaimed dividend	81	36.41	60	1.47
Accrued finance cost	448	84.25	243	54.23
TOTAL	68,379	21.63	56,218	5.79

VERTICAL ANALYSIS

(Rupees in Million)

	2023		2022	
	Rs	%	Rs	%
EQUITY & LIABILITIES				
SHARE CAPITAL & RESERVES				
Issued, subscribed and paid up capital	894	1.31	894	1.59
Preference shares/convertible stock of Rs 190 each	606	0.89	606	1.08
Reserves	54,146	79.19	44,128	78.50
Un-appropriated profit / (loss)	3,008	4.40	4,320	7.68
NON-CURRENT LIABILITIES				
Long term finances	6,751	9.87	4,045	7.20
Lease liabilities	-	-	-	-
Long term advances	24	0.03	19	0.03
Deferred taxation	-	-	-	-
Retirement benefits	947	1.38	759	1.35
Deferred liabilities	86	0.13	68	0.12
CURRENT LIABILITIES				
Current portion of long-term finances	688	1.01	538	0.96
Finances under mark up arrangements - secured	3	0.00	-	-
Trade and other payables	697	1.02	539	0.96
Unclaimed dividend	81	0.12	60	0.11
Accrued finance cost	448	0.65	243	0.43
TOTAL	68,379	100	56,218	100

2021	21 vs 20	2020	20 vs 19	2019	19 vs 18	2018
Rs	%	Rs	%	Rs	%	Rs
894	-	894	-	894	-	894
606	-	606	-	606	-	606
42,351	(5.95)	45,029	(8.26)	49,084	(4.79)	51,550
4,308	36.24	3,162	35.21	2,338	(30.90)	3,384
2,483	166.19	933	(65.87)	2,733	193.00	933
-	-	-	-	41	-	-
8	(5.64)	8	(86.14)	59	(32.51)	87
94	-	-	-	462	27.76	362
601	98.41	303	(51.22)	621	21.30	512
52	32.15	39	(77.93)	178	(49.89)	356
9	310.81	2	(99.02)	221	(83.34)	1,329
21	(95.34)	453	(92.07)	5,713	29.43	4,414
1,498	(0.88)	1,511	(56.65)	3,486	1.39	3,438
59	7.53	55	(0.82)	55	(11.01)	62
157	(8.75)	173	(48.51)	335	34.43	249
53,140	(0.05)	53,168	(20.44)	66,827	(1.98)	68,176

2021		2020		2019		2018	
Rs	%	Rs	%	Rs	%	Rs	%
894	1.68	894	1.68	894	1.34	894	1.31
606	1.14	606	1.14	606	0.91	606	0.89
42,351	79.70	45,029	84.69	49,084	73.45	51,550	75.61
4,308	8.11	3,162	5.95	2,338	3.50	3,384	4.96
2,483	4.67	933	1.75	2,733	4.09	933	1.37
-	-	-	-	41	0.06	-	-
8	0.01	8	0.02	59	0.09	87	0.13
94	0.18	-	-	462	0.69	362	0.53
601	1.13	303	0.57	621	0.93	512	0.75
52	0.10	39	0.07	178	0.27	356	0.52
9	0.02	2	0.00	221	0.33	1,329	1.95
21	0.04	453	0.85	5,713	8.55	4,414	6.47
1,498	2.82	1,511	2.84	3,486	5.22	3,438	5.04
59	0.11	55	0.10	55	0.08	62	0.09
157	0.30	173	0.32	335	0.50	249	0.37
53,140	100	53,168	100	66,827	100	68,176	100

Horizontal & Vertical Analysis

Balance Sheet

HORIZONTAL ANALYSIS

(Rupees in Million)

	2023	23 vs 22	2022	22 vs 21
	Rs	%	Rs	%
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	357	5.37	339	80.84
Right-of-use assets	-	-	-	-
Investment property	1,557	6.42	1,463	0.36
Intangible assets	1	(21.73)	2	(24.48)
Investments	61,517	21.64	50,572	7.78
Long term security deposits	3	(3.34)	3	(47.47)
Long term loan to subsidiary company	250	-	-	-
Long term loans	-	-	-	-
Deferred taxation	31.8	579.64	4.7	-
CURRENT ASSETS				
Stores and spares	-	-	-	-
Stock-in-trade	-	-	-	-
Current portion of long term investment	-	-	-	-
Short term investments	390	160.24	150	-
Trade debts	-	-	-	-
Loans, advances, deposits, prepayments and other receivables	1,923	42.02	1,354	30.45
Income tax receivable	2,218	2.21	2,170	(25.50)
Cash and bank balances	130	(18.55)	160	(56.55)
TOTAL	68,379	21.63	56,218	5.79

VERTICAL ANALYSIS

(Rupees in Million)

	2023		2022	
	Rs	%	Rs	%
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	357	0.52	339	0.60
Right-of-use assets	-	-	-	-
Investment property	1,557	2.28	1,463	2.60
Intangible assets	1	0.00	2	0.00
Investments	61,517	89.97	50,572	89.96
Long term security deposits	3	0.00	3	0.00
Long term loan to subsidiary company	250	0.37	-	-
Long term loans	-	-	-	-
Deferred taxation	31.8	0.05	4.7	0.01
CURRENT ASSETS				
Stores and spares	-	-	-	-
Stock-in-trade	-	-	-	-
Current portion of long term investment	-	-	-	-
Short term investments	390	0.57	150	0.27
Trade debts	-	-	-	-
Loans, advances, deposits, prepayments and other receivables	1,923	2.81	1,354	2.41
Income tax receivable	2,218	3.24	2,170	3.86
Cash and bank balances	130	0.19	160	0.28
TOTAL	68,379	100	56,218	100

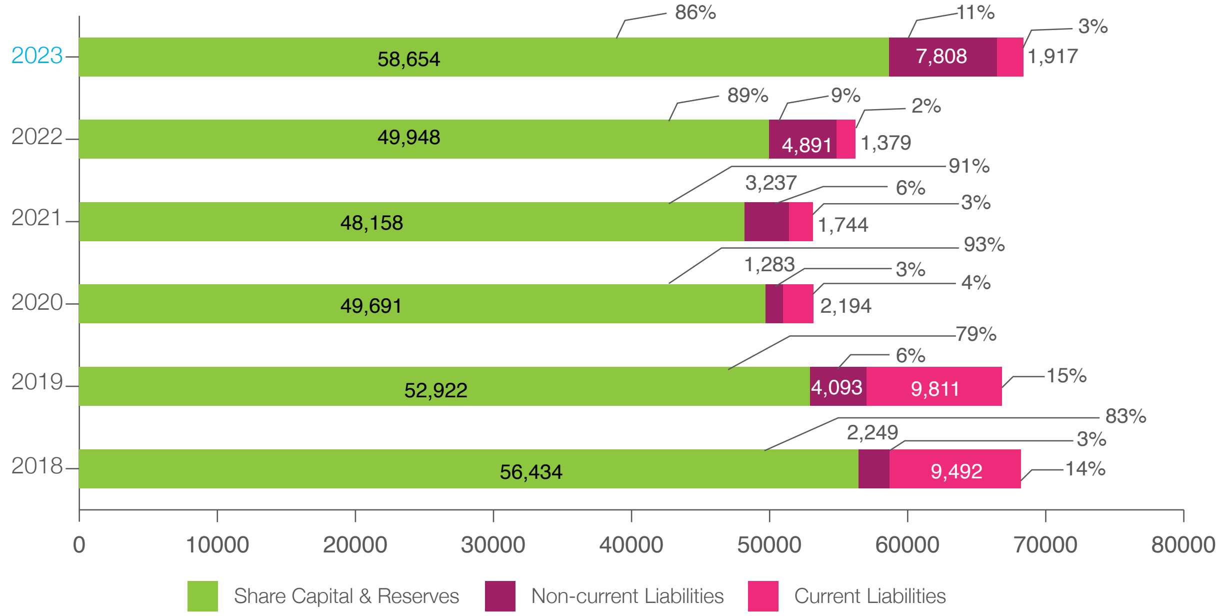
2021	21 vs 20	2020	20 vs 19	2019	19 vs 18	2018
Rs	%	Rs	%	Rs	%	Rs
187	13.77	165	(97.74)	7,286	11.30	6,546
-	-	-	-	63	-	-
1,458	2.55	1,422	191.66	487	336.73	112
2	(19.72)	3	(95.99)	65	(3.42)	67
46,923	1.59	46,186	(3.20)	47,714	(7.03)	51,323
5	(4.10)	5	(31.23)	8	(8.94)	9
-	-	-	-	-	-	-
-	-	-	-	0.3	(88.09)	2
-	-	262.5	-	-	-	-
-	-	-	-	658	32.12	498
-	-	-	-	3,439	10.04	3,125
-	-	-	-	-	-	10
235	-	-	-	80	-	-
10	(85.93)	74	(97.56)	3,045	18.54	2,569
1,038	(46.13)	1,927	124.60	858	2.77	835
2,913	(2.79)	2,997	3.76	2,888	(4.28)	3,017
368	190.63	127	(46.12)	235	276.11	63
53,140	(0.05)	53,168	(20.44)	66,827	(1.98)	68,176

2021		2020		2019		2018	
Rs	%	Rs	%	Rs	%	Rs	%
187	0.35	165	0.31	7,286	10.90	6,546	9.60
-	-	-	-	63	0.09	-	-
1,458	2.74	1,422	2.67	487	0.73	112	0.16
2	0.00	3	0.00	65	0.10	67	0.10
46,923	88.30	46,186	86.87	47,714	71.40	51,323	75.28
5	0.01	5	0.01	8	0.01	9	0.01
-	-	-	-	-	-	-	-
-	-	-	-	0.3	0.00	2	0.00
-	-	262.5	0.49	-	-	-	-
-	-	-	-	658	0.98	498	0.73
-	-	-	-	3,439	5.15	3,125	4.58
-	-	-	-	-	-	10	0.01
235	0.44	-	-	80	0.12	-	-
10	0.02	74	0.14	3,045	4.56	2,569	3.77
1,038	1.95	1,927	3.62	858	1.28	835	1.22
2,913	5.48	2,997	5.64	2,888	4.32	3,017	4.43
368	0.69	127	0.24	235	0.35	63	0.09
53,140	100	53,168	100	66,827	100	68,176	100

	2023	2022	2021	2020	2019	2018
Share capital & reserves	58,654	49,948	48,158	49,691	52,922	56,434
%	86%	89%	91%	93%	79%	83%
Non-Current Liabilties	7,808	4,891	3,237	1,283	4,093	2,249
%	11%	9%	6%	3%	6%	3%
Current Liabilities	1,917	1,379	1,744	2,194	9,811	9,492
%	3%	2%	3%	4%	15%	14%

EQUITY AND LIABILITIES

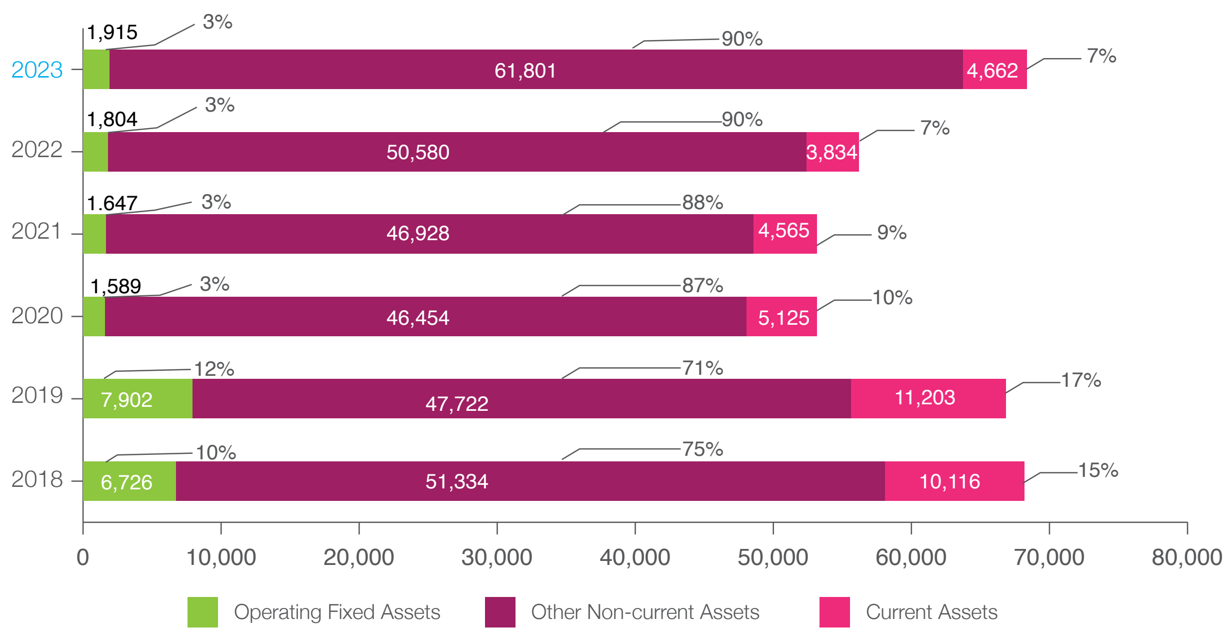
(Rupees in Million)



	2023	2022	2021	2020	2019	2018
Operating Fixed Assets	1,915	1,804	1,647	1,589	7,902	6,726
%	3%	3%	3%	3%	12%	10%
Other Non-current Assets	61,801	50,580	46,928	46,454	47,722	51,334
%	90%	90%	88%	87%	71%	75%
Current Assets	4,662	3,834	4,565	5,125	11,203	10,116
%	7%	7%	9%	10%	17%	15%

ASSETS

(Rupees in Million)

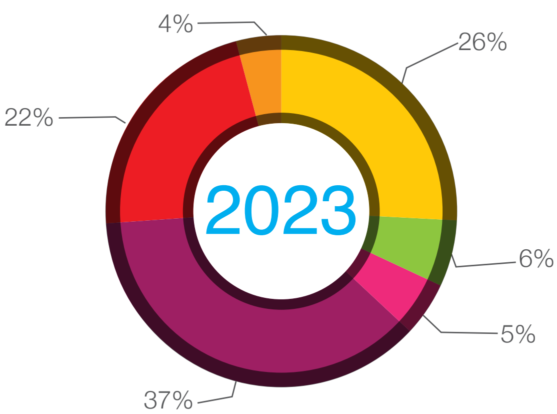


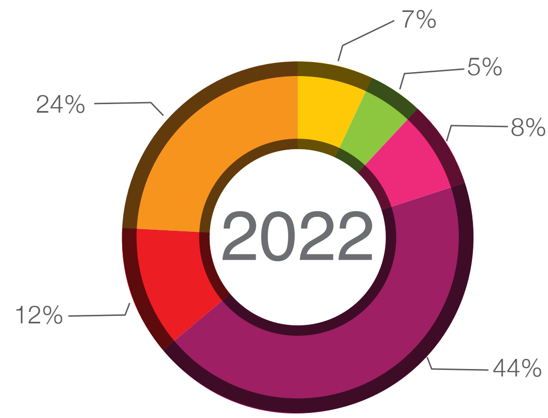
Value Added & its Distribution

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

	2023	%	2022	%	2021	%
			(Rupees in thousand)			
WEALTH GENERATED						
Dividend Income	5,839,827		4,862,333		4,195,733	
Other Income	768,249		655,184		1,269,725	
	6,608,076	100%	5,517,517	100%	5,465,458	100%
WEALTH DISTRIBUTED						
Bought-In-Materials & Services	1,732,610	26%	381,103	7%	830,185	15%
To Employees						
Remuneration, Benefits And Facilities	389,500	6%	266,392	5%	181,528	3%
To Government						
Income Tax, Sales Tax, Custom & Excise Duties, Workers' Funds, EOBI & Social Security Contribution, Professional & Local Taxes	338,126	5%	422,169	8%	303,557	6%
To Providers Of Capital						
Cash Dividend to the Ordinary Shareholders	2,457,936	37%	2,457,936	44%	2,457,936	45%
Finance Costs	1,438,441	22%	663,730	12%	217,074	4%
Retained For Reinvestment & Future Growth / (Utilized From Reserves)	251,463	4%	1,326,187	24%	1,475,178	27%
	6,608,076	100%	5,517,517	100%	5,465,458	100%

WEALTH GENERATED & DISTRIBUTED
(Percentage)





Bought-in-materials & Services	1,733	26%
Employees	390	6%
Government	338	5%
Shareholders	2,458	37%
Finance Cost	1,438	22%
Retained for Reinvestment & Future Growth	251	4%
	6,608	**100%**

Bought-in-materials & Services	381	7%
Employees	266	5%
Government	422	8%
Shareholders	2,458	44%
Finance Cost	664	12%
Retained for Reinvestment & Future Growth	1,326	24%
	5,518	**100%**

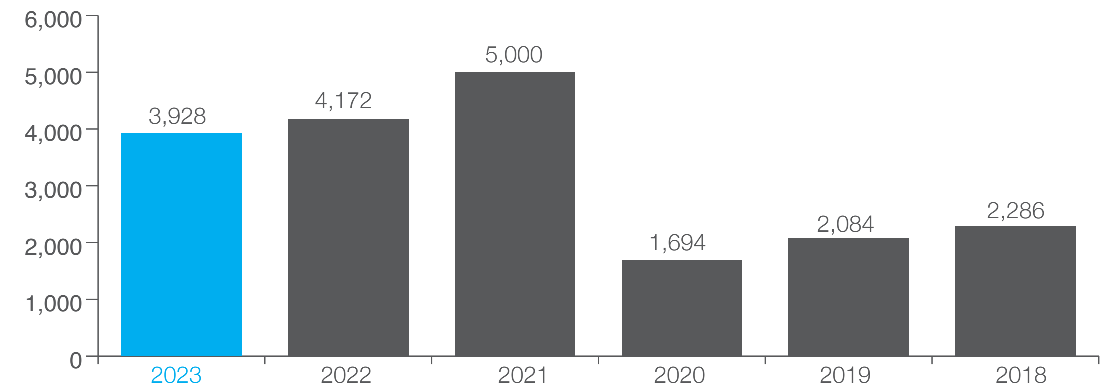
Sources & Application of Funds

Over the last six years

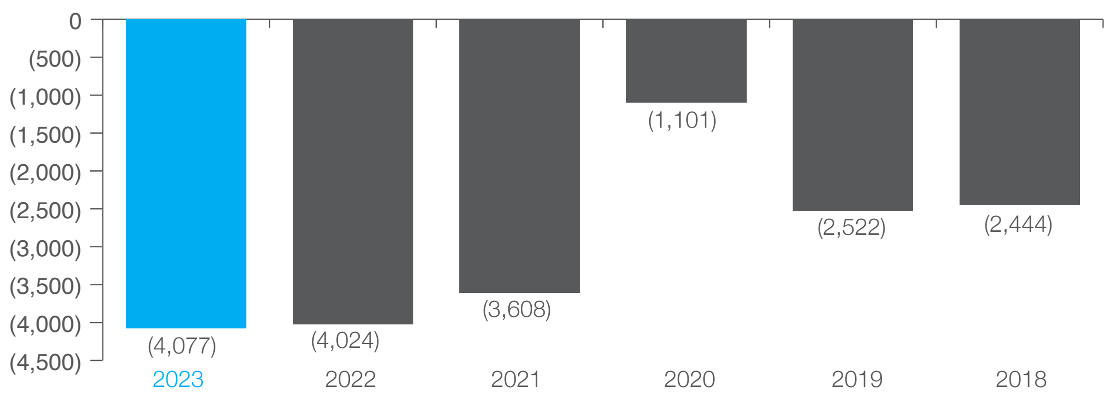
	2023	2022	2021	2020	2019	2018
Cash flow from operating activities						
Cash generated from operations	742,693	271,533	214,748	2,312,377	1,844,199	825,675
Finance cost paid	(1,229,695)	(575,140)	(230,904)	(913,524)	(963,463)	(465,034)
Taxes paid & refund - net	(397,871)	(390,184)	(275,401)	(456,940)	(575,521)	(975,744)
Long term loans - net	-	-	-	379	2,563	1,190
Long term security deposits - net	90	2,433	220	2,288	763	(6,230)
Payments for accumulating compensated absences	(5,436)	(1,325)	(1,248)	(4,130)	(226,947)	(33,490)
Retirement benefits paid	(10,783)	(7,164)	(5,972)	(72,287)	(25,679)	(23,739)
Long term advances - net	22,847	9,447	10,765	663	3,336	20,680
Dividends received	4,806,173	4,862,333	5,287,607	825,024	2,025,215	2,942,799
Net cash inflow from operating activities	**3,928,018**	**4,171,933**	**4,999,815**	**1,693,850**	**2,084,466**	**2,286,107**
Cash flow from investing activities						
Fixed capital expenditure	(249,239)	(260,827)	(141,369)	(699,639)	(1,995,235)	(2,215,130)
Investments made in equity securities	(3,628,552)	(3,809,348)	(3,488,151)	(443,811)	(614,538)	(289,614)
Loan given to subsidiary company	(250,000)	-	-	-	-	-
Proceeds from disposal of property, plant and equipment	50,833	46,215	21,391	42,396	77,281	60,846
Proceeds from disposal of investments	-	-	-	-	10,000	-
Net cash used in investing activities	**(4,076,958)**	**(4,023,960)**	**(3,608,129)**	**(1,101,054)**	**(2,522,492)**	**(2,443,898)**
Cash flow from financing activities						
Repayment of long term finances	(343,750)	-	-	-	(1,321,450)	(1,321,420)
Proceeds from long-term finances	3,200,000	2,100,000	1,550,000	2,243,333	2,000,000	-
Repayment of liabilities against assets subject to finance lease - net	-	-	-	-	-	(13,730)
Repayment of lease liabilities	-	-	-	(11,588)	(19,519)	-
Participating dividend on preference shares paid	-	-	-	-	-	(82,499)
Dividend paid	(2,499,937)	(2,520,820)	(2,033,175)	(1,073,007)	(1,347,518)	(2,658,674)
Net cash (used in) / generated from financing activities	**356,313**	**(420,820)**	**(483,175)**	**1,158,738**	**(688,487)**	**(4,076,323)**
Net increase / (decrease) in cash and cash equivalents	**207,373**	**(272,847)**	**908,511**	**1,751,534**	**(1,126,513)**	**(4,234,114)**
Short term borrowings transferred to Packages Convertors Limited	-	-	-	3,400,000	-	-
Cash and cash equivalents at the beginning of the year	309,959	582,029	(326,482)	(5,478,016)	(4,351,503)	(117,389)
Effect of exchange rate changes on cash and cash equivalents	55	777	-	-	-	-
Cash and cash equivalents at the end of the year	**517,387**	**309,959**	**582,029**	**(326,482)**	**(5,478,016)**	**(4,351,503)**

	2023	2022	2021	2020	2019	2018
Operating	3,928	4,172	5,000	1,694	2,084	2,286
Investing	(4,077)	(4,024)	(3,608)	(1,101)	(2,522)	(2,444)
Financing	356	(421)	(483)	1,159	(688)	(4,076)

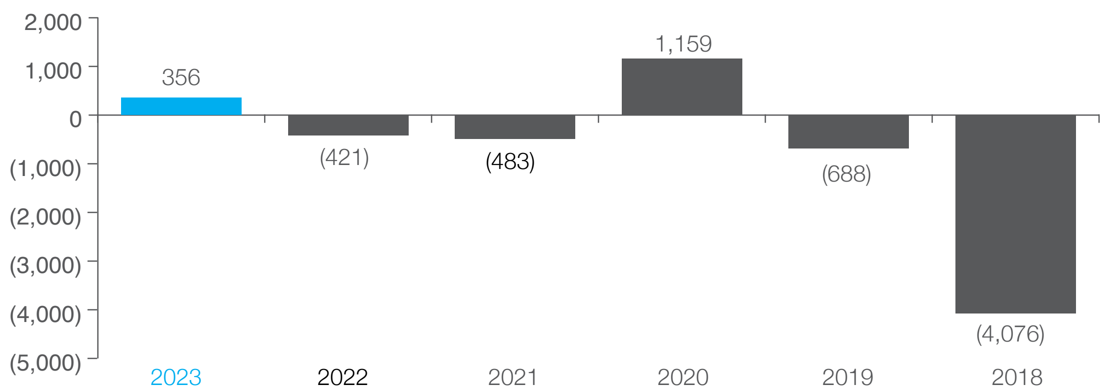
Operating Activities
(Rupees in Million)



Investing Activities
(Rupees in Million)



Financing Activities
(Rupees in Million)



Unconsolidated
Finanical Statements

Chairman's Review

I am pleased by the performance of Packages Limited for the year ended December 31, 2023. Packages Limited is operating as an investment 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 (Private) 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, five (5) board meetings were held in which the Board fulfilled all of their 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 their momentum of growth in the future.

Towfiq Habib Chinoy
(Chairman)

March 26, 2024
Lahore

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, 2023.

FINANCIAL AND OPERATIONAL PERFORMANCE

Summarized financial performance is as follows:

	2023	2022
	(Rupees in million)	
Dividend income	5,840	4,862
Rental income	553	488
Net Operating Revenue	**6,393**	**5,350**
EBIT	**5,517**	**4,477**
Finance costs	(1,438)	(664)
Other income – net	210	121
Impairment loss on investment	(1,202)	(687)
WPPF provision written back	-	929
Earnings before tax	**3,087**	**4,176**
Taxation	(309)	(309)
Earnings after tax	**2,778**	**3,867**
Basic Earnings per Share – Rupees	31.08	43.27

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 and leading to better operating performance.

FINANCE COSTS

Finance cost of the Company has increased by Rs 774 million during 2023 over 2022 mainly due to increase in interest rates and long-term loan which was obtained to finance acquisition of 35% shareholding in Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited) as mentioned in the notes below.

INVESTMENTS IN GROUP COMPANIES

Your Company contributed Rs 3,628.5 million as equity investment in Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited), Packages Investments Limited ('PIL'), Packages Trading FZCO ('FZCO') and StarchPack (Private) Limited ('SPAC').

COMPLETION OF ACQUISITION OF SHAREHOLDING IN HOECHST PAKISTAN LIMITED (FORMERLY SANOFI-AVENTIS PAKISTAN LIMITED) ('HPL')

Pursuant to the share purchase agreement with Sanofi Foreign Participations B.V., the Company has 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. The Company now has a total shareholding of 41.07% in HPL. The management of the Company has made a detailed assessment under IFRS 10 and considers HPL to be its subsidiary as it has de-facto control over it.

IMPAIRMENT LOSS ON EQUITY INSTRUMENTS OF ANEMONE HOLDINGS LIMITED, MAURITIUS

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. Based on its unaudited financial statements for the year ended December 31, 2022, it incurred a loss before tax of South African Rand ('ZAR') 99 million (Rs 1,155.330 million approximately). Resultantly, the Company carried out an estimate of the recoverable amount of this investment and determined it to be lower than the carrying amount, therefore, an impairment loss of Rs 687.121 million was recognized in the unconsolidated financial statements for the year ended December 31, 2022.

During the year, based on its unaudited financial information, FPCPL has incurred a loss before tax of ZAR 26 million for the period from January 1, 2023 to April 13, 2023 (Rs 389.649 million approximately) 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 has been completed recently whereby the legally appointed Business Rescue Practitioner ('BRP') ascertained that FPCPL is 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 have 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 does not expect any future inflow from this investment since the recoverable amount has been determined to be nil. Under these circumstances, the Company has fully impaired its investment and has recognized a loss of Rs 1,201.648 million as disclosed in note 29 to the unconsolidated financial statements.

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

During the year, the Company made an investment of Arab Emirates Dirham ('AED') 2.670 million equivalent to Rs 202.928 million on the date of translation (2022: nil) as equity in Packages Trading FZCO. The entity has been incorporated during the year 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

The investee has issued 10,500,000 shares during the year against the Rs 800 million of share deposit money of last year and Rs 250 million share deposit money given during the year.

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 90 million (2022: Rs 115.998 million) in respect of rent for the year ended December 2023.

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

FINANCIAL MANAGEMENT

Sound business strategies, operating efficiencies and cost savings across the organization, helped generate positive cash flows.

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 2023 was at Rs 249.2 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 (Private) 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 11:89 on 31 December 2023.

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 line from a financial institution.

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 338 million during the year 2023 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 audited accounts as on December 31, 2023 was as follows:

Provident Fund	**Rs 3,495.46 million**
Gratuity Fund	**Rs 684.85 million**
Pension Fund	**Rs 2,605.51 million**

APPROPRIATION

In view of the financial results of the Company for the year 2023, the Board of Directors of the Company has recommended cash dividend of 275 percent (i.e. Rs 27.50 per share). Accordingly, the following appropriations have been made:

	Rupees in thousand
Total Comprehensive Income for the year 2023 after appropriation of preference dividend / return	2,709,399
Un-appropriated profit brought forward	298,316
Available for appropriation	**3,007,715**
Participating Dividend – Preference Shareholders	(63,749)
Cash Dividend	(2,457,937)
To be carried forward to 2024	486,029

Excluding the impact of one-time impairment loss booked on the Company's investment in South Africa, the above payout recommendation represents 62% of normalized EPS for the year 2023.

AUDITORS

The present auditor 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, 2024, 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 60 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, 2022 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, 2023.

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 (included in Independent Directors)	1

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

CHANGES IN THE COMPOSITION OF THE BOARD

During the year, Mr. Irfan Mustafa resigned on 25 August 2023 and Mr. Osman Khalid Waheed joined the Board of the Company on 30 October 2023 as an Independent Director.

During the year 2023, five (5) Board meetings 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)	5
Syed Hyder Ali	5
Syed Shahid Ali	1
Mr. Hasan Askari	5
Mr. Atif Aslam Bajwa	3
Ms. Saba Kamal	5
Mr. Tariq Iqbal Khan	5
Syed Aslam Mehdi	5
Mr. Josef Meinrad Mueller	3
Mr. Irfan Mustafa (Resigned on 25 August 2023)	2
Mr. Osman Khalid Waheed (Appointed on 30 October 2023)	-

Leave of absence was granted to the Directors who could not attend the Board meetings.

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.

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

Name of Member	No. of Meetings attended
Mr. Hasan Askari (Chairman)	4
Syed Shahid Ali	2
Mr. Atif Aslam Bajwa	3
Mr. Tariq Iqbal Khan	4
Syed Aslam Mehdi*	3
Mr. Osman Khalid Waheed*	-

*Committee reconstituted w.e.f. 30 October 2023

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 Chairperson.

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

Name of Member	No. of Meetings attended
Ms. Saba Kamal (Chairperson)	4
Syed Hyder Ali	4
Mr. Hasan Askari*	-
Mr. Atif Aslam Bajwa	3
Mr. Towfiq Habib Chinoy	4
Mr. Josef Meinrad Mueller	4
Mr. Irfan Mustafa (Resigned on 25 August 2023)	1

*Committee reconstituted w.e.f. 30 October 2023

Leave of absence was granted to the Members who could not attend the meetings of the Human Resource and Remuneration Committee.

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

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.

The remuneration of the Directors for attending meetings of the Board or Committees of Directors shall from time to time be determined by the Board based on market trend.

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 aggregate amount of remuneration to executive and non-executive director is mentioned in the financial statements note 33, page 171 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 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 88;

(n) The pattern of shareholding is annexed on page 306; 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 of shares 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
Director(s)	1,000
Chief Executive Officer	NIL
Chief Financial Officer	NIL
Company Secretary	NIL
Head of Internal Audit	NIL
Other Executive(s)	NIL
Spouse/Sponsor(s)	203,867
Minor children	NIL

Sale/Donation/Gift of Shares	No. of shares
Donation of shares by an Executive(s)	1,214,172
Gift of shares by an Executive(s)	2,849,491

PATTERN OF SHAREHOLDING

A statement of the pattern of shareholding of certain class of shareholders as at December 31, 2023, whose disclosure is required under the reporting framework, is annexed in the Report, please refer page 306.

The Directors, CEO, CFO, Company Secretary, Head of Internal Audit and their spouses or minor children did not carry out any trade in the shares of the Company during the year, except as noted above.

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

The Company expects that the economic outlook of the country will improve by the continued implementation of reforms aimed to restore fiscal discipline, political stability, economic assistance from friendly nations alongside achieving key indicators of the IMF programme. However, these measures will keep the consumer demand in check and high inflation in the short term. The above factors will continue to impact overall industrial growth.

Given all these challenges, your Company remains focused on minimizing the negative impacts of the same, serving its stakeholders by delivering value and leveraging its diversified portfolio to keep pursuing its profitable growth aspirations.

Towfiq Habib Chinoy
(Chairman)

Syed Hyder Ali
(Chief Executive Officer & Managing Director)

March 26, 2024
Lahore

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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, 2023, 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 a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

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Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	**Impairment of investment in subsidiary** *(Refer notes 4.7, 19.1.1 and 29 to the annexed unconsolidated financial statements)* As disclosed in note 19.1.1, due to the deteriorating financial performance and continuing operating losses of Flexible Packages Convertors (Proprietary) Limited ('FPCPL'), an indirect subsidiary of the Company through Anemone Holdings Limited ('AHL'), the management tested the Company's investment in its subsidiary, AHL, for impairment. Resultantly, the investment has been fully impaired due to the recoverable amount being nil. The determination of the investment's recoverable amount involved judgements and estimation by the management. Based on the high level of judgment and estimation involved in the above-mentioned testing, we consider it to be a key audit matter.	Our audit procedures included the following: • Considered management's process for identifying the existence of impairment indicators in respect of the Company's investment; • Assessed the methodology used by the management to calculate the recoverable amount; • Obtained an understanding of the work performed by the management for the purpose of computing the recoverable amount; • Assessed the professional qualification, competence and experience of the management's personnel in the field; • Obtained the Business Rescue Plan made available by the Business Rescue Practitioner and considered the restructuring plan of FPCPL; • Obtained representation from the management that the Company does not expect any future inflows from the investment; • Checked the carrying amount of investment in FPCPL in the books of AHL; 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.

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 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 5, 2024

UDIN: AR2023100709wvGfuPNo

Unconsolidated Statement of Financial Position
as at December 31, 2023

	Note	2023	2022
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized share capital			
- 150,000,000 (2022: 150,000,000) ordinary shares of Rs 10 each		1,500,000	1,500,000
- 22,000,000 (2022: 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 (2022: 89,379,504) ordinary shares of Rs 10 each	5	893,795	893,795
- 8,186,842 (2022: 8,186,842) 10% non-voting preference shares / convertible stock of Rs 190 each	7.1	606,222	606,222
Other reserves	6	54,145,803	44,128,251
Revenue reserve: Un-appropriated profits		3,007,715	4,320,002
Total equity		58,653,535	49,948,270
NON-CURRENT LIABILITIES			
Long term finances from financial institutions	7	6,751,400	4,045,150
Long term advances	8	23,639	19,310
Employee benefit obligations	9	946,925	758,526
Accumulating compensated absences	10	86,265	67,534
		7,808,229	4,890,520
CURRENT LIABILITIES			
Current portion of non - current liabilities	11	687,500	537,500
Short term borrowings from financial institutions - secured	12	3,250	-
Trade and other payables	13	697,038	538,893
Unclaimed dividend		81,490	59,741
Accrued finance cost	14	447,546	242,901
		1,916,824	1,379,035
CONTINGENCIES AND COMMITMENTS	15		
		68,378,588	56,217,825

ASSETS	Note	2023	2022
		(Rupees in thousand)	
NON-CURRENT ASSETS			
Property, plant and equipment	16	357,060	338,873
Investment properties	17	1,557,118	1,463,166
Intangible assets	18	1,239	1,583
Long term investments	19	61,516,912	50,572,456
Long term loan to subsidiary company	20	250,000	-
Long term security deposits		2,602	2,692
Deferred taxation	21	31,780	4,676
		63,716,711	52,383,446
CURRENT ASSETS			
Loans, advances, deposits, prepayments and other receivables	22	1,922,985	1,354,050
Income tax receivable	23	2,218,255	2,170,370
Short term investments	24	390,356	150,000
Cash and bank balances	25	130,281	159,959
		4,661,877	3,834,379
		68,378,588	56,217,825

The annexed notes 1 to 43 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, 2023

	Note	2023	2022
		(Rupees in thousand)	
Dividend income	26	5,839,827	4,862,333
Rental income	27	553,478	487,448
Operating revenue		6,393,305	5,349,781
Administrative expenses	28	(860,049)	(683,942)
Net impairment loss on financial assets	22.5	(15,588)	(188,314)
Other expenses	29	(1,206,410)	(734,175)
Other income	30	214,771	1,097,155
Operating profit		4,526,029	4,840,505
Finance costs	31	(1,438,441)	(663,730)
Profit before taxation		3,087,588	4,176,775
Taxation	32	(309,557)	(309,017)
Profit for the year		2,778,031	3,867,758
Earnings per share		(Rupees)	
- Basic	39.1	31.08	43.27
- Diluted	39.2	30.07	41.24

The annexed notes 1 to 43 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, 2023

	Note	2023	2022
		(Rupees in thousand)	
Profit for the year		2,778,031	3,867,758
Other comprehensive 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	8,517,552	527,353
Remeasurements of retirement benefits obligation		(68,632)	(83,635)
		8,448,920	443,718
Other comprehensive income for the year		8,448,920	443,718
Total comprehensive income for the year		11,226,951	4,311,476

The annexed notes 1 to 43 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, 2023

	Issued, subscribed and paid up share capital		Reserves					Capital and reserves
			Capital reserves			Revenue reserves		
	Ordinary share capital	Preference shares/ convertible stock	Share premium	FVOCI reserve	Capital redemption reserve	General reserve	Un-ap-propriated profits	Total
	(Rupees in thousand)							
Balance as on January 1, 2022	893,795	606,222	3,766,738	16,908,827	1,615,000	20,060,333	4,307,565	48,158,480
Appropriation of reserves								
Transfer to general reserve	-	-	-	-	-	1,250,000	(1,250,000)	-
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, 2021 of Rs 27.50 per share	-	-	-	-	-	-	(2,457,937)	(2,457,937)
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	3,867,758	3,867,758
Other comprehensive income/(loss) for the year	-	-	-	527,353	-	-	(83,635)	443,718
	-	-	-	527,353	-	-	3,784,123	4,311,476
Balance as on December 31, 2022	**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 - 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, 2022 of Rs 27.50 per share	-	-	-	-	-	-	(2,457,937)	(2,457,937)
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	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**

The annexed notes 1 to 43 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, 2023

	Note	2023	2022
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	36.1	742,693	271,533
Finance cost paid		(1,229,695)	(575,140)
Income tax paid		(397,871)	(390,184)
Long term security deposits - net		90	2,433
Employee benefits obligations paid		(10,783)	(7,164)
Payment for accumulating compensated absences		(5,436)	(1,325)
Dividends received		4,806,173	4,862,333
Long term advances - net		22,847	9,447
Net cash inflow from operating activities		3,928,018	4,171,933
Cash flows from investing activities			
Payments for property, plant and equipment		(166,727)	(208,468)
Payments for investment properties		(82,512)	(52,359)
Investments made in equity instruments		(3,628,552)	(3,809,348)
Loan given to subsidiary company		(250,000)	-
Proceeds from disposal of property, plant and equipment		50,833	46,215
Net cash outflow from investing activities		(4,076,958)	(4,023,960)
Cash flows from financing activities			
Proceeds from long term finances		3,200,000	2,100,000
Repayments of long term finances		(343,750)	-
Dividend paid		(2,499,937)	(2,520,820)
Net cash inflow/(outflow) from financing activities		356,313	(420,820)
Net increase/(decrease) in cash and cash equivalents		207,373	(272,847)
Cash and cash equivalents at the beginning of the year		309,959	582,029
Effect of exchange rate changes on cash and cash equivalents		55	777
Cash and cash equivalents at the end of the year	36.2	517,387	309,959

Refer note 7 for reconciliation of liabilities arising from financing activities.

The annexed notes 1 to 43 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, 2023

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 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 Company's unconsolidated financial statements covering annual periods, beginning on or after the following dates:

2.2.1 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, 2023 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) Narrow scope amendments to International Accounting Standard (IAS) 1, IFRS Practice Statement 2 and IAS 8

The IASB amended IAS 1 to require entities to disclose their 'material' rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 'Making Materiality Judgements' to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements') from January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in note 4 to the financial statements.

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

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, 2024 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) Amendment to International Accounting Standard (IAS) 1, 'Non-current liabilities with covenants' (effective for annual period beginning on January 1, 2024)

The new amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period. Covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.

The amendments also introduce additional disclosure requirements. When an entity classifies a liability arising from a loan arrangement as non-current and that liability is subject to the covenants which an entity is required to comply with within twelve months of the reporting date, the entity shall disclose information in the notes that enables users of financial statements to understand the risk that the liability could become repayable within twelve months of the reporting period. Such facts and circumstances could also include the fact that the entity would not have complied with the covenants based on its circumstances at the end of the reporting period.

The Company is yet to assess the impact of this amendment on its financial statements.

(b) International Financial Reporting Standard (IFRS) S1, 'General requirements for disclosure of sustainability-related financial information' and 'International Financial Reporting Standard (IFRS) S2, 'Climate-related disclosures' (effective for annual period beginning on January 1, 2024)

The International Sustainability Standards Board (ISSB) issued its first two sustainability reporting standards on June 26, 2023, applicable on reporting periods beginning on or after January 01, 2024, subject to endorsement of the standards by local jurisdictions. These standards include the core framework for the disclosure of material information about sustainability-related risks, opportunities across an entity's value chain and set out the requirements for entities to disclose information about climate-related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity. The standards provide guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focussed on climate-related disclosures. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. In addition, IFRS S2 requires entities to consider other industry-based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities. The cross-industry metrics include disclosures on greenhouse gas (GHG) emissions, transition risks, physical risks, climate-related opportunities, capital deployment, internal carbon prices and remuneration.

The aforementioned standards have not been notified locally or declared exempt, in relation to the Company, by the Securities and Exchange Commission of Pakistan (SECP) as at December 31, 2023.

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 preparation of unconsolidated 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 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) Useful lives and residual values of property, plant and equipment and investment properties - notes 4.2, 4.4, 16 and 17

ii) Employee benefit obligations and accumulating compensated absences - notes 4.11, 9 and 10

iii) 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, 19, 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 4.22, 4.25 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. Summary of 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 Taxation

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 will be 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.

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, 2023 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 2.50% to 14.29% 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, 2023 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. 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 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, 2023.

(a) Gratuity plan

There is an approved funded defined benefit gratuity plan for all permanent employees subject to attainment of service of prescribed minimum period. 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, 2023. 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 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 43.916 million (2022: Rs 12.043 million).

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:

	2023	2022
Discount rate per annum	15.50%	14.50%
Expected rate of increase in salary level per annum	15.50%	14.50%
Expected mortality rate	SLIC 2001-2005 Setback 1 Year	SLIC 2001-2005 Setback 1 Year
Expected rate of return per annum	15.50%	14.50%

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 12.454 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, 2023, based on the following assumptions:

	2023	2022
Discount rate per annum	15.50%	14.50%
Expected rate of increase in pension level per annum	15.50%	14.50%
Expected mortality rate	SLIC 2001-2005 Setback 1 Year	SLIC 2001-2005 Setback 1 Year
Expected rate of return per annum	15.50%	14.50%
Average duration of liability (years)	6	7

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 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 from 15 to 21 years	21	42
Service of 22 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, 2023 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:

	2023	2022
Discount rate per annum	15.50%	14.50%
Expected rate of increase in salary level per annum	15.50%	14.50%
Expected mortality rate	SLIC 2001-2005 Setback 1 Year	SLIC 2001-2005 Setback 1 Year
Duration of the plan (years)	5	8

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 unconsolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, short term borrowings and bank overdrafts. Bank overdrafts and short term borrowings are shown 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 removed from the unconsolidated 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 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.

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 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised on the following basis:

- Dividend income from investments is recognised when the Company's right to receive the payment has been established.

- Rental income arising from investment properties is recognized as stated in note 4.6.

4.18 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.

4.19 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.

4.20 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.

4.21 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 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.

4.22 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.

4.23 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.

4.24 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.

4.25 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; 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.

4.26 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

2023	2022		2023	2022
(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 (2022: 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	2023	2022
		(Rupees in thousand)	
Capital reserves			
- Share premium	6.1	3,766,738	3,766,738
- FVOCI reserve	6.2	25,953,732	17,436,180
- Capital redemption reserve	6.3	1,615,000	1,615,000
		31,335,470	22,817,918
Revenue reserve			
- General reserve		22,810,333	21,310,333
		54,145,803	44,128,251

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	2023	2022
		(Rupees in thousand)	
Preference shares/convertible stock - unsecured	7.1	932,650	932,650
Long term loans - secured	7.2	6,506,250	3,650,000
		7,438,900	4,582,650
Current portion shown under current liabilities	11	(687,500)	(537,500)
		6,751,400	4,045,150

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	2023	2022
		(Rupees in thousand)	
Face value of preference shares/convertible stock [8,186,842 (2022: 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, 2022, 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	2023	2022
		(Rupees in thousand)	
Long term finance facility - I	7.2.1	700,000	800,000
Long term finance facility - II	7.2.2	656,250	750,000
Long term finance facility - III	7.2.3	1,050,000	1,200,000
Long term finance facility - IV	7.2.4	900,000	900,000
Long term finance facility - V	7.2.5	3,200,000	-
		6,506,250	3,650,000

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 7 equal semi-annual instalments ending on January 4, 2027. The mark-up rate charged during the year on the outstanding balance ranged from 17.05% to 22.97% 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 7 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 17.06% to 22.97% 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 7 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 15.52% 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 January 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 16.07% 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 in 8 equal semi-annual instalments in 6 years, including a grace period of 2 years with instalments starting in April 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 22.02% to 22.09% per annum.

7.3 The reconciliation of the carrying amount is as follows:

	Note	2023	2022
		(Rupees in thousand)	
Opening balance		4,582,650	2,482,650
Disbursements during the year		3,200,000	2,100,000
Repayments during the year		(343,750)	-
Closing balance		7,438,900	4,582,650
Current portion shown under current liabilities	11	(687,500)	(537,500)
		6,751,400	4,045,150

7.4 The Company entered into a loan agreement with International Finance Corporation ('IFC') on June 12, 2020 for a five-year loan of USD 25 million for future funding. This loan facility carries a commitment fee of 1% per annum payable on the total amount of the loan facility. No disbursement has been made from the said facility till the date of authorization of these unconsolidated financial statements.

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% (2022: 7.05% to 15.35%) per annum for similar instruments. The reconciliation of the carrying amount is as follows:

	Note	2023	2022
		(Rupees in thousand)	
Opening balance		19,310	16,630
Additions during the year		34,952	18,149
Adjustments during the year		(12,105)	(8,702)
Discounting adjustment of long term advances		(22,619)	(9,952)
Unwinding of discount on liability	31	4,101	3,185
Closing balance		23,639	19,310

9. Employee benefit obligations

This represents:			
Pension	9.1	741,722	612,108
Gratuity	9.2	205,203	146,418
		946,925	758,526

9.1 Amounts recognised in unconsolidated statement of financial position

The amounts recognised in the unconsolidated statement of financial position are as follows:

		Pension fund		Gratuity fund	
		2023	2022	2023	2022
		(Rupees in thousand)		(Rupees in thousand)	
Present value of defined benefit obligation	9.3	885,716	817,174	381,867	304,691
Less: fair value of plan assets	9.4	143,994	205,066	176,664	158,273
Liability as at year end		741,722	612,108	205,203	146,418

9.2 Movement in net liability for employee benefit obligations

	Pension fund		Gratuity fund	
	2023	2022	2023	2022
	(Rupees in thousand)		(Rupees in thousand)	
Net liability at beginning of the year	612,108	495,707	146,418	104,863
Charged to unconsolidated statement of profit or loss	88,755	58,244	41,795	23,240
Net remeasurement for the year charged to OCI	40,859	58,157	27,773	25,478
Contribution made by the Company during the year	-	-	(10,783)	(7,163)
Net liability at end of the year	741,722	612,108	205,203	146,418

9.3 Movement in present value of defined benefit obligation

	Pension fund		Gratuity fund	
	2023	2022	2023	2022
	(Rupees in thousand)		(Rupees in thousand)	
Present value of defined benefit obligation at beginning of the year	817,174	792,827	304,691	238,147
Current service cost	-	-	17,053	11,340
Interest cost	111,961	87,846	43,618	27,972
Benefits paid during the year	(90,045)	(90,390)	(36,308)	-
Past service cost	-	-	4,294	-
Liability transferred from group companies	-	-	-	5,958
Benefits due but not paid	-	-	-	(175)
Remeasurements - OCI:				
Actuarial losses from change in financial assumptions	25,862	20,835	250	540
Experience adjustments	20,764	6,056	48,269	20,909
	46,626	26,891	48,519	21,449
Present value of defined benefit obligation at end of the year	885,716	817,174	381,867	304,691

9.4 Movement in fair value of plan assets

	Pension fund 2023	Pension fund 2022	Gratuity fund 2023	Gratuity fund 2022
Fair value as at beginning of the year	205,066	297,120	158,273	133,284
Interest income on plan assets	23,206	29,602	23,170	16,072
Company contributions	-	-	10,783	7,163
Benefits paid during the year	(90,045)	(90,390)	(36,308)	-
Plan assets transferred from group companies	-	-	-	5,958
Benefits due but not paid	-	-	-	(175)
Return on plan assets, excluding interest income - OCI	5,767	(31,266)	20,746	(4,029)
Fair value as at end of the year	143,994	205,066	176,664	158,273

9.5 Amounts recognised in the unconsolidated statement of profit or loss

	Pension fund		Gratuity fund	
	2023	2022	2023	2022
	(Rupees in thousand)		(Rupees in thousand)	
Current service cost	-	-	17,053	11,340
Interest cost	111,961	87,846	43,618	27,972
Interest income on plan assets	(23,206)	(29,602)	(23,170)	(16,072)
Past service cost	-	-	4,294	-
Net expense for the year charged to unconsolidated statement of profit or loss	88,755	58,244	41,795	23,240

9.6 Total remeasurements charged to OCI

	Pension fund		Gratuity fund	
	2023	2022	2023	2022
	(Rupees in thousand)		(Rupees in thousand)	
Actuarial losses from change in financial assumptions	25,862	20,835	250	540
Experience adjustments	20,764	6,056	48,269	20,909
Remeasurement in plan assets, excluding interest income	(5,767)	31,266	(20,746)	4,029
Total remeasurements charged to OCI	40,859	58,157	27,773	25,478

9.7 Plan assets

Plan assets are comprised as follows:				
Debt instruments	112,024	129,913	137,091	5,698
Equity investments	31,250	57,084	36,393	29,281
Cash at banks	720	18,069	3,180	123,294
	143,994	205,066	176,664	158,273

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 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 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

Year end sensitivity analysis on defined benefit obligations are as follows:

	2023	
	Pension fund	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

	2022	
	Pension fund	Gratuity fund
	(Rupees in thousand)	
Discount rate + 100 bps	767,028	984,395
Discount rate - 100 bps	873,795	1,138,722
Salary growth rate + 100 bps	881,512	1,138,677
Salary growth rate - 100 bps	759,656	983,164

10. Accumulating compensated absences

This represents provision made to cover the obligation for accumulating compensated absences

	Note	2023	2022
		(Rupees in thousand)	
Opening liability		67,534	52,043
Charged to unconsolidated statement of profit or loss	10.2	24,167	16,816
		91,701	68,859
Payments made during the year		(7,094)	(1,823)
Liability transferred out to group companies		(1,357)	(1,109)
Liability transferred in from group companies		3,015	1,607
Liability as at year end	10.1	86,265	67,534

10.1 Movement in liability for accumulating compensated absences

	2023	2022
Present value as at beginning of the year	67,534	52,043
Current service cost	6,927	5,409
Interest cost	9,278	6,007
Remeasurement in respect of experience adjustments	7,962	5,400
	24,167	16,816
Benefits paid during the year	(7,094)	(1,823)
Liability transferred out to group companies	(1,357)	(1,109)
Liability transferred in from group companies	3,015	1,607
Present value of as at year end	86,265	67,534

10.2 Charge for the year

	2023	2022
Current service cost	6,927	5,409
Interest cost	9,278	6,007
Remeasurement during the year	7,962	5,400
Total expense for the year	24,167	16,816

10.3 Sensitivity analysis

Year end sensitivity analysis (+/- 100 bps) on defined benefit obligation:

	2023	2022
Discount rate + 100 bps	81,960	63,974
Discount rate - 100 bps	91,194	70,450
Salary growth rate + 100 bps	91,195	70,460
Salary growth rate - 100 bps	81,880	63,908

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	2023	2022
		(Rupees in thousand)	
Current portion of long term finances	7	687,500	537,500

12. Short term borrowings from financial institutions - secured

	Note	2023	2022
Short term running finances from financial institutions - secured	12.1	3,250	-

12.1 Running finances - secured

Short term running finances available from commercial banks under mark-up arrangements aggregate Rs 2,000 million (2022: Rs 2,000 million). The rates of mark-up are based on 1 month KIBOR and range from 16.4% to 22.77% (2022: 10.63% to 16.61%) 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'.

12.2 Letters of credit and bank guarantees

Of the aggregate facilities of nil (2022: Rs 1,300 million) for opening letters of credit (a sublimit of running finance facilities) and Rs 260 million (2022: Rs 200 million) for guarantees, the amounts utilised at December 31, 2023 were nil (2022: Rs 11.545 million) and Rs 116.680 million (2022: Rs 118.680 million) respectively.

13. Trade and other payables

	Note	2023	2022
		(Rupees in thousand)	
Trade creditors	13.1	105,399	83,538
Accrued liabilities	13.2 & 13.3	540,790	412,722
Sales tax payable		3,431	1,407
Withholding income tax payable		18,374	3,644
Payable to retirement funds	13.4	9,233	7,747
Deposits	13.5	7,198	7,248
Profit payable on Term Finance Certificates ('TFCs')		1,387	1,387
Others		11,226	11,200
		697,038	538,893

13.1 Includes amounts due to the following related parties against expenses borne on behalf of the Company:

	2023	2022
	(Rupees in thousand)	
Bulleh Shah Packaging (Private) Limited	518	4,848
Packages Convertors Limited	29,031	6,281
IGI General Insurance Limited	44	3
IGI Life Insurance Limited	806	2,118
StarchPack (Private) Limited	-	2,187
	30,399	15,437

13.2 Includes amounts due to the following related parties in respect of goods and services purchased:

	2023	2022
	(Rupees in thousand)	
IGI Life Insurance Limited	1,619	407
IGI General Insurance Limited	4,769	4,556
Bulleh Shah Packaging (Private) Limited	4,061	1,709
Packages Real Estate (Private) Limited	-	3
Josef Meinrad Mueller	3,131	1,934
	13,580	8,609

13.3 This includes provision amounting to Rs 400 million (2022: Rs 310 million) in respect of rent of land on lease from the Government of the Punjab ('GoPb') for the period from December 2015 to December 2023.

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 90 million (2022: Rs 115.998 million) in respect of rent for the year ended December 31, 2023. 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	2023	2022
		(Rupees in thousand)	
Employees' provident fund	13.4.1	4,527	4,005
Employees' gratuity fund		949	757
Management staff pension fund	13.4.1	3,757	2,985
		9,233	7,747

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	2023	2022
		(Rupees in thousand)	
Accrued mark-up/interest on:			
- Long term loans from financial institutions - secured		289,857	86,999
- Preference shares/convertible stock - unsecured	7.1	155,550	155,550
- Short term borrowings from financial institutions - secured		2,139	352
		447,546	242,901

15. Contingencies and commitments

15.1 Contingencies:

(i) Claims against the Company by ex-employees not acknowledged as liabilities amounting to Rs 13 million (2022: Rs 11.620 million).

(ii) Post dated cheque issued in favour of Commissioner Inland Revenue amounting to nil (2022: Rs 50.408 million) in respect of super tax liability for the tax year 2022.

(iii) Guarantees issued to the following parties:

- Shell Pakistan Limited against fuel cards issued to employees amounting to nil (2022: Rs 2 million).
- Pakistan State Oil Limited against fuel cards issued to employees amounting to Rs 7 million (2022: Rs 7 million).
- Sui Northern Gas Pipelines Limited against supply of gas amounting to Rs 7.5 million (2022: Rs 7.5 million).
- Lahore Electricity Supply Company Limited against supply of electricity amounting to Rs 35.600 million (2022: 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 (2022: Rs 54 million).
- Nazir High Court Sindh against order passed by Customs Appellate Tribunal amounting to Rs 12.580 million (2022: Rs 12.580 million).

(iv) For contingencies relating to sales tax and income tax, refer notes 22.3 and 23 respectively.

15.2 Commitments in respect of:

(i) Letters of credit and contracts for other than for capital expenditure is nil (2022: Rs 11.559 million).

16. Property, plant and equipment

	Note	2023	2022
		(Rupees in thousand)	
Operating fixed assets	16.1	343,881	330,660
Capital work-in-progress	16.2	13,179	8,213
		357,060	338,873

16.1 Operating fixed assets

	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 16.1.2	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)			

	2022						
	Cost as at January 1, 2022	Additions / (deletions)	Cost as at December 31, 2022	Accumulated depreciation as at January 1, 2022	Depreciation charge / (deletions) for the year	Accumulated depreciation as at December 31, 2022	Book value as at December 31, 2022
	(Rupees in thousand)						
Leasehold land - note 16.1.2	90,076	-	90,076	27,926	1,845	29,771	60,305
Buildings on freehold land	28,347	-	28,347	5,615	1,415	7,030	21,317
Buildings on leasehold land	4,154	-	4,154	4,154	-	4,154	-
Other equipment (computers, lab equipment and other office equipment)	19,075	21,073	39,339	10,009	6,862	16,108	23,231
		(809)			(763)		
Furniture and fixtures	26	47	73	9	24	33	40
Vehicles	103,732	199,386	252,170	30,559	16,502	26,403	225,767
		(50,948)			(20,658)		
	245,410	220,506	414,159	78,272	26,648	83,499	330,660
		(51,757)			(21,421)		

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:

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 Holdings (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

2022							
Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss) on sale	Mode of sale
		(Rupees in thousand)					
Vehicles	**Employees**						
	Jazib Faizi	2,503	1,422	1,081	1,371	290	As per Company policy
	Suleman Javed	2,353	1,351	1,002	1,437	435	- do -
	Adeel Qayyum	1,530	858	672	759	87	- do -
	Sajjad Hussain Malik	1,527	886	641	1,008	367	- do -
	Sajjad Iftikhar	2,146	1,288	858	2,400	1,542	- do -
	Shahzeb Haider	2,043	846	1,197	1,341	144	- do -
	Abdullah Akhlaq	1,515	561	954	851	(103)	- do -
	Faizan Suhail	2,315	600	1,715	1,588	(127)	- do -
	Nauman Rashid	4,111	377	3,734	3,823	89	- do -
	Shah Bakht	1,589	159	1,430	1,380	(50)	- do -
	Ali Nazeer	1,335	67	1,268	1,224	(44)	- do -
	Farwa Zahra	1,747	44	1,703	1,747	44	- do -
	Related parties						
	Packages Convertors Limited	2,054	188	1,866	1,866	-	Negotiation
	Outsiders						
	Asghar Abbas	1,696	1,018	678	1,900	1,222	Negotiation
	- do -	4,404	147	4,257	4,404	147	- do -
	Car Deals	18,079	10,847	7,232	19,000	11,768	- do -

16.2 Capital work-in-progress

This represents advances to suppliers. The reconciliation of the carrying amount is as follows:

	Note	2023	2022
		(Rupees in thousand)	
Balance as at January 1		8,213	20,250
Advances given during the year		16,626	7,605
Transferred to operating fixed assets		(11,660)	(19,642)
Balance as at December 31		13,179	8,213

17. Investment properties

	Note	2023	2022
Investment properties	17.1	1,466,273	1,446,221
Capital work in progress	17.2	90,845	16,945
		1,557,118	1,463,166

17.1 Investment properties

	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

	2022						
	Cost as at January 1, 2022	Additions	Cost as at December 31, 2022	Accumulated depreciation as at January 1, 2022	Depreciation charge for the year	Accumulated depreciation as at December 31, 2022	Book value as at December 31, 2022
	(Rupees in thousand)						
Freehold land - notes 17.1.2 and 17.1.3	1,010,291	43,894	1,054,185	-	-	-	1,054,185
Buildings on freehold land	958,139	-	958,139	533,396	45,284	578,680	379,459
Buildings on leasehold land - note 13.3	39,575	-	39,575	25,123	1,875	26,998	12,577
	2,008,005	43,894	2,051,899	558,519	47,159	605,678	1,446,221

17.1.1 Depreciation charge for the year has been allocated to administrative expenses (note 28).

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 (2022: Rs 6.149 million) (the 'Mortgaged Security'), has been mortgaged under a first exclusive equitable charge of Rs 7,800 million (2022: Rs 7,800 million) in favour of MCB Bank Limited against a term finance facility of upto Rs 4,500 million (2022: Rs 4,500 million) and a running finance facility of upto Rs 2,000 million (2022: 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 upto Rs 4,667 million (2022: 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	107.77
Lakho Baryar, Kasur, Punjab - note 17.1.5	Rented out	82.67
Herdo Sehari, Kasur, Punjab	Rented out	35.18
Depalpur, Punjab	Rented out	16.04
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	4.83
Port Qasim, Karachi, Sindh	Rented out	8.00
		311.04

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 (2022: nil), 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 (2022: nil) and in favour of Habib Bank Limited against term finance facility of Rs 1,900 million (2022: 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, 2023 is Rs 45,236.236 million (2022: Rs 41,295.057 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 40.4.

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:

	2023	2022
	(Rupees in thousand)	
Rental income from operating leases	553,478	487,448
Direct operating expenses from property that generated rental income	1,021	1,248

17.2 Capital work in progress - investment properties

	2023	2022
Advance against purchase of land	80,832	-
Buildings on freehold land	10,011	16,945
	90,843	16,945

	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

	2022			
	Balance as at January 1, 2022	Capital expenditure incurred during the year	Transfer to Investment Property	Balance as at December 31, 2022
	(Rupees in thousand)			
Advance against purchase of land	4,500	49,928	(43,894)	10,534
Buildings on freehold land	3,980	2,431	-	6,411
	8,480	52,359	(43,894)	16,945

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, 2023	257,036	59,615	316,651
December 31, 2022	131,517	2,008	133,525

18. Intangible assets

This represents computer software, website development costs and Enterprise Resource Planning ('ERP') system.

	Note	2023	2022
		(Rupees in thousand)	
Cost as at year end		4,123	4,123
Accumulated amortisation			
As at January 1		(2,540)	(2,027)
Amortisation for the year	18.1	(344)	(513)
As at December 31		(2,884)	(2,540)
Book value as at year end		1,239	1,583

18.1 The amortisation charge for the year has been allocated as follows:

Administrative expenses	28	344	513

19. Long term investments

These represent the investments in:			
- Related parties - at cost	19.1	31,557,601	29,130,697
- Others	19.2	29,959,311	21,441,759
	19.3	61,516,912	50,572,456

	Note	2023	2022
		(Rupees in thousand)	
19.1 Related parties - at cost			
Subsidiary - quoted:			
Tri-Pack Films Limited, Karachi, Pakistan *Registered Office: 4th Floor, The Forum, Suite No. 416-422, G-20, Block No. 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan* 26,871,931 (2022: 26,871,931) fully paid ordinary shares of Rs 10 each Equity held 69.26% (2022: 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 (2022: 585,254) fully paid ordinary shares of Rs 10 each Equity held 41.07% (2022: 6.07%)	19.1.5	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, Khayaban-e-Jami, Clifton, Karachi, Pakistan* 3,377,248 (2022: 3,377,248) fully paid ordinary shares of Rs 10 each Equity held 54.98% (2022: 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, Khayaban-e-Jami, Clifton, Karachi, Pakistan* 302,500,000 (2022: 302,500,000) fully paid ordinary shares of Rs 10 each Equity held 75.16% (2022: 75.16%)		3,019,090	3,019,090
Packages Lanka (Private) Limited, Ja-Ela, Sri Lanka 44,698,120 (2022: 44,698,120) shares of Sri Lankan Rupees 10 each Equity held 79.07% (2022: 79.07%)		442,938	442,938
Anemone Holdings Limited, Ebene, Mauritius 12,558,451 (2022: 12,558,451) shares of US Dollar 1 each Equity held 100.00% (2022: 100.00%) Cost - Rs 1,888.769 million (2022: Rs 1,888.769 million)	19.1.1	-	1,201,649
Packages Power (Private) Limited, Lahore, Pakistan *Registered Office: 4th Floor, The Forum, Suite No. 416-422, G-20, Block No. 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan* 2,500,000 (2022: 2,500,000) fully paid ordinary shares of Rs 10 each Equity held 100.00% (2022: 100.00%)		25,000	25,000
	C.F	12,918,730	9,949,981

	Note	2023	2022
		(Rupees in thousand)	
	B.F.	12,918,730	9,949,981
Packages Convertors Limited, Lahore, Pakistan			
Registered Office: 4th Floor, The Forum, Suite No. 416-422, G-20, Block No. 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan			
30,839,021 (2022: 30,839,021) fully paid ordinary shares of Rs 100 each Equity held 100.00% (2022: 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, Khayaban-e-Jami, Clifton, Karachi, Pakistan			
35,000 (2022: 10,000) fully paid ordinary shares of Rs 100 each Equity held 100.00% (2022: 100.00%)		3,500	1,000
Bulleh Shah Packaging (Private) Limited, Lahore, Pakistan			
Registered Office: 4th Floor, The Forum, Suite No. 416-422, G-20, Block No. 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan			
1,091,873,871 (2022: 1,091,873,871) fully paid ordinary shares of Rs 10 each Equity held 100.00% (2022: 100.00%)		10,807,230	10,807,230
Packages Trading FZCO, Dubai, United Arab Emirates			
50 (2022: nil) shares of AED 1,000 each Equity held 100.00% (2022: nil)			
Cost - Rs 202.928 million (2022: nil)	19.1.2	13,634	-
Share deposit money		189,294	-
		202,928	-
StarchPack (Private) Limited, Lahore, Pakistan			
Registered Office: 4th Floor, The Forum, Suite No. 416-422, G-20, Block No. 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan			
31,500,000 (2022: 21,000,000) fully paid ordinary shares of Rs 100 each Equity held 100.00% (2022: 100.00%)		3,150,000	2,100,000
Share deposit money	19.1.3	-	800,000
		3,150,000	2,900,000
Joint venture - unquoted:			
OmyaPack (Private) Limited, Lahore, Pakistan			
49,500,000 (2022: 49,500,000) fully paid ordinary shares of Rs 10 each Equity held 50.00% (2022: 50.00%)		495,000	495,000
Associates - quoted:			
IGI Holdings Limited, Karachi, Pakistan			
15,033,041 (2022: 15,033,041) fully paid ordinary shares of Rs 10 each Equity held 10.54% (2022: 10.54%)	19.1.4	896,310	896,310
Hoechst Pakistan Limited, Karachi, Pakistan			
3,960,919 (2022: 585,254) fully paid ordinary shares of Rs 10 each Equity held 41.07% (2022: 6.07%)	19.1.5	-	997,273
		896,310	1,893,583
		31,557,601	29,130,697

19.1.1 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. Based on its unaudited financial statements for the year ended December 31, 2022, it incurred a loss before tax of South African Rand ('ZAR') 99 million (Rs 1,155.330 million approximately). Resultantly, the Company carried out an estimate of the recoverable amount of this investment and determined it to be lower than the carrying amount, therefore, an impairment loss of Rs 687.121 million was recognized in the unconsolidated financial statements for the year ended December 31, 2022.

During the year, based on its unaudited financial information, FPCPL has 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 has been completed recently whereby the legally appointed Business Rescue Practitioner ('BRP') ascertained that FPCPL is 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 have 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 does not expect any future inflow from this investment, hence, the recoverable amount has been determined to be nil. Under these circumstances, the Company has fully impaired its investment and has recognized a loss of Rs 1,201.648 million as disclosed in note 29 to these unconsolidated financial statements.

19.1.2 During the year, the Company made an investment of Arab Emirates Dirham ('AED') 2.670 million equivalent to Rs 202.928 million on the date of translation (2022: nil) as equity in Packages Trading FZCO. The entity has been incorporated during the year 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.

19.1.3 The investee has issued 10,500,000 shares during the year against the Rs 800 million of share deposit money of last year and Rs 250 million share deposit money given during the year.

19.1.4 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 Finex Securities Limited

19.1.5 Pursuant to the share purchase agreement with Sanofi Foreign Participations B.V., Packages Limited has 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. Packages Limited now has a total shareholding of 41.07% in HPL. The management of Packages Limited has made a detailed assessment under IFRS 10 and considers HPL to be its subsidiary as it has de-facto control over it.

19.2 Others - FVOCI

	Note	2023	2022
		(Rupees in thousand)	
Quoted:			
Nestle Pakistan Limited			
3,649,248 (2022: 3,649,248) fully paid ordinary shares of Rs 10 each			
Equity held 8.05% (2022: 8.05%)			
Cost - Rs 5,778.896 million (2022: Rs 5,778.896 million)	19.2.1	29,934,781	21,421,086
Systems Limited			
46,050 (2022: 46,050) fully paid ordinary shares of Rs 10 each			
Equity held 0.0159% (2022: 0.0159%)		19,505	15,648
		29,954,286	21,436,734
Unquoted:			
Coca-Cola Beverages Pakistan Limited			
500,000 (2022: 500,000) fully paid ordinary shares of Rs 10 each			
Equity held 0.0185% (2022: 0.0185%)	19.2.2	5,000	5,000
Pakistan Tourism Development Corporation Limited			
2,500 (2022: 2,500) fully paid ordinary shares of Rs 10 each		25	25
		5,025	5,025
		29,959,311	21,441,759

19.2.1 As of December 31, 2023, an aggregate of 2,620,000 (2022: 2,620,000) shares of Nestle Pakistan Limited having market value of Rs 21,491.860 million (2022: Rs 15,379.400 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 2023	No. of shares pledged 2022	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	2023	2022
		(Rupees in thousand)	
Balance as at beginning of the year		50,572,456	46,922,876
Investments made during the year	19.1.2, 19.1.3 & 19.1.5	3,628,552	3,809,348
Fair value gain recognised in other comprehensive income		8,517,552	527,353
Impairment loss on equity instruments of Anemone Holdings Limited, Ebene, Mauritius	19.1.1 and 29	(1,201,648)	(687,121)
Balance as at end of the year		61,516,912	50,572,456

20. Long term loan to subsidiary

During the current year, 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 the fixed capital expenditure of SPL. The facility carries mark-up at the rate of six-month KIBOR plus a spread of 0.15% per annum. Out of the total facility, the Company has disbursed Rs 250 million during the year which is receivable in five equal semi-annual instalments including a grace period of 2 years with repayments starting in March 2026.

21. Deferred taxation

The net asset for deferred taxation comprises taxable/(deductible) temporary differences relating to:

	Note	2023	2022
		(Rupees in thousand)	
Deferred tax asset			
Provision for accumulating compensated absences		8,627	2,695
Loss allowance on financial assets		8,205	3,032
Accelerated accounting depreciation		14,874	-
Others		1,082	-
		32,788	5,727
Deferred tax liability			
Accelerated tax depreciation		-	(648)
Others		(1,008)	(403)
		(1,008)	(1,051)
Deferred tax asset	21.1	31,780	4,676

21.1 The gross movement in net deferred tax asset during the year is as follows:

	Note	2023	2022
		(Rupees in thousand)	
Opening balance		4,676	(94,483)
Credited to unconsolidated statement of profit or loss	32	27,104	99,159
Closing balance		31,780	4,676

21.2 The Company has incurred impairment loss of Rs 1,888.769 million (2022: Rs 687.121 million) on investment in subsidiary. Deferred tax asset has not been recognized on such loss. A capital loss under the Income Tax Ordinance, 2001, will arise once the shares in subsidiary are disposed off that will be available for set off against future capital gains under the income tax laws.

22. Loans, advances, deposits, prepayments and other receivables

	Note	2023	2022
		(Rupees in thousand)	
Advances			
- To employees		147	210
- To suppliers		24,843	3,151
		24,990	3,361
Due from related parties	22.1	659,233	1,133,195
Dividend receivable from subsidiaries	22.2	1,033,654	-
Profit receivable on bank deposits		7,516	5,359
Trade deposits		5,252	5,252
Prepayments	22.3	20,555	24,260
Balances with statutory authorities:			
- Customs duty paid in advance		2,892	3,359
- Sales tax receivable		55,905	55,905
- Sales tax recoverable	22.4	345,775	345,775
		404,572	405,039
Other receivables		46,921	41,704
		2,202,693	1,618,170
Loss allowance on due from related parties and other receivables	22.5	(279,708)	(264,120)
		1,922,985	1,354,050

22.1 Due from related parties - unsecured

	Note	2023	2022
Packages Convertors Limited		71,097	379,323
DIC Pakistan Limited		10,393	5,122
Packages Real Estate (Private) Limited		95,874	60,772
Bulleh Shah Packaging (Private) Limited		34,477	369,614
OmyaPack (Private) Limited		1,229	6,828
Tri-Pack Films Limited		7,267	4,447
Hoechst Pakistan Limited		3,603	-
IGI General Insurance Limited		6,219	2,869
IGI Life Insurance Limited		15,071	6,835
IGI Finex Securities Limited		444	37
IGI Holdings Limited		3,790	1,474
IGI Investments (Private) Limited		3,432	3,623
Flexible Packages Convertors (Pty) Ltd		134,863	125,515
Packages Lanka (Private) Limited		237,205	162,868
Chantler Packages Inc.		266	266
Packages Trading FZCO		531	-
S.C. Johnson & Son of Pakistan (Private) Limited		1,501	908
IGI FSI (Private) Limited		246	-
Packages Investments Limited		4	-
Packages Power (Private) Limited		3	-
Packages Foundation		4	-
StarchPack (Private) Limited		31,714	2,694
	22.1.1 & 22.1.2	659,233	1,133,195

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, 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	85.0	286,702	244,786
		354,968	260,147

	December 31, 2022		
	Expected loss rate	Due from related parties	Loss allowance
	(%)	(Rupees in thousand)	
0 to 180 days	22.5	11,427	2,571
180 days and above	100	235,219	235,219
		246,646	237,790

22.1.2 The maximum aggregate amount due from these related parties at the end of any month during the year was Rs 1,359.233 million (2022: Rs 1,133.195 million).

22.2 This represents dividend receivable from the following subsidiary companies:

	Note	2023	2022
		(Rupees in thousand)	
Packages Convertors Limited		700,000	-
Bulleh Shah Packaging (Private) Limited		300,000	-
Packages Lanka (Private) Limited		33,654	-
	22.2.1 & 22.2.2	1,033,654	-

22.2.1 This dividend receivable is neither past due nor impaired and has been subsequently received in January 2024.

22.2.2 The maximum aggregate amount of dividend receivable from these subsidiaries at the end of any month during the year was Rs 1,033.654 million (2022: nil).

22.3 Prepayments include Rs 11.037 million (2022: Rs 8.010 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 has obtained stay from recovery proceedings until March 15, 2024.

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 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 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. As of the reporting date, the date of hearing has not been fixed.

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	2023	2022
		(Rupees in thousand)	
Due from related parties - unsecured	22.5.1	260,147	237,790
Other receivables		19,561	26,330
		279,708	264,120

The reconciliation of loss allowance during the year is as follows:

	2023	2022
Opening balance	264,120	75,806
Impairment loss during the year	15,588	188,314
Balance as at end of the year	279,708	264,120

22.5.1 Includes loss allowance of Rs 242.932 million (2022: Rs 233.584 million) recognised in relation to amounts due from Packages Lanka (Private) Limited and Flexible Packages Converters (Proprietary) Limited in respect of management fee/technical fee receivable.

23. Income tax receivable

	Note	2023	2022
		(Rupees in thousand)	
Income tax refundable		2,182,242	2,134,357
Income tax recoverable		36,013	36,013
		2,218,255	2,170,370

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.

24. Short term investments

	Note	2023	2022
		(Rupees in thousand)	
Investment in term deposit receipts - at amortised cost	24.1	150,000	150,000
Investment in mutual funds - at FVPL	24.2	240,356	-
		390,356	150,000

24.1 These represent investment in Term Deposit Receipts issued by a banking company having maturity of one to six months carrying markup rate of 14.20% to 20.70% per annum (2022: 7.12% to 14.50% per annum).

24.2 This represents investment in units of mutual funds of MCB Investment Management Limited that is classified as fair value through profit or loss.

25. Cash and bank balances

	Note	2023	2022
		(Rupees in thousand)	
At banks:			
- Savings accounts	25.1 and 25.2	103,458	127,923
- Current accounts	25.3	19,620	24,730
		123,078	152,653
In hand [including USD 3,798 (2022: USD 2,270) and Euro 10,300 (2022: 10,000)		7,203	7,306
		130,281	159,959

25.1 The balances in savings accounts bear mark-up at 14.5% to 20.50% per annum (2022: 8.25% to 14.50% per annum).

25.2 Included in these are restricted funds of Rs 7.198 million (2022: Rs 7.248 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 (2022: Rs 1.387 million) held as payable to TFC holders as referred to in note 13.

26. Dividend income

This represents dividend income from the following:	Note	2023	2022
		(Rupees in thousand)	
Related parties	26.1	4,842,054	3,658,081
Others		997,773	1,204,252
		5,839,827	4,862,333

26.1 Dividend income from related parties

DIC Pakistan Limited		274,908	274,908
Packages Real Estate (Private) Limited		113,438	75,625
Bulleh Shah Packaging (Private) Limited		1,750,000	1,500,796
IGI Holdings Limited		63,890	82,682
Tri-Pack Films Limited		134,360	349,335
OmyaPack (Private) Limited		74,750	24,750
Packages Convertors Limited		2,300,000	1,349,985
Packages Lanka (Private) Limited		130,708	-
		4,842,054	3,658,081

27. Rental income

This represents rental income from the following:

Related parties	27.1	544,057	479,997
Others		9,421	7,451
		553,478	487,448

27.1 Rental income from related parties

Packages Real Estate (Private) Limited		65,761	55,248
DIC Pakistan Limited		33,285	31,604
Bulleh Shah Packaging (Private) Limited		112,199	79,162
StarchPack (Private) Limited		4,102	1,628
Packages Convertors Limited		322,047	308,425
OmyaPack (Private) Limited		2,270	-
S.C. Johnson & Son of Pakistan (Private) Limited		4,393	3,930
		544,057	479,997

28. Administrative expenses

Salaries and amenities	28.1 & 28.2	389,500	266,392
Travelling and conveyance		88,597	33,977
Rent, rates and taxes		136,995	151,896
Insurance		15,506	6,395
Printing, stationery and periodicals		6,426	4,618
Postage, telephone and telex		3,057	3,088
Motor vehicles running		15,723	29,284
Computer charges		4,892	2,412
Professional services	28.3	54,757	74,121
Repairs and maintenance		6,785	1,774
Depreciation on operating fixed assets	16.1	37,715	26,648
Depreciation on investment properties	17.1	47,106	47,159
Amortization of intangible assets	18.1	344	513
Others		52,646	35,665
		860,049	683,942

28.1 Salaries and amenities include following in respect of retirement benefits:

	2023	2022
	(Rupees in thousand)	
Defined benefit plans		
- Gratuity fund	41,795	23,240
- Pension fund	88,755	58,244
Defined contribution plans		
- Provident fund	25,911	17,081
- Pension fund	35,480	28,347
Other benefit plan		
- Accumulating compensated absences	24,167	16,816
	216,108	143,728

28.2 Salaries and amenities include Rs 0.251 million (2022: Rs 0.647 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	2023	2022
		(Rupees in thousand)	
- Statutory audits		3,508	3,155
- Half-yearly review		809	700
- Tax services		1,980	9,202
- Advisory services		3,407	8,688
- Workers' profit participation fund audit, management staff employees gratuity funds audits and certifications required under various regulations		1,532	1,448
- Other assurance services		5,000	-
Out of pocket expenses		1,003	1,961
		17,239	25,154

29. Other expenses

	Note	2023	2022
Exchange loss - net		-	30,051
Donations	29.1	3,316	17,003
Impairment loss on investment in subsidiary	19.1.1	1,201,648	687,121
Loss on disposal of operating fixed assets		1,446	-
		1,206,410	734,175

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	2023	2022
		(Rupees in thousand)	
Income on bank deposits		54,554	62,184
Profit on disposal of operating fixed assets		-	15,879
Technical fee from Packages Lanka (Private) Limited		69,144	54,402
Liabilities no longer payable written back		18,843	24,043
Profit on long term loan to subsidiary company		17,191	-
Exchange gain - net		31,084	-
Reversal of provision for Workers' Profit Participation Fund	30.1	-	929,419
Others		23,955	11,228
		214,771	1,097,155

30.1 Based on a legal opinion, the Company had reversed the provision in respect of WPPF provided on dividend income for the years from 2015 to 2019 on the basis that dividend income does not form part of 'profits' under section 2(d) of Sindh Companies Profits (Worker's Participation) Act, 2015 ('2015 Act') for the purposes of calculating liability of the Company under section 3(1)(b) of the 2015 Act.

31. Finance cost

	Note	2023	2022
		(Rupees in thousand)	
Interest and mark-up including commitment charges on:			
- Long term finances from financial institutions	31.1	1,260,024	457,575
- Short term borrowings from financial institutions - secured		17,088	26,800
Return on preference shares/convertible stock	7.1	155,550	155,550
Bank charges		1,678	20,620
Unwinding of discount on long term advances	8	4,101	3,185
		1,438,441	663,730

31.1 This includes an amount of Rs 73.781 million (2022: Rs 51.290 million) as annual commitment fee on the undisbursed amount of facility from IFC as referred to in note 7.4.

32. Taxation

	Note	2023	2022
		(Rupees in thousand)	
Current			
- For the year		266,893	357,768
- Prior years		69,768	50,408
		336,661	408,176
Deferred	21.1	(27,104)	(99,159)
	32.1	309,557	309,017

32.1 As explained in note 4.1, the Company's provision for taxation is based on the consolidated results of the Group.

32.2 Tax charge reconciliation

	2023	2022
	(Percentage)	
Numerical reconciliation between the average effective tax rate and the applicable tax rate		
Applicable tax rate as per Income Tax Ordinance, 2001	29.00	29.00
Tax effect of:		
- Amounts that are not deductible/(not offered) for tax purposes	0.20	(4.33)
- Deferred tax asset not recognised as referred to in note 21.2	11.33	4.77
- Super tax - current year	-	1.33
- Super tax - prior year	(0.63)	-
- Amounts that are exempt for tax purposes	(1.03)	(0.09)
- Amounts that are chargeable to tax at different rates	(8.51)	(7.69)
- Group taxation as explained in note 4.1	(22.31)	(14.85)
- Change in prior years' tax	1.98	(0.74)
	(18.97)	(21.60)
Average effective tax rate charged to unconsolidated statement of profit or loss	10.03	7.40

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	
	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in thousand)							
Short term employee benefits								
Managerial remuneration	15,627	10,770	1,157	894	-	-	56,062	35,292
Housing	9,396	7,411	315	270	-	-	19,415	13,311
Utilities	3,831	3,303	70	60	-	-	8,355	2,236
Bonus and incentives	4,196	3,103	204	175	-	-	22,026	9,805
Leave passage	1,199	886	-	-	-	-	2,433	823
Reimbursement of medical expenses	18,847	10,508	-	71	-	-	-	1,803
Directors' meeting fees	-	-	-	-	11,600	7,550	-	-
Other allowances and expenses	-	-	98	85	-	-	-	-
Other perquisites and benefits	14,332	11,293	-	-	-	-	18,497	2,702
	67,428	47,274	1,844	1,555	11,600	7,550	126,788	65,972
Post employment benefits								
Contribution to provident, gratuity and pension funds	4,905	3,650	-	-	-	-	6,974	4,421
	72,333	50,924	1,844	1,555	11,600	7,550	133,762	70,393
Number of persons	1	1	1	1	8	8	18	14

33.2 The Company also provides the Chief Executive and some of the directors and executives with Company maintained cars, free transport 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 (2022: Rs 0.844 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	2023	2022
		(Rupees in thousand)	
i. Subsidiary companies	Purchase of goods and services	381	604
	Investment in equity instruments	3,628,552	2,796,429
	Reimbursement of salaries to Company	681,192	449,916
	Reimbursement of salaries by Company	26,280	3,000
ii. Associates	Purchase of goods and services	5,378	2,100
	Insurance premium expense	54,964	36,292
	Insurance claims received	-	4,305
	Investment in equity instruments	-	997,273
	Dividend paid	734,448	734,448
	Reimbursement of salaries to Company	100,041	86,605
iii. Joint ventures	Reimbursement of salaries to Company	17,612	11,895
iv. Retirement funds	Expense charged in respect of retirement plans	191,941	126,914
	Dividend paid	77,892	77,892
v. Key management personnel	Salaries and other employee benefits - note 34.1	128,495	63,736
	Dividend paid	88,396	87,651

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 (Proprietory) 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 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 & Son of Pakistan (Private) Limited	Common directorship	
Babar Ali Foundation	Common director/Trustee	7.49%
Syed Maratib Ali Trust	Common director/Trustee	None
Syed Hyder Ali	Chief Executive Officer	2.94%
Towfiq Habib Chinoy	Director	0.11%
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%
Irfan Mustafa	Ex-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
Hammad Ahmed Butt	Ex-Key Management Personnel	None
Kaifee Siddiqui	Key Management Personnel	None
Sajjad Iftikhar	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	AED 2.67 million	SL Rupees 451.417 million	No direct investment
Amount of investment at cost - local currency	Rs 1,888.770 million	Rs 202.928 million	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 generated from operations

	Note	2023	2022
		(Rupees in thousand)	
Profit before tax		3,087,588	4,176,775
Adjustments for:			
- Provision for retirement benefits	9	130,550	81,485
- Exchange (gain)/loss	30	(31,029)	29,274
- Provision for accumulating compensated absences	10	24,167	16,816
- Reversal of workers' profit participation fund		-	(929,419)
- Provision for rent in respect of land leased from GoPb		90,000	115,997
- Depreciation on operating fixed assets	16.1	37,715	26,648
- Depreciation on investment properties	17.1	47,106	47,159
- Amortisation on intangible assets	18	344	513
- Impairment loss on equity investment	19	1,201,648	687,121
- Net impairment loss on financial assets	22.5	15,588	188,314
- Dividend income	26	(5,839,827)	(4,862,333)
- Liabilities no longer payable written back	30	(18,843)	(24,043)
- Loss/(profit) on disposal of operating fixed assets	29	1,446	(15,879)
- Discounting adjustment of long term advances	8	(22,619)	(9,952)
- Profit on long term loan to subsidiary company	30	(17,191)	-
- Finance cost	31	1,438,441	663,730
Profit before working capital changes		145,084	192,206
Effect on cash flow due to working capital changes:			
- Decrease in loans, advances, deposits, prepayments and other receivables		528,722	230,832
- Increase/(decrease) in trade and other payables		68,887	(151,505)
		597,609	79,327
		742,693	271,533

36.2 Cash and cash equivalents

	Note	2023	2022
		(Rupees in thousand)	
Cash and bank balances	24	130,281	159,959
Short term borrowings from financial institutions - secured	12	(3,250)	-
Short term investments		390,356	150,000
		517,387	309,959

36.3 Reconciliation of liabilities arising from financing activities

	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

	Opening balance as at January 1, 2022	Cash flows	Other changes*	Closing balance as at December 31, 2022
	(Rupees in thousand)			
Unclaimed dividend	58,875	(2,520,820)	2,521,686	59,741

37. Number of employees

	2023	2022
Total number of employees as at December 31	151	127
Average number of employees during the year	139	109

38. Rates of exchange

Following exchange rates have been applied for translating material transactions/balances in foreign currency:

	Average rate		Spot rate	
	2023	2022	2023	2022
USD 1	282.806	205.215	281.861	226.900
EURO 1	306.410	215.830	311.498	242.330

39. Earnings per share

39.1 Basic earnings per share

		2023	2022
Profit for the year	**Rupees in thousand**	2,778,031	3,867,758
Weighted average number of ordinary shares	**Number**	89,379,504	89,379,504
Basic earnings per share	**Rupees**	31.08	43.27

39.2 Diluted earnings per share

		2023	2022
Profit for the year	**Rupees in thousand**	2,778,031	3,867,758
Return on preference shares / convertible stock	**Rupees in thousand**	155,550	155,550
		2,933,581	4,023,308
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**	30.07	41.24

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) 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 Company operates internationally and is exposed to currency risk arising from various currency exposures, 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, 2023 and as at December 31, 2022, 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 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	
	2023	2022
	(Rupees in thousand)	
Pakistan Stock Exchange Limited	2,993,478	2,142,109

The Company has short term investment in mutual fund that is carried at fair value through profit or loss ('FVPL'). Therefore, the Company is 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	
	2023	2022
	(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.

	2023	2022
	(Rupees in thousand)	
Fixed rate instruments:		
Financial assets		
Bank balances - savings accounts	103,458	127,923
Short term investments	150,000	150,000
	253,458	277,923
Financial liabilities		
Preference shares/convertible stock	(932,650)	(932,650)
Net exposure	(679,192)	(654,727)
Floating rate instruments:		
Financial assets		
Long term loan to subsidiary company	250,000	-
Financial liabilities		
Short term borrowings from financial institutions - secured	(3,250)	-
Long term finances from financial institutions	(6,506,250)	(3,650,000)
	(6,509,500)	(3,650,000)
Net exposure	(6,259,500)	(3,650,000)

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, 2023, 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 164.957 million (2022: Rs 100.800 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:

	2023	2022
	(Rupees in thousand)	
Long term security deposits	2,602	2,692
Long term loan to subsidiary company	250,000	-
Short term investments	390,356	150,000
Loans, deposits and other receivables	1,497,711	924,541
Balances with banks	123,078	152,653
	2,263,747	1,229,886

(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	2023	2022
	Short term	Long term		(Rupees in thousand)	
Bank balances:					
Allied Bank Limited	A1+	AAA	PACRA	434	829
Bank Al-Habib Limited	A1+	AAA	PACRA	10	85
Citibank N.A.	F1	A+	Fitch Ratings	711	11
Habib Bank Limited	A1+	AAA	PACRA	1,150	2,111
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	84,670	65,362
JS Bank Limited	A1+	AA-	PACRA	10,604	20
MCB Bank Limited	A1+	AAA	PACRA	6,723	23,372
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	18,776	60,863
				123,078	152,653
Short term investments:					
MCB Pakistan Cash Management Fund		AM1	PACRA	240,356	-
Allied Bank Limited - Term Deposit Receipt	A1+	AAA	PACRA	40,000	40,000
Habib Bank Limited - Term Deposit Receipt	A1+	AAA	PACRA	110,000	110,000
				390,356	150,000

(c) Liquidity risk

Liquidity risk represents the risk that the Company 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. The Company's finance department maintains flexibility in funding by maintaining availability under committed credit lines. At December 31, 2023, the Company had Rs 2,000 million (2022: Rs 2,000 million) available borrowing limits from financial institutions under mark up arrangements and Rs 130.281 million (2022: Rs 159.959 million) in cash and bank balances.

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.

	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	664,007	663,709	663,709	-	-	-
Unclaimed dividend	81,490	81,490	81,490	-	-	-
Accrued finance cost	447,546	447,546	447,546	-	-	-
	8,658,832	8,678,299	1,883,495	1,721,223	4,108,072	965,509

	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, 2022						
Long term finances from financial institutions	4,582,650	4,582,650	537,500	687,500	2,200,000	1,157,650
Long term advances	19,310	29,261	-	9,729	4,239	15,293
Trade and other payables	523,842	523,842	523,842	-	-	-
Unclaimed dividend	59,741	59,741	59,741	-	-	-
Accrued finance cost	242,901	242,901	242,901	-	-	-
	5,428,444	5,438,395	1,363,984	697,229	2,204,239	1,172,943

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

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

Assets as per unconsolidated statement of financial position as at December 31, 2022

	At fair value through other comprehensive income	At amortised cost	Total
	(Rupees in thousand)		
Long term investments	21,441,759	29,130,697	50,572,456
Long term security deposits	-	2,692	2,692
Short term investments	-	150,000	150,000
Loans, deposits and other receivables	-	924,541	924,541
Cash and bank balances	-	159,959	159,959
	21,441,759	30,367,889	51,809,648

Liabilities as per unconsolidated statement of financial position

	Financial liabilities at at amortised cost	
	2023	2022
	(Rupees in thousand)	
Long term finances from financial institutions	7,438,900	4,582,650
Long term advances	43,404	29,261
Short term borrowings from financial institutions - secured	3,250	-
Trade and other payables	663,709	523,842
Unclaimed dividend	81,490	59,741
Accrued finance cost	447,546	242,901
	8,678,299	5,438,395

40.2 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.

40.3 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 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 ratios as at December 31, 2023 and 2022 were as follows:

	Note	2023	2022
		(Rupees in thousand)	
Borrowings	7 & 12	7,442,150	4,582,650
Less : Cash and bank balances	25	130,281	159,959
Net debt		7,311,869	4,422,691
Total equity		58,653,535	49,948,270
		Percentage	
Gearing ratio		11.08%	8.13%

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, 2023, the debt service coverage ratio was 15.49 (2022: 23.09), the current ratio was 2.43:1 (2022: 2.76:1) and the debt to equity ratio was 11.11% (2022: 7.53%).

40.4 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, 2023

Recurring fair value measurements Assets	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
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

At December 31, 2022

Recurring fair value measurements Assets	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Investments - FVOCI	21,436,734	-	5,025	21,441,759

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.

41. Date of authorisation for issue of financial statements

These unconsolidated financial statements were authorised for issue on March 26, 2024 by the Board of Directors of the Company.

42. Event after the reporting period

The Board of Directors have proposed a dividend of Rupee 27.50 per share, amounting to Rs 2,457.937 million at their meeting held on March 26, 2024 for approval of the members at the Annual General Meeting to be held on April 29, 2024. 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.

43. 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

Consolidated Finanical Statements

Directors' Report On Consolidated Financial Statements

For the Year Ended December 31, 2023

The Directors of the Parent Company take pleasure in presenting the consolidated financial statements of the Group for the year ended December 31, 2023. Comparison of consolidated results for the year 2023 as against year 2022 is as follows:

	2023	2022
	(Rupees in million)	
Sales – net	156,972	121,894
Profit from operations – EBIT	**23,507**	**15,837**
Share of profit in associates and joint venture	289	252
Bargain purchase gain on acquisition of Hoechst Pakistan Limited (2023) / Tri-Pack Films Limited (2022)	4,136	1,875
Investment income	998	1,204
Finance cost	(13,534)	(7,258)
Profit before tax	**15,396**	**11,910**

We are pleased to report that the core manufacturing operations of the Group have shown significantly improved performance in a challenging and competitive environment. During the year 2023, the Group achieved net sales of Rs 156,972 million against net sales of Rs 121,894 million achieved during last year representing sales growth of 29% with a profit before tax of Rs 15,396 million as compared to 11,910 million generated during last year representing growth of 29%, mainly on account of revenue growth, cost controls and recording of one-time net bargain purchase gain under business combination on acquisition of Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited) ('HPL') in the group.

On April 28, 2023, the transaction of acquiring 3,375,665 shares (representing 35% shareholding at a negotiated purchase price of Rs 940 per share) of HPL from Sanofi Foreign Participants B.V. was completed resulting in the Group now owning a total shareholding of 41.07% in HPL. The Management of the Group has made a detailed assessment under IFRS 10 and considers HPL to be its subsidiary as it has de facto control over it and is therefore included within the consolidated financial statements. Identified assets acquired, liabilities assumed or incurred of HPL have been carried at fair value at acquisition date i.e., April 28, 2023, and the investment in associate has been deemed disposed at its fair value at the acquisition date. This has resulted in a one-time bargain purchase gain under business combination amounting to Rs 4,136 million being recognised in the financial statements of the Group. In the year 2022, the Group also recorded a one-time bargain purchase gain under business combination of Rs 1,875 million recorded on the acquisition of increased shareholding of Tri-Pack Films Limited.

Included in the above, for the current year, is a 248-day revenue of Rs 15,241 million after intra-group adjustments which has also impacted the bottom-line with the inclusion of profit from HPL of Rs 957 million.

The Group's finance cost has increased by Rs 6,276 million which is mainly attributable to increased bench-mark interest rates and loans availed for the purpose of making capital expenditure and new strategic investments in Hoechst Pakistan Limited, StarchPack (Private) Limited and Packages Trading FZCO.

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 49,379 million during the year 2023 as compared to Rs 41,585 million during 2022, representing sales growth of 19%. PCL has generated profit before tax of Rs 5,387 million during the year 2023 as compared to Rs 2,587 million during 2022, representing growth of 108%. The improved performance of PCL relates to timely passing of the inflationary cost increases to customers, improved cost control measures and effective 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 59,074 million during the year 2023 as compared to Rs 47,589 million during 2022, representing sales growth of 24%. BSPL has recorded profit before tax of Rs 1,452 million during the year 2023 as compared to Rs 5,485 million during 2022. The decreased profitability is mainly on account of increased finance cost, decreased volumetric sales and exchange losses due to volatility in exchange rates. Moving forward, BSPL will focus on improving operating results through volume growth, tighter cost control and effective working capital management.

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 10,632 million during the year 2023 as compared to Rs 9,365 million last year, representing sales growth of 14%. DIC has generated profit before tax of Rs 1,876 million during the year 2023 as against Rs 1,070 million in 2022, representing growth of 75%. This improved performance relates to timely passing of the inflationary cost increases to customers, improved cost control measures and effective working capital management.

PACKAGES LANKA (PRIVATE) LIMITED

Packages Lanka (Private) Limited ('PLL') is a Sri Lanka based subsidiary of the Group, which is primarily engaged in the production and sale of flexible packaging. PLL has achieved sales of SLR 4,659 million during 2023 as compared to SLR 4,987 million in 2022, representing decrease of 7%. PLL has generated profit before tax of SLR 818 million in the year 2023 as compared to profit before tax of SLR 849 million of 2022, representing decrease of 4%. The declining results are mainly due to decreased volumes. Going forward, PLL will focus on improving operating results through volume growth.

PACKAGES REAL ESTATE (PRIVATE) LIMITED

Packages Real Estate (Private) Limited ('PREPL') is a subsidiary of the Group, which is primarily engaged in business of construction activities and development of real estate. It is currently operating a real estate project titled 'Packages Mall' and leases office space to corporate customers. PREPL has achieved net revenue of Rs 5,311 during the year 2023 as compared to Rs 4,569 million during 2022, representing growth of 16%. PREPL has recorded operating profit of Rs 2,131 million during the year 2023 as compared to Rs 1,507 million in 2022, representing growth of 41%.

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. During the current period, being its first year of operations, SPL achieved net revenue of Rs 52 million and a loss before tax of Rs 364 million after achieving commercial production from 1st of December 2023.

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 24,842 million during the year 2023 as compared to sales of Rs 24,120 million achieved during 2022, representing sales growth of 3%. TPFL has recorded a profit before tax of Rs 1,708 million as against Rs 1,382 million achieved during last year representing 24% increase mainly on account of timely passing on the inflationary cost increases to customers and effective working capital management.

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 period, being its first year of operations, the Parent Company made an investment of AED 2.670 million as equity therein and FZCO achieved net revenue of AED 5.5 million and a loss of AED 0.8 million.

FLEXIBLE PACKAGES CONVERTORS (PTY) LIMITED

Flexible Packages Convertors (Proprietary) Limited, South Africa ('FPC') was an entity based in South Africa principally engaged in the manufacture & sale of flexible packaging material. Packages Limited, through its wholly owned subsidiary, Anemone Holdings Limited, Mauritius ('AHL'), controlled 63.5% of the shareholding of FPC. FPC was experiencing deteriorating financial performance and was suffering from operating losses. Based on its unaudited financial statements for the year ended December 31, 2022, it incurred a loss before tax of South African Rand ('ZAR') 99 million (Rs 1,155.330 million approximately). Resultantly, the Parent Company carried out an estimate of the recoverable amount of this investment and determined it to be lower than the carrying amount, therefore, an impairment loss of Rs 1,056 million was recognized in the consolidated financial statements for the year ended December 31, 2022.

During the current year, based on its unaudited financial information, FPC has incurred a loss before tax of ZAR 26 million for the period from January 1, 2023 to April 13, 2023 (Rs 389.649 million approximately) 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 FPC, 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 FPC which started restraining the production capacity.

Consequently, FPC 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 has been completed recently whereby the legally appointed Business Rescue Practitioner ('BRP'), on April 13, 2023, ascertained that FPC is 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 FPC or to sell its assets to repay outstanding creditors. The creditors have 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 Parent Company does not expect any future inflow from this investment and the recoverable amount has been determined to be nil as the liabilities of FPC exceeded its assets and cannot meet its obligations.

These circumstances resulted in loss of control in the subsidiary and the Parent Company deconsolidated its subsidiary on that date in accordance with the International Financial Reporting Standard (IFRS) 10 'Consolidated Financial Statements' and has recognized a gain on discontinued operations of FPC to the tune of Rs 96.281 million. This is presented as profit from discontinued operations on face of the consolidated statement of profit or loss in accordance with the requirements of IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'.

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 21,369 million during 2023 as compared to Rs 18,560 million during 2022, representing revenue growth of 15%. HPL has generated profit before tax of Rs 916 million during the current year as compared to profit before tax of Rs 724 million during 2022, representing 27% increase, mainly achieved through enhanced focus on operating cost control and efficient working capital and treasury management.

FUTURE OUTLOOK

The Group expects that the economic outlook of the country will improve by the continued implementation of reforms aimed to restore fiscal discipline, political stability, economic assistance from friendly nations alongside achieving key indicators of the IMF programme. However, these measures will keep the consumer demand in check and high inflation in the short term. The above factors will continue to impact overall industrial growth.

Given all these challenges, the Group's Management remains focused on minimizing the negative impacts of the same, serving its stakeholders by delivering value and leveraging its diversified portfolio to keep pursuing its profitable growth aspirations.

Towfiq Habib Chinoy
(Chairman)

Syed Hyder Ali
(Chief Executive Officer & Managing Director)

March 26, 2024
Lahore

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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, 2023, 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 a summary of material accounting policies 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, 2023, 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.	**Disposal of subsidiary** *(Refer notes 4.3.4 and 46 to the annexed consolidated financial statements)* Due to the deteriorating financial performance and continuing operating losses of the Group's subsidiary, Flexible Packages Convertors (Proprietary) Limited ('FPCPL'), identified as a cash-generating unit ('CGU'), the management tested it for impairment and the recoverable amount was determined to be	Our audit procedures included the following: • Understood and evaluated the accounting policies with respect to the disposal of a subsidiary; • Considered management's process for identifying the existence of impairment indicators in respect of the CGU;

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S. No.	Key audit matters	How the matter was addressed in our audit
	nil. Concurrently, the Board of Directors of FPCPL placed it in Business Rescue leading to loss of Group's control in FPCPL. Under these circumstances, the Group deconsolidated its subsidiary in accordance with the International Financial Reporting Standard (IFRS) 10 'Consolidated Financial Statements' and recognized a gain on disposal of Rs 96.281 million. The fair value of consideration receivable against disposal was assessed to be nil. The disposal of subsidiary is a significant event during the year and judgements and estimation are involved in determining the recoverable amount, therefore, we consider it to be a key audit matter.	• Assessed the methodology used by the management to calculate the recoverable amount; • Obtained an understanding of the work performed by the management for the purpose of computing the recoverable amount; • Assessed the professional qualification, competence and experience of the management's personnel in the field; • Obtained the Business Rescue Plan made available by the Business Rescue Practitioner and considered the restructuring plan of the CGU; • Recalculated the gain on disposal of subsidiary in accordance with IFRS 10; • Obtained representation from the management that the Group does not expect any consideration from the disposal of the CGU; and • Reviewed the adequacy of the disclosures made by the Group regarding applicable accounting and reporting standards.
2.	**Acquisition of subsidiary** *(Refer notes 4.7 and 57 to the annexed consolidated financial statements)* The Group previously held 6.07% shareholding of Hoechst Pakistan Limited ('HPL') (*formerly Sanofi-Aventis Pakistan Limited*). On April 28, 2023, the Group acquired 3,375,665 shares from Sanofi Foreign Participations B.V., pursuant to the Share Purchase Agreement, which represents 35% of shareholding in HPL. Consequently, the Group now holds 41.07% of shareholding in HPL that has been accounted for as a business combination under International Financial Reporting Standard (IFRS) 3 'Business Combinations'. The fair value of the equity interest held as at acquisition date was determined to be Rs 409.678 million which was treated as the purchase consideration for acquisition date accounting. The Group's proportionate share of net assets acquired was determined to be Rs 8,293.002 million resulting in a bargain	Our audit procedures included the following: • Examined the public announcement, approval of the Board and members of the Group for acquisition of additional shares in HPL; • Understood and evaluated the accounting policies with respect to the business combinations; • Traced the amount paid to Sanofi Foreign Participations B.V. from the bank statement; • Traced the shares acquired from the Account Balance Report of Central Depository Company of Pakistan Limited; • Obtained an understanding of the work performed by the management for determining the fair values of net assets acquired including the

S. No.	Key audit matters	How the matter was addressed in our audit
	purchase gain of Rs 4,710.194 million recognised in the consolidated statement of profit or loss. The acquisition is a significant transaction during the year and judgements and estimation are involved in determining the fair value of the net assets acquired, therefore, we consider it to be a key audit matter.	involvement of management's experts; • Evaluated the professional qualification of management's experts and assessed their independence, competence, and experience in the field; • Involved auditor's expert to assess the adequacy of the work performed by the management's expert; • Involved internal expert to assess the methodology adopted by management's expert for identifying and calculating the fair values of intangible assets recognised, and to assess the reasonableness of the discount rates; • Validated key assumptions used including the respective cashflows with reference to the underlying intangibles; • Matched the underlying carrying values and fair values with the financial information of HPL and management's experts' reports respectively; • Recalculated the bargain purchase gain in accordance with IFRS 3; and • Checked the adequacy of the disclosures made by the Group with regards to 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 5, 2024

UDIN: AR2023100703DFC7frzo

Consolidated Statement of Financial Position

as at December 31, 2023

	Note	2023	2022
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised share capital			
-150,000,000 (2022: 150,000,000) ordinary shares of Rs 10 each		1,500,000	1,500,000
- 22,000,000 (2022: 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 (2022: 89,379,504) ordinary shares of Rs 10 each	5	893,795	893,795
- 8,186,842 (2022: 8,186,842) 10% non-voting preference shares / convertible stock of Rs 190 each		606,222	606,222
Other reserves	6	58,003,253	46,591,959
Equity portion of loan from shareholder of the Parent Company	7	277,219	277,219
Revenue reserve: Un-appropriated profits		18,679,148	13,492,287
Attributable to owners of the Parent Company		78,459,637	61,861,482
Non-controlling interests		17,928,035	4,847,940
Total equity		96,387,672	66,709,422
NON-CURRENT LIABILITIES			
Long term finances from financial institutions	8	48,199,149	29,455,752
Lease liabilities	9	140,307	279,789
Security deposits	10	466,582	395,309
Deferred income	11	341,495	380,169
Deferred government grant	12	983,829	1,195,487
Deferred taxation	13	8,294,414	5,489,139
Long term advances	14	248,993	215,404
Employee benefit obligations	15	2,030,895	1,627,639
Accumulating compensated absences	16	563,060	470,408
		61,268,724	39,509,096
CURRENT LIABILITIES			
Current portion of non-current liabilities	17	6,538,748	7,149,479
Short term borrowings from financial institutions - secured	18	40,021,257	35,662,097
Trade and other payables	19	25,491,372	20,863,580
Unclaimed dividend		113,141	82,041
Unpaid dividend	20	228,014	-
Accrued finance cost	21	4,771,233	2,513,568
		77,163,765	66,270,765
CONTINGENCIES AND COMMITMENTS	22		
		234,820,161	172,489,283

ASSETS	Note	2023	2022
		(Rupees in thousand)	
NON-CURRENT ASSETS			
Property, plant and equipment	23	94,998,052	60,951,299
Right-of-use assets	24	131,478	287,999
Investment properties	25	12,920,531	12,022,002
Intangible assets	26	5,736,846	150,024
Investments accounted for using the equity method	27	5,986,073	5,817,480
Other long term investments	28	29,959,311	21,441,759
Long term security deposits		206,382	191,152
Long term loans	29	4,265	316
		149,942,938	100,862,031
CURRENT ASSETS			
Stores and spares	30	5,536,557	3,810,529
Stock-in-trade	31	45,031,802	37,180,876
Short term investments	32	1,434,438	521,695
Trade debts	33	14,412,037	16,083,009
Loans, advances, deposits, prepayments and other receivables	34	9,268,977	7,161,541
Income tax receivable	35	6,269,511	4,680,025
Cash and bank balances	36	2,923,901	2,189,577
		84,877,223	71,627,252
		234,820,161	172,489,283

The annexed notes 1 to 60 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, 2023

	Note	2023	2022
		(Rupees in thousand)	
Continuing operations			
Revenue	37	156,972,082	121,893,589
Cost of sales and services	38	(120,048,016)	(96,546,304)
Gross profit		36,924,066	25,347,285
Administrative expenses	39	(5,150,083)	(3,968,767)
Distribution and marketing costs	40	(7,010,391)	(4,648,181)
Net impairment loss on financial assets		(239,437)	(184,287)
Other expenses	41	(2,968,711)	(3,420,479)
Other income	42	6,087,732	4,586,833
Investment income	43	997,773	1,204,252
Share of net profit of associates and joint ventures accounted for using equity method		289,177	251,656
Operating profit		28,930,126	19,168,312
Finance cost	44	(13,533,933)	(7,258,173)
Profit before taxation		15,396,193	11,910,139
Taxation	45	(5,003,209)	(4,930,310)
Profit from continuing operations		10,392,984	6,979,829
Profit from discontinued operations	46	96,281	-
Profit for the year		10,489,265	6,979,829
Profit is attributable to:			
Equity holders of the Parent Company		9,277,467	6,925,585
Non-controlling interests		1,211,798	54,244
		10,489,265	6,979,829
Earnings per share for profit from continuing operations attributable to equity holders of the Parent Company during the year		(Rupees)	
- Basic	53.1	102.72	77.49
- Diluted	53.2	95.24	72.12
Earnings per share for profit attributable to equity holders of the Parent Company during the year		(Rupees)	
- Basic	53.1	103.80	77.49
- Diluted	53.2	96.32	72.12

The annexed notes 1 to 60 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, 2023

	Note	2023	2022
		(Rupees in thousand)	
Profit for the year		10,489,265	6,979,829
Other comprehensive 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)		8,517,552	527,353
Remeasurements of retirement benefits		(30,662)	(162,444)
Tax effect of remeasurements of retirement benefits		(248)	23,118
		8,486,642	388,027
Items that may be reclassified subsequently to profit or loss:			
Net exchange differences on translation of foreign operations		230,540	(77,873)
Share of other comprehensive income of associates and joint venture accounted for using the equity method - net of tax	27.3	1,035,530	102,472
		1,266,070	24,599
Other comprehensive income for the year		9,752,712	412,626
Total comprehensive income for the year		20,241,977	7,392,455
Total comprehensive income for the year attributable to:			
Owners of the Parent Company		18,953,656	7,382,447
Non-controlling interests		1,288,321	10,008
		20,241,977	7,392,455
Total comprehensive income for the year attributable to owners of the Parent Company			
Continuing operations		18,694,180	7,382,447
Discontinued operations		259,476	-
		18,953,656	7,382,447

The annexed notes 1 to 60 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, 2023

	Attributable to owners of the Parent Company													
	Issued, subscribed and paid up share capital		Reserves									Capital and reserves	Non-controlling interests	Total equity
			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, 2022	893,795	606,222	3,766,738	(136,089)	16,908,826	2,453,119	80,653	277,219	1,615,000	20,060,333	10,474,905	57,000,721	2,025,433	59,026,154
Appropriation of reserves														
Transfer to general reserve	-	-	-	-	-	-	-	-	-	1,250,000	(1,250,000)	-	-	-
Transactions with preference shareholders														
Participating dividend on preference shares/convertible stock - note 8.45.1	-	-	-	-	-	-	-	-	-	-	(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, 2021 of Rs 27.50 per share	-	-	-	-	-	-	-	-	-	-	(2,457,937)	(2,457,937)	-	(2,457,937)
Dividends relating to 2021 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(405,148)	(405,148)
	-	-	-	-	-	-	-	-	-	-	(2,457,937)	(2,457,937)	(405,148)	(2,863,085)
Acquisition of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	3,217,647	3,217,647
Total comprehensive income/(loss) for the year														
Profit for the year	-	-	-	-	-	-	-	-	-	-	6,925,585	6,925,585	54,244	6,979,829
Other comprehensive (loss)/income for the year	-	-	-	(36,446)	527,353	102,472	-	-	-	-	(136,517)	456,862	(44,236)	412,626
	-	-	-	(36,446)	527,353	102,472	-	-	-	-	6,789,068	7,382,447	10,008	7,392,455
Balance as on December 31, 2022	**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 8.45.1	-	-	-	-	-	-	-	-	-	-	(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 Rs 27.50 per share	-	-	-	-	-	-	-	-	-	-	(2,457,937)	(2,457,937)	-	(2,457,937)
Dividend 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 - note 57	-	-	-	-	-	-	-	-	-	-	-	-	11,899,731	11,899,731
Reclassification to profit or loss on disposal of subsidiary - note 46	-	-	-	166,185	-	-	-	-	-	-	-	166,185	255,883	422,068
Total comprehensive income for the year														
Profit for the year	-	-	-	-	-	-	-	-	-	-	9,277,467	9,277,467	1,211,798	10,489,265
Other comprehensive income/(loss) 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**

The annexed notes 1 to 60 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, 2023

	Note	2023	2022
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	52.1	28,993,892	2,931,058
Finance cost paid		(11,245,243)	(5,626,377)
Income tax paid		(5,120,740)	(2,591,206)
Payments for accumulating compensated absences		(32,315)	(26,080)
Long term advances - net		75,470	96,212
Long term loans and deposits - net		(19,179)	(47,061)
Employee benefit obligations paid		(66,713)	(51,588)
Net cash inflow/(outflow) from operating activities		12,585,172	(5,315,042)
Cash flows from investing activities			
Payments for property, plant and equipment and investment properties		(28,258,720)	(22,748,687)
Payment for acquisition of subsidiary - net of cash acquired	57.7	(3,650,640)	(6,386,137)
Investments made in equity instruments		-	(1,012,921)
Insurance claim received		-	5,205,417
Proceeds from disposal of property, plant and equipment		326,487	987,367
Dividends from joint venture and associate		138,640	107,432
Other dividends		997,773	1,204,252
Net cash outflow from investing activities		(30,446,460)	(22,643,277)
Cash flows from financing activities			
Proceeds from long term finances		24,699,238	19,180,958
Repayment of long term finances		(6,806,894)	(5,627,046)
Repayment of short term finances - net		(3,960,491)	(969,094)
Participating dividend on preference shares		(63,749)	(63,749)
Payment of lease liabilities		(66,246)	(217,747)
Dividend paid to equity holders of the Parent Company		(2,209,369)	(2,452,908)
Dividend paid to non-controlling interests		(363,840)	(405,148)
Net cash inflow from financing activities		11,228,649	9,445,266
Net decrease in cash and cash equivalents		(6,632,639)	(18,513,053)
Cash and cash equivalents at the beginning of the year		(22,785,795)	(4,273,519)
Effect of exchange rate changes on cash and cash equivalents		55	777
Cash and cash equivalents at the end of the year	52.2	(29,418,379)	(22,785,795)

Refer note 52.3 for reconciliation of liabilities arising from financing activities.

The annexed notes 1 to 60 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, 2023

1. The Group and its operations

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') are 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.
- Power generation: Representing the development and management of hydropower project.
- Paper and paperboard: Representing manufacture and sale of paper and paperboard of all kinds.
- Plastic: Representing manufacture and sale of biaxially oriented polypropylene (BoPP) films 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.

The Group also holds investments in companies engaged in insurance business and 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 56.

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 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:

2.2.1 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, 2023 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) **Narrow scope amendments to International Accounting Standard (IAS) 1, IFRS Practice Statement 2 and IAS 8**

The IASB amended IAS 1 to require entities to disclose their 'material' rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 'Making Materiality Judgements' to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The Group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements') from January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in note 4 to the financial statements.

2.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the 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, 2024 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) **Amendment to International Accounting Standard (IAS) 1, 'Non-current liabilities with covenants' (effective for annual period beginning on January 1, 2024)**

The new amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period. Covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.

The amendments also introduce additional disclosure requirements. When an entity classifies a liability arising from a loan arrangement as non-current and that liability is subject to the covenants which an entity is required to comply with within twelve months of the reporting date, the entity shall disclose information in the notes that enables users of financial statements to understand the risk that the liability could become repayable within twelve months of the reporting period. Such facts and circumstances could also include the fact that the entity would not have complied with the covenants based on its circumstances at the end of the reporting period.

The Group is yet to assess the impact of this amendment on its financial statements.

(b) **International Financial Reporting Standard (IFRS) S1, 'General requirements for disclosure of sustainability-related financial information' and 'International Financial Reporting Standard (IFRS) S2, 'Climate-related disclosures' (effective for annual period beginning on January 1, 2024)**

The International Sustainability Standards Board (ISSB) issued its first two sustainability reporting standards on June 26, 2023, applicable on reporting periods beginning on or after January 01, 2024, subject to endorsement of the standards by local jurisdictions. These standards include the core framework for the disclosure of material information about sustainability-related risks, opportunities across an entity's value chain and set out the requirements for entities to disclose information about climate-related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity. The standards provide guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focussed on climate-related disclosures. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. In addition, IFRS S2 requires entities to consider other industry-based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities. The cross-industry metrics include disclosures on greenhouse gas (GHG) emissions, transition risks, physical risks, climate-related opportunities, capital deployment, internal carbon prices and remuneration.

The aforementioned standards have not been notified locally or declared exempt, in relation to the Group, by the Securities and Exchange Commission of Pakistan (SECP) as at December 31, 2023.

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

viii) Fair value of purchase consideration, assets acquired and liabilities assumed in a business combination and the resulting goodwill/gain on bargain purchase - note 4.7 and note 57

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 summary of 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.

If the fair value of the consideration paid is less than the fair value of the net identifiable assets of the associate acquired, the difference is recognised directly in the consolidated statement of profit or loss as a bargain purchase.

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 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 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 'Group') as a Group for the purpose of group taxation under Section 59AA of the Income Tax Ordinance, 2001. Consequently, the Group will be 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.

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, 2023 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 equipments 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, 2023 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's 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 represent brand names of medicines being distributed as intangible assets. 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 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, 2023 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, 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. During the year, the Group acquired Hoechst Pakistan Limited ('HPL') (formerly Sanofi-Aventis Pakistan Limited) as detailed in note 57 to these consolidated financial statements.

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 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, 2023. 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 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 192.310 million (2022: Rs 73.996 million).

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:

	2023	2022
Discount rate per annum	14.50% - 15.50%	11.75% - 14.50%
Expected rate per annum of increase in salary level	15.50%	14.50%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	SLIC 2001 - 2005 Setback 1 Year
Expected rate of return per annum	14.50% - 15.50%	11.75% - 14.50%

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 144.459 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 hired before January 1, 2016 participate in the pension fund of 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 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 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, 2023, based on the following assumptions:

	2023	2022
Discount rate per annum	15.50%	14.50%
Expected rate of increase in pension level per annum	15.50%	14.50%
Expected mortality rate	SLIC 2001-2005 Setback 1 Year	SLIC 2001-2005 Setback 1 Year
Expected rate of return per annum	15.50%	14.50%

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 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.

	Leaves entitlement per year	Maximum accumulation of compensated leaves
Service up to 14 years	15	30
Service from 15 to 21 years	21	42
Service of 22 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, 2023 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:

	2023	2022
Discount rate per annum	14.5% - 15.5%	14.50%
Expected rate of increase in salary level per annum	15.50%	14.50%
Expected mortality rate	SLIC 2001-2005 Setback 1 Year	SLIC 2001-2005 Setback 1 Year

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 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 includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, short term borrowings and bank overdrafts. Bank overdrafts and short term borrowings are shown 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 classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

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.

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) License fee from operating leases/license is recognized as stated in note 4.6(2). When the Group provides incentives to its tenants, the cost of incentives is recognized over the lease/license term, on a straight-line basis, as a reduction of rental income.

(iii) 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.

(iv) Ancillary and marketing income is recognized when the event is performed.

(v) Returns on bank deposits are accrued on a time proportion basis by reference to the principal outstanding amount and the applicable rate of return.

(vi Dividend income from investments is recognised when the Group's right to receive the payment has been established; and

(vii) Rental income arising from investment properties is recognized as stated in note 4.6(2).

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 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.

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
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

2023	2022		2023	2022
(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 (2022: 26,707,201) ordinary shares of the Parent Company are held by the Group's associate, IGI Investments (Private) Limited.

6. Other reserves

Composition of other reserves is as follows:

	Note	2023	2022
		(Rupees in thousand)	
Capital reserves			
- Share premium	6.1	3,766,738	3,766,738
- Exchange differences on translation of foreign operations	6.2	185,677	(172,535)
- FVOCI reserve	6.3	25,953,731	17,436,179
- Other reserves relating to associates and joint ventures	6.4	3,591,121	2,555,591
- Transaction with non-controlling interests	6.5	80,653	80,653
- Capital redemption reserve	6.6	1,615,000	1,615,000
		35,192,920	25,281,626
Revenue reserve			
- General reserve		22,810,333	21,310,333
		58,003,253	46,591,959

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 (e) 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 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	2023	2022
		(Rupees in thousand)	
These are composed of:			
- Local currency loans from financial institutions - secured			
- Long term finance facility I	8.1	-	1,679,431
- Long term finance facility II	8.2	1,500,000	1,500,000
- Long term finance facility III	8.3	1,050,000	200,000
- Long term finance facility IV	8.4	499,852	1,498,460
- Long term finance facility V	8.5	750,000	750,000
- Long term finance facility VI	8.6	1,400,000	900,000
- Long term finance facility VII	8.7	328,060	322,463
- Long term finance facility VIII	8.8	993,449	1,170,535
- Long term finance facility IX	8.9	-	250,000
- Long term finance facility X	8.10	333,333	1,000,000
- Long term finance facility XI	8.11	2,000,000	2,000,000
- Long term finance facility XII	8.12	3,000,000	3,000,000
- Long term finance facility XIII	8.13	2,000,000	-
- Long term finance facility XIV	8.14	2,000,000	-
- Long term finance facility XV	8.15	333,333	666,667
- Long term finance facility XVI	8.16	1,200,000	1,600,000
- Long term finance facility XVII	8.17	2,000,000	-
- Long term finance facility XVIII	8.18	4,331,076	2,498,519
- Long term finance facility XIX	8.19	700,000	800,000
- Long term finance facility XX	8.20	656,250	750,000
- Long term finance facility XXI	8.21	1,050,000	1,200,000
- Long term finance facility XXII	8.22	900,000	900,000
- Long term finance facility XXIII	8.23	3,200,000	-
- Long term finance facility XXIV	8.24	600,000	1,000,000
- Long term finance facility XXV	8.25	1,250,000	1,750,000
- Long term finance facility XXVI	8.26	2,000,000	2,000,000
- Long term finance facility XXVII	8.27	2,000,000	2,000,000
- Long term finance facility XXVIII	8.28	894,758	924,938
- Long term finance facility XXIX	8.29	200,000	200,000
- Long term finance facility XXX	8.30	300,000	300,000
- Long term finance facility XXXI	8.31	2,500,000	-
- Long term finance facility XXXII	8.32	333,333	666,667
- Long term finance facility XXXIII	8.33	-	493,920
- Long term finance facility XXXIV	8.34	940,000	1,000,000
- Long term finance facility XXXV	8.35	150,403	160,775
- Long term finance facility XXXVI	8.36	2,493,666	1,189,672
- Long term finance facility XXXVII	8.37	3,393,390	32,168
- Long term finance facility XXXVIII	8.38	1,099,094	-
- Long term finance facility XXXIX	8.39	994,000	-
- Long term finance facility XXXX	8.40	1,823,033	1,627,095
- Long term finance facility XXXXI	8.41	1,410,406	-
- Long term finance facility XXXXII	8.42	1,500,000	-
		54,107,436	36,031,310
- Foreign currency loans from financial institutions - secured			
- Term finance loan I	8.43	-	184,351
- Term finance loan II	8.44	-	18,195
		-	202,546
- Preference shares/convertible stock - unsecured	8.45	932,650	932,650
		55,040,086	37,166,506
Deferred government grant		(770,697)	(1,087,187)
		54,269,389	36,079,319
Current portion shown under current liabilities	17	(6,070,240)	(6,623,567)
	8.46	48,199,149	29,455,752

The summary of facilities obtained is as follows:

Long term finance facilities	Note	Markup/profit per annum	Profit payment	Number of instal-ments outstanding	Commencment date/ final repayment date*
- Long term finance facility I	8.1	6 months KIBOR	Semi-Annual	Settled	Settled
- Long term finance facility II	8.2	6 months KIBOR	Semi-Annual	8 Half Yearly	January-26
- Long term finance facility III	8.3	6 months KIBOR	Semi-Annual	7 Half Yearly	June-26
- Long term finance facility IV	8.4	6 months KIBOR	Semi-Annual	1 Half Yearly	February-24
- Long term finance facility V	8.5	6 months KIBOR	Semi-Annual	8 Half Yearly	February-25
- Long term finance facility VI	8.6	6 months KIBOR	Semi-Annual	2 Half Yearly	Grace period of 3 years from first draw down
- Long term finance facility VII	8.7	SBP rate	Quarterly	16 Quarterly	January-24
- Long term finance facility VIII	8.8	SBP rate + 0.47%	Semi-Annual	16 Half Yearly	January-25
- Long term finance facility IX	8.9	3 months KIBOR+0.1%	Quarterly	Settled	Settled
- Long term finance facility X	8.10	6 months KIBOR + 0.10%	Semi-Annual	1 Half Yearly	March-24
- Long term finance facility XI	8.11	6 months KIBOR	Semi-Annual	8 Half Yearly	September-24
- Long term finance facility XII	8.12	3 months KIBOR	Quarterly	12 Quarterly	August-24
- Long term finance facility XIII	8.13	6 months KIBOR	Quarterly	16 Quarterly	June-25
- Long term finance facility XIV	8.14	6 months KIBOR	Quarterly	16 Quarterly	July-25
- Long term finance facility XV	8.15	6 months KIBOR + 0.20%	Quarterly	2 Half Yearly	September-24
- Long term finance facility XVI	8.16	6 months KIBOR + 0.10%	Semi-Annual	6 Half Yearly	September-26
- Long term finance facility XVII	8.17	6 months KIBOR	Quarterly	10 Half Yearly	January-26
- Long term finance facility XVIII	8.18	SBP rate + 0.5%	Semi-Annual	16 Half Yearly	Grace period of 2 years from date of disbursements
- Long term finance facility XIX	8.19	6 months KIBOR	Quarterly	7 Half Yearly	January-27
- Long term finance facility XX	8.20	6 months KIBOR	Quarterly	7 Half Yearly	January-27
- Long term finance facility XXI	8.21	6 months KIBOR	Quarterly	7 Half Yearly	January-27
- Long term finance facility XXII	8.22	6 months KIBOR	Quarterly	8 Half Yearly	January-25
- Long term finance facility XXIII	8.23	6 months KIBOR	Semi-Annual	8 Half Yearly	April-25
- Long term finance facility XXIV	8.24	6 months KIBOR + 0.10%	Semi-Annual	3 Half Yearly	March-25
- Long term finance facility XXV	8.25	6 months KIBOR + 0.10%	Semi-Annual	5 Half Yearly	May-26
- Long term finance facility XXVI	8.26	6 months KIBOR	Quarterly	12 Quarterly	November-24
- Long term finance facility XXVII	8.27	6 months KIBOR	Semi-Annual	10 Half Yearly	April-24
- Long term finance facility XXVIII	8.28	SBP rate + 3%	Quarterly	16 Half Yearly	April-24
- Long term finance facility XXIX	8.29	SBP rate + 2%	Semi-Annual	16 Half Yearly	January-25
- Long term finance facility XXX	8.30	SBP rate + 4%	Quarterly	32 Quarterly	August-24
- Long term finance facility XXXI	8.31	6 months KIBOR	Semi-Annual	10 Half Yearly	July-26
- Long term finance facility XXXII	8.32	6 months KIBOR + 0.1%	Quarterly	4 Quarterly	November-24
- Long term finance facility XXXIII	8.33	3 months KIBOR + 0.15%	Quarterly	Settled	Settled
- Long term finance facility XXXIV	8.34	3 months KIBOR + 0.75%	Quarterly	10 Half Yearly	December-28
- Long term finance facility XXXV	8.35	SBP rate + 0.75%	Quarterly	30 Quarterly	April-31
- Long term finance facility XXXVI	8.36	SBP rate + 1.4%	Quarterly	32 Quarterly	October-24
- Long term finance facility XXXVII	8.37	3 months KIBOR + 0.45%	Quarterly	32 Quarterly	December-24
- Long term finance facility XXXIII	8.38	3 months KIBOR + 1%	Quarterly	32 Quarterly	October-24
- Long term finance facility XXXIX	8.39	3 months KIBOR + 0.75%	Semi-Annual	10 Half Yearly	March-26
- Long term finance facility XXXX	8.40	6 months KIBOR	Semi-Annual	8 Half Yearly	February-26
- Long term finance facility XXXXI	8.41	6 months KIBOR + 0.15%	Semi-Annual	6 Half Yearly	September-25
- Long term finance facility XXXXII	8.42	6 months KIBOR + 0.10%	Semi-Annual	8 Half Yearly	April-26

* 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 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. fts in aggregate, situated at Moza Amar Saddhu, 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 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. fts 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 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. fts 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 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. fts 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.

8.5 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. fts 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. fts 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 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 was obtained from MCB Islamic Bank Limited against diminishing musharaka agreement to meet the capital expenditure requirements already incurred by the Group from own sources. The loan has been fully repaid during the year. It was secured by a joint pari passu charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin.

8.10 Long term finance facility X

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 parri 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 parri 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 parri 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 parri 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 parri 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 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.

8.16 Long term finance facility XVI

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.

8.17 Long term finance facility XVII

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.

8.18 Long term finance facility XVIII

This loan has been obtained from MCB Bank to meet Balancing, Modernising and Replacement (BMR) of their plant to increase its capacity and efficiency. The aggregate loan amount of this facility is Rs 5,000 million. There have been eight disbursements worth Rs 1,832.56 million in the financial year. It carries markup semi-annually at SBP rate plus 0.5% and six month KIBOR before the State Bank of Pakistan gives approval to a disbursement. If the LC's are not approved by SBP, the bank charges interest accordingly. This loan is repayable in 16 equal semi-annual installments in 10 years including a grace period of 2 years from the date of disbursement. 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 facility has been 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.

8.20 Long term finance facility XX

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.

8.21 Long term finance facility XXI

This facility has been 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.

8.22 Long term finance facility XXII

This facility has been 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.

8.23 Long term finance facility XXIII

This facility has been 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.

8.24 Long term finance facility XXIV

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 & 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.

8.25 Long term finance facility XXV

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 & 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.

8.26 Long term finance facility XXVI

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 & 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.

8.27 Long term finance facility XXVII

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 & 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.

8.28 Long term finance facility XXVIII

This facility has been obtained from Askari 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 & 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.

8.29 Long term finance facility XXIX

This facility has been obtained from Bank Islami 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 & 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.

8.30 Long term finance facility XXX

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 & Machinery of the Consumer Product segment (excluding D-Tech Sanitary Napkins F5S and Amica Matrix 600mpm) and the collateral for this loan is Rs. 400 million.

8.31 Long term finance facility XXXI

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 & 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.

8.32 Long term finance facility XXXII

This loan 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.

8.33 Long term finance facility XXXIII

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.

8.34 Long term finance facility XXXIV

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.

8.35 Long term finance facility XXXV

This represents a syndicate long term loan agreement under the Temporary Economic Refinance Facility 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.

8.36 Long term finance facility XXXVI

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.

8.37 Long term finance facility XXXVII

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.

8.38 Long term finance facility XXXVIII

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.

8.39 Long term finance facility XXXIX

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.

8.40 Long term finance facility XXXX

This loan has been obtained from Habib Bank Limited to finance the fixed capital expenditure of the Group. The facility is secured against land and building out of which land is owned by the Parent Company and leased to the Corn based starch products segment, and plant and machinery of the Corn based starch products segment.

8.41 Long term finance facility XXXXI

This loan is secured against registration of ranking charge over land and building, out of which land is owned by the Parent Company and leased to the Corn based starch products segment, and plant and machinery of the Corn-based starch products segment. This 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 2024.

8.42 Long term finance facility XXXXII

This loan is secured against registration of ranking charge over land and building, out of which land is owned by the Parent Company and leased to the Corn based starch products segment, and building, plant and machinery of the Corn based starch products segment. This 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 2024.

8.43 Term finance loan I

This represented a term loan from First National Bank South Africa at a prime rate with a sixty month fixed repayment period, against the security of a portion of plant and machinery of the Packaging Segment located in South Africa. The Packaging segment has been disposed of during the year as referred to in note 46.

8.44 Term finance loan II

This represented loan obtained from MCB Bank Limited, Sri Lanka and was repayable in bi-annual instalments within two years. The loan has been fully repaid during the year. The loan carried markup at Average Weighted Prime Lending Rate ('AWPLR') and is secured against plant and machinery and land and buildings of Group's Subsidiary namely Packages Lanka (Private) Limited.

8.45 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	2023	2022
		(Rupees in thousand)	
Face value of preference shares/convertible stock [8,186,842 (2022: 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.

8.45.1 Transactions with preference shareholders

This represents the additional entitlement of the preference share holders. 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, 2022 (December 31, 2021: 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.

8.46 The reconciliation of the carrying amount of long term finances is as follows:

	Note	2023	2022
		(Rupees in thousand)	
Balance as at beginning of the year		36,079,319	21,001,174
Acquisition of TPFL		-	3,137,114
Disposal of FPCPL		(203,186)	-
Disbursements during the year		24,699,238	19,180,958
Repayments during the year		(6,806,894)	(5,627,046)
Exchange adjustment		25,824	(53,206)
		53,794,301	37,638,994
Discounting adjustment for recognition at fair value - deferred government grant		(132,829)	(1,790,385)
Unwinding of discount on liability		647,817	232,404
Transaction cost		(39,900)	(1,694)
Balance as at end of the year		54,269,389	36,079,319
Current portion shown under current liabilities		(6,070,240)	(6,623,567)
		48,199,149	29,455,752

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	2023	2022
		(Rupees in thousand)	
Opening balance		476,691	461,296
Acquisition of TPFL - lease liability acquired		-	37,178
Liability recognised during the year		265,965	98,694
Remeasurement of lease liability		26,870	(24,870)
Liability derecognised during the year		(5,412)	(12,412)
Disposal of FPCPL		(347,026)	-
Modification of lease liability		(166,554)	-
Interest on lease liability	44	28,735	63,432
Exchange rate effect		1,270	71,118
Payments made during the year		(94,981)	(217,745)
Closing balance		185,558	476,691
Current portion shown under current liabilities	17	(45,251)	(196,902)
		140,307	279,789

9.1 Maturity analysis

	2023	2022
Gross lease liabilities - minimum lease payments:		
Not later than 1 year	104,833	257,021
Later than 1 year but not later than 5 years	157,428	314,302
	262,261	571,323
Future finance charge	(76,703)	(79,237)
Present value of finance lease liabilities	185,558	476,691

10. Security deposits

These represent interest free security deposits from tenants and are repayable on cancellation / withdrawal of the license / lease agreement or on cessation of business with the Group. Gross value received from tenants as at December 31, 2023 is Rs 791.536 million (December 31, 2022: Rs 674.912 million). These have been carried at amortized cost using a market interest rate of 10% - 14% (2022: 10% - 14%) for a similar instrument. The gain on initial recognition is recognised as deferred income (note 11) and would spread over the license / lease term. These are not kept in a separate bank account as the Group can utilize the amount for any purpose in accordance with the agreements with tenants.

	Note	2023	2022
		(Rupees in thousand)	
Cumulative security deposits from tenants		791,536	674,912
Less: cumulative income arising on initial recognition deferred over the lease term		(316,354)	(304,011)
Security deposits recognized		475,182	370,901
Add: Expense/(Income) recognised in profit or loss on unwinding of present value adjustment			
- Prior years		50,019	126,399
- Adjustment of renewals and leavers		(27,182)	(119,688)
- For the year	44	56,671	43,308
		79,508	50,019
Less: current portion of rental security deposits	17	(88,108)	(25,611)
		466,582	395,309

11. Deferred income

This represents advance received from a customer against installation of plant and machinery at the premises of the Group. The income is being recognised over the useful life of the plant and machinery capitalised. Reconciliation of the carrying amount is as follows:

	Note	2023	2022
		(Rupees in thousand)	
Opening balance		476,195	293,912
Recognised during the year		39,904	263,533
Transferred to consolidated statement of profit or loss	42	(102,187)	(81,250)
Closing balance		413,912	476,195
Income to be recognised in the following year classified under current liabilities	17	(72,417)	(96,026)
		341,495	380,169

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	2023	2022
		(Rupees in thousand)	
Opening balance		1,378,055	280,253
Capitalised in capital work-in-progress		-	(26,712)
Deducted from borrowing cost		(48,327)	(17,086)
Recognition on acquisition of TPFL		-	149,223
Deferred grant recognised during the year		51,348	1,127,110
Credited to consolidated statement of profit or loss	42	(171,339)	(134,733)
Closing balance		1,209,737	1,378,055
Current portion shown under current liabilities	17	(225,908)	(182,568)
		983,829	1,195,487

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	2023	2022
		(Rupees in thousand)	
Deferred tax liability			
Accelerated tax depreciation		7,658,916	3,827,662
Fair value gain on acquisition of subsidiary		3,111,437	2,441,343
Investments in associates and joint ventures		351,094	340,000
Unrealised profit on stock-in-trade		17,356	-
Capital allowances for tax purposes		82,202	64,999
Intangible assets		44	96
Right-of-use assets		337,401	6,039
		11,558,450	6,680,139
Deferred tax asset			
Unused tax losses	13.1 and 13.2	(933,294)	(933,294)
Unrealised profit on stock-in-trade		-	(42,308)
Provision for slow moving stock and stores		(272,182)	(13,293)
Lease liabilities		(350,093)	(2,246)
Provision against GIDC		(204,793)	-
Provision for unfunded defined benefit plan		-	(9,982)
Provision for accumulating compensated absences		(201,144)	(61,637)
Loss allowance on financial assets		(359,255)	(40,454)
Employee benefit obligations		-	(44,574)
Minimum tax available for carry forward	13.3	(903,402)	-
Long term advances - Staff credit balances		-	(18,376)
Others		(39,873)	(24,836)
		(3,264,036)	(1,191,000)
	13.5	8,294,414	5,489,139

13.1 The unabsorbed depreciation loss of Rs 3,218.255 million (2022: 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 (2022: 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 credit represents minimum tax available for carry forward under section 113 of the Income Tax Ordinance, 2001 related to the Taxation Group as referred to in note 4.2. This tax credit has been recognised to the extent that the realisation of related tax benefits through future taxable profits of the Taxation Group is probable. These have been recognised on the basis of approved business plan.

13.4 Deferred tax is recoginsed for tax losses, minimum tax, alternative corporate tax and depreciation available for carry forward to the extent that realisation of the related tax benefit through future taxable profits, based on projections, is probable. As of reporting date, deferred tax asset amounting to Rs 29.928 million (2022: Rs. 16.23 million), in respect of minimum tax credits, has not been recognised in these financial statements

13.5 The gross movement in net deferred tax liability during the year is as follows:

	Note	2023	2022
		(Rupees in thousand)	
Opening balance		5,489,139	2,267,881
Acquisition of HPL		3,111,437	-
Acquisition of TPFL		-	2,671,187
(Credited)/charged to consolidated statement of profit or loss	45	(725,429)	486,690
Charged to consolidated other comprehensive income		359,292	99,083
Exchange gain/(loss)		59,975	(35,702)
Closing balance		8,294,414	5,489,139

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% (2022: 7.05% to 17.04%) per annum to arrive at the present value. The reconciliation of the carrying amount is as follows:

	Note	2023	2022
		(Rupees in thousand)	
Opening balance		240,209	185,250
Additions during the year		145,435	133,475
Deletions during the year		(66,946)	(43,646)
Discounting adjustment	42	(73,580)	(49,000)
Unwinding of finance cost of present value - net	44	31,699	14,130
Closing balance		276,817	240,209
Current portion shown under current liabilities	17	(27,824)	(24,805)
		248,993	215,404

15. Employee benefit obligations

	Note	2023	2022
Funded			
- Pension funds		796,011	659,590
- Gratuity funds		1,176,333	934,771
	15.1	1,972,344	1,594,361
Unfunded			
- Staff gratuity	15.2	58,551	33,278
		2,030,895	1,627,639

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	
	2023	2022	2023	2022
	(Rupees in thousand)		(Rupees in thousand)	
Present value of defined benefit obligation	957,563	886,150	2,806,652	1,741,313
Fair value of plan assets	(161,552)	(226,560)	(1,630,319)	(806,542)
Liability as at December 31	796,011	659,590	1,176,333	934,771

15.1.1 Movement in net liability for employee benefit obligations

	Pension fund		Gratuity fund	
	2023	2022	2023	2022
	(Rupees in thousand)		(Rupees in thousand)	
Net liability as at January 1	659,590	495,706	934,771	674,841
Acquisition of HPL	-	-	32,844	-
Acquisition of TPFL	-	39,370	-	43,928
Charged to consolidated statement of profit or loss	92,696	62,568	343,250	184,305
Net remeasurement for the year recorded in consolidated statement of comprehensive income ('OCI')	43,725	61,946	(13,063)	105,120
Contribution by the Group	-	-	(125,073)	(73,423)
Benefits due but not paid	-	-	489	-
Net transfers	-	-	3,115	-
Net liability as at December 31	796,011	659,590	1,176,333	934,771

15.1.2 Movement in present value of defined benefit obligation

	Pension fund		Gratuity fund	
	2023	2022	2023	2022
	(Rupees in thousand)		(Rupees in thousand)	
Present value of defined benefit obligation as at January 1	886,150	792,827	1,741,313	1,326,858
Acquisition of HPL	6,736	-	642,106	-
Acquisition of TPFL	-	66,620	-	183,986
Current Service cost	-	-	181,973	102,803
Past Service cost	-	-	30,287	-
Interest cost	118,498	94,981	329,336	170,017
Benefits paid	(103,958)	(97,045)	(248,821)	(61,754)
Benefits due but not paid	-	-	(489)	1,097
Remeasurements:				
Actuarial (gains)/losses from change in financial assumptions	27,959	22,538	(40,887)	9,242
Experience adjustments	22,178	6,229	140,484	54,252
	50,137	28,767	99,597	63,494
Liability transferred to group companies	-	-	31,350	(45,188)
Present value of defined benefit obligation as at December 31	957,563	886,150	2,806,652	1,741,313

15.1.3 Movement in fair value of plan assets

	Pension fund		Gratuity fund	
	2023	2022	2023	2022
	(Rupees in thousand)		(Rupees in thousand)	
Fair value as at January 1	(226,560)	(297,121)	(806,542)	(652,017)
Acquisition of HPL	(29,315)	-	(609,262)	-
Acquisition of TPFL	-	(27,250)	-	(144,490)
Interest income on plan assets	(25,802)	(32,413)	(114,862)	(88,515)
Group contributions	-	-	(125,073)	(70,853)
Benefits paid	126,537	97,045	251,182	62,344
Benefits due but not paid	-	-	-	175
Expected return on plan assets	-	-	(83,484)	-
Return on plan assets, excluding interest income	(6,412)	33,179	(77,448)	14,518
Plan assets transferred from related parties	-	-	(30,510)	45,188
Remeasurement of plan assets	-	-	(34,320)	27,108
Fair value as at December 31	(161,552)	(226,560)	(1,630,319)	(806,542)

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 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.

15.1.5 Amounts recognised in the consolidated statement of profit or loss

	Pension fund		Gratuity fund	
	2023	2022	2023	2022
	(Rupees in thousand)		(Rupees in thousand)	
Current service cost	-	-	181,973	102,803
Past service cost	-	-	30,287	-
Interest cost for the year	118,498	94,981	329,336	170,017
Interest income on plan asset	(25,802)	(32,413)	(114,862)	(88,515)
Expected return on plan assets	-	-	(83,484)	-
Net expense charged to consolidated statement of profit or loss	92,696	62,568	343,250	184,305

15.1.6 Remeasurements charged to consolidated OCI

	Pension fund		Gratuity fund	
	2023	2022	2023	2022
	(Rupees in thousand)		(Rupees in thousand)	
Actuarial gains from change in financial assumptions	27,959	22,538	(40,887)	9,242
Actuarial gain - unfunded staff gratuity	-	-	(892)	-
Experience adjustments	22,178	6,229	140,484	54,252
Remeasurement of plan assets	-	-	(34,320)	27,108
Return on plan assets, excluding interest income	(6,412)	33,179	(77,448)	14,518
	43,725	61,946	(13,063)	105,120

15.1.7 Plan assets

Plan assets are comprised as follows:

Debt instruments	124,630	145,346	977,239	337,537
Shares and units of mutual funds	36,166	63,102	455,747	303,436
Cash at banks	756	18,112	196,959	165,568
Others	-	-	374	-
	161,552	226,560	1,630,319	806,541

15.2 Unfunded retirement benefits - staff gratuity

Reconciliation of carrying amount is as follows:

	2023	2022
	(Rupees in thousand)	
As at the beginning of the year	33,278	43,670
Interest cost	9,671	3,660
Charge for the year	4,965	3,104
Payments made during the year	(2,151)	(608)
Actuarial gain	(892)	(3,437)
Exchange adjustment	13,680	(13,111)
As at the end of the year	58,551	33,278

15.3 Sensitivity analysis

Year end sensitivity analysis on defined benefit obligation:

	2023		2022	
	Pension Fund	Gratuity Fund	Pension Fund	Gratuity Fund
	(Rupees in thousand)		(Rupees in thousand)	
Discount rate + 100 bps	899,704	5,223,384	829,300	3,664,470
Discount rate - 100 bps	1,022,752	5,998,053	944,862	4,271,657
Salary growth rate + 100 bps	1,031,452	6,000,692	953,210	4,271,938
Salary growth rate - 100 bps	857,947	5,323,587	812,325	3,659,254

16. Accumulating compensated absences

This represents provision made to cover the obligation for accumulating compensated absences

	Note	2023	2022
		(Rupees in thousand)	
Opening balance		470,408	378,686
Additions due to acquisition of TPFL		-	31,452
Charged to consolidated statement of profit or loss	16.1	124,967	83,264
		595,375	493,402
Payments made during the year		(32,315)	(22,994)
Closing balance	16.2	563,060	470,408

16.1 Charge during the year

	2023	2022
Current service cost	63,491	48,286
Interest cost	58,959	42,714
Experience loss/(gain)	4,399	(6,048)
Remeasurements during the year	(1,882)	(1,688)
Expense charged to the consolidated statement of profit or loss	124,967	83,264

16.2 Movement in liability for accumulating compensated absences

	2023	2022
Present value of obligation as at January 1	470,408	378,686
Additions due to acquisition of TPFL	-	31,452
Current service cost	63,491	48,286
Interest cost on defined benefit obligation	58,959	42,714
Benefits paid during the year	(38,402)	(23,826)
Remeasurement during the year	(1,882)	(1,688)
Experience losses/(gains)	4,399	(6,048)
Net liability transferred from related parties	6,087	832
Present value of obligation as at December 31	563,060	470,408

	Note	2023	2022
		Accumulating compensated absences	
		(Rupees in thousand)	
Discount rate + 100 bps		468,107	389,719
Discount rate - 100 bps		333,063	456,454
Salary increases + 100 bps		504,703	456,421
Salary increases - 100 bps		272,861	385,841

17. Current portion of non-current liabilities

	Note	2023	2022
		(Rupees in thousand)	
Current portion of long term finances	8	6,070,240	6,623,567
Current portion of lease liabilities	9	45,251	196,902
Current portion of long term advances	14	27,824	24,805
Current portion of deferred income	11	72,417	96,026
Current portion of deferred government grant	12	225,908	182,568
Current portion of rental security deposits	10	88,108	25,611
Current portion of deferred capital grant		9,000	-
		6,538,748	7,149,479

18. Short term borrowings from financial institutions - secured

Running finances from financial institutions - secured	18.1	33,776,718	25,457,067
Short term finances from financial institutions - secured	18.2	6,244,539	10,205,030
		40,021,257	35,662,097

18.1 Running finances from financial institutions - secured

Short term running finances available from commercial banks under mark-up arrangements amount to Rs 64,210 million (2022: Rs 51,300 million). The rates of mark-up are based on KIBOR plus spread and range from 16.3% to 24.06% (2022: 8.22% to 17.36%) 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% (2022: 20% to 22%) 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 27,910 million (2022: Rs 22,154 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 7.79% to 23.18% (2022: 7.79% to 17.10%) 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 74,184 million (2022: Rs 25,400 million) for opening letters of credit (including Rs 16,100 million available to Group as sub-limit of the running finance facilities referred to in note 18.1) and Rs 7,362 million (2022: Rs 1,175 million) for guarantees, the amounts utilised at December 31, 2023 were Rs 17,948.39 million (2022: Rs 7,497.546 million) and Rs 3,048.77 million (2022: Rs 1,146.780 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	2023	2022
		(Rupees in thousand)	
Trade creditors	19.1	11,592,223	11,156,087
Accrued liabilities	19.2, 19.3, 19.4 & 19.5	8,364,976	6,841,790
Bills payable		3,348,689	418,578
Retention money payable		53,134	94,538
Sales tax withholding payable		299,790	168,272
Withholding income tax payable		48,550	51,572
Contract liabilities	19.6	1,025,587	1,111,300
Payable to retirement funds	19.7	59,160	53,352
Excise duty payable		47,475	-
Deposit from customers		54,078	52,241
Security deposits - interest free repayable on demand - unsecured		22,604	21,454
Rebate payable against export		-	27,712
Deposits - interest free repayable on demand	19.8	5,666	4,866
Profit payable on term finance certificate (‘TFC’)		1,387	1,387
Workers’ profit participation fund	19.9	17,618	52,592
Workers’ welfare fund	19.10	412,485	289,692
Others		137,950	518,147
		25,491,372	20,863,580

19.1 Trade creditors include amount due to related parties as follows:

	2023	2022
Benda Lutz	5,793	4,765
PT Pardic Jaya Chemicals	-	268,695
DIC Asia Pacific Pte Limited	133,314	61,652
DIC Graphics (Thailand) Company Limited	969	27,645
DIC Graphics Corporation	-	18,149
DIC Malaysia SDN. BHD	4,705	27,029
DIC Corporation Tokyo	-	14,299
DIC Performance Resins Gmbh	-	-
DIC Lanka (Pvt) Ltd	-	-
Nantong DIC Color Company Limited	-	157,992
PT DIC Graphics	-	726
IGI General Insurance Limited	48,655	71,548
IGI Life Insurance Limited	5,231	14,598
IGI FSI (Private) Limited	-	1,202
Nivi Investment Pty Limited	-	6,031
Bopa Moruo Private Equity Fund 1 (RF) Pty	-	5,796
OmyaPack (Private) Limited	78,262	70,938
Sun Chemical AB	16,374	8,707
Sun Chemical AG	4,314	5,426
Sun Chemical N.V/S.A	25,717	8,196
Sun Chemical SA	104	4,742
Sun Chemical Group	740	-
S.C. Johnson & Son of Pakistan (Private) Limited	227,316	-
Ali Gohar & Co (Private) Limited	2,700	-
	554,194	778,136

19.2 Accrued liabilities include amounts in respect of related parties as follows:

	2023	2022
	(Rupees in thousand)	
IGI Life Insurance Limited	5,703	407
IGI General Insurance Limited	7,145	13,986
IGI FSI (Private) Limited	2,250	-
Packages Foundation	-	16,691
Josef Meinrad Mueller	-	1,934
	15,098	33,018

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 01, 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 (2022: 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 favor 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 (2022: Rs 594.636 million), in respect of GIDC provided by Plastic segment. During the previous year, the Plastic segment stopped making payments of installments as stay order has been obtained by the Group from Honorable High Court of Sindh.

19.4 This includes provision amounting to Rs 400 million (2022: Rs 310 million) in respect of rent of land on lease from the Government of the Punjab ('GoPb') for the period from December 2015 to December 2023.

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 90 million (2022: Rs 115.998 million) in respect of rent for the year ended December 31, 2023. 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 762.44 million (2022: Rs 566.34 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 amounts to Rs 992.495 million (2022: Rs 2.628 million).

19.7 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.

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	2023	2022
		(Rupees in thousand)	
Opening balance		52,592	924,437
Acquisition of HPL		43,253	-
Acquisition of TPFL		-	13,277
Refund claimed		2,774	947
Reversal of provision	19.9.1	-	(929,419)
Provision for the year	41	643,474	585,483
		742,093	594,725
Payments made during the year		(724,475)	(542,133)
Closing balance		17,618	52,592

19.9.1 Based on a legal opinion, the Group had reversed the provision in respect of WPPF provided on dividend income for the years from 2015 to 2019 on the basis that dividend income does not form part of 'profits' under section 2(d) of Sindh Companies Profits (Worker's Participation) Act, 2015 ('2015 Act') for the purposes of calculating liability of the Group under section 3(1)(b) of the 2015 Act.

19.10 Workers' welfare fund

	Note	2023	2022
		(Rupees in thousand)	
Opening balance		289,692	188,101
Acquisition of HPL		96,813	-
Acquisition of TPFL		-	80,278
Reversal during the year		(18,244)	-
Provision for the year	41	239,455	189,407
		607,716	457,786
Payments made during the year		(195,231)	(168,094)
Closing balance		412,485	289,692

20. This includes dividend payable of Rs 225.731 million (2022: nil) to DIC Asia Pacific Pte. Limited, a related party.

21. Accrued finance cost

	Note	2023	2022
		(Rupees in thousand)	
Accrued mark-up/interest on:			
- Long term finances from financial institutions		2,454,423	1,139,135
- Preference shares/convertible stock	44	155,550	155,550
- Short term borrowings from financial institutions		2,161,260	1,218,883
		4,771,233	2,513,568

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 13 million (2022: Rs 11.620 million).

(ii) Post dated cheque issued in favour of Commissioner Inland Revenue amounting to Rs 95.697 million (2022: nil) in respect of super tax liability for the tax year 2022.

(iii) Letters of guarantee issued to various parties aggregating to Rs 6,714.221 million (2022: Rs 2,126.837 million).

(vii) 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 6,147.975 million (2022: Rs 5,559.52 million).

(ii) Letters of credit and contracts other than for capital expenditure Rs 10,041.472 million (2022: Rs 4,792.232 million).

There are no commitments with related parties.

23. Property, plant and equipment

	Note	2023	2022
		(Rupees in thousand)	
Operating fixed assets	23.1	69,546,349	43,124,512
Capital work-in-progress	23.2	24,689,554	17,325,877
Major spare parts and stand-by equipment	23.3	762,149	500,910
		94,998,052	60,951,299

23.1 Operating fixed assets

	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 - 23.1.1 and 23.1.2	858,658	125,839	-	28,256	-	1,012,753	-	-	-	-	-	1,012,753
Leasehold land - note 23.1.3	3,223,337	-	10,000,000	-	-	13,223,337	156,705	-	208,650	-	365,355	12,857,982
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 - note 23.1.4	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
	67,082,333	577,162	14,460,884	19,626,396 (507,452)	(5,090,440)	96,148,883	23,957,820	243,288	5,980,394 (180,965)	(3,398,003)	26,602,534	69,546,349

	2022										
	Cost as at January 1, 2022	Exchange differences	Acquisition of TPFL	Additions / (deletions)	Cost as at December 31, 2022	Accumulated depreciation as at January 1, 2022	Exchange differences	Depreciation charge / (deletions) for the year	Impairment charge for the year	Accumulated depreciation and impairment as at December 31, 2022	Book value as at December 31, 2022
	(Rupees in thousand)										
Freehold land	823,382	(95,151)	-	130,427	858,658	-	-	-	-	-	858,658
Leasehold land - note 23.1.3	144,926	3,411	3,075,000	-	3,223,337	78,012	72	78,621	-	156,705	3,066,632
Buildings on freehold land	3,809,448	(35,662)	1,307,100	371,462 (386,509)	5,065,839	1,148,125	(5,916)	395,963 (168,798)	-	1,369,374	3,696,465
Buildings on leasehold land - note 23.1.3	442,815	-	-	5,546	448,361	264,364	-	14,546	5,059	283,969	164,392
Plant and machinery - note 23.1.4	35,041,151	147,537	9,449,864	8,782,656 (792,405)	52,628,803	15,990,143	(260,242)	3,962,308 (539,675)	686,080	19,838,613	32,790,189
Other equipment (computers, lab equipment and other office equipment)	2,500,950	(69,088)	77,599	535,943 (68,900)	2,976,504	1,644,662	(61,810)	286,809 (59,830)	6,018	1,815,849	1,160,655
Furniture and fixtures	252,307	(55)	53,012	36,346 (876)	340,734	153,887	(6,356)	39,470 (640)	12,871	199,232	141,502
Vehicles	942,584	673	6,792	856,530 (266,482)	1,540,097	306,686	(2,432)	117,906 (133,986)	5,904	294,078	1,246,019
	43,957,563	(48,335)	13,969,367	10,718,910 (1,515,172)	67,082,333	19,585,879	(336,684)	4,895,623 (902,929)	715,932	23,957,820	43,124,512

23.1.1 Land of the Group measuring 119 kanals, 15 marlas and 62.25 sq.ft situated at Lahore with a book value of Rs 6.149 million (2022: Rs 6.149 million) (the 'Mortgaged Security'), has been mortgaged under a first exclusive equitable charge of Rs 7,800 million (2022: Rs 7,800 million) in favour of MCB Bank Limited against a term finance facility of upto Rs 4,500 million (2022: Rs 4,500 million) and a running finance facility of upto Rs 2,000 million (2022: Rs 2,000 million) provided to Real estate segment by MCB Bank Limited under a tri-partite agreement between the Parent Company, MCB Bank Limited and the Real Estate segment. 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 upto Rs 4,667 million (2022: Rs 4,667 million) provided to Real Estate segment by Allied Bank Limited under a tri-partite agreement between 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 (2022: nil), 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 (2022: nil) and in favour of Habib Bank Limited against term finance facility of Rs 1,900 million (2022: 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. Leasehold land comprises of 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. 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 Plant and machinery and Land and Buildings of Group's subsidiary namely PLL amounting to Rs 658.012 million (2022: Rs 658.012 million) has been encumbered as security against long term borrowings as disclosed in note 8.

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

	Note	2023	2022
		(Rupees in thousand)	
Cost of sales and services	38	5,485,945	4,540,825
Administrative expenses	39	323,827	272,357
Distribution and marketing costs	40	170,622	82,441
		5,980,394	4,895,623

23.1.6 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, Pakpatan Road, District Okara, Punjab	Purchase center for biomass fuel	13
Shahrah-e-Roomi, Lahore, Punjab	Plant site and administrative offices	107.702
Herdo Sehari, Kasur, Punjab	Administrative offices	35.18
Lakho Baryar, Kasur, Punjab	Administrative offices	82.67
148 Minuwangoda Road Ekala, Ja-Ela, 11350, Sri Lanka	Freehold land	7.65
Plot 23, Sector 22 Korangi Industrial Area, Karachi	Factory site and offices	23.76
Northwestern Industrial Zone, Port Qasim	Factory site	8

23.1.7 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:

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 -

Particulars of assets	Sold to	Cost	Book value	Sale proceeds	Gain / (loss) on sale	Mode of sale
		2023				
		(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 -

Particulars of assets	Sold to	Cost	Book value	Sale proceeds	Gain / (loss) on sale	Mode of sale
		2023				
		(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	2015	Negotiation
	Muhammad Shahbaz	2,353	941	3,715	2774	Negotiation
	Naveed Ahmed	1,743	712	3,271	2559	Negotiation
	Muhammad Shahbaz	928	928	3,555	2627	Negotiation
	Muhammad Saeed	3,856	2,774	4,725	1951	Negotiation

2022						
Particulars of assets	Sold to	Cost	Book value	Sale proceeds	Gain / (loss) on sale	Mode of sale
		(Rupees in thousand)				
Vehicles	**Employees**					
	Jazib Faizi	2,503	1,081	1,371	290	As per Group policy
	Suleman Javed	2,353	1,002	1,437	435	- do -
	Adeel Qayyum	1,530	672	759	87	- do -
	Sajjad Hussain Malik	1,527	641	1,008	367	- do -
	Sajjad Iftikhar	2,146	858	2,400	1,542	- do -
	Shahzeb Haider	2,043	1,197	1,341	144	- do -
	Abdullah Akhlaq	1,515	954	851	(103)	- do -
	Faizan Suhail	2,315	1,715	1,588	(127)	- do -
	Nauman Rashid	4,111	3,734	3,823	89	- do -
	Shah Bakht	1,589	1,430	1,380	(50)	- do -
	Ali Nazeer	1,335	1,268	1,224	(44)	- do -
	Farwa Zahra	1,747	1,703	1,747	44	- do -
	Arslan Shahid	1,811	960	1,140	180	- do -
	Khalid Abdul Quddus	3,039	1,884	2,074	190	- do -
	Asif Ali	2,151	1,334	1,528	194	- do -
	Sibat Usman	1,655	1,558	1,471	(87)	- do -
	Moghees Afzal	1,430	572	915	343	- do -
	Ahsan Shahzad	1,695	1,342	1,290	(52)	- do -
	Hassan Ali	1,788	715	1,159	444	- do -
	Hawaisa Waheed	2,395	1,936	1,928	(8)	- do -
	Khurram Ali	1,433	1,266	1,226	(40)	- do -
	Muhammad Abu Bakar Shafique	1,433	1,230	1,226	(4)	- do -
	Muhammad Farhan	1,270	648	839	191	- do -
	Muhammad Naseer Iqbal	1,645	1,371	1,231	(140)	- do -
	Muhammad Uzair Hashmi	2,000	1,467	1,300	(167)	- do -
	Shahid Imran Ch.	1,571	801	1,090	289	- do -
	Hammas Saleem	1,865	1,523	1,441	(82)	- do -
	Muhammad Ali Wajid	3,180	2,889	2,788	(101)	- do -
	Muhammad Nauman Zafar	2,828	1,470	1,777	307	- do -
	Sharjil Naushad	2,388	1,266	1,828	562	- do -
	Usman Dodhy	1,600	656	1,059	403	- do -
	Emad Ud Din Ahmed	1,678	671	1,136	465	- do -
	Moiz Hassan	1,582	633	2,200	1,567	- do -
	Akbar Khan	1,250	533	763	230	- do -
	Ali Ahmad Khan	1,372	798	901	103	- do -
	Armaghan Ahmad	1,917	1,214	1,214	-	- do -
	Asghar Abbas	2,284	914	2,710	1,796	- do -
	Asma Omer Awan	1,650	660	1,120	460	- do -
	Ateeq Ashraf	1,238	898	760	(138)	- do -
	Awais Ibrahim	1,440	713	923	210	- do -
	Behram Nazir	1,863	745	848	103	- do -
	Danyal Naeem	2,900	2,035	2,104	69	- do -
	Faizan Hanif	1,400	1,132	1,019	(113)	- do -
	Faraz Alam	1,537	830	2,000	1,170	- do -
	Fareha Fatima	1,395	1,209	1,293	84	- do -
	Farhan Jamil	1,195	860	734	(126)	- do -
	Israr Ahmad	1,297	519	764	245	- do -
	Madiha Younas	1,571	990	1,089	99	- do -
	Maheen Khan	1,731	915	1,250	335	- do -
	Muaz Hashmi	1,429	1,143	1,039	(104)	- do -
	Muhammad Ali	1,668	667	629	(38)	- do -

2022						
Particulars of assets	**Sold to**	**Cost**	**Book value**	**Sale proceeds**	**Gain / (loss) on sale**	**Mode of sale**
		(Rupees in thousand)				
Vehicles	**Employees**					
	Muhammad Bin Shahzad	3,985	3,520	3,698	178	As per Group policy
	Muhammad Usman	1,873	940	1,301	361	- do -
	Muhammad Usman	851	587	617	30	- do -
	Mustansar Bashir	2,578	1,199	1,998	799	- do -
	Naheed Malik	2,553	1,864	1,907	43	- do -
	Najam us Saqib	1,456	1,092	899	(193)	- do -
	Nasir Islam	2,033	1,084	1,504	420	- do -
	Nazish Siddique	1,780	1,439	1,295	(144)	- do -
	Noor-ule	1,335	1,246	1,187	(59)	- do -
	Rizwan Ahmad	1,728	870	1,068	198	- do -
	Saghir Ahmad	1,800	720	981	261	- do -
	Sahar Najam	1,250	642	555	(87)	- do -
	Sarah Zubair	1,882	794	1,049	255	- do -
	Sehr Javed	1,512	880	1,022	142	- do -
	Sheikh Asif	1,795	1,705	1,721	16	- do -
	Soban Waqar	1,903	1,012	1,014	2	- do -
	Syed Hassan Mehdi	5,485	4,617	5,233	616	- do -
	Syed Tariq Hussain	2,107	1,334	1,637	303	- do -
	Syeda Aliza Imam	1,340	862	873	11	- do -
	Syeda Zehra Qaiser	1,425	734	911	177	- do -
	Taseer Raza Hassan	1,375	685	869	184	- do -
	Tuba Ajmal	1,527	648	756	108	- do -
	Usman Ghalib	1,733	1,051	1,214	163	- do -
	Waqar Gohar	1,334	961	826	(135)	- do -
	Wasik Ali Syed	1,978	1,203	1,069	(134)	- do -
	Former Employee					
	Salman Bari	1,395	558	796	238	- do -
	Muzzamil Khan	1,014	406	530	124	- do -
	Khurram Shahzad	688	275	259	(16)	- do -
	Muhammad Ali	742	393	387	(6)	- do -
	Ayesha Naveed	1,308	968	803	(165)	- do -
	Muhammad Haider	1,270	647	839	192	- do -
	Qasim Ali	1,398	1,049	1,011	(38)	- do -
	Muhammad Salman	1,428	630	2,255	1,625	- do -
	Nayhan Khan	732	293	325	32	- do -
	Jazib Pirzada	1,611	806	1,107	301	- do -
	Tauseef Amjad	1,400	560	848	288	- do -
	Muaaz Munir	1,592	636	1,181	545	- do -
	Haris Javed	1,900	1,672	1,671	(1)	- do -
	Related Party					
	IGI General Insurance Limited	3,219	3,058	3,219	161	Insurance claim
	Outsiders					
	Muhammad Umer	1,823	729	1,900	1,171	As per Group policy
	Riaz Hussain	1,023	1,023	2,620	1,597	Negotiation
	Aslam Jutt	2,195	878	2,180	1,302	- do -
	Adeel Ahmed	2,176	870	2,315	1,445	- do -

23.2 Capital work-in-progress

	2023										
	Cost as at January 1, 2023	Exchange differences	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 - note 23.2.1	Charged off during the year	Transfers to operating fixed assets	Disposal of FPCPL	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

	2022									
	Cost as at January 1, 2022	Exchange differences	Acquisition of TPFL	Capital expenditure incurred during the year	Advances given during the year	Transfers within capital work-in-progress	Charged off during the year	Transfers to operating fixed assets	Transfer to investment properties	Balance as at December 31, 2022
	(Rupees in thousand)									
Civil works	483,802	(1,726)	25,468	1,840,303	-	224	(15,257)	(467,091)	-	1,865,723
Plant and machinery	5,870,957	-	135,401	14,153,365	-	975,631	(25,283)	(8,946,910)	-	12,163,161
Advances to suppliers	558,215	-	504,769	2,327,038	988,142	(975,855)	(4,292)	(101,024)	-	3,296,993
Other	26,750	-	-	2,845	12,303	-	(3,835)	(18,421)	(19,642)	-
	6,939,724	(1,726)	665,638	18,323,551	1,000,445	-	(48,667)	(9,533,446)	(19,642)	17,325,877

23.2.1 During the year, the Management re-evaluated the recoverable amount of previously impaired equipment of coating section and coating kitchen with accumulated carrying value of Rs 330 million of paper and paper board segment. This component is utilized on the rebuild of Paper Machine – 6 after which the management has reversed the previously recognized impairment loss of Rs 550 million as the circumstances that caused the impairment in the first place are favourably resolved. This has resulted in reversal of impairment amounting to Rs. 550 million which is recognized in other income.

23.3 Major spare parts and stand-by equipment

	Note	2023	2022
		(Rupees in thousand)	
Balance at the beginning of the year		500,910	180,518
Acquisition of TPFL		-	112,434
Additions during the year		317,200	320,619
Transfers made during the year		(55,961)	(112,661)
Balance at the end of the year		762,149	500,910

24. Right-of-use assets

	2023											
	Cost as at January 1, 2023	Exchange differences	Lease modification	Additions / (deletions)	Disposal of FPCPL	Cost as at December 31, 2023	Accumulated depreciation as at January 1, 2023	Exchange differences	Depreciation charge / (deletions) for the year	Disposal of FPCPL	Accumulated depreciation and impairment 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	763,808	130,980	(158,378)	228,057	(807,799)	156,668	511,128	98,953	42,333	(591,450)	60,964	95,704
Equipment	26,211	-	-	-	-	26,211	12,947	-	-	-	12,947	13,264
	831,054	141,400	(158,378)	228,057	(807,799)	234,334	543,053	103,820	47,431	(591,450)	102,854	131,478

	2022										
	Cost as at January 1, 2022	Exchange differences	Lease reassessment	Additions / (deletions)	Cost as at December 31, 2022	Accumulated depreciation as at January 1, 2022	Exchange differences	Depreciation charge / (deletions) for the year	Impairment charge for the year	Accumulated depreciation and impairment as at December 31, 2022	Book value as at December 31, 2022
	(Rupees in thousand)										
Plant and equipment	34,082	6,953	-	-	41,035	12,354	2,647	3,977	-	18,978	22,055
Land and buildings	788,182	-	(39,097)	38,883 (24,160)	763,808	419,648	-	27,147 (9,685)	74,018	511,128	252,680
Equipment	26,211	-	-	-	26,211	12,947	-	-	-	12,947	13,264
	848,475	6,953	(39,097)	38,883 (24,160)	831,054	444,949	2,647	31,124 (9,685)	74,018	543,053	287,999

24.1 Depreciation charge for the year has been allocated as follows:

	Note	2023	2022
		(Rupees in thousand)	
Cost of sales and services	38	22,304	1,514
Administrative expenses	39	18,661	20,558
Distribution and marketing costs	40	6,466	9,052
		47,431	31,124

25. Investment properties

	Note	2023	2022
Developed	25.1	11,932,411	12,005,057
Under construction		988,120	16,945
		12,920,531	12,022,002

25.1 Investment property - developed

	2023							
	Cost as at January 1, 2023	Additions	Acquisition of HPL	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

	2022							
	Cost as at January 1, 2022	Additions	Transfer in from capital work in progress	Cost as at December 31, 2022	Accumulated depreciation as at January 1, 2022	Depreciation charge for the year	Accumulated depreciation as at December 31, 2022	Book value as at December 31, 2022
	(Rupees in thousand)							
Freehold land	715,982	22,303	-	738,285	-	-	-	738,285
Buildings on freehold land	7,969,303	8,741	1,548,840	9,526,884	1,377,561	299,875	1,677,436	7,849,448
Buildings on leasehold land	5,966	-	-	5,966	5,589	30	5,619	347
Mall equipment	41,183	169	10,991	52,343	37,433	4,576	42,009	10,334
External development	1,202,217	2,258	394,859	1,599,334	184,389	46,787	231,176	1,368,158
HVAC system	1,395,810	579	590,836	1,987,225	859,866	230,873	1,090,739	896,486
Electrical system	2,699,165	4,638	223,720	2,927,523	1,456,619	328,905	1,785,524	1,141,999
	14,029,626	38,688	2,769,246	16,837,560	3,921,457	911,046	4,832,503	12,005,057

25.1.1 Depreciation charge for the year has been allocated as follows:

	Note	2023	2022
		(Rupees in thousand)	
Cost of sales and services	38	939,049	908,760
Administrative expenses	39	3,451	2,286
		942,500	911,046

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	Rented out	16.84
Korangi Industrial Area, Karachi, Sindh	Rented out	5.49
		78.148

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, 2023	9,319	3,617	12,936
December 31, 2022	8,031	2,008	10,039

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, 2023 is Rs 567.462 million (2022: Rs 482.200 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 55.5.

Valuation techniques used to derive level 2 fair values

Level 2 fair value of investment property has been derived using a sales comparison approach. Sale 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 55.5. Fair value of such investment properties has been determined to be Rs 15,761 million (2022: Rs 15,857 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, 2023 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:

	2023	2022
Gross rentable area (sq. ft)	670,030	670,030
Rent rates assumed per sq. ft (Rs)	77 - 1610	65 - 1514
Inflation in rent and operating costs	6% - 15%	6% - 15%
Discount rate (%)	20.31%	19.73%
Fair value (Rs in million)	15,761	15,857

The Group has determined the fair value of investment properties of pharmaceutical segment by involving an accredited independent valuer. As at December 31, 2023, the fair value and forced sales value of leasehold land amounts to Rs 750 million and Rs 564.5 million, respectively, and of buildings on leasehold land amounts to Rs 52.3 million and 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:

	2023			
	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	52,325	- do -	- do -	19,698
	802,325			

26. Intangible assets

	Note	Trademarks	Goodwill	Computer software and ERP Systems	Total
		(Rupees in thousand)			
Year ended December 31, 2023					
Cost					
As at January 1, 2023		-	266,363	604,058	870,421
Acquisition of HPL	57.5	5,554,000	-	27,234	5,581,234
Additions during the year		-	-	75,600	75,600
Disposal of FPCPL		-	(266,363)	-	(266,363)
Exchange differences		-	-	-	-
As at December 31, 2023		5,554,000	-	706,892	6,260,892
Accumulated amortisation and impairment					
As at January 1, 2023		-	(266,363)	(454,034)	(720,397)
Disposal of FPCPL		-	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
Year ended December 31, 2022					
Cost					
As at January 1, 2022		-	222,928	503,739	726,667
Acquisition of TPFL		-	-	77,867	77,867
Additions during the year		-	-	22,452	22,452
Exchange differences		-	43,435	-	43,435
As at December 31, 2022		-	266,363	604,058	870,421
Accumulated amortisation					
As at January 1, 2022		-	-	(343,513)	(343,513)
Acquisition of TPFL		-	-	(72,096)	(72,096)
Impairment during the year		-	(266,363)	-	(266,363)
Amortisation for the year	26.1	-	-	(38,425)	(38,425)
As at December 31, 2022		-	(266,363)	(454,034)	(720,397)
Book value as at December 31, 2022		-	-	150,024	150,024

26.1 The amortisation charge for the year has been allocated as follows:

	Note	2023	2022
		(Rupees in thousand)	
Cost of sales and services	38	27,312	22,239
Administrative expenses	39	38,833	14,161
Distribution and marketing costs	40	3,867	2,025
		70,012	38,425

27. Investments accounted for using the equity method

27.1 Amounts recognised in consolidated statement of financial position

	Note	2023	2022
		(Rupees in thousand)	
Investments in associates	27.4	5,422,305	5,229,326
Investment in joint ventures	27.5	563,768	588,154
		5,986,073	5,817,480

27.2 Amounts recognised in consolidated statement of profit or loss

	Note	2023	2022
Investments in associates	27.4	122,027	110,053
Investment in joint ventures	27.5	28,510	34,171
		150,537	144,224

27.3 Amounts recognised in consolidated statement of other comprehensive income

	Note	2023	2022
		(Rupees in thousand)	
Investments in associates	27.4	1,035,397	96,225
Investment in joint ventures	27.5	133	6,247
		1,035,530	102,472

27.4 Investments in associates - equity method

	Note	2023	2022
IGI Holdings Limited, Pakistan			
Balance at the beginning		4,229,505	4,089,597
Share of profit for the year		221,293	123,166
Share of OCI for the year		1,035,397	99,424
Dividends received during the year		(63,890)	(82,682)
Closing balance		5,422,305	4,229,505
Tri-Pack Films Limited, Pakistan			
Balance at the beginning		-	4,149,998
Share of profit for the year		-	63,822
Acquisition of control		-	(4,213,820)
Closing balance		-	-
Hoechst Pakistan Limited, Pakistan			
Balance at the beginning		999,821	-
Investment made during the year		-	997,273
Share of (loss)/profit for the year		(35,374)	5,747
Share of OCI for the year		-	(3,199)
Acquisition of control	57	(964,447)	-
Closing balance		-	999,821
		5,422,305	5,229,326

27.4.1 The reconciliation of carrying amount is as follows:

	2023	2022
Cost	840,456	1,875,651
Post acquisition share of profits and reserves net of impairment losses		
Opening balance	3,353,675	3,274,573
Share of profit from TPFL adjusted on acquisition	-	(63,354)
Share of loss from HPL adjusted on acquisition	35,374	-
Share of profit from associates - net of tax	221,293	128,913
Share of other comprehensive income - net of tax	1,035,397	96,225
Dividends received during the year	(63,890)	(82,682)
Closing balance	4,581,849	3,353,675
Balance as on December 31	5,422,305	5,229,326

27.4.2 Investments in equity instruments of associates - Quoted

	Note	2023	2022
		(Rupees in thousand)	
IGI Holdings Limited, Pakistan			
15,033,041 (2022: 15,033,041) fully paid ordinary shares of Rs 10 each			
Equity held 10.54% (2022: 10.54%)			
Market value - Rs 1,658.896 million (2022: Rs 1,428.139 million)	27.4.2.1	5,422,305	4,229,505
Hoechst Pakistan Limited, Pakistan			
(formerly Sanofi-Aventis Pakistan Limited)			
3,960,919 (2022: 585,254) fully paid ordinary shares of Rs 10 each			
Equity held 41.07% (2022: 6.07%)			
Market value - Rs 4,753.103 million (2022: Rs 575.305 million)	27.4.2.2	-	999,821
		5,422,305	5,229,326

27.4.2.1 The Group's investment in IGIHL is less than 20.00% 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

27.4.2.2 Pursuant to the share purchase agreement with Sanofi Foreign Participations B.V., the Group has 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. The Group now has a total shareholding of 41.07% in HPL. The Group management has made a detailed assessment under IFRS 10 and considers HPL to be its subsidiary as it has de-facto control over it. The business combination accounting for HPL is explained in note 57.

27.5 Investment in joint ventures

The breakup of investment in joint ventures is as follows:	Note	2023	2022
		(Rupees in thousand)	
Cost		1,478,641	1,531,670
Post acquisition share of profit and reserves			
Opening balance		(943,516)	(983,934)
Share of profit from joint ventures - net of tax		103,260	58,921
Share of other comprehensive income from joint ventures - net of tax		133	6,247
Dividends received during the year		(74,750)	(24,750)
Closing balance		(914,873)	(943,516)
Balance as on December 31	27.5.1	563,768	588,154

27.5.1 Investments in equity instruments of joint ventures - Unquoted

	Note	2023	2022
		(Rupees in thousand)	
Plastic Extrusions (Proprietary) Limited, South Africa			
nil (2022: 500) fully paid ordinary shares of ZAR 1 each			
Equity held nil (2022: 50.00%)	27.5.1.1	-	53,029
OmyaPack (Private) Limited, Pakistan			
49,500,000 (2022: 49,500,000) fully paid ordinary shares of Rs 10 each			
Equity held 50.00% (2022: 50.00%)		563,768	535,125
		563,768	588,154

27.5.1.1 Joint venture incorporated outside Pakistan

	Plastic Extrusions (Proprietary) Limited
Basis of association	Joint Venture
Country of incorporation/jurisdiction	South Africa
Effective percentage of shareholding	31.75%
Group's shareholding	Through Flexible Packages Convertors (Proprietary) Limited
Amount of investment - foreign currency	USD 1.37 million
Amount of investment - local currency	Rs 10.799 million
Terms and conditions for which investment has been made	Unconditional equity investment
Litigations against the investee	None
Default/breach relating to foreign investment	None

The investment in Plastic Extrusions (Proprietary) Limited, South Africa, has been disposed of during the year against consideration of one million South African Rand ('ZAR').

27.5.2 Investment in joint ventures - equity method

	Note	2023	2022
		(Rupees in thousand)	
Plastic Extrusions (Proprietary) Limited, South Africa			
Balance at the beginning		53,029	38,909
Share of profit for the year		-	6,239
Share of OCI for the year		-	7,881
Disposal of Joint Venture		(53,029)	-
Closing balance		-	53,029
OmyaPack (Private) Limited, Pakistan			
Balance at the beginning		535,125	508,827
Share of profit for the year		103,260	52,682
Share of OCI for the year		133	(1,634)
Dividend received during the year		(74,750)	(24,750)
Closing balance		563,768	535,125
		563,768	588,154

28. Other long term investments

	Note	2023	2022
		(Rupees in thousand)	
Quoted			
Nestle Pakistan Limited			
3,649,248 (2022: 3,649,248) fully paid ordinary shares of Rs 10 each			
Equity held 8.05% (2022: 8.05%)			
Cost - Rs 5,778.896 million (2022: Rs 5,778.896 million)	28.1	29,934,781	21,421,086
Systems Limited			
46,050 (2022: 46,050) fully paid ordinary shares of Rs 10 each			
Equity held 0.0159% (2022: 0.0159%)		19,505	15,648
	28.2	29,954,286	21,436,734
Unquoted			
Coca-Cola Beverages Pakistan Limited			
500,000 (2022: 500,000) fully paid ordinary shares of Rs 10 each			
Equity held 0.0185% (2022: 0.0185%)	28.3	5,000	5,000
Pakistan Tourism Development Corporation Limited			
2,500 (2022: 2,500) fully paid ordinary shares of Rs 10 each		25	25
		5,025	5,025
		29,959,311	21,441,759

28.1 As of December 31, 2023, an aggregate of 2,620,000 (2022: 2,620,000) shares of Nestle Pakistan Limited having market value of Rs 21,491.860 million (2022: Rs 15,379.400 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 2023	No. of shares pledged 2022	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 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	

28.2 Cumulative fair value gain on FVOCI financial assets

	2023	2022
	(Rupees in thousand)	
Balance as at beginning of the year	17,436,179	16,908,826
Changes in FVOCI	8,517,552	527,353
Balance as at end of the year	25,953,731	17,436,179

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, it was not recorded in these consolidated financial statements as the impact was immaterial.

29. Long term loans

	Note	2023	2022
		(Rupees in thousand)	
Loans to employees - considered good	29.1	6,628	438
Current portion shown under current assets	34	(2,363)	(122)
		4,265	316

29.1 These include loans for the purchase of motor cars, motorcycles and capital goods repayable in monthly instalments over a period of 60 to 260 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% (2022: 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	2023	2022
		(Rupees in thousand)	
Stores [including in transit Rs 106.278 million (2022: Rs 136.748 million)]		2,120,116	1,578,187
Spares [including in transit Rs 132.283 million (2022: Rs 66.611 million)]		3,549,656	2,323,862
	30.1	5,669,772	3,902,049
Provision for obsolete/slow-moving stores and spares	30.2	(133,215)	(91,520)
		5,536,557	3,810,529

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	2023	2022
		(Rupees in thousand)	
Balance as at January 1		91,520	158
Acquisition of HPL		763	-
Acquisition of TPFL		-	89,020
Provision for the year		40,932	2,342
Balance as at December 31		133,215	91,520

31. Stock-in-trade

	Note	2023	2022
Raw materials [including in transit Rs 6,812.914 million (2022: Rs 5,595.905 million)]	31.1	31,133,749	26,900,246
Work-in-process	31.2	2,440,149	2,997,264
Finished goods	31.3 & 31.4	11,780,688	7,182,820
Goods purchased for resale	31.5	322,353	321,802
		45,676,939	37,402,132
Provision for obsolete/slow-moving stock-in-trade	31.6	(645,137)	(221,256)
		45,031,802	37,180,876

31.1 Raw materials amounting to Rs 918.545 million (2022: Rs 520.868 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 Rs 27.1 million (2022: Nil) are being valued at net realizable value ('NRV') of Rs 23.2 million (2022: Nil).

31.2 Work-in-process amounting to Rs 17.192 million (2022: Rs 13.213 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 1.37 million (2022: Rs 1.198 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 9.067 million (2022: Nil) 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 4,991.25 million (2022: Rs 1,233.461 million) are being valued at net realizable value ('NRV') of Rs 4,496.882 million (2022: Rs 1,165.700 million).

31.5 Goods purchased for resale amounting to Rs 199.909 million (2022: Rs 145.691 million) are in the possession of third parties. Furthermore, goods purchased for resale costing Rs 47.098 million (2022: Rs 35.140 million) are carried at their NRV amounting to Rs 45.096 million (2022: Rs 34.391 million) and the resulting NRV write down expense amounting to Rs 2.002 million (2022: Rs 0.749 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	2023	2022
		(Rupees in thousand)	
Opening balance		221,256	84,712
Acquisition of HPL		369,207	-
Acquisition of TPFL		-	72,665
Disposal of FPCPL		(44,431)	-
Provision for the year	38.1	178,288	65,670
Stock-in-trade written off against provision		(79,183)	(1,791)
Closing balance		645,137	221,256

32. Short term investments

	Note	2023	2022
Investments in Term Deposit Receipts - at amortized cost	32.1	305,000	521,695
Investments in mutual funds at - FVPL	32.2	1,129,438	-
		1,434,438	521,695

32.1 These represent investments in Term Deposit Receipts issued by the banking companies having maturity of one to six months carrying markup rate of 14.20% to 20.70% per annum (2022: 6.75% to 15.10% per annum).

32.2 These represent investments in units of mutual funds of Bank Al Habib Money Market Fund, National Bank of Pakistan Income Fund and MCB Investment Management Limited that are classified as fair value through profit or loss ('FVPL').

33. Trade debts

	Note	2023	2022
		(Rupees in thousand)	
Related parties - unsecured	33.1 & 33.2	149,234	113,347
Others	33.3	15,048,242	16,279,323
		15,197,476	16,392,670
Loss allowance	33.4	(785,439)	(309,661)
		14,412,037	16,083,009

33.1 Related parties - unsecured

This represents balance due from the following:	Note	2023	2022
		(Rupees in thousand)	
Plastic Extrusions (Proprietary) Limited		-	72,661
Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited)		-	10,610
OmyaPack (Private) Limited		442	134
Tetra Pak Pakistan Limited		264	-
IGI Life Insurance Limited		133	-
Flexible Packages Convertors (Proprietary) Limited		122,091	-
Dilmah Ceylon Tea Company PLC		22,250	14,441
IGI General Insurance Limited		176	154
S.C. Johnson & Son of Pakistan (Private) Limited		3,878	15,347
	33.1.1	149,234	113,347

33.1.1 The maximum aggregate amount due from these related parties at the end of any month during the year was Rs 174.29 million (2022: Rs 146.507 million).

33.2 The aging analysis of trade receivables from related parties as at statement of financial position date is as follows:

	2023	2022
	(Rupees in thousand)	
Neither past due nor impaired	27,143	48,968
Past due but not impaired:		
Up to 90 days	-	52,414
90 to 180 days	-	8,028
181 to 365 days	-	3,937
	-	64,379
365 days and above	122,091	-
	149,234	113,347

33.3 Includes trade debts of Rs 369.064 million (2022: Rs 625.677 million) which are secured by way of inland letters of credit.

33.4 The reconciliation of loss allowance during the year is as follows:

	2023	2022
	(Rupees in thousand)	
Opening balance	309,661	188,338
Acquisition of TPFL	-	67,505
Acquisition of HPL	254,213	-
Impairment loss recognised during the year	235,462	84,283
Bad debts written off	(14,308)	(69,050)
Exchange gain	411	38,585
Closing balance	785,439	309,661

34. Loans, advances, deposits, prepayments and other receivables

	Note	2023	2022
		(Rupees in thousand)	
Current portion of loans to employees	29	2,363	122
Advances			
- To employees	34.1	145,034	93,657
- To suppliers		1,250,824	359,383
		1,395,858	453,040
Due from related parties	34.2 & 34.3	258,867	134,573
Trade deposits		600,796	245,293
Profit receivable on deposits		12,161	8,375
Security deposits		6,581	37,286
Prepayments	34.4	1,234,647	1,400,356
Balances with statutory authorities			
- Customs duty		284,077	112,945
- Import rebate receivable		74,458	72,981
- Export rebate receivable		17,690	15,824
- Sales tax receivable	34.5	1,961,243	-
- Sales tax recoverable	34.6	2,957,312	3,055,864
		5,294,780	3,257,614
Other receivables	34.7	635,077	1,624,882
Loss allowance on due from related parties		(172,153)	-
		9,268,977	7,161,541

34.1 Included in advances to employees are amounts due from executives of Rs 6.182 million (2022: Rs 2.553 million).

34.2 Due from related parties - unsecured

This represents balance due from the following:

	2023	2022
	(Rupees in thousand)	
OmyaPack (Private) Limited	65,787	103,830
IGI Finex Securities Limited	645	193
IGI Holdings Limited	5,453	1,474
IGI General Insurance Limited	11,408	4,735
IGI Investments (Private) Limited	3,432	3,623
Flexible Packages Convertors (Proprietary) Ltd	135,377	-
IGI Life Insurance Limited	33,280	19,126
Industrial, Technical and Educational Institute	35	-
Babar Ali Foundation	387	-
S.C. Johnson & Son of Pakistan (Private) Limited	1,501	908
IGI FSI (Private) Limited	246	-
Packages Foundation	1,316	684
	258,867	134,573

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 258.867 million (2022: Rs 198.305 million).

34.4 Prepayments include Rs 61.047 million (2022: Rs 48.543 million) made to IGI Life Insurance Limited, a related party (associate).

34.5 This includes sales tax amounting to Rs 1,468.13 million (2022: Nil) 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, 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, 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, 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 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 Group being aggrieved, has 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 favor 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 (2022: 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 has not allowed credit of Rs 2,046,122 being voluntarily paid input tax. In this regard, the Group filed appeal before the Commissioner (Appeals) which has been 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 favor 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 has fixed the hearing on August 25, 2023. The DCIR has issued notice bearing No. DCIR/Remand Back-STA-220/Zone-I/LTO/KHI/202 July 26, 2023. The said notice has been 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 favor of the Group; therefore no provision has been made in these financial statements.

34.7 Other receivables include nil (2022: Rs 585.833 million) from IGI General Insurance Limited, an associate. It is neither past due, nor impaired.

35. Income tax receivable

	Note	2023	2022
		(Rupees in thousand)	
Income tax refundable	35.1	3,727,076	4,644,012
Income tax recoverable	35.2	2,542,435	36,013
		6,269,511	4,680,025

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 favor 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.

Contingencies related to income tax:

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 the matters disclosed below. Consequently, no provision for these amounts have been made in these consolidated financial statements.

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 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 Group and the above mentioned additions/ disallowances are made on an 'exparte 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 Appellate Tribunal Inland Revenue however the hearing thereof is pending.

35.7 The Deputy Commissioner Inland Revenue (DCIR), initiated monitoring proceedings u/s 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 who 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') who 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 who 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 favor 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, levied super tax u/s 4B on exparte 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 u/s 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 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 has 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 has 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 has been restricted to the extent of the adjustments required for issuance. Accordingly, during the year 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 on October 26, 2023, notices for Sindh Workers' Welfare Fund for the tax years 2018, 2019, 2021, 2022 and 2023 respectively were received by the Group. No further correspondence has been received till year end for the notices pertaining to tax year 2018 & 2019. However, for the notices for the tax year 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. The Group is trans-provincial and is liable to pay workers' welfare fund to Federal Board of Revenue. Therefore, an appeal has been filed by the Group before CIR(SRB). 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 favor.

35.16 In respect of tax year 2020, the Commissioner Inland Revenue (Appeals) through 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 tax year 2015 amounting to Rs. 17.98 million, Rs. 3.23 million and Rs. 214 million respectively. Group filed an appeal before CIR(A) against the order dated March 31, 2023. During the year on August 29, 2023, appellate order was passed on 'ex-parte' basis which disposed off 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. Subsequent to the year end on January 20, 2024, CIR(A) through appellate order has rectified the appellate order dated August 29, 2023 and remanded back the matter to the officer.

36. Cash and bank balances

	Note	2023	2022
		(Rupees in thousand)	
At banks:			
- Deposit accounts [including USD 120,984 2022: USD 318,264)]	36.1	106,000	50,093
- Savings accounts	36.2 & 36.3	596,320	1,424,327
- Current accounts	36.4	2,195,915	702,520
		2,898,235	2,176,940
In hand [including USD 3,798 (2022: USD 2,270) and EURO 10,300 (2022: EURO 10,300)]		25,666	12,637
		2,923,901	2,189,577

36.1 This represents 100% cash margin against bank guarantee booked under TDR carrying profit at 14.75% to 18% per annum (2022: 14.5% per annum).

36.2 The balances in saving accounts bear mark-up which ranges from 8.02% to 20.05% (2022: 6.25% to 14.50%) per annum.

36.3 Included in these are restricted funds of Rs 12.864 million (2022: Rs 12.113 million) in respect of deposits that are repayable on demand.

36.4 Included in these are restricted funds of Rs 1.387 million (2022: Rs 1.387 million) held as payable to TFC holders.

37. Revenue

The Group derives the following types of revenue:

	Note	2023	2022
		(Rupees in thousand)	
Sale of goods	37.1	151,732,246	117,324,916
Services	37.2	5,239,836	4,568,673
		156,972,082	121,893,589

37.1 Sale of goods

	Note	2023	2022
		(Rupees in thousand)	
Local sales			
- Own manufactured		172,712,185	136,063,841
- Purchased for resale		580,442	1,207,841
		173,292,627	137,271,682
Export sales		5,735,158	723,659
Toll manufacturing		104,160	-
		179,131,945	137,995,341
- Sales tax		(23,992,787)	(19,326,719)
- Trade discount		(3,156,581)	(1,325,499)
- Sales return		(233,822)	-
- Commission		(16,509)	(18,207)
		(27,399,699)	(20,670,425)
		151,732,246	117,324,916

37.2 Services

	Note	2023	2022
License fee	37.2.1	3,146,678	2,786,408
Service and management charges	37.2.2	1,744,160	1,458,343
Advertisements and parking income		348,998	323,922
		5,239,836	4,568,673

37.2.1 The future aggregate minimum rentals/license receivable under non-cancellable operating leases are as follows:

	2023	2022
	(Rupees in thousand)	
- Not later than one year	2,838,582	2,379,745
- Later than one year and not later than five years	14,397,431	12,148,835
	17,236,013	14,528,580

37.2.2 This revenue is chargeable to sales tax and it is exclusive of sales tax of Rs 300.850 million (2022: Rs 242.690 million).

38. Cost of sales and services

	Note	2023	2022
		(Rupees in thousand)	
Cost of sales - own manufactured	38.1	113,846,905	93,087,230
Cost of sales - purchased for resale	38.2	3,379,418	814,253
Cost of services	38.3	2,821,693	2,644,821
		120,048,016	96,546,304

38.1 Cost of sales - own manufactured

	Note	2023	2022
		(Rupees in thousand)	
Materials consumed		79,391,626	64,361,611
Salaries, wages and amenities	38.1.1 & 38.1.2	7,420,347	6,505,494
Travelling and conveyance		240,623	159,200
Fuel and power		11,048,970	10,584,070
Production supplies consumed		1,783,299	1,643,176
Rent, rates and taxes		235,886	142,112
Insurance	38.1.3	998,552	340,920
Repairs and maintenance		2,404,294	2,320,661
Packing expenses		2,462,508	1,968,405
Depreciation on operating fixed assets	23.1.5	5,447,298	4,502,573
Depreciation on right-of-use assets	24.1	22,304	1,514
Amortisation of intangible assets	26.1	27,312	22,239
Safety equipment		119,305	91,678
Technical fee and royalty	38.1.4	278,633	260,045
Provision for obsolete/slow-moving stock-in-trade	31.6	178,288	65,670
Material handling charges		501,042	416,348
Medical expenses		97,200	70,330
Other expenses		1,709,019	1,178,036
		114,366,506	94,634,082
Opening work-in-process		2,872,461	1,073,285
Opening work in process - Disposal of FPCPL		(58,173)	-
Opening work in process - Acquisition of HPL		101,522	-
Opening work in process - Acquisition of TPFL		-	405,375
Closing work-in-process		(2,424,822)	(2,872,461)
Cost of goods manufactured	38.1.5	114,857,494	93,240,281
Opening stock of finished goods		7,139,688	6,313,816
Disposal of FPCPL		(255,604)	-
Opening stock of finished goods - Acquisition of HPL		3,820,406	-
Opening stock of finished goods - Acquisition of TPFL		-	672,821
		125,561,984	100,226,918
Closing stock of finished goods		(11,715,079)	(7,139,688)
		113,846,905	93,087,230

38.1.1 Salaries, wages and amenities

Salaries, wages and amenities include following in respect of retirement benefits:

	2023	2022
	(Rupees in thousand)	
Defined benefit plan		
- Gratuity fund	152,966	112,776
Defined contribution plans		
- Provident fund	126,127	85,848
- Pension fund	128,743	103,197
Other benefit plan		
- Accumulating compensated absences	70,900	41,800
	478,736	343,621

38.1.2 Salaries, wages and amenities include Rs 635.133 million (2022: Rs 523.029 million) in respect of services rendered by manpower contractors during the year.

38.1.3 This includes expense of Rs 22.604 million (2022: Rs 17.832 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 6,191.12 million (2022: Rs 6,976.17 million) for stores and spares consumed. It also include amounts of Rs 25.09 million (2022: Rs 65.93 million), Rs 4.049 million (2022: Rs 0.42 million) and Rs 174.07 million (2022: Rs 113.36 million) for raw material, stores and spares and finished goods written off respectively.

38.2 Cost of sales - purchased for resale

	Note	2023	2022
		(Rupees in thousand)	
Purchases		3,379,969	823,455
Opening stock of goods purchased for resale		321,802	312,600
Closing stock of goods purchased for resale		(322,353)	(321,802)
		3,379,418	814,253

38.3 Cost of services

	Note	2023	2022
Salaries, wages and benefits		143,613	125,043
Depreciation on investment properties	25.1.1	939,049	908,760
Depreciation on operating fixed assets	23.1.5	38,647	38,252
Fuel and power		947,966	880,516
Rent, rates and taxes		264,940	221,872
Insurance		43,032	37,739
Consultancy		739	3,414
Mall operating expenses		443,707	429,225
		2,821,693	2,644,821

39. Administrative expenses

	Note	2023	2022
Salaries, wages and amenities	39.1 & 39.2	2,762,192	2,227,991
Fuel and power		40,542	-
Travelling and conveyance		255,262	112,372
Rent, rates and taxes		195,179	186,663
Professional services	39.3	440,447	107,371
Insurance	39.4	47,098	40,480
Printing, stationery and periodicals		71,398	55,438
Postage, telephone and telex		46,602	55,697
Motor vehicles running		91,185	61,108
Computer charges		126,253	116,002
Consultancy and transaction advisory fee		-	261,753
Repairs and maintenance		122,108	66,545
Depreciation on operating fixed assets	23.1.5	323,827	272,357
Depreciation on right-of-use assets	24.1	18,661	20,558
Amortisation of intangible assets	26.2	38,833	14,161
Depreciation on investment properties	25.1.1	3,451	2,286
Communication		8,287	-
Security and maintenance		13,267	-
Publication and subscription		7,204	-
Software license / maintenance fee		116,974	-
Training expenses		9,946	-
Electricity		10,476	-
Amenities		14,386	-
Demurrage charges		12,990	-
Shared staff cost		8,896	-
Other expenses		364,619	367,985
	39.5	5,150,083	3,968,767

39.1 Salaries, wages and amenities include following:

	Note	2023	2022
		(Rupees in thousand)	
Defined benefit plans			
- Gratuity funds		95,297	51,716
- Pension funds		88,755	58,244
Defined contribution plans			
- Provident funds		53,472	41,923
- Pension funds		97,463	61,298
Other benefit plan			
- Accumulating compensated absences		40,731	30,043
		375,718	243,224

39.2 Salaries, wages and amenities include Rs 121.812 million (2022: Rs 222.38 million) in respect of services rendered by manpower contractors during the year.

39.3 Professional services

	Note	2023	2022
		(Rupees in thousand)	
The charges for professional services include the following in respect of auditors' services (excluding sales tax) for:			
- Statutory audit		40,393	46,139
- Half yearly review		8,348	6,740
- Tax services		41,808	30,843
- Advisory services		-	9,557
- Other assurance services		6,000	-
- Workers' profit participation fund audit, management staff pension and gratuity fund audit, audit of consolidated financial statements and other certification charges		7,438	8,003
- Out of pocket expenses		6,487	6,089
		110,474	107,371

39.4 This includes the expense charged by IGI Insurance Limited, a related party.

39.5 Administrative expenses include Rs 136.567 million (2022: Rs 123.785 million) for stores and spares consumed.

40. Distribution and marketing costs

	Note	2023	2022
		(Rupees in thousand)	
Salaries, wages and amenities	40.1 & 40.2	2,141,955	1,282,800
Travelling and conveyance		459,412	162,009
Rent, rates and taxes		42,608	19,270
Freight and distribution		2,275,498	1,937,841
Insurance	40.3	122,714	78,337
Electricity		3,351	3,853
Postage, telephone and telex		25,266	-
Advertisement and sales promotion		1,076,090	703,967
Depreciation on operating fixed assets	23.1.5	170,622	82,441
Amortisation on intangible assets	26.1	3,867	2,025
Depreciation on right-of-use assets	24.1	6,466	9,052
Repairs and maintenance		26,427	2,747
Bad debts written off		-	24,835
Training expense		163,463	-
Pharmaceutical miscellaneous expenses		124,638	-
Sales commission		173,015	-
Other expenses		194,999	339,004
	40.4	7,010,391	4,648,181

40.1 Salaries, wages and amenities include following:

	2023	2022
	(Rupees in thousand)	
Defined benefit plans		
- Gratuity funds	45,751	18,582
Defined contribution plans		
- Provident funds	24,425	15,967
- Pension funds	67,049	19,994
Other benefit plan		
- Accumulating compensated absences	13,336	8,360
	150,561	62,903

40.2 Salaries, wages and amenities include Rs 62.715 million (2022: Rs 57.20 million) in respect of labour contractors for services rendered during the year.

40.3 This includes Rs 0.580 million (2022: nil) in respect of expense charged by IGI Insurance Limited, a related party.

40.4 Distribution and marketing costs include Rs 11.424 million (2022: Rs 12.48 million) for stores and spares consumed.

41. Other expenses

	Note	2023	2022
		(Rupees in thousand)	
Worker's profit participation fund	19.9	643,474	585,483
Workers' welfare fund	19.10	239,455	189,407
Loss on disposal of operating fixed assets		1,568	-
Impairment on assets of FPCPL		-	1,056,313
Exchange loss - net		1,963,418	1,387,965
Donations	41.1	110,930	176,832
Central research fund		9,866	-
Miscellaneous		-	24,479
		2,968,711	3,420,479

41.1 The Group made a donation of Rs 83.844 million (2022: Rs 138.728 million) to its related party, Packages Foundation. Following is the interest of Directors of the Parent Company in the donee during the year:

Name of donee	Director 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	2023	2022
		(Rupees in thousand)	
Income on bank deposits		239,511	167,875
Reversal of impairment on property, plant and equipment		550,000	205,416
Rental income from investment properties	42.1	67,133	15,933
Profit on disposal of operating fixed assets		45,729	59,926
Scrap sales		181,702	470,265
Liabilities, no longer payable, written back		109,313	70,911
Management and technical fee	42.2	4,001	22,000
Amortization of deferred government grant	12	171,339	134,733
Amortization of deferred income	11	102,187	81,250
Deferred income on capital grant		9,000	-
Reversal of provision against stamp duty	42.3	96,664	-
Indent commission income		1,780	-
Insurance gain on assets destroyed by fire	42.4	99,337	331,933
Bargain purchase gain on acquisition of subsidiary	57.6	4,135,900	1,875,347
WPPF provision written back	19.9	-	929,419
Discounting adjustment on long term advances	14	73,580	49,000
Dividend income from mutual funds	42.5	27,390	-
Insurance claim		62,100	-
Gain on modification of lease		8,708	-
Others		102,358	172,825
		6,087,732	4,586,833

42.1 This includes rental income from OmyaPack (Private) Limited, a Joint Venture of the Group.

42.2 This represents management fee charged to SC Johnson & Son Pakistan (Pvt) Limited, a related party.

42.3 During the year, the Group has reversed provision recognised in prior years against stamp duty, upon payment of the demand raised by the relevant authorities amounting to 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 during the year. The damaged items were carried in the Group's books at zero written down value.

42.5 This represents dividend income earned from investments in conventional mutual funds.

43. This represents dividend income from other long term investments as referred to in note 28.

44. Finance cost

	Note	2023	2022
		(Rupees in thousand)	
Interest and mark-up including commitment charges on			
- Long term finances from financial institutions			
- Local currency	44.1	7,182,725	3,269,715
- Foreign currency		48,803	68,795
- Short term borrowings from financial institutions - secured		5,815,060	3,516,159
- Lease liabilities	9	28,735	63,432
Return on preference shares/convertible stock	8.45 & 21	155,550	155,550
Interest on security deposits	10	56,671	43,308
Unwinding of finance cost on long term advances	14	31,699	14,130
Bank charges		214,690	127,084
		13,533,933	7,258,173

44.1 This includes an amount of Rs 73.781 million (2022: Rs 51.290 million) as annual commitment fee on the undisbursed amount of facility availed from International Finance Corporation ('IFC').

45. Taxation

	Note	2023	2022
		(Rupees in thousand)	
Current			
- Current year		5,086,284	4,048,266
- Prior years		642,354	395,354
		5,728,638	4,443,620
Deferred tax (income)/expense	13.5	(725,429)	486,690
		5,003,209	4,930,310

45.1 Tax charge reconciliation

	2023	2022
	(% age)	
Numerical reconciliation between the average effective tax rate and the applicable tax rate		
Applicable tax rate as per Income Tax Ordinance, 2001	29.00	29.00
Tax effect of amounts that are:		
- Associates and joint ventures results reported net of tax	-	0.24
- Not deductible for tax purposes	7.26	12.05
- Super tax - current year	(3.99)	3.66
- Super tax - prior year	2.91	2.27
- Exempt for tax purposes	-	(0.03)
- Chargeable to tax at different rates	(0.93)	(0.68)
Effect of change in prior years' tax	1.22	0.96
Group taxation as explained in note 4.2	(4.50)	(5.21)
Effect of changes in tax rate	1.31	(2.05)
Deferred tax asset recognised	-	2.96
Tax effect under presumptive tax regime and others	0.10	0.06
Tax credits and losses recognised during the year	-	(0.15)
Tax effect of impairment reversal in respect of which no deferred tax asset has been recognised	(1.04)	(0.50)
Deferred tax asset not recognized	5.16	-
Effect of tax credit under section 61	(0.10)	0.03
Minimum tax	0.22	0.22
Effect of allowance against property income	(4.08)	(1.36)
Others	(0.04)	(0.07)
	3.50	12.40
Average effective tax rate charged to consolidated statement of profit or loss	32.50	41.40

45.2 Unrecognised temporary differences

	Note	2023	2022
		(Rupees in thousand)	
Temporary differences relating to investments in subsidiaries for which deferred tax liabilities/(assets) have not been recognised:			
- Foreign currency translation - PLL	45.2.1	193,540	157,930
- Foreign currency translation - FPCPL	45.2.2	-	(103,761)
- Undistributed earnings	45.2.3	10,549,963	14,010,920
		10,743,503	14,065,089

45.2.1 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.

45.2.2 Temporary differences had arisen in previous years as a result of the translation of the financial statements of the Group's subsidiary in South Africa. However, the subsidiary has been disposed of in the current year as explained in note 46.

45.2.3 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. Discontinued operations

During the current year, the Group's former subsidiary, Flexible Packages Convertors (Proprietary) Limited ('FPCPL'), identified as a cash-generating unit ('CGU') continued to suffer deteriorating financial performance, operating losses, and cash distress. Based on its unaudited financial information, FPCPL incurred a loss before tax of South African Rand (ZAR) 26 million (Rs 447.111 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). The deteriorating financial performance furthered the cash burden on the working capital of FPCPL which started restraining the production capacity. The management tested this CGU for impairment and the recoverable amount was determined to be nil.

Concurrently, the Board of Directors of FPCPL placed it in business rescue, leading to the appointment of a Business Rescue Practitioner ('BRP') and accordingly, the BRP took over full management control of FPCPL in substitution of its Board of Directors. These circumstances resulted in loss of control in subsidiary and hence, the Group deconsolidated its subsidiary on that date in accordance with IFRS 10 'Consolidated Financial Statements' and has recognized a gain on disposal amounting to Rs 96.281 million. The net assets as of April 13, 2023, and loss for the period from January 1, 2023 to April 13, 2023 are based on the unaudited results of FPCPL.

Also, the management has assessed nil fair value of the investment retained in the former subsidiary since no inflows are expected from such investment primarily because the liabilities of the former subsidiary exceeded its assets and is unlikely to meet its obligations. This was further substantiated by the restructuring assessment made by the BRP in which it ascertained that FPCPL is unable to meet its liabilities towards its creditors.

Also, the management has assessed that there are no separate obligations related to its ownership of the former subsidiary which would reduce the gain on deconsolidation. Further, the loss incurred by the CGU, as discussed above, has been presented as loss from discontinued operations on the face of the consolidated statement of profit or loss in accordance with the requirements of IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'.

	Note	2023	2022
		(Rupees in thousand)	
Loss after tax of subsidiary for the period from January 01, 2023 to April 13, 2023		(447,111)	-
Gain on disposal of subsidiary	46.3	543,392	-
		96,281	-

46.1 Financial performance and cash flow information

The financial performance and cash flow information presented are for the period from January 1, 2023 to April 13, 2023 and the year ended December 31, 2022.

	January 1, 2023 to April 13, 2023	January 1, 2022 to December 31, 2022
	(Rupees in thousand)	
Revenue	966,018	6,912,309
Expenses	(1,417,620)	(8,309,931)
Other income	4,491	418,880
Loss before income tax	(447,111)	(978,742)
Income tax expense	-	-
Loss for the period/year from discontinued operations	(447,111)	(978,742)
Loss from discontinued operations attributable to equity holders of Parent Company	(283,915)	(621,501)
Loss from discontinued operations attributable to non controlling interest	(163,196)	(357,241)
	(447,111)	(978,742)
Exchange differences on translation of discontinued operations	98,305	200,199
Other comprehensive loss from discontinued operations	98,305	200,199
Net cash (outflow)/inflow from operating activities	(43,808)	579,957
Net cash outflow from investing activities	(99,002)	(90,017)
Net cash outflow from financing activities	(723,813)	(261,515)
Net (decrease)/increase in cash generated by the subsidiary	(866,625)	228,424

The above figures are based on un-audited financial statements of Flexible Packages Convertors (Proprietary) Limited.

46.2 The carrying amounts of assets and liabilities as at the date of loss of control were:

		April 13, 2023
		(Rupees in thousand)
Property, plant and equipment		2,064,902
Stock-in-trade		325,739
Trade debts		941,556
Loans, advances and other receivables		88,039
	A	3,420,236
Lease liabilities and long term finances		549,912
Deferred tax		381,400
Finances under mark up arrangements - secured		178,831
Trade and other payables		3,297,815
	B	4,407,958
The cash and cash equivalents as at the date of loss of control were:		
Cash and bank balances	**C**	22,262
Carrying amount of negative net assets at the date of disposal	**D = A - B + C**	965,460

46.3 Gain on disposal of subsidiary

	2023
	(Rupees in thousand)
Fair value of consideration against disposal	
Less:	
Carrying amount of negative net assets at the date of disposal	965,460
Non controlling interest derecognized	
- Amount of non-controlling interest as at January 1, 2023	56,807
- Exchange loss for the period	35,881
- Share of loss from discontinued operations for the period	163,195
	255,883
Reclassification of foreign currency translation reserve	
- Balance as at January 1, 2023	103,761
- Exchange differences for the period	62,424
	166,185
Gain on disposal of subsidiary	543,392

47. Remuneration of Chief Executive, Directors and Executives

47.1 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 are as follows:

	Chief Executive		Executive Director		Non-Executive Directors		Executives	
	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in thousand)							
Short term employee benefits								
Managerial remuneration	107,800	75,355	38,797	25,022	-	-	2,027,462	1,509,383
Housing	36,380	27,213	7,006	5,992	-	-	536,545	374,726
Utilities	9,776	7,694	1,557	1,332	-	-	379,331	264,821
Bonus and incentives	71,117	63,215	-	-	-	-	833,329	823,998
Leave passage	6,148	4,546	-	-	-	-	42,449	28,273
Reimbursement of medical expenses	19,962	9,418	159	-	-	-	66,957	32,452
Directors' meeting fees	-	-	-	-	12,350	8,300	-	-
Other allowances and expenses	24,294	22,353	769	775	-	-	-	78,354
Other perquisites and benefits	25,154	-	-	-	-	-	297,848	85,742
	300,631	209,794	48,288	33,121	12,350	8,300	4,183,921	3,197,749
Post employment benefits								
Contribution to provident, gratuity and pension funds	25,154	18,719	-	-	-	-	329,326	241,774
	325,785	228,513	48,288	33,121	12,350	8,300	4,513,247	3,439,523
Number of persons	1	1	1	1	8	8	632	371

47.2 The Group also provides the Chief Executive and some of the directors and executives with Group maintained cars, free transport and utilities.

47.3 Premium charged in the consolidated financial statements in respect of directors' indemnity insurance policy, purchased by the Group during the year, amounting to Rs 0.847 million (2022: Rs 0.844 million).

48. Transactions with related parties

The related parties include the joint ventures, associates, group companies, directors, key management personnel, 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 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	2023	2022
		(Rupees in thousand)	
i. Joint ventures	Purchase of goods and services	828,075	532,127
	Sale of goods and services	87,973	511,860
	Rental income	8,027	5,584
	Dividend income	74,750	24,750
	Purchase of property, plant and equipment	3,050	-
	Reimbursement of salaries to Group	17,612	11,895
ii. Associates	Purchase of goods and services	367,036	35,742
	Sale of goods and services	9,445	42,606
	Dividend income	63,890	82,682
	Rental and other income	19,044	18,132
	Insurance claims	680,116	3,115,493
	Brokerage commission	5,378	-
	Insurance premium	1,894,972	889,003
	Management and technical fee	4,001	22,000
	Dividend paid	771,948	808,203
	Investment in equity investments	-	997,273
	Reimbursement of salaries to Group	100,041	86,605
iii. Other related parties	Purchase of goods and services	1,196,980	1,737,381
	Sale of goods and services	481,081	358,894
	Commission earned	1,780	1,569
	Commission expense	-	1,629
	Royalty and technical fee - expense	128,012	111,891
	Dividend paid	57,813	247,448
	Donations	74,906	143,932
	Rental and other income	2,436	2,033
iv. Retirement funds	Expense charged in respect of retirement plans	829,750	516,763
	Dividend paid	77,892	77,892
v. Key management personnel	Salaries and other employee benefits - note 48.1	690,461	490,372
	Dividend paid	88,396	87,651
	Meeting fee	11,600	7,550

48.1 This represents remuneration of the Chief Executive, executive director and some of the executives that are included in the remuneration disclosed in note 47 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.

48.2 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 -

Name	Basis of relationship	Aggregate % of shareholding in the Parent Company
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 company	- do -
Ali Gohar & Co. (Private) Limited	Group company	- do -
Pakistan Petroleum Limited	Group company	- do -
S.C. Johnson & Son of Pakistan (Private) Limited	Associate	- do -
IGI Life Insurance Limited	Associate	- do -
IGI Holding (Private) Limited	Associate	- do -
IGI Finex Securities Limited	Associate	- do -
IGI General Insurance Limited	Associate	- do -
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 directorship	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%
Irfan Mustafa	Ex-Director	None
Syed Babar Ali	Key Management Personnel	3.39%
Khurram Raza Bakhtayari	Key Management Personnel	None
Shaheen Sadiq	Ex-Key Management Personnel	- do -
Hammad Ahmed Butt	Ex-Key Management Personnel	- do -
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 -
Soban Waqar	Key Management Personnel	- do -

49. Capacity and production

	Note	Capacity		Actual production	
		2023	2022	2023	2022
Paper and paperboard produced - tonnes		369,200	309,200	236,106	253,419
Paper and paperboard converted - metric tonnes		76,326	71,877	40,154	47,378
Plastics all sorts converted - metric tonnes		29,978	31,453	17,653	22,981
Inks produced - tonnes		16,826	16,762	8,929	10,761
BoPP and CPP films produced		83,800	83,800	42,788	41,894
Flexible packaging material - tonnes		-	15,600	-	12,300
Corrugator - tonnes		104,000	96,000	84,590	93,444
Corn based starch products - tonnes	49.1	91,250	-	863	-

The variance of actual production from capacity is primarily on account of production planned as per market demand.

49.1 Production during the year ended December 31, 2023 was lower than operational capacity as the plant is not operating to its full capacity due to first year of operations.

49.2 The capacity and production of the Pharmaceutical segment is not determinable as it is a multiproduct plant facility involving varying processes of manufacture.

50. Number of employees

	Note	2023	2022
Total number of employees as at December 31		4,051	3,264
Average number of employees during the year		3,658	3,268

51. Rates of exchange

Following exchange rates have been applied for translating material balances in foreign currency:

	Average rate		Spot rate	
	2023	2022	2023	2022
USD 1	279.981	205.215	281.861	226.900
EURO 1	302.741	215.83	311.498	242.330
ZAR 1	15.159	11.671	15.220	13.309
LKR 1	0.860	0.65	0.870	0.621
AED 1	76.65	-	77.910	-

52. Cash flow information

52.1 Cash generated from operations

	Note	2023	2022
		(Rupees in thousand)	
Profit before tax from:			
Continuing operations		15,396,193	11,910,139
Discontinued operations		96,281	-
Profit before income tax including discontinued operations		15,492,474	11,910,139
Adjustments for:			
- Depreciation on operating fixed assets	23.1.5	5,980,394	4,895,623
- Depreciation on right-of-use assets	24	47,431	31,124
- Gain on disposal of subsidiary		(96,281)	-
- Depreciation on investment properties	25.1.1	942,500	911,046
- Discounting adjustment on long term advances	14	(73,580)	(49,000)
- Impairment loss on assets of subsidiary		-	1,056,314
- Reversal of impairment on property, plant and equipment	42	(550,000)	-
- Insurance gain on assets destroyed by fire	42	(99,337)	(331,933)
- Reversal of provision against stamp duty	42	(96,664)	-
- Gain on modification of lease	42	(8,708)	-
- Deferred income on capital grant	42	(9,000)	-
- Amortisation on intangible assets	26	70,012	36,560
- Amortisation of deferred income	11	(102,187)	(81,248)
- Amortisation of deferred government grant	12	(171,339)	(134,733)
- Discounting adjustment of government grant		(132,829)	(460,506)
- Government grant deducted from borrowing cost	12	(48,327)	-
- Provision for accumulating compensated absences	16	124,967	86,350
- Provision for employee benefit obligations	15	450,582	219,863
- Bargain purchase gain on acquisition of subsidiary	57	(4,135,900)	(1,875,347)
- Impairment losses on financial assets		239,437	184,287

	Note	2023	2022
		(Rupees in thousand)	
- Exchange adjustments - net	41	1,963,418	865,923
- Profit on disposal of operating fixed assets	42	(45,729)	(59,926)
- Provisions and unclaimed balances written back	42	(109,313)	(1,005,421)
- WPPF provision written back	42	-	(929,419)
- Unwinding of finance cost of present value	14	31,699	14,130
- Unwinding of discount on liability		-	65,996
- Interest cost on lease liability	9	28,735	63,432
- Provision for obsolete/slow-moving stores and spares	30.2	40,932	1,924
- Provision made/(reversed) for obsolete/slow-moving stock-in-trade	38.1	178,288	(5,873)
- Finance cost	44	13,533,933	7,266,106
- Dividend income	43	(997,773)	(1,204,252)
- Share of profit of investments accounted for under equity method - net of tax		(289,177)	(251,656)
Profit before working capital changes		32,158,658	21,219,503
Effect on cash flow due to working capital changes:			
(Increase)/decrease in current assets			
- Stores and spares		(1,205,452)	(552,611)
- Stock-in-trade		(2,128,516)	(12,220,664)
- Trade debts		1,327,801	(3,247,256)
- Loans, advances, deposits, prepayments and other receivables		372,706	(9,125,580)
- Rental security deposits		133,770	245,089
		(1,499,691)	(24,901,022)
- (Decrease)/increase in trade and other payables		(1,665,075)	6,612,577
		28,993,892	2,931,058

52.2 Cash and cash equivalents

	Note	2023	2022
Cash and bank balances	36	2,923,901	2,189,577
Short term running finances from financial institutions - secured	18	(33,776,718)	(25,457,067)
Short term investments	32	1,434,438	481,695
		(29,418,379)	(22,785,795)

52.3 Reconciliation of liabilities arising from financing activities

	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
Lease liabilities	476,691	(94,981)	(196,152)	185,558
Unclaimed dividend	82,041	(2,573,209)	2,832,323	341,155
	37,725,238	15,224,154	2,617,407	55,566,799

	Opening balance as at January 1, 2022	Cash flows	Other changes*	Closing balance as at December 31, 2022
	(Rupees in thousand)			
Long term finances from financial institutions	21,281,427	13,553,912	2,331,167	37,166,506
Lease liabilities	461,296	(217,745)	233,140	476,691
Unclaimed dividend	59,238	(2,858,056)	2,880,859	82,041
	21,801,961	10,478,111	5,445,166	37,725,238

*Other changes represent non-cash movements.

53. Earnings per share

53.1 Basic earnings per share

		2023	2022
Profit for the year - from continuing operations	**Rupees in thousand**	9,181,186	6,925,585
Profit for the year - from discontinued operations	**Rupees in thousand**	96,281	-
Weighted average number of ordinary shares	**Numbers**	89,379,504	89,379,504
Basic earnings per share - continuing operations	**Rupees**	102.72	77.49
Basic earnings per share - discontinued operations	**Rupees**	1.08	-
Total basic earnings per share		103.80	77.49

53.2 Diluted earnings per share

		2023	2022
Profit for the year - from continuing operations	**Rupees in thousand**	9,181,186	6,925,585
Profit for the year - from discontinued operations	**Rupees in thousand**	96,281	-
Return on preference shares/ convertible stock - net of tax	**Rupees in thousand**	110,833	110,833
		9,388,300	7,036,418
Weighted average number of ordinary shares	**Numbers**	89,379,504	89,379,504
Weighted average number of notionally converted preference shares/convertible stock	**Numbers**	8,186,842	8,186,842
		97,566,346	97,566,346
Diluted earnings per share - from continuing operations	**Rupees**	95.24	72.12
Diluted earnings per share - from discontinued operations	**Rupees**	1.08	-
Total basic earnings per share		96.32	72.12

54. 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 operation comprises of 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
Unallocated	Workshop and other general business

	Packaging Division		Consumer Products Division		Ink Division		Real Estate		Paper and Board	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in thousand)									
Total revenue	56,769,288	55,498,880	14,739,261	10,620,524	10,631,936	9,365,316	5,239,836	4,518,895	42,328,005	33,651,937
Intersegment revenue	(880,052)	(1,039,533)	(543,976)	(376,231)	(1,644,502)	(1,704,036)	-	-	(7,303,040)	(7,057,253)
Revenue from external customers	55,889,236	54,459,347	14,195,285	10,244,293	8,987,434	7,661,280	5,239,836	4,518,895	35,024,965	26,594,684
%age of revenue	36%	45%	9%	8%	6%	6%	3%	4%	22%	22%
Interest revenue	-	-	-	-	12,424	-	60,367	52,184	-	-
Interest expense	(3,372,789)	(2,154,439)	(885,793)	(465,424)	(211,765)	(211,765)	(1,459,297)	(915,261)	(5,179,809)	(1,827,667)
Depreciation and amortisation	(1,095,464)	(1,427,060)	(340,384)	(214,855)	(116,806)	(48,244)	(974,413)	(960,615)	(2,309,843)	(1,479,385)
Segment profit before tax	5,452,655	2,728,628	2,007,793	1,335,691	1,876,024	1,069,774	671,516	592,069	537,288	4,221,233
Segment taxation	(991,844)	(662,405)	-	-	(809,251)	(399,203)	(447,470)	(307,536)	(425,297)	(1,700,126)
Segment profit after tax	4,460,811	2,066,223	2,007,793	1,335,691	1,066,773	670,571	224,046	284,533	111,991	2,521,107
%age of profit/(loss) after tax	49%	25%	22%	16%	12%	8%	2%	3%	1%	31%
Segment assets	32,055,110	30,891,577	9,980,091	7,606,161	5,750,953	4,802,406	13,448,641	13,532,066	60,543,631	53,157,169
Segment liabilities	18,739,733	9,720,959	1,550,469	1,183,564	3,358,138	2,978,994	9,758,107	9,916,178	41,158,250	9,059,409

	Plastic		Pharmaceutical		Corn Starch		Unallocated		Total	
	2023	202	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in thousand)									
Total revenue	24,842,373	20,633,686	15,240,941	-	52,427	-	242,789	519,701	170,086,856	134,808,939
Intersegment revenue	(1,964,792)	(2,428,680)	-	-	(43,987)	-	(734,425)	(309,617)	(13,114,774)	(12,915,350)
Revenue from external customers	22,877,581	18,205,006	15,240,941	-	8,440	-	(491,636)	210,084	156,972,082	121,893,589
%age of revenue	15%	15%	10%	0%	0%	0%	0%	0%	100%	100%
Interest revenue	24,430	-	80,215	-	8,674	-	68,354	111,081	254,464	163,265
Interest expense	(861,347)	(1,012,461)	(60,224)	-	(155,819)	-	(1,347,090)	(658,598)	(13,533,933)	(7,245,615)
Depreciation and amortisation	(1,353,010)	(1,559,463)	(652,881)	-	(24,728)	-	(172,808)	(211,487)	(7,040,337)	(5,901,109)
Segment profit before tax	1,165,642	338,795	956,695	-	(363,509)	-	2,602,460	2,491,970	14,906,564	12,778,160
Segment taxation	(116,717)	(233,533)	(336,461)	-	79,688	-	(2,793,657)	(1,271,146)	(5,841,009)	(4,573,949)
Segment profit after tax	1,048,925	105,262	620,234	-	(283,821)	-	(191,197)	1,220,824	9,065,555	8,204,211
%age of profit/(loss) after tax	12%	1%	7%	0%	-3%	0%	-2%	15%	100%	100%
Segment assets	34,790,243	23,727,077	28,478,256	-	9,198,025	-	41,553,975	38,733,938	235,798,925	172,450,394
Segment liabilities	23,880,172	13,664,429	7,596,282	-	6,767,265	-	30,803,513	63,548,662	143,611,929	110,072,195

54.1 Reconciliation of segment profit

	2023	2022
	(Rupees in thousand)	
Total profit for reportable segments	14,906,564	12,778,160
Net income from associates and joint ventures	289,177	251,656
Bargain purchase gain on acquisition of HPL/TPFL	4,135,900	1,875,347
Intercompany adjustment	(3,935,448)	(2,995,024)
Profit before tax as per consolidated statement of profit or loss	15,396,193	11,910,139

54.2 Reconciliation of segment assets

Total assets for reportable segments	194,244,950	133,716,456
Intersegment assets	(978,764)	(38,889)
Fair valuation gain on assets upon acquisition of subsidiaries	26,777,842	7,932,519
Other corporate assets	14,776,133	30,879,197
Total assets as per consolidated statement of financial position	234,820,161	172,489,283

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.

54.3 Reconciliation of reportable segment liabilities

	2023	2022
	(Rupees in thousand)	
Total liabilities for reportable segments	112,808,416	46,523,533
Intersegment liabilities	(5,179,440)	(4,292,334)
Deferred tax liability on fair valuation gain upon acquisition of subsidiaries	4,579,867	2,300,430
Unallocated liabilities	26,223,646	61,248,232
Total liabilities as per consolidated statement of financial position	138,432,489	105,779,861

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.

54.4 Reconciliation of segment taxation

	2023	2022
	(Rupees in thousand)	
Total tax expense for reportable segments	(5,841,009)	(4,573,949)
Intercompany adjustment	837,800	(356,361)
Tax as per consolidated statement of profit or loss	(5,003,209)	(4,930,310)

54.5 Reconciliation of segment profit after tax

Total profit after tax for reportable segments	9,065,555	8,128,002
Intercompany adjustment for loss before tax	-	(791,847)
Intercompany adjustment for taxation	(356,326)	(356,326)
Profit as per consolidated statement of profit or loss	8,709,229	6,979,829

54.6 Information by geographical area

	Revenue		Non-current assets	
	2023	2022	2023	2022
	(Rupees in thousand)		(Rupees in thousand)	
Afghanistan	458,542	101,198	-	-
Angola	-	19,266	-	-
Australia	-	31	-	-
Macedonia	67,348	-	-	-
Albania	10,024	-	-	-
Croatia	1,835	-	-	-
Bahrain	456,022	473,375	-	-
Botswana	-	4,821	-	-
Canada	72,858	418,382	80,231	79,302
Indonesia	5,907	-	-	-
Kenya	126,687	77,315	-	-
Mauritius	-	53,465	-	-
Mozambique	-	3,482	-	-
Namibia	-	11,036	-	-
Oman	92,401	16,281	-	-
Pakistan	146,897,290	108,086,465	149,291,173	98,190,542
Qatar	11,334	49,703	-	-
Saudi Arabia	153,870	5,594	-	-
South Africa	-	6,875,472	-	1,973,197
Singapore	2,396	-	-	-
Guatemala	6,157	-	-	-
Spain	9,663	-	-	-
Greece	107,537	-	-	-
Srilanka	4,822,290	4,009,453	570,764	618,990
Sweden	218,868	-	-	-
Swaziland	-	168,476	-	-
UAE	2,057,295	782,581	770	-
UK	396,092	51,515	-	-
USA	752,683	679,126	-	-
Turkey	228,197	-	-	-
Tanzania	16,786	-	-	-
Zimbabwe	-	6,552	-	-
	156,972,082	121,893,589	149,942,938	100,862,031

Sales are allocated to geographical areas according to the country of receiving the goods or providing services.

54.7 Information about major customers

Included in the total revenue is revenue from six (2022: six) customers of the Group from the Packaging, Paper & board and Corrugator (2022: Packaging, Paper & board and Corrugator) segment which represents approximately Rs 27,107.868 million (2022: Rs 40,109.167 million) of the Group's total revenue. The Group's revenue from other segments is earned from a large mix of customers.

55. Financial risk management

55.1 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, South African Rand 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.

At December 31, 2023, if the Rupee had strengthened/weakened by 10% against the US dollar with all other variables held constant, profit for the year would have been Rs 70.931 million lower/higher (2022: Rs 118.007 million) higher/lower, mainly as a result of foreign exchange losses/gains on translation of US dollar-denominated financial assets and liabilities.

At December 31, 2023, if the Rupee had strengthened/weakened by 10% against the Euro with all other variables held constant, profit for the year would have been Rs 119.166 million lower/higher (2022: Rs 132.916 million) higher/lower, mainly as a result of foreign exchange losses/gains 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 Karachi Stock Exchange ('KSE') 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	
	2023	2022
	(Rupees in thousand)	
Pakistan Stock Exchange Limited	2,993,478	2,142,109

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, 2023, 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	
	2023	2022
	(Rupees in thousand)	
Short term investments	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 and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

	2023	2022
	(Rupees in thousand)	
Fixed rate instruments:		
Financial assets		
Bank balances - savings accounts	596,320	1,424,327
Short term investments	305,000	521,695
	901,320	1,946,022
Financial liabilities		
Preference shares/convertible stock - unsecured	(932,650)	(932,650)
Lease liabilities	(185,558)	(476,691)
	(1,118,208)	(1,409,341)
Net exposure	(216,888)	536,681
Floating rate instruments:		
Financial liabilities		
Long term finances from financial institutions	(54,107,436)	(36,233,856)
Short term borrowings from financial institutions - secured	(40,021,257)	(35,662,097)
	(94,128,693)	(71,895,953)
Net exposure	(94,128,693)	(71,895,953)

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, 2023, 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 1,148.370 million (2022: Rs 963.406 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:

	2023	2022
	(Rupees in thousand)	
Long term loans	4,265	316
Long term security deposits	206,382	191,152
Trade debts	14,412,037	16,083,009
Short term investments	1,434,438	521,695
Loans, deposits and other receivables	1,515,845	2,050,531
Balances with banks	2,898,235	2,176,940
	20,471,202	21,023,643

(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.

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, 2023 and 24 months before January 01, 2023 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, 2023 and December 31, 2022 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, 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	445,673	15,197,476
Loss allowance	10,240	57,467	117,973	154,086	445,673	785,439

	Current balances	Up to 90 days	91 to 180 days	181 to 365 days	365 days or more	Total
	(Rupees in thousand)					
December 31, 2022						
Expected loss rate	0.09%	2.07%	27.88%	65.636%	100.00%	
Gross carrying amount of trade debts	11,013,604	4,922,273	304,022	115,455	37,316	16,392,670
Loss allowance	9,912	101,898	84,761	75,774	37,316	309,661

(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	2023	2022
	Short term	Long term		(Rupees in thousand)	
Allied Bank Limited	A1+	AAA	PACRA	74,429	77,499
Bank Al-Habib Limited	A1+	AAA	PACRA	43,324	14,243
Bank Islami	A1+	AA-	PACRA	968	1,808
Bank of Punjab	A1+	AA+	PACRA	178	17
Citibank N.A.	F1	A+	Fitch Ratings	711	11
Deutcsche Bank AG, Pakistan	A2	A-	S&P	37,975	40
Faysal Bank Limited	A1+	AA-	PACRA	12,995	25,014
First National Bank Limited	-	BA1	PACRA	-	4,007
Habib Bank Limited	A1+	AAA	PACRA	581,161	783,871
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	123,120	65,362
Hatton National Bank		AA-	Fitch Ratings	5,104	-
Industrial & Commercial Bank of China	F1+	A	Fitch Ratings	69	87
Sri Lanka Industrial and Commercial Bank	-	AA-	Fitch Ratings	-	101,611
JS Bank Limited	A1+	AA-	PACRA	12,645	39
MCB Bank Limited	A1+	AAA	PACRA	1,167,667	125,432
MCB Islamic Bank Limited	A1	A	PACRA	195	562
Meezan Bank Limited	A1+	AAA	VIS	4,045	1,074
Muslim Commercial Bank	A1+	A+	Fitch Ratings	182,110	-
Pan Asia Banking Corporation		BBB-	Fitch Ratings	656	-
National Bank of Pakistan	A1+	AAA	PACRA	12,355	10,915
National Development Bank		A-	Fitch Ratings	58,585	-
TD bank	F1+	AA-	Fitch Ratings	19,491	-
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	166,140	60,863
United Bank Limited	A1+	AAA	PACRA	11,764	101
Commercial Bank of Ceylon PLC		AA-	Fitch Ratings	11	-
Bank of Montreal	F1+	AA-	Fitch Ratings	9,194	-
Bank of China Limited	F1+	A-	Fitch Ratings	120	-
Bank Alfalah Limited	A1+	AA+	PACRA	369,634	16
Askari Bank Limited	A1+	AA+	PACRA	313	-
Al Baraka Bank Limited	A1	A+	PACRA	661	-
Dubai Islamic Bank	A1+	AA	PACRA	2,431	-
AfrAsia Bank	-	F1+	Fitch Ratings	184	904,368
				2,898,235	2,176,940

(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 52.2) 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.

The table below analyses the Group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows as the impact of discounting is not significant.

	Carrying value	Total contractual cashflows	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At December 31, 2023	(Rupees in thousand)					
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

	Carrying value	Total contractual cashflows	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At December 31, 2022	(Rupees in thousand)					
Long term finances from financial institutions	36,079,319	37,166,506	6,623,567	8,344,900	16,684,386	5,513,653
Security deposits	420,920	548,058	28,076	-	519,982	-
Short term borrowings from financial institutions - secured	35,662,097	35,662,097	35,662,097	-	-	-
Trade and other payables	19,190,152	19,190,152	19,190,152	-	-	-
Unclaimed dividend	82,041	82,041	82,041	-	-	-
Accrued finance cost	2,513,568	2,513,568	2,513,568	-	-	-
Lease Liabilities	476,691	571,323	257,021	209,535	104,767	-
	94,424,788	95,733,745	64,356,522	8,554,435	17,309,135	5,513,653

55.2 Financial instruments by categories

The carrying values of following 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.

	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, 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	-	-	1,515,845	1,515,845
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	-	-	2,923,901	2,923,901
	1,129,438	29,959,311	19,369,793	50,458,542

	At fair value through other comprehensive income	At amortised cost	Total
	(Rupees in thousand)		
Financial assets as at December 31, 2022			
Long term loans	-	438	438
Long term deposits	-	191,152	191,152
Trade debts	-	16,083,009	16,083,009
Loans, deposits and other receivables	-	2,050,531	2,050,531
Other long term investments	21,441,759	-	21,441,759
Short term investments	-	521,695	521,695
Cash and bank balances	-	2,189,577	2,189,577
	21,441,759	21,036,402	42,478,161

	Note	2023	2022
		(Rupees in thousand)	
Financial liabilities at amortised cost			
Long term finances from financial institutions		54,269,389	36,079,319
Lease liabilities		185,558	476,691
Security deposits		554,690	420,920
Short term borrowings from financial institutions - secured		40,021,257	35,662,097
Trade and other payables		23,639,867	19,190,152
Unclaimed dividend		113,141	82,041
Unpaid dividend		228,014	-
Accrued finance cost		4,771,233	2,513,568
		123,783,149	94,424,788

55.3 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.

55.4 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 equity (as shown in the 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 and liquid investments.

The gearing ratios as at December 31, 2023 and 2022 were as follows:

	Note	2023	2022
		(Rupees in thousand)	
Borrowings	8 & 18	95,061,343	72,828,603
Less: Cash and bank balances	36	2,923,901	2,189,577
Net debt		92,137,442	70,639,026
Total equity		96,387,672	66,709,422
Total capital		188,525,114	137,348,448
		Percentage	
Gearing ratio		49%	51%

In accordance with the terms of agreement with the lenders of long term finance facilities (as disclosed in note 8 to these financial statements), the Group is required to comply with financial covenants. The Group has complied with these covenants throughout the reporting period.

55.5 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).

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

At December 31, 2022

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
Assets	(Rupees in thousand)			
Investments - FVOCI	21,436,734	-	5,025	21,441,759

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.

56. Interests in other entities

56.1 Subsidiaries

The Group's subsidiaries at December 31, 2023 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		Ownership interest held by non-controlling interests		Principal activities	Registered address	Principal place of business	Manufacturing units and offices
		2023	2022	2023	2022				
		(%)							
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, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan	416-422, G-20, The Forum, 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, 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, 4Suite 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.
Flexible Packages Convertors (Proprietary) Limited	South Africa	63.50%	63.50%	36.50%	36.50%	Manufacturing and sale of flexible packaging	316 Marks Street, Watloo 0184, Pretoria South, Gauteng, RSA	316 Marks Street, Watloo 0184, Pretoria South, Gauteng, RSA	316 Marks Street, Watloo 0184, Pretoria South, Gauteng, RSA
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, Ekala, Ja-Ela	148, Minuwandoga Road, Ekala, Ja-Ela	148, Minuwandoga Road, Ekala, Ja-Ela

Name of Entity	Place of business / country of incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interests		Principal activities	Registered address	Principal place of business	Manufacturing units and offices
		2023	2022	2023	2022				
		(%)							
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 investment 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%	(*)	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

(*) Hoechst Pakistan Limited was acquired during the year as explained in note 56. In 2022, it was an associate.

56.1.1 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

56.2 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) - note 56.2.1		Tri-Pack Films Limited		DIC Pakistan Limited		Flexible Packages Convertors (Proprietary)Limited note 56.2.2		Packages Lanka (Private) Limited and its subsidiaries		Packages Real Estate (Private) Limited	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in thousand)											
Summarized statement of financial position												
Current assets	7,790,750	-	13,405,169	9,051,363	4,533,189	4,269,105	-	2,078,159	1,962,210	1,926,463	1,782,064	2,107,880
Current liabilities	4,398,924	-	13,436,927	8,141,639	3,273,276	2,881,539	-	3,844,039	1,132,584	1,584,342	4,611,496	5,457,725
Current net assets/(liabilities)	3,391,826	-	(31,758)	909,724	1,259,913	1,387,566	-	(1,765,880)	829,626	342,121	(2,829,432)	(3,349,845)
Non-current assets	20,687,506	-	21,385,074	14,675,714	1,217,764	533,301	-	1,973,197	1,035,247	698,294	11,666,577	11,424,186
Non-current liabilities	3,206,358	-	10,443,245	5,522,790	84,862	97,455	-	587,737	277,979	185,689	5,146,611	4,443,456
Non-current net assets	17,481,148	-	10,941,829	9,152,924	1,132,902	435,846	-	1,385,460	757,268	512,605	6,519,966	6,980,730
Net assets	20,872,974	-	10,910,071	10,062,648	2,392,815	1,823,412	-	(380,420)	1,586,894	854,726	3,690,534	3,630,885
Accumulated NCI	12,305,852	-	3,326,032	3,072,945	1,068,288	739,802	-	278,403	323,541	154,309	916,903	852,919
Summarized statement of comprehensive income												
Revenue	16,698,943	-	24,842,373	25,523,952	10,621,425	9,365,316	-	6,912,309	5,209,207	4,204,342	5,310,551	4,568,673
Profit for the year	674,917	-	1,123,370	863,506	1,066,774	670,571	-	(2,035,056)	504,953	399,514	224,046	284,532
Other comprehensive income/(loss)	72,433	-	(20,307)	(5,615)	2,630	(3,243)	-	210,940	425,147	(318,423)	1,540	(1,670)
Total comprehensive income/(loss)	747,350	-	1,103,063	857,891	1,069,404	667,328	-	(1,824,116)	930,100	81,091	225,586	282,862
Total comprehensive income/(loss) allocated to NCI	397,746	-	228,914	10,345	471,325	242,800	-	(359,099)	106,648	2,859	55,663	70,678
Dividends paid to NCI	-	-	59,634	155,047	225,107	225,107	-	-	41,608	-	37,491	24,994
Summarized cash flows												
Cash flows from operating activities	1,568,801	-	2,995,392	4,947,176	999,374	277,402	-	45,712	1,317,395	(77,101)	1,245,722	1,568,280
Cash flows from investing activities	(965,683)	-	(7,254,547)	(1,480,260)	(758,340)	(206,901)	-	(7,095)	(55,435)	(40,409)	(1,183,834)	(1,687,497)
Cash flows from financing activities	(47)	-	1,296,374	(1,781,967)	(297,246)	(581,040)	-	(20,612)	(720,419)	351,757	(1,467,938)	(283,625)
Net increase/(decrease) in cash and cash equivalents	603,071	-	(2,962,781)	1,684,949	(56,212)	(510,539)	-	18,005	541,541	234,247	(1,406,050)	(402,842)

56.2.1 Financial information of Hoechst Pakistan Limited is from April 29, 2023 to December 31, 2023 since the associate was acquired on April 28, 2023 and has been consolidated with effect from that date as explained in note 57.

56.2.2 Flexible Packages Convertors (Proprietary) Limited has been disposed of during the year as referred to in note 46.

56.3 Interests in associates and joint ventures

Set out below are the associates and joint ventures of the Group as at December 31, 2023 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	
		2023	2022			2023	2022	2023	2022
						(Rupees in thousand)			
Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited)	Pakistan	(*)	6.07%	Associate	Equity method	(*)	560,673	(*)	999,821
IGI Holdings Limited	Pakistan	10.54%	10.54%	Associate	Equity method	1,658,896	1,428,139	5,422,305	4,229,505
Plastic Extrusions (Proprietary) Limited	South Africa	0.00%	50.00%	Joint venture	Equity method	(**)	(**)	(***)	53,029
OmyaPack (Private) Limited	Pakistan	50.00%	50.00%	Joint venture	Equity method	(**)	(**)	563,768	535,125
Total equity accounted investments								5,986,073	5,817,480

Business activities of Group's associates and joint ventures

Sanofi-Aventis Pakistan Limited is in the business of manufacture and sale of pharmaceutical products.

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.

(*) Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited) was acquired during the year and has been consolidated as referred to in note 57.

(**) These are privately held entities for which no quoted price is available.

(***) Plastic Extrusions (Proprietary) Limited was a joint venture of FPCPL and has been disposed of during the year.

56.3.1 There are no commitments and contingent liabilities of the Group in respect of associates and joint ventures.

56.3.2 Summarized financial information of associates

The table below provides summarized financial information of those associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Group's share of those amounts:

	Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limted)*		IGI Holdings Limited	
	2023	2022	2023	2022
	(Rupees in thousand)		(Rupees in thousand)	
Summarized statement of financial position				
Current assets	-	9,064,118	34,787,759	22,989,972
Non-current assets	-	1,932,272	82,313,858	65,877,798
Total assets	-	10,996,390	117,101,617	88,867,770
Current liabilities	-	5,946,779	26,228,050	18,016,983
Non-current liabilities	-	13,500	24,710,905	19,761,008
Total liabilities	-	5,960,279	50,938,955	37,777,991
Net assets	-	5,036,111	66,162,662	51,089,779
Reconciliation to carrying amounts:				
Opening net assets	-	5,218,521	51,089,779	47,982,017
Profit for the year	-	213,011	3,911,640	2,879,451
Other comprehensive income/(loss) for the year	-	(118,568)	11,777,093	1,012,780
Staff cost in relation to share-based payments	-	12,490	-	-
Repayment of advance against preference shares	-	-	-	-
Dividends paid	-	(289,343)	(606,180)	(784,469)
Closing net assets	-	5,036,111	66,172,332	51,089,779
Group's share - %	(*)	6.07%	10.54%	10.54%
Group's share	-	999,821	5,422,305	4,229,505
Carrying amount	-	999,821	5,422,305	4,229,505
Summarized statement of comprehensive income				
Revenue	6,128,008	1,404,528	17,492,304	9,906,517
Profit/(loss) before tax	(481,048)	833,836	5,753,735	3,987,013
Profit/(loss) after tax	(582,786)	213,012	3,911,640	2,648,397
Other comprehensive loss	-	(118,568)	(309,781)	(309,781)
Total comprehensive income	(582,786)	94,444	3,601,859	2,338,616
Dividends received from associates	-	17,563	63,890	82,683

* Consequent to the business combination as explained in note 57 of these consolidated financial statements, HPL was acquired during the year therefore, only summarised statement of comprehensive income has been presented for the period January 1, 2023 to April 28, 2023.

56.3.3 Summarized financial information of joint ventures

The table below provides summarized financial information of joint ventures 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	2023	2022
	(Rupees in thousand)	
Current assets		
Cash and bank balances	116,448	171,431
Other current assets	783,289	476,799
Total current assets	899,737	648,230
Non-current assets	1,015,828	1,098,146
Current liabilities		
Financial liabilities (excluding trade payables)	128,214	51,740
Other current liabilities	428,246	395,093
Total current liabilities	556,460	446,833
Non-current liabilities		
Financial liabilities	139,552	184,751
Other non-current liabilities	91,992	44,517
Total non-current liabilities	231,544	229,268
Net assets	1,127,561	1,070,275
Reconciliation to carrying amounts:		
Opening net assets	1,070,275	1,017,679
Transaction with owners in their capacity as owners (dividend paid)	(149,500)	(49,500)
Profit for the year	206,520	105,363
Other comprehensive income	266	(3,267)
Closing net assets	1,127,561	1,070,275
Group's share - %	50.00%	50.00%
Group's share	563,768	561,423
Carrying amount	563,768	561,410
Summarized statement of comprehensive income		
Revenue	1,550,080	1,105,950
Interest income	40,743	1,547
Depreciation and amortisation	113,200	103,351
Interest expense	31,513	33,286
Income tax expense	(131,837)	(25,321)
Profit before tax	338,356	130,684
Profit after tax	206,520	105,363
Other comprehensive loss	266	(3,267)
Total comprehensive Income	206,786	102,096
Dividends received from joint ventures	74,750	24,750

56.3.3.1 Individually immaterial joint ventures

In addition to the interests in joint ventures disclosed above, the Group also had interest in individually immaterial joint venture, Plastic Extrusions (Proprietary) Limited. The financial information of this Joint Venture is not available, therefore, it has not been presented as this joint venture has been disposed of during the year:

	2023	2022
	(Rupees in thousand)	
Aggregate carrying value of individually immaterial associates and joint ventures	-	53,029
Aggregate amounts of the Group's share of:		
Profit from continuing operations	-	6,239
Other comprehensive income	-	7,881
Total comprehensive income	-	14,120

57. Business combination

57.1 Acquisition method of accounting - IFRS 3 "Business Combination

The acquisition method of accounting is used to account for all business combinations, as detailed in note 4.7.

57.2 Summary of acquisition - Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited)

The Board of Directors of the Parent Company in their meeting resolved to purchase 35% shareholding held by Sanofi Foreign Participations B.V ('Sanofi BV') in Hoechst Pakistan Limited ('HPL') (formerly Sanofi-Aventis Pakistan Limited), a company principally engaged in the manufacturing, selling and trading of pharmaceutical and related products. The transaction was approved by the shareholders through a special resolution at the Extraordinary General Meeting of the Parent Company. Consequently, a Share Purchase Agreement ('Agreement') was entered into between the Parent Company and Sanofi BV dated April 29, 2022 to purchase 3,375,665 shares of HPL representing a stake of 35% in the shareholding. However, this transfer of shares was to be executed after satisfaction of certain pre-conditions mentioned in the Agreement. The Parent Company, in accordance with Listed Companies (Substantial Acquisition of Shares and Takeovers) Regulations, 2017 read with the Securities Act 2015 (together 'the Regulations') purchased 585,254 shares of ordinary shares of HPL representing 6.07% of the shareholding from the public.

During the year, on April 28, 2023, pursuant to the share purchase agreement with Sanofi BV, the Group has acquired 35% shareholding represented by 3,375,665 shares of HPL at a negotiated purchase price of Rs 940 per share. The Group now has a total shareholding of 41.07% in HPL. The Group management has made a detailed assessment under International Financial Reporting Standard (IFRS) 10: "Consolidated Financial Statements" and considers HPL to be its subsidiary as it has de-facto control over it. The Group management has concluded that the Group controls HPL even though it holds less than half of the voting rights of this subsidiary. This is because the Group is the largest shareholder with a 41.07% equity interest, while the remaining shares are widely dispersed. Accordingly, HPL has been consolidated with effect from April 28, 2023.

57.3 Purchase consideration

In addition to the shares acquired on August 30, 2022, the Group on April 28, 2023, acquired 3,375,665 shares from Sanofi B.V pursuant to the Share Purchase Agreement at a negotiated purchase price of Rs 940 per share amounting to Rs 3,173.125 million (excluding transaction costs) which represents 35% of shareholding in HPL. Consequently, the total shareholding in HPL was increased to 41.07%.

57.4 Acquisition related costs

Acquisition-related costs amounting to Rs 19.513 million have been recognised in gains and losses relating to business combinations in the consolidated statement of profit or loss.

57.5 Identifiable assets acquired and liabilities assumed

International Financial Reporting Standard 3, (IFRS 3) 'Business Combinations', requires that all identified assets and liabilities acquired in a business combination should be carried at fair values in the acquirer's balance sheet and any intangible assets acquired in the business combination are required to be separately recognized at fair values.

The acquisition has been accounted for by applying the purchase method in accordance with the requirements of IFRS - 3. IFRS - 3 allows the acquirer a maximum period of one year from the date of acquisition to finalize the determination of fair value of the assets and liabilities and to determine the value of any intangible asset separately identified.

During the year, the Group carried out an exercise to firm up the fair values of net assets acquired, to complete the acquisition accounting within a period of twelve months from the date of acquisition in accordance with IFRS 3 'Business Combinations'. Accordingly, the fair values of net assets acquired and gain on bargain purchase are determined. The effect of these adjustments has been taken from the date of acquisition pursuant to the requirements of IFRS 3 'Business Combinations'.

The recognised amounts of acquired net assets are as follows:

	Carrying values as at April 28, 2023	Fair value adjustment	Recognised values
	(Rupees in thousand)		
Assets			
Property, plant and equipment	1,824,791	12,915,842	14,740,633
Investment property	32,378	568,744	601,122
Intangible assets	17,472	5,563,762	5,581,234
Long-term loans to employees	4,616	-	4,616
Long-term deposits	15,983	-	15,983
Deferred taxation - net	203,025	(203,025)	-
Stores and spares	96,695	-	96,695
Stock-in-trade	6,048,149	-	6,048,149
Trade debts	598,386	-	598,386
Loans and advances	239,371	-	239,371
Trade deposits and short-term prepayments	1,642,460	-	1,642,460
Other receivables	686,350	-	686,350
Taxation - net	1,396,717	-	1,396,717
Cash and bank balances	139,760	-	139,760
	12,946,153	18,845,323	31,791,476
Liabilities			
Deferred liabilities	9,000	-	9,000
Defined benefit plan - gratuity fund	50,049	-	50,049
Deferred taxation - net	-	3,111,437	3,111,437
Contract liabilities	276,889	-	276,889
Trade and other payables	7,487,048	-	7,487,048
Current maturity of deferred liabilities	18,937	-	18,937
Bank overdraft	617,275	-	617,275
Accrued mark-up	17,302	-	17,302
Unclaimed dividend	8,263	-	8,263
Unpaid dividend	2,283	-	2,283
	8,487,046	3,111,437	11,598,483
Fair value of net assets acquired			20,192,993

The fair value of acquired trade receivables is Rs 598.386 million which is equal to its carrying amount. The gross contractual amount for trade receivables due is Rs 598.386 million, of which an immaterial amount is expected to be uncollectible. The fair value of all other acquired receivables is also equal to their gross contractual amounts.

The acquired business contributed revenues of Rs 15,240.941 million and profit of Rs 956.695 million to the Group for the period from April 29, 2023 to December 31, 2023.

If the acquisition had occurred on January 1, 2023, consolidated pro-forma revenue and profit for the year ended December 31, 2023 would have been Rs 163,100.090 million and Rs 9,906.479 million respectively. These amounts have been calculated using HPL's revenues and HPL's net profit.

The carrying value of identifiable assets acquired and liabilities assumed, except leasehold land, buildings and plant and machinery, included in property, plant and equipment, and intangible assets approximate their fair values. The Group has carried out fair valuation exercise and incorporated fair value adjustments in these consolidated financial statements.

57.6 Gain on bargain purchase

At the acquisition date, Management determined that acquisition of HPL was a bargain purchase as the provisional fair value of net assets acquired exceeded the fair value of purchase consideration paid by the Group. Under IFRS 3: "Business Combinations", a bargain purchase represents an economic gain, which was immediately recognised by the acquirer in profit or loss. Gain on bargain purchase arising from the acquisition is as follows:

	Recognised values
	(Rupees in thousand)
Fair value of identifiable net assets	20,192,993
Percentage of identifiable net assets acquired	41.07%
	8,293,002
Purchase consideration paid in cash	3,173,125
Fair value of equity interest held in HPL held before the business combination	409,678
Total purchase consideration	3,582,803
Gain on bargain purchase	4,710,199

The Group recognised a loss of Rs 554.786 million as a result of measuring at fair value its 6.07% equity interest in HPL held before the business combination. The loss has been recognised in gains and losses relating to business combinations in the consolidated statement of profit or loss for the year ended December 31, 2023.

The reconciliation of bargain purchase gain recognised in 'other income' is as follows:

	Recognised values
	(Rupees in thousand)
Bargain purchase gain recognised	4,710,199
Less:	
Loss recognised on measuring equity interest at fair value	554,786
Acquisition related costs	19,513
	574,299
	4,135,900

57.7 Purchase consideration - cash outflow

Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	(3,173,125)
Less: Balances acquired	
Cash and bank balances	139,760
Bank overdraft	(617,275)
	(477,515)
Net outflow of cash - investing activities	(3,650,640)

57.8 **Fair valuation**

i) Property, plant and equipment

Level 2 fair values

Fair value of Property, plant and equipment is based on the valuation carried out by an independent valuer. 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 55.5.

Valuation techniques used to derive level 2 fair values

Market comparison technique and cost technique: The valuation model considers market prices of similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

ii) Intangible assets

Level 3 fair values

In the absence of current prices in an active market, the fair value is determined by an independent valuer using the income approach. 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 55.5.

Valuation techniques used to derive level 3 fair values

Relief-from-royalty method: The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the trademarks being owned.

58. Date of authorization for issue

These consolidated financial statements were authorized for issue on March 26, 2024 by the Board of Directors.

59. Events after the reporting date

The Board of Directors has proposed a final cash dividend for the year ended December 31, 2023 of Rs 27.50 per share (2022: Rs 27.50 per share), amounting to Rs 2,457.937 million (2022: Rs 2,457.937 million) at their meeting held on March 26, 2024 for approval of the members at the Annual General Meeting to be held on April 29, 2024.

60. Corresponding figures

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison and better presentation. However, no significant rearrangements have been made.

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, Next 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, 2023, there were 3,976 members on the Company's ordinary share register.

DIVIDEND PAYMENT
The Board of Directors of the Company has recommended a 275% (Rs 27.50) final dividend for the year ended 2023. The proposal shall be placed before the shareholders of the Company in the Annual General Meeting for their consideration and approval on Monday, April 29, 2024. The dividend shall be paid with in 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 Monday, April 22, 2024, and shall be subject to the Zakat and tax deductions as per applicable laws.

Financial Calendar

RESULTS

First quarter ended March 31, 2023	Approved and announced on	26-04-2023 27-04-2023
Half year ended June 30, 2023	Approved and announced on	25-08-2023 28-08-2023
Third quarter ended September 30, 2023	Approved and announced on	26-10-2023
Year ended December 31, 2023	Approved and announced on	26-03-2024

DIVIDEND

Final – Cash (2022)	Approved on Statutory time limit up to which payable Paid on	28-04-2023 12-05-2023 10-05-2023
69th Annual General Meeting to be held on		29-04-2024

Listing on Stock Exchange
The equity shares of Packages Limited (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 3,976 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.pk

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, 72.73% 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.

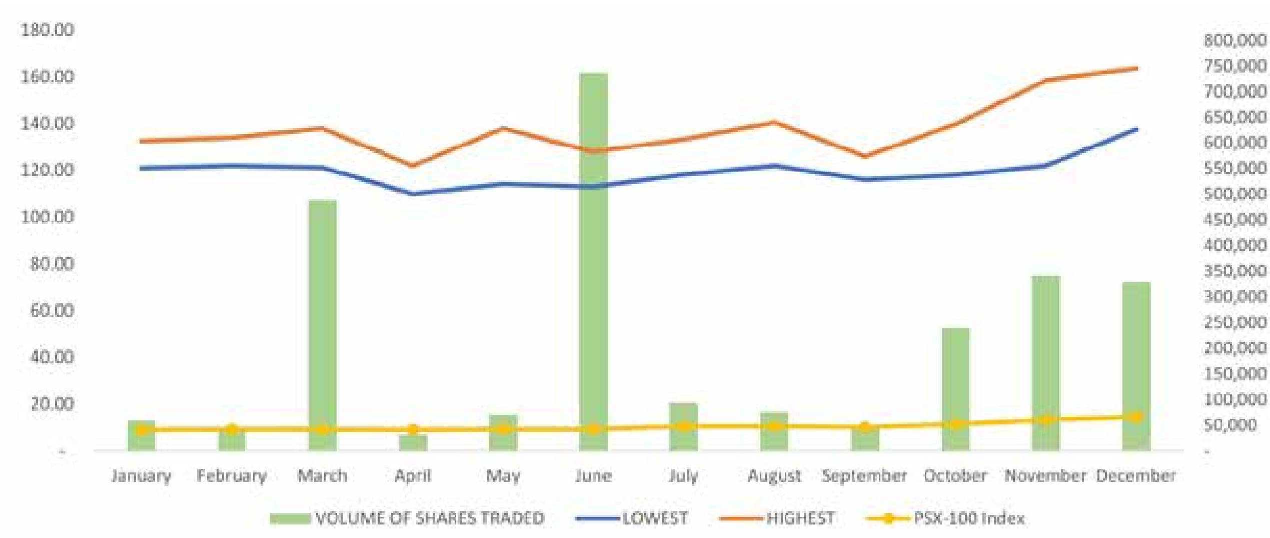
Web Presence

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 2023 are as under:

Month	Share price on the PSX (Rs.)		Volume of Shares Traded	PSX-100 Index
	Highest	Lowest		Close
January	385.00	331.18	84,100	41,007.52
February	390.00	340.00	46,000	42,466.59
March	369.00	333.00	248,300	41,874.04
April	340.00	311.00	212,100	41,580.85
May	410.00	322.00	1,756,700	42,241.98
June	399.95	367.55	50,824	42,142.71
July	400.00	366.00	1,383,960	48,034.59
August	394.99	345.00	852,783	48,764.55
September	379.99	316.00	77,831	46,421.15
October	433.00	367.00	788,075	51,920.27
November	480.00	420.00	314,068	60,730.26
December	575.00	457.10	5,788,393	66,426.78



Pattern of Shareholding

The shareholding pattern of the equity share capital of the Company as of December 31, 2023 is as follows:

Shareholding		Number of shareholders	Total shares held
From	To		
1	100	1,919	44,963
101	500	776	221,506
501	1,000	350	277,560
1,001	5,000	538	1,282,118
5,001	10,000	145	1,091,157
10,001	15,000	43	543,337
15,001	20,000	27	482,594
20,001	25,000	22	490,853
25,001	30,000	25	692,282
30,001	35,000	18	587,529
35,001	40,000	7	260,831
40,001	45,000	7	298,430
45,001	50,000	5	238,391
50,001	55,000	5	260,562
55,001	60,000	4	225,695
60,001	65,000	5	312,607
65,001	70,000	4	263,259
70,001	75,000	3	217,028
75,001	80,000	5	391,971
85,001	90,000	2	176,999
95,001	100,000	1	94,351
100,001	105,000	2	199,700
110,001	115,000	2	208,494
130,001	135,000	1	113,800
135,001	140,000	1	135,037
140,001	145,000	2	283,951
150,001	155,000	2	297,828
155,001	160,000	3	458,305
170,001	175,000	1	157,806
180,001	185,000	1	165,461
190,001	195,000	1	186,825
195,001	200,000	2	385,966
220,001	225,000	2	398,800
240,001	245,000	1	210,005
245,001	250,000	1	221,210
255,001	260,000	1	241,975

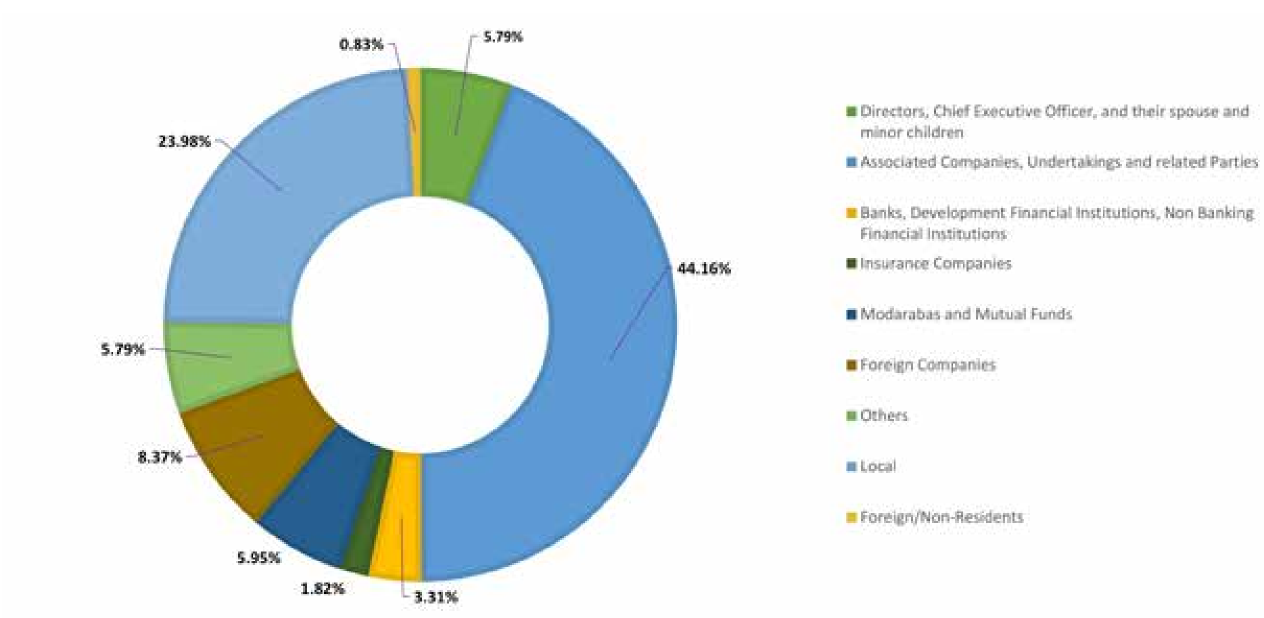
Shareholding		Number of shareholders	Total shares held
From	To		
260,001	265,000	1	250,000
270,001	275,000	1	264,239
275,001	280,000	1	281,500
280,001	285,000	1	287,290
285,001	290,000	1	293,377
300,001	305,000	2	607,668
305,001	310,000	1	316,135
320,001	325,000	1	322,842
345,001	350,000	1	345,987
365,001	370,000	1	361,366
380,001	385,000	1	403,055
400,001	405,000	1	421,300
420,001	425,000	1	467,000
465,001	470,000	1	478,967
595,001	600,000	1	600,000
640,001	645,000	1	628,925
660,001	665,000	1	660,036
755,001	760,000	1	757,482
820,001	825,000	1	819,400
890,001	895,000	1	821,714
975,001	980,000	1	892,479
985,001	990,000	1	975,237
990,001	995,000	1	986,600
1,070,001	1,075,000	1	990,641
1,195,001	1,200,000	1	1,198,668
1,955,001	1,960,000	1	1,250,457
2,065,001	2,070,000	1	1,450,390
2,285,001	2,290,000	1	1,874,970
2,530,001	2,535,000	1	2,000,000
2,845,001	2,850,000	1	2,067,893
3,500,001	3,505,000	1	2,287,175
3,610,001	3,615,000	1	2,533,529
3,915,001	3,920,000	1	2,577,184
4,545,001	4,550,000	1	2,784,429
5,395,001	5,400,000	1	3,299,993
26,705,001	26,710,000	1	3,504,115
		3,976	**89,379,504**

Details of Shareholdings

Shareholders' category	Number of shareholders	Number of shares held
i. Associated Companies, Undertakings and Related Parties		
IGI Investments (Pvt.) Limited	1	26,707,201
Babar Ali Foundation	3	9,927,905
Trustees Packages Limited (Employees P.F.)	1	2,067,893
Trustees Packages Limited (Management Staff P.F)	1	660,036
Trustees Packages Limited (Employees G.F)	1	104,494
IGI Finex Securities Limited	1	1
Total:	**8**	**39,467,530**
ii. Modarabas & Mutual Funds		
CDC - Trustee National Investment (Unit) Trust	1	3,299,993
CDC - Trustee Meezan Islamic Fund	1	628,925
CDC - Trustee MCB Pakistan Stock Market Fund	1	272,214
CDC - Trustee NIT Equity Market Opportunity Fund	1	192,482
CDC - Trustee Atlas Stock Market Fund	1	186,825
CDC - Trustee Alhamra Islamic Stock Fund	1	165,461
CDC - Trustee Al Meezan Mutual Fund	1	149,178
CDC - Trustee Atlas Islamic Stock Fund	1	99,700
CDC - Trustee Meezan Tahaffuz Pension Fund - Equity Sub Fund	1	94,351
CDC - Trustee Alhamra Islamic Asset Allocation Fund	1	74,562
CDC - Trustee MCB Pakistan Asset Allocation Fund	1	33,300
CDC - Trustee Meezan Balanced Fund	1	26,473
CDC - Trustee Pakistan Capital Market Fund	1	18,400
CDC - Trustee APIF Equity Sub Fund	1	16,500
CDC - Trustee APF Equity Sub Fund	1	16,000
CDC - Trustee Meezan Dedicated Equity Fund	1	11,134
CDC - Trustee Atlas Islamic Dedicated Stock Fund	1	8,000
CDC - Trustee AKD Index Tracker Fund	1	7,893
CDC - Trustee NIT Islamic Equity Fund	1	6,743
CDC - Trustee Meezan Asset Allocation Fund	1	5,518
CDC - Trustee NIT Asset Allocation Fund	1	5,000
CDC - Trustee First Capital Mutual Fund	1	1,750
First Tri-Star Modaraba	1	259
Total:	**23**	**5,320,661**
iii. Directors and their spouse(s) and minor children		
Syed Hyder Ali	2	4,864,359
Syed Shahid Ali	1	153,145
Towfiq H. Chinoy	1	113,800
Amina Hyder Ali	1	24,919
Syed Aslam Mehdi	1	10,081
Tariq Iqbal Khan	1	6,000
Azra Tariq	1	4,100
Osman Khalid Waheed	1	1,000
Saba Kamal	1	300
Hasan Askari	1	100
Atif Aslam Bajwa	1	100
Total:	**12**	**5,177,904**
iv. Executives	**5**	**3,785,378**

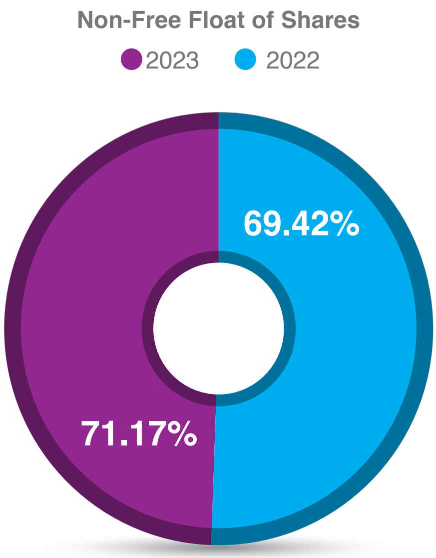
Shareholders’ category	Number of shareholders	Number of shares held
v. Banks, Development Financial Institutions and Non-Banking Financial Institutions	**15**	**2,962,596**
vi. Shareholders Holding 10% or more Voting Rights		
IGI Investments (Pvt.) Limited	**1**	**26,707,201**

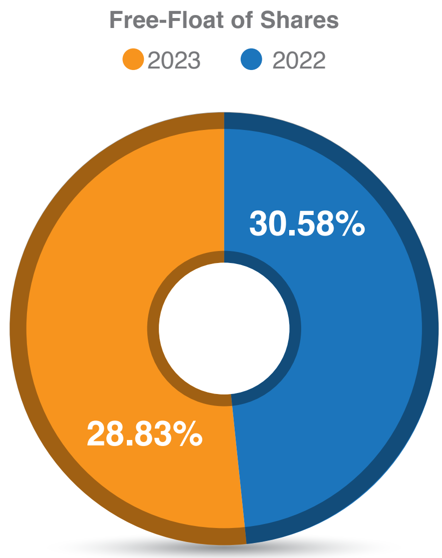
S.No.	Shareholders’ category	Number of shareholders	No. of shares	%
1	Directors, Chief Executive Officer, and their spouse and minor children	12	5,177,904	5.79
2	Associated Companies, Undertakings and Related Parties	8	39,467,530	44.16
3	Banks, Development Financial Institutions & Non-Banking Financial Institutions	15	2,962,596	3.31
4	Insurance Companies	11	1,622,329	1.82
5	Modarabas and Mutual Funds	23	5,320,661	5.95
6	Foreign Companies	14	7,479,461	8.37
7	General Public:			
	a. Local	3,594	21,434,448	23.98
	b. Foreign/Non-Resident	204	737,661	0.83
8	Others	95	5,176,914	5.79
	Total	**3,976**	**89,379,504**	**100.00**



Free Float and Non-Free Float of Shares

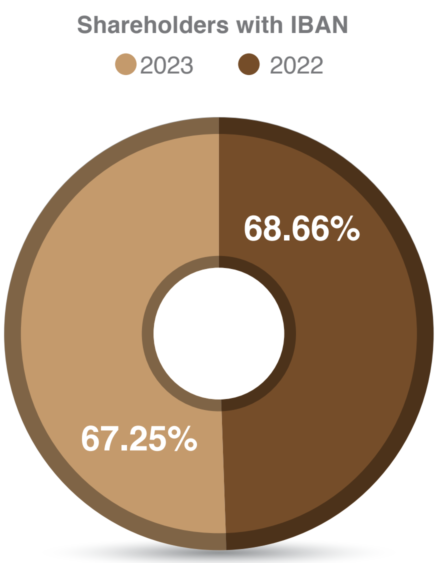
	2023	2022
Free Float of shares	25,768,498	27,332,716
Non-Free Float of shares	63,611,006	62,046,788
Total No. of shares	**89,379,504**	**89,379,504**

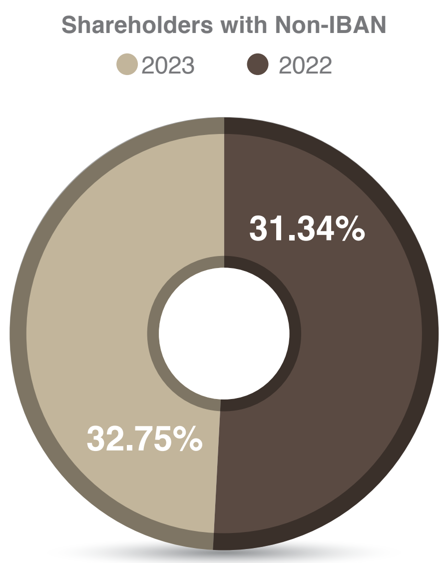




Shareholders with IBAN & Non-IBAN

	2023	2022
Shareholders with IBAN	2,674	2,885
Shareholders with Non-IBAN	1,302	1,317
Total No. of shareholders	**3,976**	**4,202**





Notice of 69th Annual General Meeting

Notice is hereby given that the 69th Annual General Meeting of the shareholders of Packages Limited will be held at the Institute of Chartered Accountants of Pakistan (ICAP), Chartered Accountants Avenue, Block 8 Clifton, Karachi, on Monday, April 29, 2024 at 04:00 p.m. and virtually via Zoom to transact the following business:

ORDINARY BUSINESS

1) To confirm the minutes of the last Extra Ordinary General Meeting of the Company held on May 29, 2023.

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, 2023.

   www.packages.com.pk/financial-reports/

3) To consider, approve and declare the dividend on the ordinary and preference shares of the Company. The Directors have recommended a final cash dividend for the year ended December 31, 2023.

   a) to the preference share/convertible stock holder (International Finance Corporation) at the rate of Rs. 26.787 (14.098%) 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. 219,298,977; and

   b) to the ordinary shareholders at the rate of Rs. 27.50 (275%) 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, M/s. A.F. Ferguson & Co. (Chartered Accountants), being eligible to do so, have consented to be appointed as auditors and the Board of Directors has recommended their appointment.

ANY OTHER BUSINESS

1) To transact any other business with the permission of the Chair.

By Order of the Board

April 08, 2024
Karachi

IQRA SAJJAD
Company Secretary

Participation in the AGM Proceedings Virtually

The Securities and Exchange Commission of Pakistan ("SECP") has 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 25, 2024. The log-in credentials and link to participate in the AGM and 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 the same date.

Notes:

1. 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, 2023, along with the Directors', Auditors', and Chairman Report thereon, Notice of Annual General Meeting, and other related materials have been made available on the Company's website and published for sharing using a QR Code.

   The Company has obtained shareholders' approval to do so in one of its General Meetings. Furthermore, members are hereby informed that pursuant to Section 223(6) and 473 of the Companies Act 2017, 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 address has been provided by the member to the Company and hence the consent of member to receive the copies through email is not required.

   Members can request a hard copy of the same, which shall be provided free of cost, within one week, if a request has been made by the member on the standard request form available on the website of the Company.

2. The Share Transfer Books of the Company will be closed for determining the entitlement for the payment of final cash dividend from Tuesday, April 23, 2024 to Monday, April 29, 2024 (both days inclusive). Transfer requests received at the office of the Share Registrar of the Company at M/s FAMCO Shares Registration Services (Pvt.) Limited, 8-F, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi at the close of business on Monday, April 22, 2024 will be treated in time for the purposes of entitlement to the transferees.

3. A member 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.

4. 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 and/or sign the Register of Shareholders/Members at the AGM without such CNIC(s).

5. 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 member(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**

Statutory Code of Conduct at AGM

Members 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

a. 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 members/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, 2024; 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 NTN are available in the ATL maintained on FBR website and recorded by respective Participant/Investor Account Services or in case of physical shareholding by Company's Share Registrar.

b. 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. Members that 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, M/s FAMCO Shares Registration Services (Pvt.) Limited. In case the required information is not provided to the Company's Registrar by April 22, 2024 it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s).

c. 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 by April 22, 2024.

d. 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 latest by April 22, 2024. Member may send a declaration using a standard format as placed on 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 of Rs. 50/- 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 the Section 242 of the Companies Act, 2017, 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). In case of non-receipt of information, the Company will be constrained to withhold payments of dividend.

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 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.

Submission of Copy of Valid CNIC and/or NTN (Mandatory)

Further to SECP's directives, including SRO 831(1)/2012 and other relevant rules, for processing of electronic dividend the shareholder should provide CNIC number, except in the case of minor(s) and corporate shareholders.

Accordingly, individual members who have not yet submitted a copy of their valid CNIC to the Company's Share Registrar are once again requested to send their CNIC copy at the earliest directly to the Company's Share Registrar. Corporate members are requested to provide their NTN and Folio Number along with the authorized representative's CNIC copy.

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.

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 reached out to its shareholders through newspaper notices requesting those who have 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, for the purpose of Election of Directors and for any other agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017, members holding in aggregate 10% or more shareholding as per law, will be allowed to exercise their right of vote through postal ballot i.e. by post or e-voting, in the manner and subject to conditions contained in aforesaid Regulations.

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

69th 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 Sixty-Ninth Annual General Meeting of the Company to be held on Monday, the 29th day of April 2024, at 04:00 p.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 _________ 2024.

1. 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)

2. Witness

Signature:

Name: ____________________________

Address: __________________________

____

CNIC or __________________________

Passport No. ______________________

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

69واں سالانہ اجلاسِ عام

میں/ہم ____________________

ساکن ____________________ بطور پیکجز لمیٹڈ ____________________

رکن وحامل ____________________ عام حصص بمطابق شیئر رجسٹر ڈفولیونمبر ____________________

(حصص کی تعداد) ____________________ اور ذیلی کھاتہ نمبر ____________________ یا بصورت دیگر ____________________

ساکن ____________________ یا بصورت دیگر ____________________ ساکن ____________________

کو اپنی جگہ بروز پیر مورخہ 29 اپریل 2024 بوقت سہ پہر04:00 بجے بمقام انسٹیٹوٹ آف چارٹرڈ اکاؤنٹنٹس، چارٹرڈ اکاؤنٹنٹس ایونیو، بلاک 8 کلفٹن کراچی میں منعقد یا ملتوی ہونے والا 69واں سالانہ اجلاسِ عام میں رائے دہندگی کے لئے اپنا نمائندہ مقرر کرتا/کرتی ہوں۔

دستخط کیے گئے مورخہ ____________________ 2024

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 ہونا ضروری 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 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 M/s 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 کمپینز 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 کر کے 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 ہٰذا 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 تا کہ 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, Next to 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 Member/ Shareholder

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 سی ڈی / ڈی وی ڈی / یو ایس بی 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 ______________________

نوٹس

- برائے مہربانی valid قومی شناختی کارڈ / valid اسپورٹ کی فوٹو کاپی منسلک کریں۔
- یہ درخواست فارم اختیاری ہے اور لازمی نہیں ہے۔

کارآمد سی این آئی سی اور / یا این ٹی این کی کاپی جمع کرانا (لازمی)

ایس ای سی پی کی ہدایات کے علاوہ، بشمول2012 (1) SRO 831 اور دیگر متعلقہ قواعد، الیکٹرانک ڈیویڈنڈ کی پروسیسنگ کے لیے ، شیئر ہولڈر کو CNIC نمبر فراہم کرنا چاہیے ماسوائے نابالغ اور کارپوریٹ شیئرہولڈرز۔

اسی طرح جن انفرادی ممبرز نے اپنے کارآمد سی این آئی سی کی کمپنی کے شیئر رجسٹرار کے پاس جمع نہیں کرائی ہے، ان سے ایک مرتبہ پھر گزارش ہے کہ وہ اپنے سی این آئی سی کی کاپی جلد اس جلد کمپنی کے شیئر رجسٹرار کراچی کو براہ راست بھیج دیں۔ کارپوریٹ اداروں سے درخواست ہے کہ وہ نیشنل ٹیکس نمبر (این ٹی این) اور فولیو نمبرمع مجاز نمائندے کے سی این آئی سی کی کاپی فراہم کریں۔

کمپنیز(ڈسٹری بیوشن آف ڈیویڈنڈ) ریگولیشنز2017 کے ریگولیشن6 اور کمپنیز ایکٹ2017 کے سیکشن 243(3) کی رو سے، کمپنی ان شیئرہولڈرز کے ڈیویڈنڈ کی ادائیگی روک لے گی جن شیئر ہولڈرز یا مجاز فرد کے شناختی نمبر(سی این آئی سی یا این ٹی این) نمبر دستیاب نہیں ہوں گے۔

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 اکاؤنٹ ہولڈرز سے درخواست کی جاتی ہےکہ وہ اپنی تفصیلات میں ہونے والی کسی بھی تبدیلی، اپنے پتے کو فوری بنیاد پر CDC پارٹسپینٹ / CDC انویسٹر اکاؤنٹ سروسز کے ساتھ اپ ڈیٹ 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 اکاؤنٹ کو کھولیں جس میں وہ اپنے فزیکل شیئرز کوسکرپ 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 ایکس چینج 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۔

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۔

ب. 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 ، میسرز فیمکو شیئرز رجسٹریشن سروسز (پرائیوٹ) لمیٹڈ کو فراہم کریں۔ اگر 22 اپریل، 2024 تک 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۔

ج. ڈیویڈنڈ انکم سے ودھ ہولڈنگ ٹیکس سے استثنیٰ کی اجازت صرف اس صورت میں دی جائے گی جب 22 اپریل، 2024 تک کمپنی کے شیئر رجسٹرارکو درست ٹیکس استثنیٰ کے سرٹیفیکیٹ کی کاپی دستیاب کردی جائے۔

د. 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، 2024 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:

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زکوۃ کی کٹوتی

زکوۃ کی لازمی کٹوتی سے استثنیٰ کا دعویٰ کرنے کے لیے، شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ NJSP پر زکوۃ اعلامیہ فارم CZ-50۔کی 50/-روپے کی ایک نوٹرائز ڈکاپی شیئر رجسٹرار کو جمع کرائیں۔ اگر شیئرز اسکرپ لیس فارم میں رکھے گئے ہیں تو اس طرح کے زکوۃ اعلامیہ فارم (CZ-50) کو شیئر ہولڈر کے سی ڈی سی 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 سی ڈی سی کے شراکت دار انویسٹر اکاؤنٹ کی خدمات کے پاس اسکرپ لیس فارم کی صورت میں شیئرز ہونے کی تصدیق کریں۔ زکوۃ 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 شیئرفریکل 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 کیاگیا ہے۔ معلومات نا ملنے کی صورت میں، کمپنی ڈیویڈنڈ 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 سرٹیفکیٹ کے لئے فوری طور پر دعویٰ درج کریں۔

کمپنی نے اپنی ایک 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 گردش 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۔

ممبرز اس کی ہارڈ کاپی کی درخواست کر سکتے ہیں، جو ایک ہفتے کے اندر مفت فراہم کی جائے گی، اگر ممبر کی جانب سے کمپنی کی ویب سائٹ پر دستیاب اسٹینڈرڈ ریکویسٹ فارم پر درخواست کی گئی ہو۔

2- کمپنی کی شیئرٹرانسفر بکس حتمی ڈیویڈنڈ کی ادائیگی کے سلسلے میں اہلیت کا تعین کرنے کے لئے 23اپریل ، 2024بروز منگل سے 29 اپریل ، 2024 بروز پیر(بشمول دونوں ایام) بند رہیں گی۔ تاہم کمپنی کے رجسٹرار میسرز فیمکو شیئرز رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ،8-F متصل ہوٹل فاران، نرسری، بلاک- 6،پی ای سی ایچ ایس، شاہراہ فیصل، کراچی میں 22اپریل 2024 بروز پیر کو کاروباری اوقات کے اختتام تک وصول ہونے والی ٹرانسفرکی درخواستیں ٹرانسفریز کی اہلیت کے لئے بروقت تصور ہوں گی۔

3- کوئی ممبر 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 دفتزواقع 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 ۔

4- فزیکل شیئر کے حامل شیئر ہولڈرزکو اپنا اصل سی این آئی سی اور یا شیئرہولڈر(ز) کے سی این آئی سی کی کاپی ،جن کی پراکسی کے حامل ہیں، ساتھ لانا ہوگی ۔ سی این آئی سی کے بغیر شیئرہولڈرز کو AGM میں شرکت کرنے اور یا شیئر ہولڈرز ممبرز کے رجسٹر میں دستخط کرنے کی اجازت نہیں ہوں گی۔

5- سی ڈی سی 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 (سی این آئی سی) یا اصل پاسپورٹ پیش کرنا ہوگا۔ایسے اکاؤنٹ ہولڈرز اور سب اکاؤنٹ ہولڈرز کو اپنا متعلقہ شرکت کا آئی ڈی نمبر اور سی ڈی سی اکاؤنٹ نمبر، اور پراکسی ہونے کی صورت میں اپنے سی این آئی سی 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 ہون گی جو سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے سرکلر نمبر1مجریہ 26جنوری 2000 کے تحت اس مقصد کےلئے درکار ہیں۔ پراکسی فارم کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔www.packages.com.pk

اے جی ایم میں قانونی ضابطہ اخلاق

ممبران سے درخواست ہے کہ وہ کمپنیز ایکٹ2017کے سیکشن215اور کمپنیز(جنرل پرویژن اینڈ فارمز) ریگولیشنز2018 کے ریگولیشن 28کے مطابق اے جی ایم 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 پرویژنز میں درج ہے، شیئر ہولڈرز کوئی ایسا سامان اپنے ساتھ نہیں لائیں گے جو شرکا ء 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 185 کی رو سے کمپنی کو اپنے اجلاسوں میں شیئر ہولڈرز کوکسی بھی شکل میں تحائف تقسیم کرنے اجازت نہیں ہے۔

ڈیویڈنڈ انکم پر ودھ ہولڈنگ ٹیکس

الف۔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 فائلرزہیں، کو مشورہ دیا جاتا ہے کہ وہ اس بات کو یقینی بنائیں کہ اُن کے نام کارآمد CNIC/NTNs (نیشنل ٹیکس نمبرز) کے ساتھ 22 اپریل ،2024 سے پہلے ATL میں درج ہوں؛ تاکہ کمپنی کے لئے کیش ڈیویڈنڈ پر مطلوبہ ٹیکس کی کٹوتی کرنا ممکن ہو۔ اسی مناسبت سے، شیئر ہولڈرز کو یہ مشورہ بھی دیا جات ہے کہ وہ FBR کی ویب سائٹ

اطلاع برائے سالانہ 69 واں اجلاسِ عام

بذریعہ ہٰذا مطلع کیا جاتا ہے کہ پیکیجز لمیٹڈ کے شیئر ہولڈرز کا 69 واں سالانہ اجلاس بروز پیر29اپریل2024بوقت00:04بجےسہ پہر بمقام انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) ، چارٹرڈ اکاؤنٹنٹس ایوینیو، بلاک-8، کلفٹن، کراچی اور ورچوئل بذریعہ زوم (ویڈیو) میں درج ذیل امور کی انجام دہی کے لئے منعقد ہوگا۔

عمومی امور

1۔ کمپنی کے گزشتہ غیر معمولی اجلاس منعقدہ29 مئی 2023کی کارروائی کی توثیق ۔

2- آڈٹ شدہ مالیاتی گوشوارے مع ڈائریکٹرز کی رپورٹ برائے سال مختتمہ 31دسمبر2023وصول کرنا، ان پر غور کرنا اور ان کو اختیار کرنا۔

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3- کمپنی کے عمومی شیئرز پر ڈیویڈنڈ پر غور کرنا، منظوری دینا اور اعلان کرنا۔ ڈائریکٹرز نے نقد منافع منقسمہ برائے سال مختتمہ31دسمبر2023 درج ذیل سفارش کی ہے۔

الف)ترجیحی شیئرز/ تبادلہ پذیر اسٹاک ہولڈرز (انٹرنیشنل فنانس کارپوریشن) کو 26.787 روپے (14.098%) 190 روپےکی فی ترجیحی شیئر/ تبادلہ پذیر اسٹاک کے حساب سے ادائیگی جو بورڈ کی جانب سے تجویزکردہ اور پیکیجز لمیٹڈ اور انٹرنیشنل فنانس کارپوریشن کے درمیان سبسکرپشن معاہدہ کی رو سے اور اس کے تحت ہم آہنگ کیا گیا مجموعی مزانیہ 219,298,977 وپے اور

ب) عام شیئرہولڈرز کو275فیصد(27.50 روپے) 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 اکاؤنٹنٹس) نے اہل ہونے کی بنا پر بطور آڈیٹر تقرر کے لئے رضامندی ظاہر کی ہے اور بورڈ آف ڈائریکٹرز نے ان کے تقرر کی سفارش کی ہے۔

دیگر امور

1- صدرِ مجلس کیااجازت سے کسی دیگر امور کی انجام دہی ۔

بحکم بورڈ

اقرا سجاد
کمپنی سیکرٹری

08 اپریل، 2024
کراچی

AGM کی کاروائی میں ورچوئل طور پر شرکت

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) نے اپنے وقتاً فوقتاً جاری کردہ سرکلرز کے ذریعے لسٹڈ کمپنیز کو 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 کے لئے مزید سہولت فراہم کرنے کی غرض سے درج ذیل انتظامات کئے ہیں۔ AGMمیں ورچوئل طور پر شرکت کے خواہشمند شیئرہولڈرز سے درخواست ہے کہ وہ اپنے کوائف مقررہ ای میل ایڈریسshares.desk@packages.com.pk پر بھیج کر خود کو رجسٹر کروالیں جن میں ان کا نام، فولیو نمبر، اپنا ای میل ایڈریس ہو،مورخہ25اپریل2024تک 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 اسی تاریخ تک مذکورہ ای میل ایڈریس پر AGM کے ایجنڈا آئیٹمز سے متعلق اپنے تبصرے / تجاویز بھیجیں۔

تصریحات:

1- کمپنیز ایکٹ ،2017 کے سیکشن 223 اور SRO 389(1)/2023 مورخہ 21 مارچ 2023 کے مطابق ، 31 دسمبر 2023 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۔

(d) مالیاتی گوشوارے، کمپنیز ایکٹ 2017 اور بین الاقوامی مالیاتی رپورٹنگ معیارات کے مطابق تیار کیے گئے ہیں جیسے پاکستان میں لاگو ہیں۔ البتہ کسی بھی قسم کے انحراف کو مناسب طور پر وضاحت کے ساتھ ظاہر کیا گیا ہے؛

(e) اندرونی کنٹرول سسٹم بشمول مالی و آپریشنل کنٹرول، خرید و فروخت، وصولیوں اور ادائیگیوں، باقوں اور واجبات کے بروقت اور مناسب اندراج کے لئے اکاؤنٹنگ کا نظام، اور رپورٹنگ کا ڈھانچہ اپنی ساخت میں مضبوط ہیں جن کا نفاذ اور نگرانی موثر انداز سے کی جاتی ہے؛

(f) کمپنی کی صلاحیتوں کے متعلق کوئی شک نہیں ہے کہ وہ مستقبل میں بھی ایک مستحکم ادارے کی حیثیت سے اپنا سفر جاری رکھے گی؛

(g) کارپوریٹ گورننس کے بہترین اطوار سے کوئی مادی انحراف اختیار نہیں کیا گیا ہے جیسا کہ لسٹنگ ریگولیشنز میں تفصیل سے بیان کیا گیا ہے؛

(h) کمپنی کے پچھلے سال کے آپریٹنگ نتائج سے نمایاں انحراف کو اجاگر کیا گیا ہے اور اسکی وجوہات کی وضاحت ڈائریکٹرز رپورٹ میں کی گئی ہے؛

(i) گزشتہ چھ سالوں کے اہم آپریٹنگ اور مالیاتی اعداد و شمار صفحہ 97 پر منسلک ہیں؛

(j) جہاں محصولات، ڈیوٹی، لیویز اور چارجز کی وجہ سے کوئی قانونی ادائیگی واجب الادا ہو، وہ رقم ایک مختصر وضاحت اور اس کی وجوہات کے ساتھ مالیاتی گوشواروں میں ظاہر کی گئی ہے؛

(k) کارپوریٹ تنظیم نو، کاروبار کی توسیع اور آپریشنز کو بند کرنے جیسے اہم منصوبوں اور فیصلوں کے ساتھ اگر مستقبل کے کوئی امکانات، خطرات اور غیر یقینی صورتحال بھی ہو تو اسے بھی واضح کیا گیا ہے؛

(l) سال کے دوران منعقد ہونے والے بورڈ اور کمیٹیوں کے اجلاسوں کی تعداد اور ہر ڈائریکٹر کی حاضری کو منسلک کیا گیا ہے؛

(m) ڈائریکٹروں نے جن تربیتی پروگراموں میں شرکت کی، ان کی تفصیلات صفحہ 88 پر منسلک ہیں؛

(n) شیئر ہولڈنگ کا پیٹرن صفحہ 306 پر منسلک ہے؛ اور

(o) کمپنی کے حصص میں تمام تجارت ، جو اس کے ڈائریکٹرز ، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں کے ذریعہ کی گئی ہے، منسلک ہیں۔

CEO ڈائریکٹروں ،/ا سپانسرز / شریک حیات اور ایگزیکٹیوز کے ذریعہ حصص کی تجارت

ڈائریکٹروں، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری، اندرونی محاسبہ کے سربراہ، دیگر ایگزیکٹوز، ان کے شریک حیات / سپانسروں اور نابالغ بچوں کی جانب سے کی گئی حصص کی ٹریڈنگ کی تفصیلات درج ذیل ہیں

حصص کی خریداری / منتقلی	حصص کی تعداد
چیف ایگزیکٹو آفیسر	-
چیف فنانشل آفیسر	-
کمپنی سیکریٹری	-
اندرونی آڈٹ کے سر براہ	-
دیگر ایگزیکٹیوز	-
شریک حیات / اسپانسر	203,867
نا بالغ بچے	-
حصص کی فروخت / عطیہ / تحفہ	**حصص کی تعداد**
ایگزیکٹو کی جانب سے حصص کا عطیہ	1,214,172
ایگزیکٹو کی جانب سے حصص کا تحفہ	2,849,491

شیئر ہولڈنگ کا طریقہ کار

31 دسمبر 2023ءتک شیئر ہولڈرز کے مخصوص طبقے کے حصص کے پیٹرن کا ایک گوشوارہ، جس کا انکشاف رپورٹنگ فریم ورک کے تحت ضروری ہے، رپورٹ میں منسلک ہے، براہ مہربانی صفحہ 306 ملاحظہ کریں۔

ڈائریکٹرز،چیف ایگزیکٹو آفیسر،چیف فنانشل آفیسر، کمپنی سیکریٹری، اندرونی آڈٹ کے سر براہ اور ان کے شریک حیات یا نابالغ بچوں نے سال کے دوران کمپنی کے حصص میں کوئی تجارت نہیں کی،ما سوائے اس کے کہ جیسا کہ اوپر مذکور ہے۔

بورڈ اور اس کی کمیٹیوں کا سالانہ جائزہ

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے مطابق، بورڈ نے اپنے انفرادی ممبران، بورڈ اور اپنی کمیٹیوں کی کارکردگی کا جائزہ لیا ہے۔

بورڈ کی جانچ کا عمل اندرونی طور پر کمپنی سیکریٹری کے ذریعے کیا گیا جس نے ایک سالانہ ایویلیوایشن اسسمنٹ سوالنامہ تیار کیا جسے بورڈ کے اراکین کے درمیان بورڈ کی کارکردگی کے بارے میں وضاحتیں اور مزید بصیرتیں اور نقطہ نظر فراہم کرنے کے لیے تقسیم کیا جاتا ہے۔

کمپنی سیکریٹری اس کے بعد جمع کی گئی معلومات سے تمام جوابات اکٹھا کرتے ہے۔ ں کمپنی سیکریٹری کی جانب سے بھرے ہوئے سوالنامے اور ڈائریکٹرز کے تبصرے موصول ہونے پر رازداری کی سختی سے عمل کیا جاتا ہے۔

کمپنی کا عملہ اور صارفین

انتظامی کمپنی کے اسٹیک ہولڈرز بالخصوص اپنے صارفین کا سروسز پر مکمل اعتماد کے لئے ان کی مشکور ہے۔ انتظامیہ اس امر پر بھی اپنی خوشی کا اظہار کرتی ہے کہ کمپنی کے تمام ملازمین نے غیر معمولی کارکردگی اور انتھک محنت کا مظاہرہ کیا۔ ہم ان کی محنت ، ایمانداری اور عزم کو خراج تحسین پیش کرتے ہیں۔

مستقبل کا منظرنامہ

کمپنی کو توقع ہے کہ آئی ایم ایف پروگرام کے اہم اشاریوں کو حاصل کرنے کے ساتھ مالیاتی نظم و ضبط، سیاسی استحکام، دوست ممالک کی جانب سے اقتصادی امداد کی بحالی کے لیے اصلاحات کے مسلسل نفاذ سے ملک کا معاشی منظر نامہ بہتر ہوگا۔ تاہم، یہ اقدامات صارفین کی طلب کو قابو میں رکھیں گے اور مختصر مدت میں مہنگائی میں اضافہ ہوگا۔ مندرجہ بالا عوامل مجموعی صنعتی ترقی کو متاثر کرتے رہیں گے۔

ان تمام چیلنجوں کے پیش نظر، آپ کی کمپنی ان کے منفی اثرات کو کم کرنے پر توجہ مرکوز رکھتی ہے، اپنے اسٹیک ہولڈرز کی قدر کی فراہمی اور اس کے متنوع پورٹ فولیو سے فائدہ اٹھاتے ہوئے اپنی منافع بخش ترقی کی خواہشات کو جاری رکھنے پر مرکوز ہے۔

توفیق حبیب چنائے
(چیئرمین)

سید حیدر علی
(چیف ایگزیکٹو آفیسراور مینجنگ ڈائریکٹر)

26 مارچ، 2024ء
لاہور

شرح فیصد	
آزاد ڈائریکٹرز	30%
نان ایگزیکٹیو ڈائریکٹرز	50%
ایگزیکٹو ڈائریکٹرز	20%

بورڈ کی تشکیل میں تبدیلیاں

سال کے دوران، جناب عثمان خالد وحید نے 30 اکتوبر 2023 ءکو کمپنی کے بورڈ آف ڈائریکٹرز میں جناب عرفان مصطفی کی جگہ سے آزاد ڈائریکٹر کے طور پر شمولیت اختیار کی۔

بورڈ آف ڈائریکٹرز کے اجلاس

سال 2023 ءکے دوران ، چار (4) بورڈ اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی جانب سے اجلاسوں میں شرکت کی ان کی تعداد درج ذیل ہے:

ڈائریکٹروں کے نام	اجلاسوں کی تعدادجن میں شرکت کی گئی
جناب توفیق حبیب چنائے (چیئرمین)	5
سید حیدر علی	5
سید شاہد علی	1
جناب حسن عسکری	5
جناب عاطف اسلم باجوہ	3
محترمہ صبا کمال	5
جناب طارق اقبال خان	5
سید اسلم مہدی	5
جناب جوزف میزاڈ مولر	3
جناب عرفان مصطفی (25 اگست 2023 کو مستعفی ہو گئے)	2
جناب عثمان خالد وحید (30 اکتوبر 2023 کو مقرر ہوئے)	-

بورڈ کے اجلاسوں میں شرکت نہ کر پانے والے ڈائریکٹروں کو غیر حاضری کی رخصت دے دی گئی تھی۔

آڈٹ کمیٹی

کوڈ آف کارپوریٹ گورننس کے نفاذ کے بعد سے بورڈ کی ایک آڈٹ کمیٹی موجود ہے۔ یہ تین (3) نان ایگزیکٹو ڈائریکٹرز اور دو (2) آزاد ڈائریکٹرز بشمول چیئرمین پر مشتمل ہے۔

رواں سال کے دوران آڈٹ کمیٹی کے چار (4) اجلاس منعقد ہوئے۔ ہر ممبر کی حاضری ذیل میں دی گئی ہے

اراکین کے نام	اجلاسوں کی تعدادجن میں شرکت کی گئی
جناب حسن عسکری (چیئرمین)	4
سید شاہد علی	2
جناب عاطف اسلم باجوہ	3
جناب طارق اقبال خان	4
سید اسلم مہدی*	3
جناب عثمان خالد وحید*	-

* کمیٹی 30 اکتوبر 2023 سے دوبارہ تشکیل دی گئی۔

آڈٹ کمیٹی کے اجلاسوں میں شرکت نہ کر پانے والے اراکین کو غیر حاضری کی رخصت دے دی گئی تھی۔

آڈٹ کمیٹی نے اپنی حوالہ جات کی شرائط و ضوابط کو لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 میں فراہم کردہ قوائد و ضوابط کے تحت تشکیل دیا ہے۔

افرادی قوت اور معاوضہ کمیٹی

ہیومن ریسورس اینڈ ریموزیشن کمیٹی چھ (6) اراکین پر مشتمل ہے جس میں تین (3) نان ایگزیکٹو ڈائریکٹرز، ایک (1) ایگزیکٹو ڈائریکٹر اور دو (2) آزاد ڈائریکٹرز بشمول چیئرپرسن شامل ہیں۔

سال کے دوران ہیومن ریسورس اینڈ ریموزیشن کمیٹی کے چار (4) اجلاس ہوئے۔ ہر ممبر کی حاضری مندرجہ ذیل ہے

اراکین کے نام	اجلاسوں کی تعدادجن میں شرکت کی گئی
محترمہ صبا کمال (چیئرپرسن)	4
سید حیدر علی	4
جناب حسن عسکری *	-
جناب عاطف اسلم باجوہ	3
جناب توفیق حبیب چنائے	4
جناب جوزف میزاڈ مولر	4
جناب عرفان مصطفی (25 اگست 2023 کو مستعفی ہوئے)	1

* کمیٹی 30 اکتوبر 2023 سے دوبارہ تشکیل دی گئی۔

افرادی قوت اور معاوضہ کمیٹی کے اجلاسوں میں شرکت نہ کر پانے والے اراکین کو غیر حاضری کی رخصت دے دی گئی تھی۔

افرادی قوت اور معاوضہ کمیٹی نے اپنی حوالہ جات کی شرائط و ضوابط کو لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنفس) ریگولیشنز، 2019 میں فراہم کردہ اصول و ضوابط کے تحت تشکیل دیا ہے۔

متعلقہ فریق سے لین دین(ٹرانزیکشنز)

کمپنیز ایکٹ 2017 کی دفعہ 208 اور کمپنیز (متعلقہ پارٹی ٹرانزیکشنز اور متعلقہ ریکارڈ کی دیکھ بھال ریگولیشن 2018 کے مطابق۔

(الف) متعلقہ پارٹی ٹرانزیکشنز کی ایک پالیسی تشکیل دی جسے بورڈ نے باقاعدہ طور پر منظور کیا ہے۔

(ب) متعلقہ پارٹیوں کے ساتھ لین دین کے لئے شرائط مرتب کیں جنہیں "آرمز لینتھ ٹرانزیکشنز(arm's length transactions)"کے طور پر شمار کیا جاسکے۔

(ج) متعلقہ پارٹی ٹرانزیکشنز کی منظوری کے لئے درکار کم از کم معلومات کو بورڈ کے کاغذات میں ڈائریکٹروں کے آگے تقسیم اور ظاہر کیا۔

ڈائریکٹروں کا معاوضہ

اس پالیسی کا مقصد بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لئے انفرادی ڈائریکٹروں کے معاوضہ پیکیجز کی تعین کے لئے ایک شفاف طریقہ کار کو وجود میں لانا ہے۔

ڈائریکٹروں کے بورڈ یا کمیٹیوں کے اجلاسوں میں شرکت کے لئے ڈائریکٹروں کے معاوضے تعین وقتاً فوقتاً مارکیٹ کے رجحان کی بنیاد پر بورڈ کیا کرے گا۔

گروپ کی دیگر کمپنیوں سے، پیکیجز کے نامزد ڈائریکٹرز بورڈ کمیٹی میٹنگ فیس وصول کرنے کے اہل نہیں ہوں گے۔ اگر کوئی ڈائریکٹر اس جگہ کا مقامی رہائشی نہیں ہے جہاں بورڈ کا اجلاس منعقد ہو رہا ہے، اور وہ بالخصوص بورڈ / کمیٹی کے اجلاسوں میں شرکت کے مقصد سے اس جگہ پہنچے گا، تو ایسے ڈائریکٹرز اصل معاوضہ کی مد میں میں ادائیگی کا استحقاق رکھتے ہوں گے۔

ایگزیکٹو اور نان ایگزیکٹیو ڈائریکٹر کو معاوضے کی مجموعی رقم کی مزید تفصیلات مالیاتی گوشوارے کے نوٹ 33، صفحہ نمبر 171 پر درج ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

آپ کی کمپنی کے ڈائریکٹرز کہتے ہیں کہ:

(a) کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے منصفانہ طور پر معاملات کی حالت، اس کے آپریشنز کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کی نمائندگی کرتے ہیں؛

(b) کمپنی کے کھاتوں کی کتابیں درست برقرار رکھی گئی ہیں؛

(c) مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا اطلاق کیا گیا ہے اوراکا و تفنگ کے تخمینے معقول اور دانشمندانہ فیصلوں پر مبنی ہیں؛

کمپنی کی سرمایہ کاری کا پورٹ فولیو کافی متنوع ہے، جس کی عکاسی نیسلے پاکستان لمیٹڈ، پیکیجز کنورٹرز لمیٹڈ، ٹرائی - پیک فلمز لمیٹڈ، بلھے شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ، DIC پاکستان لمیٹڈ پیکیجز ریل اسٹیٹ (پرائیویٹ) لمیٹڈ، پیکیجز لنکا (پرائیویٹ) لمیٹڈ، پیکجز ٹریڈنگ FZCO، اسٹارچ پیک (پرائیویٹ) لمیٹڈ، ہکسٹ پاکستان لمیٹڈ(سابقہ سنوفی-ایونٹس پاکستان لمیٹڈ)، ڈینیمون ہولڈنگز (پرائیویٹ) لمیٹڈ اور دیگر اسٹریٹجک سرمایہ کاری میں ایکویٹی شراکت داری سے ہوتی ہے۔

بورڈ اس بات سے مطمئن ہے کہ دسمبر 2023ءمیں کوئی قلیل مدتی یا طویل مدتی مالی رکاوٹیں نہیں ہیں جس میں قرض تک بھی رسائی شامل ہے اور ایک مضبوط بیلنس شیٹ موجود ہے جس میں خالص قرضہ: ایکویٹی کا تناسب 11:89ہے۔ تاہم یہ امر قابل ذکر ہے کہ موجودہ معاشی حالات میں غیر ملکی زرمبادلہ کی فراہمی تنگی کا شکار ہے۔

خطرات میں تخفیف

بورڈ آف ڈائریکٹرز اور بورڈ کی آڈٹ کمیٹی باقاعدگی سے اثرات اور وقوع کے امکان کے لحاظ سے رسک میٹرکس کا جائزہ لیتی ہے۔ چیف ایگزیکٹو آفیسر کی سربراہی میں اعلیٰ انتظامی ٹیم رسک کو کم کرنے کے اقدامات کی ذمہ دار ہے۔ کمپنی کی مارکیٹ کے حالات کا مسلسل جائزہ لینے اور اس کے بر وقت رو عمل کی صلاحیت کمپنی کو موثر طریقے سے رسک کے لیے انتظامات کرنے کے قابل بناتی ہے۔

کریڈٹ رسک

کمپنی کے تمام مالیاتی اثاثے، سوائے نقد رقم کے، کریڈٹ رسک کے تابع ہیں۔ کمپنی کا ماننا ہے کہ اسے کریڈٹ رسک کے بڑے ارتکاز کا سامنا نہیں ہے اور وہ متوقع کریڈٹ نقصانات (ECL) نقطہ نظرکے ذریعے مالیاتی اثاثوں پر پڑنے والے اثرات کا جائزہ لینا جاری رکھے ہوئے ہے۔ ایکسپوژر کا انتظام اس کے سرمایہ کاری کے پورٹ فولیو کے تنوع کے ذریعے بھی کیا جاتا ہے، جسے 'A' درجہ بندی والے بینکوں اور مالیاتی اداروں کے ساتھ رکھا جاتا ہے۔

لیکویڈیٹی رسک

دانشمندانہ لیکویڈیٹی رسک انتظام اتنے فنڈز کی دستیابی کو یقینی بناتاہے جو معاہدے کے وعدوں کو پورا کرنے کے لیے کافی ہو۔ کمپنی کی فنڈ مینجمنٹ حکمت عملی کا مقصد اندرونی پیسہ بنانے اور کسی مالیاتی ادارے سے پابند کریڈٹ لائن کے ذریعے لیکویڈیٹی رسک کے لئے انتظامات کرتا ہے۔

شرح سود کا رسک

متغیر شرح طویل - مدتی فنانسنگ کو " قبل از ادائیگی آ آپشن" کے ذریعہ شرح سود کے رسک کو کم کرنے کے لئے استعمال کیا جاتا ہے، جسے بنیادی شرح سود میں ہونے والی کسی بھی منفی نقل و حرکت کے نتیجے میں بروئے کار لایا جا سکتا ہے۔ کمپنی کے سود کی شرح کا خطرہ طویل مدتی فنانسنگ اور قلیل مدتی قرضوں سے پیدا ہوتا ہے۔ مقررہ شرحوں پر مالیاتی دستاویزات کمپنی کو منصفانہ شرح سود کے خطرات سے دوچار کرتے ہیں۔ متغیر شرحوں پر مالیاتی دستاویزات کمپنی کو نقد بہاؤ سود کی شرح کے خطرات سے دوچار کرتے ہیں۔ ہمارا ادارہ مالیاتی نتائج پر ممکنہ اثرات کو کم کرنے کے لیے سود کی شرح کی ایکسپوژر کو فعال طور پر مانیٹر اور منظم کرتی ہے۔

غیر ملکی زر مبادلہ کا رسک

غیر ملکی زر مبادلہ کا رسک بنیادی طور پر وہاں پیدا ہوتا ہے جہاں غیر ملکی کرنسیوں میں لین دین کی وجہ سے وصولیاں اور واجبات موجود ہوتے ہیں۔

سرمایہ کا انتظام

کمپنی کی پالیسی ایک مضبوط سرمائے کی بنیاد کو مستحکم رکھنا ہے تاکہ سرمایہ کار، قرض دہندہ اور مارکیٹ کے اعتماد اور کاروبار کی مستقبل کی ترقی کو برقرار رکھا جاسکے۔ رواں سال کے دوران سرمائے کا انتظام کے حوالے سے کمپنی کے نقطہ نظر میں کوئی تبدیلی نہیں آئی۔

قومی خزانے میں معاونت

آپ کی کمپنی قومی معیشت میں ایک اہم حصہ دار کی حیثیت رکھتی ہے اور اس نے سال 2023 ءکے دوران سیلز ٹیکس انکم ٹیکس، درآمدی محصول اور دیگر قانونی محصولات کی مدمیں قومی خزانے کو 338ملین روپے ادا کیے ہیں۔

ریٹائر منٹ فنڈز

اس وقت کمپنی تین ریٹائر منٹ فنڈز چلا رہی ہے جن میں پروویڈنٹ فنڈ، گریجویٹی فنڈ اور پینشن فنڈ شامل ہیں۔ 31 دسمبر 2023ءکو ان فنڈز کے آڈٹ شدہ کھاتوں کی بنیاد پر ان فنڈز کی سرمایہ کاری کی مالیت حسب ذیل تھی

پروویڈنٹ فنڈ	3,495.46 ملین روپے
گریجویٹی فنڈ	684.85 ملین روپے
پینشن فنڈ	2,605.5 ملین روپے

تخصیص

سال 2023ءکے لیے کمپنی کے مالیاتی نتائج کے پیش نظر، کمپنی کے بورڈ آف ڈائریکٹرز نے 275 فیصد نقد منافع (یعنی 27.50روپے فی حصص) کی تجویز دی ہے۔ اس کے مطابق، مندرجہ ذیل تخصیصات کی گئی ہیں:

	روپے ۔ ہزاروں میں
ترجیحی ڈیویڈنڈ / ریٹرن کا اختصاص کے بعد سال 2023 کے لئے کل جامع آمدنی	2,709,399
آگے لایا گیا غیر مختص شدہ منافع	298,316
تخصیص کے لیے دستیاب	3,007,715
شراکتی ڈیویڈنڈ -ترجیحی حصص تافتگان	(63,749)
نقد ڈیویڈنڈ	(2,457,937)
2024تک لے جایا جائے گا	486,029

محاسبین

موجودہ آڈیٹر A.F فرگوسن اینڈ کمپنی کے چارٹرڈ اکاونٹنٹس ریٹائر ہو چکے ہیں اور انہوں نے دوبارہ تقرری کی خواہش ظاہر کی ہے۔ انہوں نے تصدیق کی ہے کہ انسٹی ٹیوٹ آف چارٹرڈ اکاونٹس آف پاکستان (ICAP) کی جانب سے اطمینان بخش درجہ بندی حاصل کرنے کے ساتھ ساتھ انٹر نیشنل فیڈریشن آف اکاونٹنٹس (IFAC) کے ضابطہ اخلاق پر ICAP کی جانب سے اپنائے گئے رہنما اصولوں کی تعمیل کی گئی ہے۔

آڈٹ کمیٹی کی تجویز کے مطابق، بورڈ آف ڈائریکٹرز نے 31 دسمبر 2024ءکو مختتم ہونے والے سال کے لیے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے،ایک ایسی اجرت پر جس پر باہمی اتفاق رائے ہو۔

ماحولیات پر کمپنی کے کاروبار کے اثرات اور ادارتی سماجی ذمہ داری

ماحولیات پر کمپنی کے کاروبار کے اثرات اور ادارتی سماجی ذمہ داری کے حوالے سے آپ کی کمپنی کی طرف سے اٹھائے گئے اقدامات سالانہ رپورٹ میں صفحہ 60 پر مذکور ہیں۔

کوڈ آپ کارپوریٹ گور ننس کی تعمیل

لسٹڈ کمپنیز کوڈ آف کارپوریٹ گور ننس) ریگو لیشنز، 2019 کو کمپنی نے اپنایا ہے اور ان کی حتی الامکان مناسب تعمیل کی گئی ہے۔ اس سلسلے میں ایک ، بیانیہ رپورٹ کے ساتھ منسلک ہے، براہ مہربانی صفحہ 95 ملاحظہ کریں۔

اہم تبدیلیاں

31 دسمبر 2022 سے کوئی اہم تبدیلیاں نہیں ہوئیں اور کمپنی نے ایسا کوئی معاہدہ نہیں کیا جس سے اس تاریخ تک کمپنی کی مالیاتی پوزیشن متاثر ہو سوائے جن کا تذکرہ کمپنی کے مالیاتی گوشوارں برائے مختتمہ مدت 31 دسمبر 2023 میں کیا گیا ہے-

ڈائریکٹروں کی تعداد

الف۔ مرد	9
ب۔ عورت	1

بورڈ کی تشکیل

	تعداد
آزاد ڈائریکٹرز	3
نان ایگزیکٹیو ڈائریکٹرز	5
ایگزیکٹو ڈائریکٹرز	2
خواتین (آزاد ڈائریکٹرز میں شامل)	1

کمپنی کے ڈائریکٹرز بمسرت 31 دسمبر 2023 ءکو ختم ہونے والے سال کے مالیاتی گوشواروں بمع آپ کی کمپنی کی سالانہ رپورٹ پیش کررہے ہیں۔

مالیاتی کارکردگی

مالیاتی کارکردگی کا خلاصہ درج ذیل ہے:

	2023	2022
	(روپے ۔ ملین میں)	
منافع منقسمہ آمدنی	5,840	4,862
کرائے سے آمدن	553	488
خالص انتظامی آمدن	6,393	5,350
EBIT	5,517	4,477
مالیات کی لاگت	(1,438)	(664)
دیگر آمدنی - خالص	210	121
سرمایہ کاری کی قدر پر نقصان	(1,202)	(687)
WPPFپر منافع	-	929
آمدن قبل ازٹیکس	3,087	4,176
ٹیکس (309)	(309)	(309)
آمدن بعد ازٹیکس	2,778	3,867
بنیادی آمدنی فی حصص-روپے	31.08	43.27

پیکجز لمیٹڈ ایک ہولڈنگ کمپنی کے طور پر کام کر رہی ہے اور اسکی کارکردگی کا انحصار پاکستان میں داخلی اور خارجی گروپ کمپنیوں کی مالیاتی کارکردگی پر ہوتا ہے، جو کہ عمومی اقتصادی صورتحال سے اثرانداز ہو تی ہے۔

منافع منقسمہ(ڈیویڈنڈ) کی آمدنی پیکجز لمیٹڈ کی آمدنی کا کلیدی ذریعہ ہے۔نتیجے کے طور پر، اس کی آمدنی کا پیٹرن گروپ کمپنیوں کے ڈیویڈنڈ کی تقسیم کے طریقہ کار کی پیروی کرے گا۔ انتظامیہ کی رائے ہے کہ یہ کارپوریٹ ساخت گروپ کمپنیوں کے مرکوز انتظام کےلئے سازگار ہے اور بہتر آپریٹنگ کارکردگی کا باعث ہے۔

مالیاتی لاگتیں

کمپنی کی مالیاتی لاگت میں 2023 ءکے دوران 2022 ءکے مقابلے میں 774ملین روپے کا اضافہ ہوا ہے جس کی بنیادی وجہ شرح سود میں اضافہ اور طویل مدتی قرض ہے جو کہ ہکسٹ پاکستان لمیٹڈ (سابقہ سنوفی-ایونٹس پاکستان لمیٹڈ)میں 35 فیصد شیئر ہولڈنگ کے حصول کے لیے حاصل کیا گیا تھا جیسا کہ ذیل کے نوٹس میں درج ہے۔

گروپ کمپنیوں میں سرمایہ کاری

آپ کی کمپنی نے ہکسٹ پاکستان لمیٹڈ (سابقہ سنوفی-ایونٹس پاکستان لمیٹڈ)، پیکیجز انویسٹمنٹ لمیٹڈ ('PIL')، پیکیجز ٹریڈنگ (FZCO) اور اسٹارچ پیک (پرائیویٹ) لمیٹڈ ("SPAC")میں ایکویٹی سرمایہ کاری کے طور پر 3,628.5 ملین روپے کا تعاون کیا۔

ہکسٹ پاکستان لمیٹڈ (سابقہ سانوفی-اوینٹس پاکستان لمیٹڈ)میں شیئر ہولڈنگ کے حصول کی تکمیل

سنوفی فارن شراکت BVکے ساتھ حصص کی خریداری کے معاہدے کے مطابق، کمپنی نے ہکسٹ پاکستان لمیٹڈ (سابقہ سنوفی-ایونٹس پاکستان لمیٹڈ) ('HPL') میں 28 اپریل 2023 کو 940 روپے فی حصص کی قیمت خرید پر 35 فیصد شیئر ہولڈنگ حاصل کی ہے۔ کمپنی اب HPL میں کل 41.07 فیصد حصہ دار ہے۔ کمپنی کی انتظامیہ نے IFRS10 کے تحت ایک تفصیلی جائزہ لیا ہے اور HPL کو اپنا ذیلی ادارہ سمجھتا ہے کیونکہ اس کا اس پر ڈی فیکٹو کنٹرول ہے۔

انیمون ہولڈنگز لمیٹڈ، ماریشس ('AHL') کے ایکویٹی آلات کی قدر کا نقصان

انیمون ہولڈنگز لمیٹڈ('AHL') کا اصل کاروبار جنوبی افریقہ میں مقیم AHL کے ذیلی ادارے فلیکسیبل پیکیجز کنورٹرز (ملکیتی) لمیٹڈ('FPCPL') میں سرمایہ کاری کا انتظام کرنا ہے۔ایف پی سی پی ایل کی مالی کارکردگی متاثرہوتی جارہی تھی اور وہ انتظامی نقصانات کا شکار تھی۔ 31 دسمبر 2022 ءکو ختم ہونے والے سال کے لیے اس کے غیر آڈٹ شدہ مالیاتی گوشواروں کی بنیاد پر اسے جنوبی افریقی رینڈ ('ZAR') 99 ملین (تقریباً 1,155.330 ملین روپے) کا قبل ازٹیکس نقصان ہوا۔ اس کے نتیجے میں، کمپنی نے مذکورہ سرمایہ کاری کی واجب الادا رقم کا تخمینہ لگایا اور اسے اصل قیمت سے کم ہونے کا تعین کیا، لہٰذا، 31 دسمبر 2022 ءکو ختم ہونے والے سال کے غیر متفقہ مالیاتی گوشواروں میں 687.121 ملین روپے کے نقصان کو تسلیم کیا ۔

سال کے دوران، اس کی غیر آڈیٹ شدہ مالیاتی معلومات کی بنیاد پر،ایف پی سی پی ایل کو یکم جنوری 2023 سے 13 اپریل 2023 تک کی مدت کے لیے 26 ملین ZAR کا قبل از ٹیکس کا نقصان ہوا ہے (تقریباً 389.649 ملین روپے)جس نے قومی اقتصادی منظر نامے کی وجہ سے پاکستان سے باہر ترسیلات زر کے بہاؤ کو محدود کرنے کے ساتھ FPCPL کو سرمایہ کاری کی رقم کی عدم ترسیل نے اسکی مزید مالی پریشانی میں اضافہ کیا۔

بگڑتی ہوئی مالی کارکردگی اور سخت معاشی حالات کے ساتھ کلیدی صارفین کو فروخت میں کمی، نامناسب مصنوعات کی آمیزش اور متوقع متغیر اور مقررہ لاگت سے تجاوزنے FPCPL کے ورکنگ کیپیٹل پر نقد دباؤ بڑھا دیا جس نے پیداواری صلاحیت کو محدود کرنا شروع کر دیا۔

نتیجتاً، ایف پی سی پی ایل کو جنوبی افریقہ کے قوانین کے تحت قانونی طور پر از سر نو تشکیل کے عمل کے تحت کیا گیا تاکہ اس کے منافع کے امکانات اور آپریشنز کی پائیداری کا اندازہ لگایا جا سکے۔ مذکورہ تنظیم نو کا جائزہ حال ہی میں مکمل کیا گیا ہے جس کے تحت قانونی طور پر مقرر کردہ بزنس ریسکیو پریکٹیشنر ('BRP') نے اس بات کی تصدیق کی کہ FPCPL اپنے قرض دہندگان کے لیے اپنی ذمہ داریوں کو پورا کرنے سے قاصر ہے۔ بی آر پی نے قابل اطلاق قوانین کے مطابق، قرض دہندگان کا اجلاس طلب کیا تاکہ یا تو FPCPL کو ختم کرنے یا بقایا قرض دہندگان کی ادائیگی کے لیے کمپنی کے اثاثوں کو فروخت کرنے کا جائزہ لیا جا سکے۔ قرض دہندگان نے اجتماعی طور پر کسی فریق ثالث کو اثاثوں کی فروخت کے حق میں ووٹ دیا تاکہ ان کے بقایا قرضوں کو جزوی طور پر قابل اطلاق ریگولیٹری منظوریوں سے مشروط کیا جا سکے۔ نتیجتاً، کمپنی کو اس سرمایہ کاری سے مستقبل میں کسی درآمد کی توقع نہیں ہے کیونکہ قابل وصولی رقم صفر ہونے کا تعین کیا گیا ہے۔ ان حالات میں، کمپنی کی سرمایہ کاری کو مکمل طور پر نقصان پہنچا ہے اور اس نے 1,201.648ملین روپے کے نقصان کا اعتراف کیا ہے جیسا کہ نوٹ 29 میں غیر متفقہ مالیاتی گوشواروں میں درج کیا گیا ہے۔

پیکجز ٹریڈنگ FZCO,دبئی متحدہ عرب امارات میں ایکویٹی انجیکشن

سال کے دوران، کمپنی نے پیکجز ٹریڈنگ FZCO میں ایکویٹی کے طور پر عرب امارات درہم ('AED') 2.670 ملین روپے تحریک کی تاریخ (2022: صفر) کے مساوی 202.928 ملین روپے کی سرمایہ کاری کی۔ اس ادارے کو سال کے دوران ایک مکمل ملکیتی ذیلی ادارے کے طور پر شامل کیا گیا ، جس کا مقصد گروپ اداروں کی طرف سے پیش کردہ تیار اشیاءکی برآمدات میں اضافہ کرنا اور گروپ کی سطح پر درآمدی بل کو کم کرنے کے لیے لاگت کی بچت کے اقدامات کی نشاندہی کرنا اور ان پر عمل درآمد کرنا ہے۔

اسٹارچ پیک (پرائیویٹ) لمیٹڈ میں ایکویٹی انجیکشن

سرمایہ کار نے سال کے دوران 10,500,000 شیئرز جاری کیے ،جبکہ گزشتہ سال کی شیئر ڈپازٹ کی 800 ملین روپے اور سال کے دوران دی گئی 250 ملین شیئر ڈپازٹ رقم تھی۔

حکومت پنجاب (GoPb) سے لیز پر لی گئی زمین کا کرایہ

زمین کا ایک حصہ جس پر کمپنی کی عمارتیں واقع ہیں (جیسا کہ اس رپورٹ کے ساتھ منسلک مالی گوشواروں کے نوٹ 19 میں ذکر کیا گیا ہے جس کا رقبہ 231 کنال اور 19 مرلہ ہے، دسمبر 1955 ءسے نومبر 2015 ءتک GoPb نے کمپنی کو لیز پر دی تھی جس کے بعد لیز کی تجدید نہیں کی گئی ہے۔ یہ معاملہ معزز سپریم کورٹ میں اٹھایا گیا اور اس کی ہدایات کے مطابق کمپنی نے 500 ملین روپے جمع کرائے جس کے بعد صنعتی استعمال کے لئے زمین کے کرایے کا حساب لگانے کے لئے دو سروے کرنے والے بھی مقرر کیے گئے۔ سروے رپورٹس جمع کرا دی گئی تھیں اور اس کے بعد سے یہ معاملہ ان غیر مربوط مالیاتی گوشواروں کی اجازت اجرائ کی تاریخ ملنے تک مزید کارروائی کے لئے زیر التواء ہے۔ علاوہ ازیں، عدالت نے فیصلہ کیا ہے کہ یہ زمین ایک صنعتی زمین کے طور پر کھلی نیلامی کے ذریعے فروخت کی جائے گی جس میں انکار کا پہلا حق کمپنی کو ملے گا۔

آزاد مالیت تشخیص کنندہ کے ذریعہ زمین کے مذکورہ حصے کی فیئر ویلیو کے جائزے کی بنیاد پر، انتظامیہ نے کرائے کی مد میں دسمبر 2023 تک 115.998 ملین روپے (2021: 120.697 ملین روپے کے اخراجات کی نشاندہی کی ہے۔

مزید برآں، انتظامیہ کا ارادہ ہے کہ جب عدالت اس معاملے کا فیصلہ کرے گی تو زمین کے مذکورہ حصے کے مالکانہ حقوق حاصل کیے جائیں گے۔

مالیاتی انتظام

مضبوط کاروباری حکمت عملی، آپریٹنگ افادیت اور پورے ادارے میں لاگت کی بچت نے مثبت نقد بہاؤ پیدا کرنے میں مدد کی۔

کمپنی کے پاس ایک موثر کیش فلو مینجمنٹ سسٹم ہے جس کے تحت پیسے کی آمد اور اخراج کا مستقل بنیادوں پر تخمینہ لگایا جاتا ہے اور اس کی سخت نگرانی کی جاتی ہے۔

منافع اور خطرات کی تشخیص کے ذریعے سرمائے کے اخراجات کا احتیاط سے انتظام کیا جاتا ہے۔ بڑے سرمائے کے اخراجات کو طویل مدتی معاہدوں سے مزید مدد ملتی ہے تاکہ کاروبار میں نقد بہاؤ کے خطرے کو کم سے کم کیا جا سکے۔ سال 2023ءکے دوران سرمائے کے اخراجات 249.2ملین روپے تھے۔

ٹرائی پیک فلمز لیمیٹڈ

ٹرائی پیک فلمز لمیٹڈ('TPFL') گروپ کا ایک لسٹڈ پبلک لمیٹڈ ذیلی ادارہ ہے، جو بنیادی طور پر بائی اگزیلی اور بینڈ پولی پروپلین (BOPP) فلمز اور کاسٹ پولی پروپلین (CPP) فلم کی تیاری اور فروخت میں مصروف عمل ہے۔TPFL نے سال 2023 کے دوران 24,842 ملین روپے کی خالص فروخت حاصل کی ہے جو کہ 2022 کے دوران حاصل کی گئی 24,120 ملین روپے کی فروخت کے مقابلے میں 3فیصد کی فروخت میں اضافے کی نمائندگی کرتا ہے۔TPFL نے ٹیکس سے قبل 1,708 ملین روپے کا منافع ریکارڈ کیا ہے جو کہ گزشتہ سال کے دوران حاصل کردہ 1,382 ملین روپے کے مقابلے میں 24 فیصد اضافہ کی نشاندہی کرتا ہے جو بنیادی طور پر صارفین تک مہنگائی کی لاگت میں بچت،لاگت پر قابو پانے کے بہتر اقدامات اور ورکنگ کیپیٹل کے موثر انتظام بروقت بروئے کارلانے پر منحصر ہے۔

پیکجز ٹریڈنگ FZCO، دبئی، متحدہ عرب امارات

پیکجز ٹریڈنگ FZCO ('FZCO') گروپ کا مکمل ملکیتی ذیلی ادارہ ہے، جو دبئی ضمنی اقتصادی زونز اتھارٹی کے نفاذ کے ضوابط، 2022 کے تحت تشکیل دیا گیا ہے اور دبئی انٹیگریٹڈ اکنامک زونز اتھارٹی کے ساتھ رجسٹرڈ ہے۔ذیلی ادارہ بنیادی طور پر کمرشل ٹریڈنگ بشمول میں درآمد، برآمد، تقسیم اور وئیر ہاؤسنگ کی ذیلی سرگرمیوں میں مصروف عمل ہے۔ موجودہ مدت کے دوران، اپنے آپریشنز کا پہلا سال ہونے کی وجہ سے، پیرنٹ کمپنی نے ایکویٹی کے طور پر 2.670 ملین درہم کی سرمایہ کاری کی اور FZCO نے 5.5 ملین درہم کی خالص آمدنی حاصل کی اور 0.8 ملین درہم کا نقصان ہوا۔

فلیکس ایبل پیکیجز کنورٹرز (پروپرائٹری) لمیٹڈ

فلیکس ایبل پیکیجز کنورٹرز (پروپرائٹری) لمیٹڈ('FPC') جنوبی افریقہ میں قائم پرائیویٹ لمیٹڈ ادارہ ہے جو بنیادی طور پر فلیکس ایبل پیکیجنگ میٹریل کی تیاری اور فروخت میں مصروف عمل ہے۔ پیکجز لمیٹڈ، اپنی مکمل ملکیتی ذیلی کمپنی، انیمون ہولڈنگز لمیٹڈ، ماریشس ('AHL') کے ذریعے FPC کے 63.5 فیصد شیئر ہولڈنگ دائرہ اختیار کا حامل ہے۔FPC کو بگڑتی مالی کارکردگی کا سامنا تھا اور وہ انتظامی نقصانات کا شکاررہی۔31 دسمبر 2022 کو ختم ہونے والے سال کے لیے اس کے غیر آڈٹ شدہ مالیاتی گوشواروں کی بنیاد پر، اسے جنوبی افریقی رینڈ 99 ملین زار(ZAR) (تقریباً 1,155.330 ملین روپے) قبل از ٹیکس نقصان ہوا۔نتیجتاً،پیرنٹ کمپنی نے خالص اثاثوں کی وصولی کی رقم کا تخمینہ لگایا اوراصل قیمت خریدسے کم ہونے کا تعین کیا، لہذا 31 دسمبر2022 کو ختم ہونے والے سال کے مجموعی مالیاتی گوشواروں میں 1,056 ملین روپے کے نقصان کااعتراف کیا گیا۔

رواں سال کے دوران، اپنی غیر آڈٹ شدہ مالیاتی معلومات کی بنیاد پر، FPC کو یکم جنوری 2023 سے 13 اپریل 2023 تک کی مدت کے لیے 26 ملین ZAR (تقریباً 389.649 ملین روپے)کاقبل از ٹیکس نقصان ہوا ہے، 30 جون 2023 کو ختم ہونے والی ششماہی مدت کے دوران، FPC نے مزید 38 ملین ZAR غیر آڈٹ شدہ قبل ازٹیکس خسارہ ریکارڈ کیا جس نے قومی اقتصادی صورتحال کے پیش نظر پاکستان سے باہر ترسیلات زر کے بہاؤ کو محدود کیا اور اس وجہ سےFPC کو سرمایہ کاری کی رقم کی عدم ترسیل نے اسے ناخوشگوارمالی پریشانی میں مبتلا کردیا۔

بگڑتی ہوئی مالی کارکردگی اور سخت معاشی حالات کے ساتھ کلیدی صارفین کو فروخت میں کمی، نامناسب مصنوعات کی آمیزش اور متوقع متغیر اور مقررہ لاگت سے تجاوزنے FPC کے ورکنگ کیپیٹل پر نقد دباؤ بڑھا دیا جس نے پیداواری صلاحیت کو محدود کرنا شروع کر دیا۔

نتیجتاً، ایف پی سی ایل کو جنوبی افریقہ کے قوانین کے تحت قانونی طور پر از سر نو تشکیل کے عمل کے تحت مرتب کیا گیا تاکہ اس کے منافع کے امکانات اور آپریشنز کی پائیداری کا اندازہ لگایا جا سکے۔ مذکورہ تنظیم نو کا جائزہ حال ہی میں مکمل کیا گیا ہے، جس کے تحت 13 اپریل 2023 کو قانونی طور پر مقرر کردہ بزنس ریسکیو پریکٹیشنز ('BRP') نے اس بات کی تصدیق کی کہ FPC اپنے قرض دہندگان کے لیے اپنی واجبات کو پورا کرنے سے قاصر ہے۔BRPنے قابل اطلاق قوانین کے مطابق قرض دہندگان کا اجلاس طلب کیا تاکہ یا تو FPCPL کو ختم کرنے یا بقایا قرض دہندگان کی ادائیگی کے لیے کمپنی کے اثاثوں کو فروخت کرنے کا جائزہ لیا جا سکے۔ قرض دہندگان نے اجتماعی طور پر فریق ثالث کے حق میں فروخت کا ووٹ دیا ہے تاکہ جزوی طور پر قابل اطلاق ریگولیٹری منظوریوں سے مشروط انکے بقایا قرضہ جات کا تصفیہ کیا جا سکے۔نتیجتاً، کمپنی کو اس سرمایہ کاری سے مستقبل میں کسی درآمد کی توقع نہیں ہے کیونکہ قابل وصولی رقم صفر ہونے کا تعین کیا گیا ہے۔ کیونکہ FPC کی واجبات اس کے اثاثوں سے زیادہ ہیں اور وہ اپنی ذمہ داریوں کو پورا نہیں کر سکتی۔

ان حالات کے نتیجے میں ذیلی ادارے کا کنڑول ختم ہو گیا اور پیرنٹ کمپنی نے بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈ IFRS)10) 'کنسولیڈیٹڈ فنانشل ا سٹیٹمنٹس'کے مطابق مذکورہ تاریخ کو اپنی ذیلی کمپنی کو غیر مستحکم کر دیا اور کمپنی نے FPC کے بند آپریشنز پر 96.281 ملین روپے کا منافع تسلیم کیا ۔ اسے IFRS 5 'غیرجاریہ اثاثے برائے فروخت اور بند آپریشنز'کے تقاضوں کے مطابق منافع یا نقصان کے مربوط گوشوارے کے پیش نظر منقطع آپریشنز سے ہونے والے نقصان کے طور پر پیش کیاگیا ہے۔

ہکسٹ پاکستان لمیٹڈ (سابقہ سنو فی ایوینٹس پاکستان لیمیٹڈ)

ہکسٹ پاکستان لمیٹڈ (سابقہ سنو فی ایوینٹس پاکستان لیمیٹڈ) ('HPL') بنیادی طور پر دواسازی اور متعلقہ مصنوعات کی تیاری، فروخت اور تجارت میں مصروف عمل ہے۔HPL نے 2023 کے دوران 21,369 ملین روپے کی خالص آمدنی حاصل کی ہے جو کہ 2022 کے دوران 18,560 ملین روپے کے مقابلے میں 15 فیصد کی آمدنی میں اضافے کی نشاندہی کرتی ہے۔HPL نے 2022 کے دوران 724 ملین روپے کے قبل از ٹیکس منافع کے مقابلے میں موجودہ سال کے دوران 916 ملین روپے کا قبل از ٹیکس منافع کمایا ہے، جو کہ 27 فیصد اضافے کی نمائندگی کرتا ہے، جو بنیادی طور پر آپریٹنگ لاگت کے کنڑول اور موثر ورکنگ کیپیٹل اور ٹریژری مینجمنٹ پر توجہ مرکوز کرنے کی بدولت حاصل کیا گیا ہے۔

مستقبل کا منظر نامہ

گروپ کو توقع ہے کہ IMF پروگرام کے اہم اشاریوں کو حاصل کرنے کے ساتھ مالیاتی نظم و ضبط، سیاسی استحکام، دوست ممالک سے اقتصادی امداد کی بحالی کے لیے اصلاحات کے مسلسل نفاذ سے ملک کا معاشی نقطہ نظر بہتر ہوگا۔ تاہم، یہ اقدامات صارفین کی طلب کو قابو میں رکھیں گے اور قلیل مدت میں مہنگائی میں اضافہ ہوگا۔ مندرجہ بالا عوامل مجموعی صنعتی ترقی کو متاثر کرتے رہیں گے۔

ان تمام چیلنجوں کے پیش نظر، گروپ کی انتظامیہ منفی اثرات کو کم کرنے، قدر کی فراہمی اور اس کے متنوع پورٹ فولیو سے فائدہ اٹھاتے ہوئے اپنی منافع بخش ترقی کو جاری رکھنے کے لیے اپنے اسٹیک ہولڈرز کی خدمت پر گامزن ہے۔

توفیق حبیب چنائے

(چیئرمین)

سید حیدر علی

(چیف ایگزیکٹو آفیسر اور منیجنگ ڈائریکٹر)

26 مارچ، 2024ء

لاہور

مربوط مالیاتی گوشواروں کے بارے میں ڈائریکٹرز کی رپورٹ

31 دسمبر 2023 کو ختم ہونے والے سال کے لیے

پیرنٹ کمپنی کے ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والے سال کے لیے گروپ کے مجموعی مالیاتی گوشواروں کو پیش کرتے ہوئے خوشی محسوس کررہے ہیں۔ سال 2023 اور سال 2022 کے مقابلے میں مجموعی نتائج کا موازنہ حسب ذیل ہے:

	2023	2022
	(روپے ۔ ملین میں)	
سیلز ۔ نیٹ	156,972	121,894
آپریشنز سے منافع - EBIT	23,507	15,837
ایسوسی ایٹس اور جوائنٹ وینچر میں منافع کا حصص	289	252
ہکسٹ پاکستان لمیٹڈ(2023) /ٹرائی پیک فلمز لمیٹڈ (2022) کے حصول پر بارگین خریداری	4,136	1,875
سرمایہ کاری کی آمدنی	998	1,204
مالیاتی لاگت	(13,534)	(7,258)
منافع قبل از ٹیکس	15,396	11,910

ہمیں یہ اطلاع دیتے ہوئے خوشی ہو رہی ہے کہ گروپ کے بنیادی مینوفیکچرنگ آپریشنز نے ایک چیلنجنگ اور مسابقتی ماحول میں نمایاں طور پر بہتر کارکردگی کا مظاہرہ کیا۔سال 2023 کے دوران، گروپ نے گزشتہ سال کے دوران حاصل کردہ 121,894 ملین روپے کی خالص فروخت کے مقابلے میں 156,972 ملین روپے کی خالص فروخت حاصل کی گئی جو کہ 15,396 ملین روپے قبل ازٹیکس منافع کے ساتھ فروخت میں گزشتہ سال کے دوران حاصل کردہ 11,910 ملین کے مقابلے میں 29 فیصد اضافہ ہوا، جوکہ بنیادی طور پر گروپ میں ہکسٹ پاکستان لمیٹڈ(سابقہ سنوفی-ایونٹس پاکستان لمیٹڈ) ('HPL') کے حصول پر کاروباری امتزاج کے تحت آمدنی میں اضافے، لاگت کے کنٹرول اور ایک وقتی خالص بارگین کی خریداری کے منافع کی ریکارڈنگ کی وجہ سے 29 فیصد اضافے کی نشاندہی کرتا ہے۔

28 اپریل، 2023 کو، سنوفی فارن پارٹیسیپیشنز BV کے ساتھHPL کے 3,375,665 حصص (35 فیصد شیئرز ہولڈنگ کی نمائندگی کرتے ہوئے 940 روپے فی حصص کی متعین کردہ قیمت پر) حصول کا لین دین مکمل ہو گیا جس کے نتیجے میں گروپ فی الحالHPL میں کل 41.07 فیصد شیئر ہولڈنگ کی ملکیت رکھتا ہے۔ گروپ کی انتظامیہ نے IFRS 10 کے تحت ایک تفصیلی جائزہ لیا ہے اور HPL کو اپنا ذیلی ادارہ تصور کیا ہے کیونکہ گروپ کا اس پر ڈی فیکٹو کنٹرول ہے اور اس وجہ سے اسے مجموعی مالیاتی گوشواروں میں شامل کیا گیا ہے۔ HPL کی جانب سے شناخت شدہ اثاثوں کی خریداری ، قرضہ جات یا واجبات کے خریداری کی تاریخ یعنی 28 اپریل 2023 تک فیئرویلیو پر تصرف کیا گیا ہے، اور ذیلی اداروں میں سرمایہ کاری حصول کی تاریخ تک فیئرویلیو پرتصرف کردیاگیا ہے۔جس کے نتیجے میں کاروباری امتزاج کے تحت گروپ کے مالیاتی گوشواروں میں تسلیم شدہ 4,136 ملین روپے کا یک وقتی بارگین کی خریداری میںمنافع حاصل ہوا ہے۔سال 2022 میں،پیرنٹ کمپنی نے گزشتہ سال کی اسی مدت میں ٹرائی پیک فلمز لمیٹڈ کے اضافہ شدہ شیئرز ہولڈنگ کی خریداری پر 1,875 ملین روپے کے کاروباری مجموعہ کے تحت ایک وقتی بارگین خریداری کا نفع بھی ریکارڈ کیا۔

مندرجہ بالا میں شامل، موجودہ سال کے لیے، انٹرا گروپ ایڈجسٹمنٹ کے بعد248 دن کی آمدنی15,241 ملین روپے ہے ،جس نے HPL سے 957 ملین روپے کے منافع کو شمولیت کے ساتھ آمدنی کو بھی متاثر کیا ہے۔

گروپ کی مالیاتی لاگت میں 6,276 ملین روپے کا اضافہ ہوا ہے جو بنیادی طور پر معیاری سود کی شرح میں اضافے اور ہکسٹ پاکستان لمیٹڈ، اسٹارچ پیک (پرائیویٹ) لمیٹڈ اور پیکجز ٹریڈنگ FZCO میں سرمایہ کاری کے اخراجات اور نئی اسٹریٹجک سرمایہ کاری کے مقصد سے حاصل کیے گئے قرضوں سے منسوب ہے۔

پیکجز کنورٹرز لمیٹڈ

پیکجز کنورٹرز لمیٹڈ ('PCL') گروپ کا ایک نان لسٹڈ پبلک لمیٹڈ مکمل ملکیتی ماتحت ادارہ ہے، جو بنیادی طور پر پیکیجنگ مواد، ٹشو مصنوعات اور سینیٹری نیپکن کی تیاری اور فروخت میں مصروف عمل ہے۔PCL نے سال 2023 کے دوران 49,379 ملین روپے کی خالص فروخت حاصل کی ہے جوکہ2022 کے دوران 41,585 ملین روپے کے مقابلے میں فروخت میں 19 فیصد اضافے کی نشاندہی کرتا ہے۔ PCL نے اس دوران گزشتہ سال 2022 کے دوران 2,587 ملین روپے کے مقابلے میں سال 2023 کے دوران 5,387 ملین روپے قبل از ٹیکس منافع حاصل کیا جو کہ 108 فیصد کی نمو کی نمائندگی کرتا ہے۔ کمپنی بہتر کارکردگی، صارفین تک مہنگائی کی لاگت میں اضافے کے بروقت انتظام اورورکنگ کیپیٹل کے موثر انتظام مزید بہتر بنانے پر توجہ دے رہی ہے۔

بلھے شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ

بلھے شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ ('BSPL') گروپ کا مکمل ملکیتی ذیلی ادارہ ہے، جو بنیادی طور پر پیپر اور پیپر بورڈ اور کوروگیٹڈ بکس کی تیاری اور منتقلی میں مصروف عمل ہے۔بی ایس پی ایل نے سال 2023 کے دوران 59,074 ملین روپے کی فروخت حاصل کی ہے جبکہ 2022 کے دوران 47,589 ملین روپے کی فروخت میں 24 فیصد اضافہ ہوا ہے۔BSPLنے 2022 کے دوران 5,485 ملین روپے کے مقابلے میں سال 2023 کے دوران 1,452 ملین روپے کاقبل از ٹیکس منافع حاصل کیا ہے۔منافع میں کمی بنیادی طور پر مالیاتی لاگت میں اضافہ، شرح مبادلہ میں اتار چڑھاو کی وجہ سے حجم کی فروخت میں کمی اور تبادلے کے نقصانات کی وجہ سے ہے۔آگے بڑھتے ہوئے، BSPL حجم میں اضافے، لاگت پر سخت کنٹرول اور موثر ورکنگ کیپٹل مینیجمنٹ کے ذریعے آپریٹنگ نتائج کو بہتر بنانے پر توجہ مرکوز کرے گا۔

DIC پاکستان لمیٹڈ

DIC پاکستان لمیٹڈ ('DICP') گروپ کا ایک نان لسٹڈ پبلک لمیٹڈ ذیلی ادارہ ہے، جو بنیادی طور پر صنعتی سیاہی (inks) کی تیاری، پروسیسنگ اور فروخت میں مصروف عمل ہے۔DICP نے سال 2023 کے دوران 10,632 ملین روپے کی خالص فروخت حاصل کی ہے جو کہ گزشتہ سال کی مدت میں 9,365 ملین روپے کے مقابلے میں 14 فیصد کی فروخت میں اضافے کو ظاہر کرتا ہے۔DICP نے سال 2023 کے دوران 1,876 ملین روپے کا قبل از ٹیکس منافع حاصل کیا ہے جو کہ 2022 میں 1,070 ملین روپے تھا، جو کہ 75 فیصد کی نمو کی نمائندگی کرتا ہے۔ کمپنی کی بہتر کارکردگی کا تعلق صارفین تک مہنگائی کی لاگت میں بچت،لاگت پر قابو پانے کے بہتر اقدامات اور ورکنگ کیپیٹل کے موثر انتظام بروقت بروئے کارلانے پر منحصر ہے۔

پیکجز لنکا (پرائیویٹ) لمیٹڈ

پیکیجز لنکا (پرائیویٹ) لمیٹڈ ('PLL') گروپ کا سری لنکا کا ذیلی ادارہ ہے، جو بنیادی طور پر لچکدار(flexible) پیکیجنگ کی تیاری اور فروخت میں مصروف عمل ہے۔PLL نے سال 2023 کی پہلی ششماہی کے دوران SLR 4,659 ملین کی خالص فروخت حاصل کی ہے جو کہ 2022 سال کی مدت میں SLR 4,987 ملین کے مقابلے میں 7فیصدکی کمی کو ظاہر کرتی ہے۔ کمپنی نے سال 2023 میں SLR 818 ملین کا قبل از ٹیکس منافع حاصل کیا ہے جو کہ 2022 کے SLR 849 ملین قبل از ٹیکس منافع کے مقابلے میں 4% کی کمی کو ظاہر کرتا ہے ، جوکہ کمی کے نتائج بنیادی طور پر حجم میں کمی کی وجہ سے ہے۔ مستقبل میں، PLL حجم میں اضافے کے ذریعے آپریٹنگ نتائج کو بہتر بنانے پر توجہ مرکوظ کرے گا۔

پیکیجز رئیل اسٹیٹ (پرائیویٹ) لمیٹڈ

یکجز رئیل اسٹیٹ (پرائیویٹ) لمیٹڈ ('PREL') گروپ کا ایک ذیلی ادارہ ہے، جو بنیادی طور پر ہر قسم کی تعمیراتی سرگرمیوں اور رئیل اسٹیٹ کی ترقی کے کاروبار میں سرگرم عمل ہے۔یہ فی الحال 'پیکیجز مال' کے نام سے ایک رئیل اسٹیٹ پروجیکٹ چلا رہا ہے اور کارپوریٹ صارفین کو دفتر کی جگہ لیز پر دے رہا ہے۔PREPL نے 2022 کے دوران 4,569 ملین روپے کے مقابلے میں سال 2023 کے دوران 5,311 روپے کی خالص آمدنی حاصل کی ہے، جو کہ 16 فیصد کی ترقی کی نمائندگی کرتا ہے۔PREPL نے سال 2023 کے دوران 2,131 ملین روپے کا آپریٹنگ منافع ریکارڈ کیا ہے جو کہ 2022 میں 1,507 ملین روپے کے مقابلے میں 41فیصد کی نمو کو ظاہر کرتا ہے۔

اسٹارچ پیک (پرائیویٹ) لمیٹڈ

اسٹارچ پیک (پرائیویٹ) لمیٹڈ ایک مکمل ملکیتی ذیلی ادارہ ہے جو بنیادی طور پر مکئی پر مبنی اسٹارچ کی مصنوعات،اس کے مشتقات اور ضمنی مصنوعات ، اس کے اخذ کردہ، ضمنی مصنوعات اور مکئی کی تجارت میں مصروف عمل ہے۔موجودہ مدت کے دوران، اپنے آپریشنز کا پہلا سال ہونے کے تحت ،SPL نے یکم دسمبر 2023 سے تجارتی پیداوار حاصل کرنے کے بعد 52 ملین روپے کی خالص آمدنی حاصل کی اور 364 ملین روپے کا قبل از ٹیکس نقصان ہوا۔

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