ANNUAL REPORT
2022

Packages Limited

CREATING A BETTER TOMORROW!

PEOPLE | PLANET | PROSPERITY

www.packages.com.pk

Introduction

Everyone can help limit climate change. From the way we travel, to the electricity we use and the food we eat, we can make a difference. Start with small but consistent actions to help tackle the climate crisis.

Packages is an innovative group in terms of technological advancements and bringing innovative solutions for its customers.

Change your home's source of energy

Ask your utility company if your home energy comes from oil, coal or gas. If possible, see if you can switch to renewable sources such as wind or solar or install solar panels on your roof to generate energy for your home.

Walk, cycle or take public transport

The world's roads are clogged with vehicles, most of them burning diesel or petrol. Walking or riding a bike instead of driving will reduce greenhouse gas emissions and help your health and fitness. For longer distances, consider taking a train or bus and carpool whenever possible.

Eat more healthy

Eating more vegetables, fruits, whole grains, legumes, nuts and seeds, and less meat and dairy, can significantly lower your environmental impact. Producing plant-based foods generally results in fewer greenhouse gas emissions and requires less energy, land and water.

Reduce, Reuse, Repair & Recycle

Electronics, clothes and other items we buy cause carbon emissions at each point in production, from the extraction of raw materials to manufacturing and transporting goods to the market. To protect our climate, buy fewer things, shop second-hand, repair what you can and recycle.

Switch to an electric vehicle

If you plan to buy a car, consider going electric, with more and cheaper models coming on the market. Even if they still run on electricity produced from fossil fuels, electric cars help reduce air pollution and cause significantly fewer greenhouse gas emissions than petrol or diesel-powered vehicles.

About Cover

People, plant, and prosperity are interconnected concepts that play an important role in our world. The complex and mutually dependent connection between human population, its strive for prosperity and economic, social, and environmental well-being, is closely linked to the nature and planet. The idea is based on health and sustainability of natural ecosystems, which are critical for supporting human life on planet.

A focus on sustainable practices in industries can help to ensure that the needs of all three are met, resulting in a healthy and thriving planet for our generations to come.

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.

"You got to have people who can think out of the box. Let us pick up ideas from here, there, and everywhere."

Syed Babar Ali

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.

"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

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 66 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.

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

Syeda Henna Babar Ali

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. Imran Khalid Niazi**
(Non-Executive Director)

Audit Committee

Mr. Hasan Askari	Chairman
Syed Shahid Ali	Member
Mr. Atif Aslam Bajwa	Member
Mr. Tariq Iqbal Khan	Member
Syed Aslam Mehdi	Member
Mr. Hammad Ahmed Butt	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. Irfan Mustafa	Member
Mr. Imran Fazal	Secretary

IT & Digitalization Committee

Ms. Saba Kamal	Chairperson
Mr. Asghar Abbas	Member
Mr. Khurram Raza Bakhtayari	Member
Mr. Irfan Mustafa	Member
Mr. Shaheen Sadiq	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+

Auditors
A.F. Ferguson & Co.
Chartered Accountants

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

Shares Registrar
FAMCO Associates (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@famco.com.pk

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

(Share Registrar)
Mr. Zeeshan Akhtar
Tel: (021) 34380101-5
Fax: (021) 34380106
Email: info.shares@famco.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

*In alphabetical order by last name
**Mr. Atif Aslam Bajwa joined the Board of Directors of the Company on 26 August 2022 in place of Mr. Imran Khalid Niazi

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, biaxially oriented polypropylene (BOPP) films and cast polypropylene (CPP) films, calcium carbonate products, insurance, power generation, real estate and 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

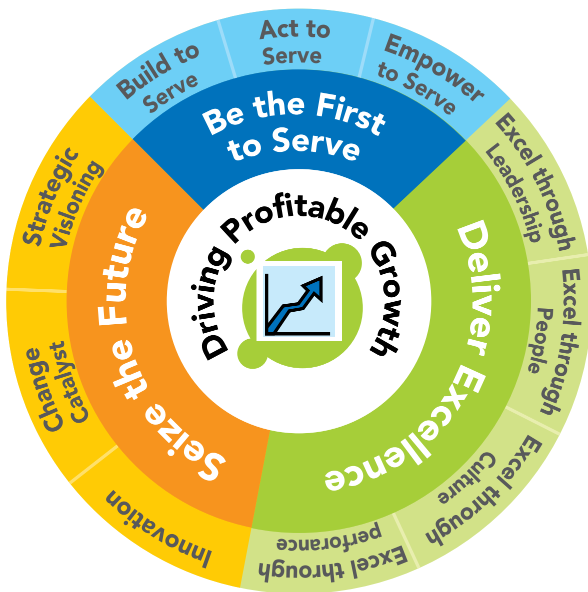
CODE OF CONDUCT

The way we do business.

CREATING A BETTER TOMORROW

VALUE	PEOPLE EXPECTATIONS	LEADERSHIP EXPECTATIONS

- CARE
- RESPECT
- LEAD
- HONESTY
- COURAGE



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

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

Syed Babar Ali

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

Syed Hyder Ali

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

Syeda Henna Babar Ali

"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.
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.
Courage	We stand up for what we believe in.

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 company's commitment to open communication, this policy aims to provide an avenue for employees to raise concerns with reassurance that they will be protected from reprisals or victimization for whistle blowing.

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

- Breach of the Code of Conduct;
- Corruption and bribery;
- Harassment;
- Misappropriation of financial data/reports;
- 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 will provide equal opportunities for development and growth regardless of gender, race, color, creed or religion.

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

There are three significant manifestations of harassment in the work environment

a) Abuse of Authority:
A demand by a person in authority, such as a supervisor, for sexual favors in order for the complainant to keep or obtain certain job benefits, be it a wage increase, a promotion, 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.
- For further details please refer anti-harassment policy of respective company.

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 Internet computer without proper permission.

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

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 will enforce this 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.

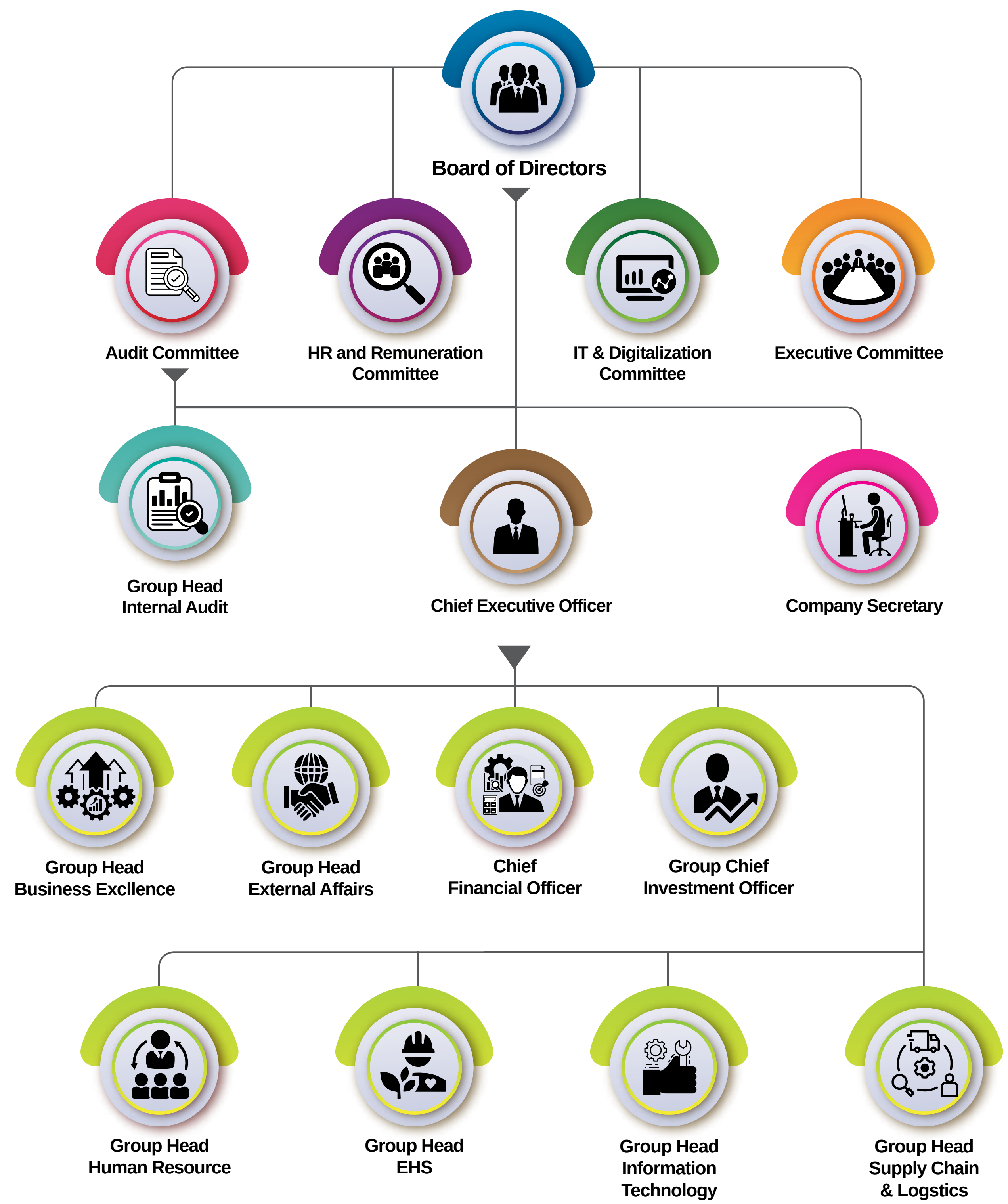
Code of Conduct for Partners

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

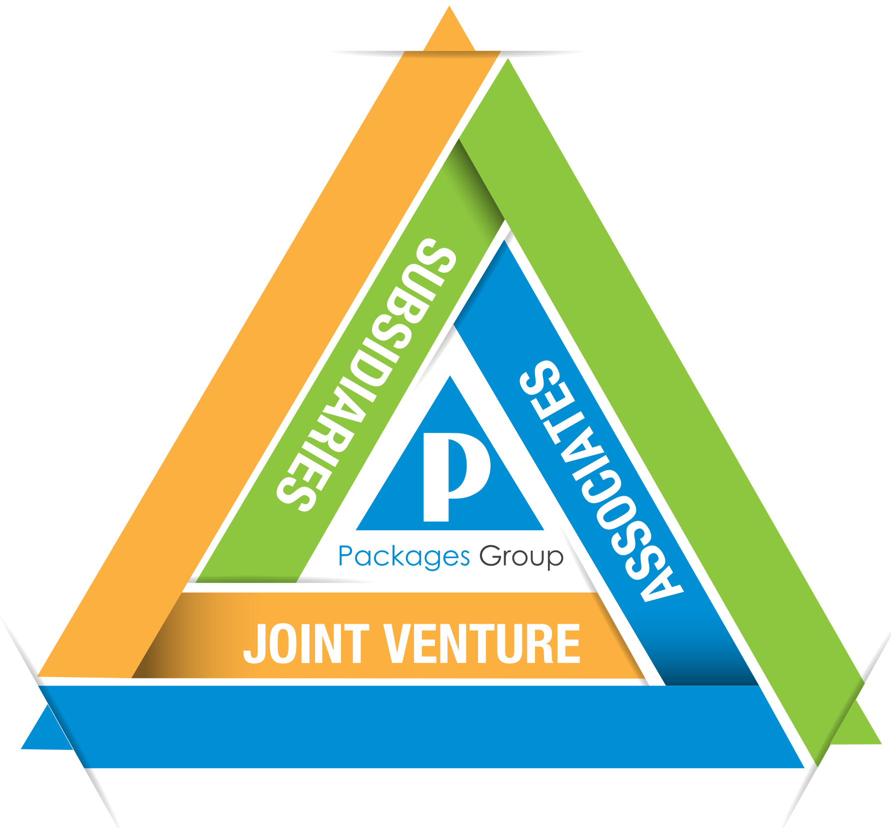
Whom to Report

If you 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

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

Sanofi-Aventis Pakistan Limited

Incorporated in Pakistan in 1967 as a Public Limited Company, the Company is an associate of the Group. The Company is engaged in the manufacturing, selling and trading of pharmaceutical and related products.

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 subject to compliance by relevant laws prevailing in Pakistan from time to time.

Packages Limited was established in 1956 as a joint venture between the Ali Group of Pakistan and Akerlund & Rausing of Sweden, to convert paper and paperboard into packaging for consumer industry. Over the years, Packages Limited continued to enhance its facilities to meet the growing demand of packaging products and in the year 2019, 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 company, managing its investments in subsidiary companies, associated companies and joint ventures, engaged in various businesses.

SUBSIDIARIES

- IGI Investments (Private) Limited
- IGI Life Insurance Limited
- IGI Finex Securities (Pvt) Limited
- IGI General Insurance
- IGI FSI (Private) 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, 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, a Packages Group Company, 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. The company started its operations in 2005.

Packages Real Estate (Private) Limited

Packages Mall is the latest retail venture of Packages Limited. 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 of Pakistan and Mitsubishi Corporation of Japan was incorporated as a Public Limited Company on April 29, 1993. It is principally engaged in the manufacturing and sale of Biaxially Oriented Polypropylene (BOPP) and Cast Polypropylene (CPP) film. In 2022, Packages Limited acquired representing 19.33% equity of Tri-Pack from Mitsubishi Corporation and now holds 69.26% shareholding in Tri-Pack and hence Tri-Pack is now a subsidiary of Packages Limited.

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. It has state of art and modern equipment to meet its objectives.

Packages Investments Limited

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

Packages Power (Private) Limited

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

Packages Trading FZCO

Packages Trading FZCO has been incorporated under the Dubai Integrated Economic Zones Authority Implementing Regulations, 2022, and registered with Dubai Integrated Economic Zones Authority. It is a wholly-owned subsidiary of Packages Limited. It 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 joint venture company between M/s Packages Ltd of Pakistan and DIC Asia Pacific (Formerly Dainippon Ink & Chemicals) of Singapore. The company started its operations from July 1994.

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. and Packages Lanka (Private) Limited (A subsidiary of Packages Limited, Pakistan) announce the creation of a joint venture, Chantler Packages, which will carry on and grow the business operations of Chantler Packaging. The joint venture represents the joining together of a major packaging company with a global footprint, and a long-established Canadian enterprise with a history of innovation.

Flexible Packages Convertors (Pty) Limited

Incorporated in 1998, Flexible Packages Convertors (Pty) Ltd has grown brilliantly to become Southern Africa's leading manufacturer and printer of high quality monolayer and co-extruded flexible packaging solutions.

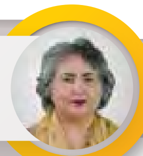
Linnaea Holdings Inc.

It is the intermediate holding company of Chantler Packages Inc.

Group Leadership

Syed Babar Ali
Advisor to the Board – Packages Limited

Syed Hyder Ali
CEO – Packages Limited, Packages Convertors Limited & IGI Life Insurance 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

Tahir Masaud
CEO – IGI Holdings Limited & IGI General Insurance Limited

Fazeel Rehman
CEO – StarchPack (Private) Limited

Syed M. Ismail Hussain Naqvi
CEO – DIC Pakistan Limited

Khalid Abdul Quddus
CEO – Packages Lanka (Private) Limited

Ahmad Raza
CEO – OmyaPack (Private) Limited

Syed Raza Hussain Rizvi
CEO – IGI Finex Securities Limited

Syed Aslam Mehdi
Group Head External Affairs

Sajjad Iftikhar
Group Chief Investment Officer

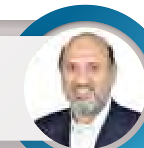
Iqra Sajjad
Group Company Secretary

Kaifee Siddiqui
Group Head Human Resource

Shaheen Sadiq
Group Head Business Excellence

Amir Janjua
Group Head Supply Chain

Hammad Ahmed Butt
Group Head Internal Audit



Muhammad Ali Sheikh
Group Head EHS

Faizan Mahmood
Group Head Information Technology

FROM THE PAST

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

Historical Overview

Packages Limited was established in **1956** as a joint venture between the 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 integrate 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 and in January 2003, total capacity was nearly 100,000 tons per year.

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 **1999-2000,** 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 ‘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 were 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 & Paperboard 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 & Paperboard and Corrugated business operations at Kasur and Karachi. The Joint Venture 3 Agreement with Stora Enso OYJ Group, signed in 2012, was implemented in 2013 and Packages completed the transfer of assets and related obligations of Paper & Paperboard 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. The joint venture will 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 has also made an investment of Rs 122 million in their 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 ("JV Company"). This was followed by matching cumulative equity investment by joint venture partner, Omya Singapore Pte 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 5 was made in the downstream operations of lamination, slitting and bag making to complement the additional capacity brought in. All these investments are 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 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 has acquired 35% shares held by Stora Enso in Bulleh Shah Packaging (Private) Limited ("BSPPL"). Accordingly, BSPPL 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 machines 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 a Holding Company and derives income from dividends, rental income, 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,** 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 ('MC') to purchase MC's 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 (the "SPA") for acquisition of its 52.87% shareholding i.e. 5,099,469 ordinary shares in Sanofi Pakistan) subject to fulfillment of various conditions, including corporate and regulatory approvals.

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.

Milestones

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

1968
Established a Pulp and Paper Mill

1982
Production of Tissue Paper ("Rose Petal")

1986
Established Flexible Packaging Unit

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

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

1996
Joint Venture Agreement with Printcare (Ceylon) Limited

1999 2000
Expansion of Flexible Packaging Line

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

2008
Installation of PM-9

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

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

2014
Development of Retail Mall ("Packages Mall")

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

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

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

2018
Investment for upgrading of Flexible Packaging Printing Press

2019
Enhance investment through Rotogravure Press

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

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

2022
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

Products of our Group Companies

Manufacturing
Packaging materials
Tissue
Femcare and consumer products
Industrial inks
Papers & paperboard products
Biaxially Oriented Polypropylene (BOPP) films
Cast Polypropylene (CPP) films
Calcium carbonate products
Starch

Services
General Insurance
Life Insurance
Brokerage

Others
Real estate
Power generation









Significant Changes From Prior Year

Tri-Pack Films Limited
On February 15, 2022, the transfer of shares from Mitsubishi Corporation ('MC') as part of purchase of MC's stake of 19.33% in the shareholding of Tri-Pack Films Limited was executed after satisfaction of certain pre-conditions. Following this, Packages Limited now has a total shareholding of 69.26% in Tri-Pack Films Limited and the latter is a subsidiary of the former.

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 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.

In this regard, a Public Announcement of Offer (PAO) was made during the year by a Manager to the Offer regarding mandatory public offer to acquire 585,254 shares of Target Company. During the year, Packages Limited fulfilled all its obligations under the Takeover Regulations and the related payments were dispatched to all the shareholders who tendered their shares in response to the PAO.

Packages Trading FZCO
During the year, a wholly owned subsidiary was 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.

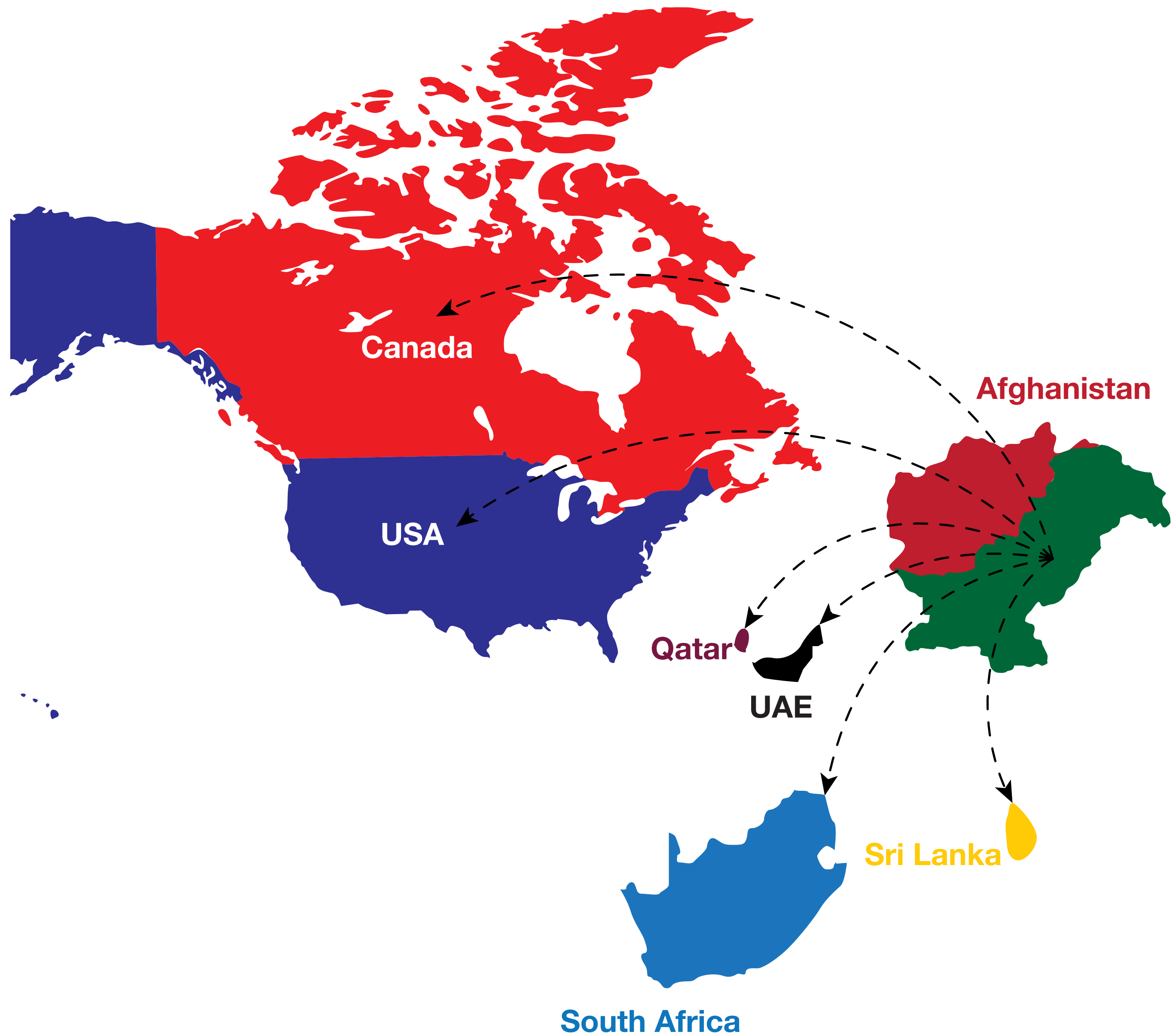
Significant Factors Effecting the External Environment

	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.	The economy of the country remained uncertain with rising interest rates and depreciation of Pak Rupee against major currencies. Depleting foreign exchange reserves led to limited importing capacity coupled with recent devastating floods in Pakistan profoundly affected the business conditions. These economic factors are regularly being monitored by the management taking proactive measures to consolidate on positive economic indicators while countering the negative ones. The difficulties in the business and economy is expected to remain a challenge for the Company.	The Company as well as the Group considers an obligation towards the betterment and welfare of its employees as well as the society at large.
ORGANIZATION'S RESPONSE	The Company remains vigilant of the ever changing political environment of the country.	Due to balance of payment crisis, import restrictions are affecting operations being of subsidiaries. Adequate measures are taken to overcome them.	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	We believe advancement in technology plays a vital role in the growth of Group. Not catching up with technological advancements limits process and product advancement which adversely affects results.	As the weather extremes and the bionomical conditions become more and more critical to the human activities it is of prime importance that organizations educate, spread awareness and take adequate steps to reduce pollution and harmful materials within our surroundings.	Companies are required to follow all the legal requirements that are applicable to the industry it operates in.
ORGANIZATION'S RESPONSE	Packages Group's response to technological factors depends on the specific industry and context in which its subsidiaries operate. In general as a Group wide measure, all the companies stay aware of emerging technologies and assess how they could impact business operations, products, and services. The approach includes adapting or pivoting strategies to remain competitive, investing in research and development or partnering with technology providers to leverage these opportunities.	Packages 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.

Geographical Presence

International Markets Served by the Group Companies



LOCAL

LAHORE
Head Office

KARACHI
Registered Office

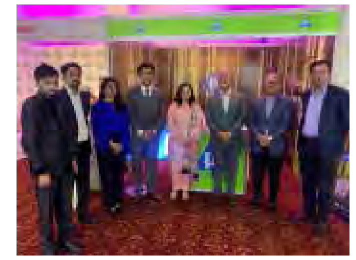
Key Performance Indicators

Operating revenue (Rs in Million)	5,350
Profit before income tax (Rs in Million)	4,177
Return on Equity (percentage)	7.74
Operating profit (Rs in Million)	4,840
Profit for the year (Rs in Million)	3,868
Basic earning per share (EPS) (Rupees)	43.27
Share holders' equity (Rs in Million)	49,948
Price earning ratio (Times)	8.55
Dividend yield (percentage)	7.43
Debt to equity ratio	8:92
No. of employees	127
Proposed Cash dividend (percentage)	275

Awards and Accolades


11th Annual CSR Summit & Awards by Professionals Network for Community Impact 2nd March Karachi


14th Annual Women Empowerment & CSR Awards by NFEH for Sustainability Initiatives 24th March Karachi




US Apparel Supplier of Choice Award 25th March Lahore


3rd Living the Global Compact Best Sustainability Initiatives Awards – 14th June Karachi


2nd ICE Conference and Exhibition by World Bank and EPA – 11th – 12th May Lahore


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


15th Annual CSR Awards by NFEH for Green Energy Initiatives 24th March Islamabad


4th Living the Global Compact Best Sustainability Initiatives Awards – 2nd March Karachi


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

Major Events

- Human Resource and Remmuneration Committee Meeting
- Audit Committee Meeting for Year Ended 31 December 2021
- Board Meeting for Year Ended 31 December 2021
- Human Resource and Remmuneration Committee Meeting for 31 March 2022
- Audit Committee Meeting for Quarter Ended 31 March 2022
- Board Meeting for Year for Quarter Ended 31 March 2022
- 67th Annual General Meeting
- Corporate Briefing Session
- Extraordinary General Meeting
- Acquisition of further equity of Tri-Pack
- Inaugration of DayCare Facility in Karachi
- Participation in Career Fairs
- International Women's Day 2022
- Paper One Show 2022 - Shahrjah, UAE
- Women in Leadership – in Conversation with Syeda Henna Babar Ali and Humaira Shazia
- 14th August Celebration
- Human Resource and Remmuneration Committee Meeting for 30 June 2022
- Audit Committee Meeting for Quarter Ended 30 June 2022
- Board Meeting for Year for Quarter Ended 30 June 2022
- IT & Digitalization Committee Meeting
- Human Resource and Remmuneration Committee Meeting for 30 September 2022
- Audit Committee Meeting for Quarter Ended 30 September 2022
- Board Meeting for Year for Quarter Ended 30 September 2022
- Successful completion of public announcement of offer for Sanofi Aventis
- Save Fuel, Save Energy Campaign
- Summer Intership Program
- Long Service Awards
- Management Trainee Program
- Visit Stora Enso, Sweden
- Medical Camp with Pheonix Foundation on for Research and Development

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) a director or his relative:

b) a key managerial personnel or his relative;

c) a firm, in which a director, manager or his relative is a partner;

d) a private company in which a director or manager is a member or director;

e) 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;

f) 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;

g) 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;

h) any company which is

a. a holding, subsidiary or an associated company of such company; or

b. a subsidiary of a holding company to which it is also a subsidiary;

i) 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 Company 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.

Risk Management Policy

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.
- Companies (Code of Corporate Governance) Regulations, 2019 issued by 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.

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.

Information and Technology Policy

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.

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.

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.

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

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.

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.

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.

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 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. But there's much left to do. 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"

December 2021

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

Our Approach to Sustainability

Our approach to sustainability centers around our company's purpose, "Creating a Better Tomorrow" that helps the world act together. We aim to maximize our positive impact, while we work to minimize any negative impact.

At Packages Group, we have always built sustainability principles and actions into the strategy, culture, and day-to-day operations of our company. Our long and rich history of giving back to our communities—under the guidance of our Founder, Syed Babar Ali — was built on the values of innovation, entrepreneurship, humanity and a people-centric culture. We ensure that our success is reflected in the socio-economic development of the communities we engage with, and that our customers, employees, and communities get every advantage to succeed.

For Packages Group, sustainability is more than just a means to minimize negative externalities and mitigate risks while maximizing operational efficiency and resource optimization. We see sustainability as a fundamental opportunity for innovation, growth, and purpose-led, impact-driven, long-term value creation.

Our commitment to social value reflects our purpose of supplying products and services essential for the transition of society towards a more sustainable future, a role that we seek to perform in a responsible way. We also know our stakeholders and partners are increasingly focused on our sustainability performance and use it as a key determinant in assessing our industry. We strive to continuously improve and exceed these expectations.

On this transformational path towards a resilient future, Packages Group is developing an approach encompassing several aspects of sustainability, 'Creating harmony between people, planet, and prosperity' in our mission to create a better tomorrow. Going beyond just environmental compliance, we see long term value in being socially and environmentally responsible to ensure sustainable business growth.

Shaping and strengthening the economic, social, and financial future of communities is at the heart of our culture. Packages Group's Sustainability progress is visible in its adherence to the United Nations Global Compact and aligning itself with several national and international standards.

Our three strategic sustainability focus areas

1. Climate – how do we further develop sustainable packaging solutions that enable, mitigate, and drive adaptation in the battle against climate change?

2. Integrity – how do we ensure that we meet the increased requirements and expectations for ethical behavior and respect for human rights

3. Culture – how do we attract and retain the best talent and maintain high-performing, inclusive and diverse teams in a safe and secure workplace?

Our responses and actions to these three focus areas (climate, integrity and culture) underpin our purpose of "Creating a Better Tomorrow". We intend to create value and, where possible, exceed stakeholder requirements and expectations while complying with increased regulatory demands and transparency expectations

Contributing to the SDG's

Packages Group supports the UN's Sustainable Development Goals and we view the SDG's as guiding principles on our path of "Creating a Better Tomorrow". Our sustainability agenda is well aligned with a number of the SDG's and we are deeply committed to identifying products and processes that ensure that as a society, we do not exceed environmental boundaries, while recognizing that this is a very formidable challenge in the Packaging industry.

In our past reports, we have highlighted programs and activities that were launched to address the SDG's, and we have expanded internal discussion surrounding the SDG's to include initiatives well beyond those dealing with sustainability on a regular basis and explored how SDG's can influence Packages Group's strategic perspective. Our sales and marketing team, which is in direct contact with customers strives to learn their perspectives on sustainability and their feedback is included in our sustainability strategy.

The SDG's that emerged as the most significant are directly connected to Packages Group's core business – Responsible Consumption and Production and Climate Action. Other SDG's with a strong connection to our activities are Clean Water and Sanitation, Affordable and Clean Energy, Decent Work, Good Health and Gender Equality. Environmental matters received more attention over the past year and we will continue strengthening our alignment with the SDG's.

Structured Sustainability Processes

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.

Our stakeholders

We move faster when we move together. We must embrace greater collaboration if we are to resolve many of the global problems facing humanity and build a more sustainable, inclusive and equitable society and world. We believe that together we can have a much greater impact on the social, environmental, ethical and economic challenges of our time. We consider anyone interested in our work as a stakeholder.

Significant stakeholder groups for Packages include:

- Consumers
- Customers
- Employees
- Governments
- Investors
- Local communities
- Media
- NGOs
- Partners and suppliers

System Certifications and Compliance

Packages Group believes in continuously improving its systems and values. From quality of products to operations and business ethics, our commitment to being responsible has only strengthened with time. We are therefore, ensuring a more sustainable world through various system certifications and compliances for our customers.

Corporate Social Responsibility Assessments

Sedex

Sedex is a membership organization that provides one of the world's leading online platforms for companies to manage and improve working conditions in global supply chains. More than 60,000 businesses in over 150 countries use Sedex to improve business practices and the working conditions in global supply chains. Packages Group companies on the Sedex Platform are:

1. Packages Convertors Limited
2. Bulleh Shah Packaging (Pvt.) Limited
3. DIC Pakistan Limited
4. Tri-Pack Films Limited
5. OmyaPack

Eco Vadis

EcoVadis is the world's largest and most trusted provider of business sustainability ratings, creating a global network of more than 75,000 rated companies. The EcoVadis sustainability assessment methodology is at the heart of our Ratings and Scorecards and is an evaluation of how well a company has integrated the principles of Sustainability/CSR into their business and management system. Packages Group companies on Eco Vadis are:

1. Packages Convertors Limited
2. Bulleh Shah Packaging (Pvt.) Limited
3. Tri-Pack Films Limited

International Women's Day 2022

Unconscious bias is the root of many systemic inequities in the workplace. It's important that we recognize these biases, act to mitigate them, and actively serve as an ally to others in a work setting. To honour this International Women's Day theme #breakthebias, we collaborated with Center for Advanced HR and Executive Presence to facilitate an engaging and thought-provoking session by Ms. Medeeha Khan. This fun filled session addressed the three types of biases, including mental, physical and spiritual biases through a number of interesting activities. Our guest speakers for the event were Ms. Durre Shawar Siraaj from APWA and Ms. Ramma Cheema from Beti, along with the senior members of our management team representing all Packages Group companies supporting and celebrating the achievements of the women of Packages Group. More than 150 men and women from across the Packages Group attended the memorable event at the Syed Wajid Ali Sports Complex at Packages Limited Lahore.

Training for Prevention of Sexual Harassment in the Workplace - Respectful Workplaces and Leading for Respect Modules

Sexual Harassment is a tough topic to talk about despite being a necessary topic and prevention of sexual harassment in the workplace is not only the right thing to do for humans, it's the right thing for business as well. A comprehensive training program on Prevention of Sexual Harassment in the workplace for Executive and Management staff was launched in June 2021. "Respectful Workplaces" Module for employees continued in 2022, with over 1000 man-hours clocked for training across the Packages Group companies at Lahore, Karachi and Kasur. Through this module we aim to go beyond sexual harassment and use this opportunity to address issues like discrimination, bias and core values of the Organization.

39 training sessions were conducted overall on this topic to cover all employees of the Packages Group, aiming to educate the employees on various forms

of sexual harassment, the legal definition of sexual harassment, and also on the existing framework of policies and procedures within the organization for prevention of sexual harassment in the workplace.
A full-day session on “Leading for Respect” was conducted by Schuitema Pakistan for senior leadership of Packages Group in Irshad Hall, Packages Limited. This session was aimed at creating and promoting a culture of mutual respect through leadership for the prevention of harassment and bullying in the workplace. For achieving the SDGs, it is important to provide equal and decent livelihood options for everyone irrespective of their gender and ensure a safe workplace for all. At Packages Group, there is zero tolerance for harassment in the workplace, and this training is indicative of the same commitment.

World Values Day

World Values Day was celebrated across the Packages Group to remind and re-enforce the foundation of our Group’s Sustainability Agenda which is the Core Values of Packages Group - Care, Respect, Lead, Honesty, and Courage. For this, a workshop was organized with the help of the Center for Advanced HR and Executive Presence CHREP facilitated by Ms. Medeeha J. Khan in Irshad Hall Packages Limited. Employees from Packages Limited, Packages Convertors Limited, Packages Mall, Bulleh Shah Packaging Pvt. Ltd. (BSP), and DIC Pakistan Limited attended this interactive 90-minute workshop, where each participant told a personal experience of where these values were implemented in their professional or personal life. In the end, each participant shared the one value that represented them on the personal value card.

World Health Day

World Health Day 2022 was celebrated across the Packages Group with interactive activities to engage employees and spread awareness on the impact of Climate Change on human health. Toolbox talks, and awareness sessions including talks by distinguished health professionals were arranged to mark the global event and show solidarity with the commitment to the SDG’s.

Breast Cancer Awareness Campaign

October is observed as the Breast Cancer Awareness Month across the globe and just like every year, at Packages Group, we conducted an extensive month-long awareness campaign for our employees. Awareness sessions with the help of Cancer Care Hospital and Research Center as well as Shaukat Khanum Hospital were conducted in Lahore, Kasur and Karachi to talk about the deadly disease as well as encourage employees to seek medical care. Free mammography camps were also arranged with the help of Cancer Care Hospital and Research Center in Lahore and Kasur to facilitate the employees and their family members. Packages Group actively takes part in this vital campaign every October since 2017 and has been able to conduct more than a 100 free mammograms and various awareness sessions for our employees.

Global Hand Washing Day

The annual campaign for Global Hand Washing Day was conducted across the Packages Group companies from 15th – 21st October 2022. Various training sessions and tool box talks were organized in addition to display of posters, standees and other communication materials on the importance of handwashing with soap especially for Food Safety and prevention of infectious diseases including COVID-19. An online and email campaign was also conducted to spread awareness amongst our employees. This is an important annual event in our calendars to remind us that Future is at Hand!

This year, we also celebrated Global Hand Washing Day with the students at the International School of Lahore in collaboration with the ROSE PETAL Professional. Our team members demonstrated the importance of washing hands with soap and drying with a clean towel or tissue paper to prevent the spread of germs. 450 students from the preschool participated in the activity.

World Diabetes Day

The rising number of people affected by Diabetes is putting added strain on healthcare systems. Healthcare professionals must know how to detect and diagnose the condition early and provide the best possible care; while people living with Diabetes need access to ongoing education to understand their condition and carry out the daily self-care essential to staying healthy and avoiding complications.

“Education to protect tomorrow” is the theme of the second year of the World Diabetes Day 2021-23 campaign. As an ongoing commitment to the cause and Sustainable Development Goal 3, Packages Group organized awareness sessions across our operations along with free screening camps for over 700 employees at Lahore, Kasur and Karachi. In addition, free consultation with a dietician on healthy lifestyle was also arranged with the help of Phoenix Foundation for Research and Development.

World Hepatitis Day

World Hepatitis Day is one of the World Health Organization’s officially mandated global public health days. It is a day when the world comes together to raise awareness of Hepatitis, one of the most deadly and neglected diseases and health crises – one that is claiming a life every 30 seconds. As a signatory to the UNGC supporting the SDG’s we realize that combatting Hepatitis is one of the targets of SDG 3, that need to be met before 2030. To play our part in this we organized a Group wide awareness campaign on Viral Hepatitis with the help of awareness sessions, visual and email communication and free screening camps for employees. Being a responsible organization, we play our part by spreading awareness and facilitating our people through these awareness campaigns since 2018.

More than 600 employees were tested for HCV and HBV at Lahore, Kasur and Karachi with the help of free screening camp under the umbrella of Packages Group sustainability Agenda. Those who tested positive were provided consultation and guidance on way forward for treatment and management.

World Mental Health Day

Mental well-being is an important element of a safe and rewarding workplace, which is essential for sustainable development. World Mental Health Day was observed across Packages Group with various activities, talks, and an awareness session by Dr. Noor ul Zaman Rafique from Phoenix Foundation for Research and Development in Lahore. Tips to manage workplace stress and how to handle difficult situations were also given to the participants of the session. Employees from Packages Convertors Limited, Bulleh Shah Packaging (Pvt.) Limited, DIC Pakistan Limited and Packages Mall attended the informative session in Irshad Hall Packages Limited. In addition, an awareness session by Taskeen Foundation dedicated to raise awareness on the importance of mental health was organized at Tri-Pack Films Port Qasim plant and focused on the issues related to mental wellbeing and how to prevent and manage stress related to workplace.

Packages Limited on CDP

Today’s sustainability leaders know that their environmental risks and impact don’t end at the office door. Investors, consumers and policymakers want to see companies taking responsibility for their value chain and purchasing decisions. At Packages Group, as a responsible organization, we strongly believe in doing well and doing good.

In continuation of our sustainability efforts, Packages Limited is now on CDP, which is a global environmental impact non-profit, providing a platform for all companies and cities to report information on their climate, water and deforestation impacts. Over the past 20 years CDP has created a system that has resulted in unparalleled engagement on environmental issues. The global economy looks to CDP as the gold standard of environmental reporting, and they hold the world's richest and most comprehensive dataset on how companies and cities measure, understand and address their environmental impacts. This would be a big step towards our sustainability goals as an organization.

Tree Plantation

We recognize that in order to tackle the climate change crisis, more and more trees need to be planted. As a Responsible Organization committed to SDG 13, we play our role by planting trees as a regular part of our Sustainability Agenda throughout the year. Bulleh Shah Packaging (Pvt.) Limited alone, leading this campaign for the Packages Group has planted more than 30,000 trees inside the mill and in the community and we plan to continue our efforts towards a sustainable greener earth. We encourage plantation by donating thousands of plants every year to nearby communities and schools as well and spread awareness on climate changes and global warming as a stakeholder engagement initiative.

International Mother Earth Day

Earth Day was celebrated across the Group with tree plantation activities at various locations. Senior Management and teams from BUCP, Digitalization and Sustainability took part in the plantation activity at BUCP demonstrating the commitment to "Invest in Our Planet", while discussing the importance of different types of trees for a sustainable future. Similarly, plantation drives were carried out at Tri-Pack Films and BSP Karachi plant engaging employees at all levels including the senior management.

MOU with WWF

This Earth Day, Packages Limited signed an agreement with WWF for tree plantation at various locations to endorse our commitment to "Invest in the Planet". In the first phase 6000 trees were planted through this MOU, in continuation of our efforts to a greener and more sustainable Earth. Employees from Packages Group companies participated in the plantation activities at the GCU KSK Campus and UET Lahore KSK Campus.

TREE PLANTATION									
	UP TO 2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
PCL								6000	6000
BSP	20,000	1500	1800	2100	1200	2200	2100	2600	33,500
TPFL							33	475	508
DIC						1000	2500	100	3600
Omya					300	150	6	1	457

Sustainable Consumption and Recycling

- Utilization of wheat straw (agricultural waste) for developing Chemical Thermo Mechanical Pulp (CTMP) for Paper Making
- Recycling of Old Corrugated Cartons (OCC) fiber for re use in Liner and Fluting Paper
- Approximately 1100 tons of waste paper is recycled per day at Bulleh Shah Packaging (Pvt.) Limited
- BUFP Recycled 711 Tons of Plastics (PE) in 2022 which is 2.9% of the total BUFP Plastics Products dispatched by the Business Unit
- BUCP Tissue Manufacturing recycled 8980 Tons of Paper Board and Tissue Trims in 2022 which is approximately 50% of the total Fibrous Raw material Consumption
- More than 80% of waste generated at TPFL is recycled every year

Global Recycling Day 2022

The key to creating a vibrant and sustainable organization is to find ways to get all employees engaged in corporate sustainability efforts. Global Recycling Day 2022 was celebrated across the Packages Group with a lot of enthusiasm through awareness sessions and toolbox talks for the workforce. As a Responsible Organization, this has been a regular feature in our annual campaigns since it first started in 2018 and is directly linked with our operations and sustainability agenda.

International Day of Food Loss and Waste

International Day of Food Loss and Waste Campaign was successfully run across the Packages Group with awareness sessions to emphasize on the importance of preventing Food Waste and its impact on Climate Change. This campaign was led by Ms. Hina Jamil from PCL, Mr. Arshad Anjum from BSP and Syeda Sidra Sarfraz from Tri-Pack for the whole month of September and included along with awareness sessions, display of daily food waste as well as email reminders to consume responsibly along with global facts on food waste.

Packages Group Environment Week

In addition to Safety Week, Packages Group also celebrated for the first time, World Environment Day with a week dedicated to campaigning on Climate Action and Carbon Footprint reduction. Cloth bags made by the students of LSK schools TVET labs were distributed amongst the staff to encourage responsible decision making and emphasize on mind-set changes that are needed to reduce our carbon footprint.

Carbon footprint awareness and discussion on related environmental risks and opportunities was conducted as a part of the group wide Environment Week campaign.

Women in Climate Action

Climate change is impacting everyone everywhere, and it is an established fact that without active participation of women in climate related decisions, it is impossible to tackle the beast of Climate Change. At Packages Group, women took the command to celebrate our Environment Week and took the opportunity to raise awareness on reducing our carbon footprint through individual action which in turn drives consumer behavior and leads to collective action. Door to door awareness raising campaign was conducted through quiz competitions, awareness talks, and desk plant distribution in the offices.

Quantification and Reporting of Green House Gases

We recognize our role in mitigating climate change by reducing our greenhouse gas emissions and as a first step started quantifying our carbon emissions in 2021 and measuring our Scope 1 and Scope 2 Emissions. To take this a step further, we got our data verified by SGS on the ISO 14064-1 standard for two of our companies, Packages Convertors Limited and Bulleh Shah Packaging (Pvt.) Limited. In 2023, we will add more Group companies to the scope of this certification.

Living the Global Compact Sustainability Awards for BSP

BSP won the recognition shield for special SDG initiatives 3rd time in a row at Living the Global Compact Sustainability Awards in Karachi. Sheikh Tanveer Ahmad received the award on our behalf in the presence of esteemed organizations including Nestle, Interloop, Engro, Sapphire and many others. SDG Road Show with Global Compact Network Pakistan.

Packages Limited Co-hosted the SDG Roadshow Pakistan with Global Compact Network Pakistan at

Irshad Hall on 6th June 2022. The interactive and engaging session was led by Deputy Executive Director Global Compact Network Pakistan, Mr. Zubair Anwar Bawany, while Director and Head of External Affairs for Packages Group Syed Aslam Mehdi, welcomed more than 60 industry experts and sustainability enthusiasts on the platform.

Solvent Recovery Plant

The unique solvent recovery process aims to recover the solvent from ambient air which is evaporated during the printing process which would otherwise have been wasted in environment causing environmental damage. We take pride in being the first company in Pakistan who has installed a Solvent Recovery Plant at our Flexible Packaging Unit, which aims to recover nearly 230 kg of solvent / Hour from air, discharging nothing but only pure air.

World Quality Week

World Quality Week was celebrated across the Packages Group with awareness sessions on the theme "Quality Conscience - Doing The Right Thing". Interesting activities were carried out throughout the week to celebrate World Quality Week in all business units.

A half-day conference on "Quality for a Sustainable Future" was organized in Irshad Hall with participants from across the Packages Group along with esteemed organizations including Nestlé, Engro Corp, US Apparel & Textiles, Interloop Limited, and Sapphire. The event was hosted by the Sustainability team of the Packages Group, and interesting discussions on various topics of mutual interest around sustainability and quality management were a part of this program.

World Food Safety Day

World Food Safety Day was celebrated across the Packages Group with an awareness campaign to help promote a food safety culture across the organization. These short sessions laid emphasis on the importance of packaging for healthy and safe food which also resonates with this year's theme "Safer Food, Better Health".

At Bulleh Shah Packaging awareness sessions on Good Housekeeping, Pest Management and Waste Disposal were conducted with the help of our IPM partners Friends Environmental Solutions.

Health and Safety Management Systems

EHS Management System at Packages Group is based on international standards i.e., IMS – (ISO 45001, 14001), but our processes and practices go beyond these requirements. For effective controls and to manage risks at Group level, we have Incident management reporting (with both leading & lagging indicators) which are regularly reviewed by leadership team for continuous improvement. There is a constant drive within the Group through regular trainings (both internal & external) to increase competence of all relevant stakeholders. Our assurance and governance programs have inherent control mechanisms to measure effectiveness. Our leadership team conducts Safety Walk abouts to positively impact safety culture and to boost employee morale. We work with a wide variety of contractors and therefore envisage considerable risk there. Therefore, we have stringent pre-qualification assessments for contractors at our sites to ensure they can deliver safely.

Diversity & Inclusion

Packages Group fosters a culture of inclusion where employees feel valued and empowered to contribute to our organization's success regardless of their gender, race, age, or ethnicity. At Packages Group, we acknowledge our responsibility to be a leader and encourage our employees to provide their input on how we at Packages Group can make a difference. Our core values of Care, Respect, Lead, Honesty and Courage are foundational to who we are as an organization. Packages Group takes its role as an advocate of diversity, equity and inclusion seriously, as we believe it is our commitment and actions that will matter in helping to secure a better future for everyone. We are an equal opportunity employer and we believe in providing a safe and respectful workplace for all employees, while giving them opportunities to grow professionally. We go beyond recruitment of more females in the workforce. A number of initiatives have been taken to support our female staff including state of the art day care facilities, transportation and many other benefits. Robust policies and procedures are in place to ensure zero discrimination, equality in the workplace, prevention of sexual harassment and providing work life balance.

July 2022

Packages Group's Commitment and Policy on

Integrated Environment, Health & Safety (EHS)

COMMITMENT

At Packages Group of Companies, we are all committed to:

- Pursue the goal of no harm to people.
- Protect the environment.
- Use material and energy efficiently to provide our products to the customers.
- Respect our neighbors and contribute to the societies in which we operate.
- Publicly report on our performance.
- Ensure Process Safety & Asset Integrity in design and prevent incidents of every type, whilst maintaining a high standard of Emergency Response.
- Play a leading role in promoting best practices in our Industries.
- Manage EHS matters as any other critical business activity; and
- Promote a culture in which all Packages Group Employees share this commitment.

In this way, we aim to have an EHS performance we can be proud of, to earn the confidence of customers, shareholders, business partners, and society at large.

POLICY

Every Packages Group Company:

- Has a systematic approach to EHS management designed to ensure compliance & to achieve continuous performance improvement.
- Sets targets for improvement and measures, appraises, and reports performance.
- All Employees have a responsibility to maintain the highest EHS standards & must take a leadership role in this.
- Requires Contractors to be trained & manage EHS in line with this Policy.
- Engages effectively with neighbors and impacted communities; and
- Includes EHS performance in the appraisal of staff & contractors and rewards accordingly.

Syed Hyder Ali
Chief Executive & Managing Director

Stakeholders' Relationship & Engagement

Stakeholders' Relationship & Engagement

The Company engages with a wide range of stakeholders through 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, the Board has regard to a number of factors, including listening to and considering the views of shareholders and other key stakeholders and is familiar of the potential impacts of decisions it makes on our stakeholders, the environment and the communities in which we operate.

As part of stakeholders engagement, the Management has taken steps to solicit and understand the views of the stakeholders through corporate briefing sessions and disclosure of brief summary of analysis and shareholders briefings conducted during the year through general meetings.

We try to engage with shareholders in several ways. This includes regular communications, the AGM and other investor relations activities. We announce our results on a quarterly basis and our annual results are included in our Annual Report. All shareholders receive an Annual Summary which advises them that our Annual Report and Notice of our Annual General Meeting are available. 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

- Annual General Meetings
- Corporate Briefing Sessions
- Annual Reports
- Quarterly Financial Statements and Directors' Reports
- The Company's website
- Dedicated email address for managing investor relations

Employees

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

Governments 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, under defined procedures.

Issues Raised at the Last AGM

No significant issues were raised by the shareholders during the Annual 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/why-invest-with-us/

This page is updated regularly or when required in order to provide transparent, adequate and updated information to all investors and stakeholders. In compliance with the rules and regulations of SECP, the information is made available in both English and Urdu languages.

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 Associates) to resolve issues of the shareholders.

Complaints are initially lodged with the Shares Department and Share Registrar (FAMCO Associates) 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 (shares.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.

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 Pakistan Stock Exchange. In addition to the above, Annual General Meeting 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

MR. TOWFIQ HABIB CHINOY

Since 21 May 2008

Mr. Towfiq Habib Chinoy, Non-Executive Director, has been associated with the Company as Chairman of the 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 Yaqeen Steels Limited and Director of Standard Chartered Bank (Pakistan) Limited. He is a Trustee of the Mohatta Palace Gallery Trust and Habib University Foundation. 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 Foods Limited, Linde Pakistan Limited, Jubilee Life Insurance Co. Limited and the 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 been a Vice-Chairman of the 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. 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 Holdings Limited, IGI Life Insurance Company Limited, IGI General Insurance Limited, IGI Investments (Private) Limited, Nestle Pakistan Limited, Packages Real Estate (Private) Limited, Packages Lanka (Private) Limited, Sanofi-Aventis Pakistan Limited, Bulleh Shah Packaging (Private) Limited, Packages Trading FZCO, National Management Foundation, Pakistan Centre for Philanthropy, Tri-Pack Films Limited, Syed Maratib Ali Religious & Charitable Trust Society and Flexible Packages Convertors (Proprietary) Limited, South Africa. 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 Chairman of 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 Corporation 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. He is also a member of International Olympic Committee.

MR. HASAN ASKARI

Since 29 May 2020

Mr. Hasan Askari is an Independent Director at 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 Pacifi¬c 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 the 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 in 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 a directorship in Habib Bank Limited and is a Member of 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. He had been the 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, Audit Oversight Board and Packages Convertors Limited and directorship of Attock Refinery Limited, Pakistan Oilfields Limited, Silk Bank Limited, Interloop 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 Society for the Promotion of Engineering Sciences and Technology in Pakistan and GIK Institute of Engerineering Science and Tehnology. He is also a Certified Director from Pakistan Institute of Corporate Governance.

SYED ASLAM MEHDI

Since 23 August 2007

Syed Aslam Mehdi, Executive Director, 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 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) 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. IRFAN MUSTAFA

Since 29 May 2020

Mr. Irfan Mustafa is associated with the Company as an Independent Director. He is an entrepreneur, social activist, senior global executive, and ambassador of Pakistan with a distinguished career spanning over 4 decades across 4 continents and 4 multinationals corporations.

Early schooling in missionary Convents led to two MBAs at leading business school in Karachi, IBA Pakistan, followed by a postgraduate in Business Administration – from IMD Lausanne, Switzerland. He joined the elite group of Pakistanis in 2013 by being nominated for "100 Most Powerful Pakistani Worldwide". Board member of many prominent corporates and non-profits, Mr. Mustafa is actively involved with several notable charitable, social, and philanthropic efforts – in particular focusing of the development of youth, promoting Naya and Sehatmand Pakistan.

He holds directorships at Dun & Bradstreet International South Asia & Middle East – Dubai, U.A.E., OPF (Overseas Pakistanis Foundation), Kaya Middle East, and Taskeen Health Initiative Pakistan.

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
Syed Aslam Mehdi (Executive Director)	Member
Mr. Hammad Ahmed Butt	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 & Managing 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. Irfan Mustafa (Independent Director) — Member

Mr. Imran Fazal — 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 Members

Ms. Saba Kamal (Independent Director) — Chairperson

Mr. Irfan Mustafa (Independent Director) — Member

Mr. Khurram Raza Bakhtayari — Member

Mr. Asghar Abbas — Member

Mr. Shaheen Sadiq — 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

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.

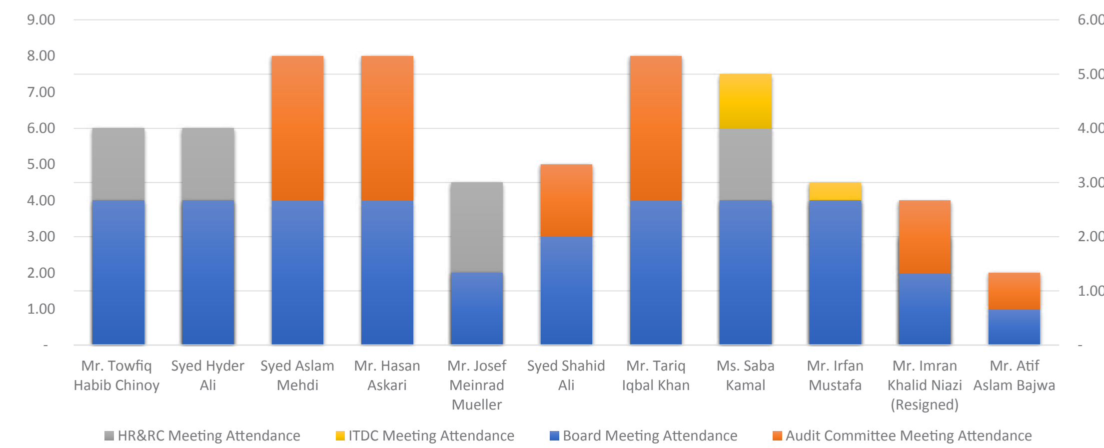
Attendance: Board Meeting and Committees of the Board - FY 2022

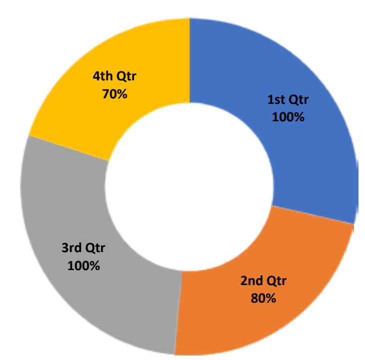
Sr. No.	Name of Director	Board of Directors Meeting	Audit Committee Meeting	HR and Remuneration Committee Meeting	IT & Digitalization Committee Meeting
1	Mr. Towfiq Habib Chinoy	4/4	-	4/4	-
2	Syed Hyder Ali	4/4	-	4/4	-
3	Syed Shahid Ali	3/4	2/4	-	-
4	Mr. Hasan Askari	4/4	4/4	-	-
5	Mr. Atif Aslam Bajwa*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

Mr. Atif Aslam Bajwa joined the Board of Directors on 26 August 2022 as a Non-Executive Director in place of Mr. Imran Khalid Niazi who resigned on the same date.

Meetings held during the year - 2022

Board of Directors Metting held on	Audit Committee Meetings held on	HR&R Committee Meetings held on	IT & Digitalization Committee Meeting held on
29-Mar-22	28-Mar-22	21-Jan-22	29-Sep-22
27-Apr-22	26-Apr-22	21-Apr-22	
26-Aug-22	25-Aug-22	23-Aug-22	
28-Oct-22	27-Oct-22	24-Oct-22	





List of Directorships

DIRECTORS	ORGANIZATIONS
Towfiq Habib Chinoy	***Chairman*** Packages Limited Yaqin Steels Limited ***Director*** Standard Chartered Bank (Pakistan) Limited ***Trustee*** Habib University Foundation Mohatta Palace Gallery Trust
Syed Hyder Ali	***CEO & Director*** Packages Limited ***CEO - Deemed Director*** Packages Convertors Limited ***Director*** Babar Ali Foundation Bulleh Shah Packaging (Private) Limited Flexible Packages Convertors (Pty) Limited IGI General Insurance Limited IGI Holdings Limited IGI Investments (Private) Limited IGI Life Insurance Company Limited National Management Foundation Nestle Pakistan Limited Packages Real Estate (Private) Limited Packages Lanka (Private) Limited Packages Trading FZCO Pakistan Centre for Philanthropy Sanofi-Aventis Pakistan Limited 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

DIRECTORS	ORGANIZATIONS
Syed Shahid Ali	***Chairman*** Gulab Devi Chest Hospital ***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 Renacon Pharma Limited Specialized Autoparts Industries (Private) Limited Specialized Motorcycles (Private) Limited Treet Battery Limited Treet Corporation Limited Treet Holdings Limited Treet Power Limited ***President*** Liaquat National Hospital ***Member*** International Olympic Committee
Mr. Hasan Askari	***Director*** Packages Limited The Hasan A. Foundation ***Trustee*** Packages Foundation
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 in Pakistan

DIRECTORS	ORGANIZATIONS
Ms. Saba Kamal	***Director*** Packages Limited Habib Bank Limited ***Member Governing Body*** Institute of Business Administration
Mr. Tariq Iqbal Khan	***Chairman*** Packages Convertors Limited Audit Oversight Board Interloop Asset Management Limited ***Director*** Packages Limited Attock Refinery Limited Pakistan Oilfields Limited Silk Bank Limited Interloop Limited Shifa Medical Center Islamabad (Private) Limited KIA Lucky Limited ***Trustee*** High Altitude Sustainability Trust Human Element Foundation Islamic International Medical Trust Pakistan Academy of Engineering Endowment Fund ***Member*** Society for the Promotion of Engineering Sciences and Technology in Pakistan GIK Institute of Engerineering Science and Tehnology
Syed Aslam Mehdi	***Director*** Packages Limited Bulleh Shah Packaging (Private) Limited DIC Pakistan Limited Packages Real Estate (Private) Limited Packages Lanka (Private) Limited Packages Convertors Limited ***Member – Board of Governors*** Babar Ali Foundation National Management Foundation – LUMS ***Trustee*** Packages Foundation
Mr. Josef Meinrad Mueller	***Director*** Packages Limited
Mr. Irfan Mustafa	***Director*** Packages Limited Dun & Bradstreet International South Asia & Middle East – Dubai, U.A.E. OPF (Overseas Pakistanis Foundation) Kaya Middle East Taskeen Health Initiative Pakistan

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

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's office and Management Team.

Annual evaluation of performance of board including CEO, Chairman and Board's committees

In accordance with the requirements of the Code of Corporate Governance, 2019 the Board has an established mechanism to carry out an evaluation of performance of its individual members, the board and the performance of its 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 clarifications and further insights and perspectives on the performance of the Board.

The salient features of the board self-evaluation 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 effectiveness and efficiency of the operation of the Board and its committees

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. 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.

It has also been decided that the Board Performance Evaluation is also to be carried out by external consultants, once every 3 years. Hence during the outgoing year, the Board recommended the appointment of Pakistan Institute of Corporate Governance (PICG), as external consultants to do the needful for the year 2022.

Director's Orientation

The Company carried out orientation for their directors to acquaint them with these Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed Company for and on behalf of the shareholders.

The Company Secretary assists the Chairman in designing and facilitating individual induction programmes for new Directors. All new Directors receive a general induction from the Company Secretary, which includes the Company's Corporate Governance structure and undertake training on the Company's Code of Conduct.

Directors' Training Program

As per the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 the directors on the Board are required to be trained from SECP's approved institutions.

All the Directors of Packages Limited have either acquired the Directors' Training Program and hence are certified a such or are exempt from the requirements of Directors' Training Program. There was no exemption claimed during the year.

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 shareholder's 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 Code of Corporate Governance 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 Non-Executive/Independent Directors

The Company's remuneration policy for its Independent/Non-Executive Directors, set out below, was approved on 24 October 2018 at a Board of Directors meeting.

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.

Retention of Board Fee by the Executive Director on Other Companies' Boards

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 foreign director was appointed.

Board Meetings Outside Pakistan

No Board of Directors meeting was held outside Pakistan during the year 2022.

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.

Presence of the Chairman Audit Committee at the AGM

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 were present at the Annual 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 commitments are mentioned in the Directors' profile and also refer page nos 70 & 78.

Governance Practices Exceeding Legal Requirements

Packages Limited strives to ensure transparent, consistent and timely compliance with all prevailing laws and regulations of Pakistan. We take pride in proactively and voluntarily complying with many additional legal requirements which are not mandatory.

In line with this strategy, the Company has complied with all mandatory legal compliances under the Code of Corporate Governance, the Companies Act, 2017 and other applicable rules, regulations and standards.

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, 2022.

We would like to make the following submissions on Adherence to the Code of Corporate Governance The Board Audit Committee ('BAC') has concluded its annual review of the conduct and operations of the company for the year ended December 31, 2022 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, 2022, 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 is maintained by the company which is 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 Chief Internal Auditor in compliance of the Code of Corporate Governance, who is assisted by in house staff. The Chief Internal Auditor reports directly to the Chairman of the BAC. The Chief Internal Auditor 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, 2022 and shall retire on the conclusion of the 68th 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, 2023 on terms & remuneration negotiated by the Chief Executive Officer.

No whistle blowing complaint during the year has been received.

Mr. Hasan Askari
Chairman - BAC

Independent Auditors' 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, 2022 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

A.F. Ferguson & Co.
Chartered Accountantssw

Lahore
Date: April 05, 2023
UDIN: CR202210070mD3axjEQp

Statement of Compliance

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

For the Year Ended December 31, 2022

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. Irfan Mustafa
Non-Executive Directors	5	Mr. Towfiq Habib Chinoy Syed Shahid Ali Shah Mr. Tariq Iqbal Khan Mr. Atif Aslam Bajwa* 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. Atif Aslam Bajwa joined the Board of Directors of the Company on 26 August 2022 as a Non-Executive Director in place of Mr. Imran Khalid Niazi;

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 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 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 Ms. Iqra Sajjad was appointed as Company Secretary in place of Ms. Arjumand Ahmed Shah.

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 Aslam Mehdi (Executive Director)	Member
Syed Shahid Ali (Non-Executive Director)	Member
Mr. Tariq Iqbal Khan (Non-Executive Director)	Member
Mr. Atif Aslam Bajwa (Non-Executive Director)	Member

    b) Human Resource and Remuneration Committee:

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

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

Lahore
Date: March 24, 2023

Six Years at a Glance

(Rupees in million)

	2022	2021	2020	2019	2018	2017
Assets Employed:						
Fixed Assets at Cost	2,495	2,286	2,175	14,736	13,184	11,514
Accumulated Depreciation/Amortization	692	639	586	6,835	6,459	6,190
Net Fixed Assets	**1,804**	**1,647**	**1,589**	**7,902**	**6,726**	**5,324**
Other Non-Current Assets	50,580	46,928	46,454	47,722	51,334	60,185
Current Assets	3,834	4,565	5,125	11,203	10,116	8,380
Current Liabilities	1,379	1,744	2,194	9,811	9,492	4,863
Net Current and Other Non-Current Assets	**53,035**	**49,748**	**49,385**	**49,114**	**51,958**	**63,702**
Net Assets Employed	**54,839**	**51,396**	**50,974**	**57,015**	**58,683**	**69,026**
Financed By:						
Paid up Capital	894	894	894	894	894	894
Reserves	48,448	46,658	48,191	51,422	54,934	64,166
Preference Shares/Convertible stock reserve	606	606	606	606	606	606
Shareholder's Equity	**49,948**	**48,158**	**49,691**	**52,922**	**56,434**	**65,666**
Deferred Liabilities	826	747	342	1,261	1,229	1,027
Lease Liabilities	-	-	-	41	-	-
Long Term Finances	4,045	2,483	933	2,733	933	2,267
Long Term Advances	19	8	8	59	87	66
Total Non-Current Liabilities	**4,891**	**3,237**	**1,283**	**4,093**	**2,249**	**3,360**
Total Funds Invested	**54,839**	**51,396**	**50,974**	**57,015**	**58,683**	**69,026**
Invoiced Sales-Gross	-	-	15,420	27,548	24,822	21,389
Materials Consumed	-	-	5,619	13,899	12,913	10,226
Cost of Goods Sold	-	-	9,941	18,543	17,419	14,370
Gross Profit	-	-	2,889	4,373	3,280	3,524
Employees Remuneration	266	182	1,594	2,699	2,520	2,331
Profit/(loss) from Operations	4,841	4,881	1,701	1,287	941	1,328
Profit before Tax	4,177	4,664	2,836	2,166	3,445	7,156
Profit/(loss) after Tax	3,868	4,122	2,820	1,346	2,736	6,216
Key Ratios:						
Liquidity						
Current Ratio	2.78	2.62	2.34	1.14	1.07	1.71
Quick Ratio	2.76	2.60	0.08	0.72	0.67	1.20
Gearing:						
Debt : Equity Ratio	8:92	5:95	2:98	5:95	4:96	5:95
Return on Equity (%)	7.74	8.56	5.67	2.54	4.85	9.47
Investment:						
Basic EPS (Rs.)	43.27	46.12	31.55	15.06	29.69	69.05
Diluted EPS (Rs.)	41.24	43.84	30.48	14.93	29.18	65.02
Price - Earning Ratio	8.55	10.78	18.92	23.64	13.03	7.38
Interest Cover Ratio	7.53	23.89	4.72	3.08	7.87	17.96
Dividend Yield (%)	7.43	5.53	3.77	3.37	3.88	5.88
Dividend Cover Ratio	1.57	1.68	1.40	1.26	2.04	2.32
Cash dividend %	275.00	275.00	225.00	120.00	150.00	300.00
Break-up value per Ordinary share (Rs.)	552.05	532.03	549.17	585.32	624.62	727.90
Market Value per Ordinary Share - Year End (Rs.)	370.16	497.27	596.92	356.00	386.82	509.83
Cash Dividend per share	27.50	27.50	22.50	12.00	15.00	30.00

Horizontal & Vertical Analysis

Balance Sheet

HORIZONTAL ANALYSIS

(Rupees In Million)

	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19	2019	19 vs 18	2018	18 vs 17	2017	17 vs 16	2016
	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%	Rs
EQUITY & LIABILITIES													
SHARE CAPITAL & RESERVES													
Issued, subscribed and paid up capital	894	-	894	-	894	-	894	-	894	-	894	-	894
Preference shares /convertible stock of Rs 190 each	606	-	606	-	606	-	606	-	606	-	606	-	606
Reserves	44,128	4.20	42,351	(5.95)	45,029	(8.26)	49,084	(4.79)	51,550	(10.62)	57,673	16.39	49,550
Un-appropriated profit / (loss)	4,320	0.29	4,308	36.24	3,162	35.21	2,338	(30.90)	3,384	(47.88)	6,492	274.40	1,734
NON-CURRENT LIABILITIES													
Long term finances	4,045	62.94	2,483	166.19	933	(65.87)	2,733	193.00	933	(58.62)	2,254	(36.96)	3,576
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-	13	(49.36)	26
Lease liabilities	-	-	-	-	-	-	41	-	-	-	-	-	-
Long term advances	19	150.68	8	(5.64)	8	(86.14)	59	(32.51)	87	32.68	66	-	-
Deferred taxation	-	-	94	-	-	-	462	27.76	362	5.22	344	(0.12)	344
Retirement benefits	759	26.30	601	98.41	303	(51.22)	621	21.30	512	42.80	358	310.36	87
Deferred liabilities	68	29.77	52	32.15	39	(77.93)	178	(49.89)	356	9.50	325	6.62	305
CURRENT LIABILITIES													
Current portion of long-term finances	538	5,921.06	9	310.81	2	(99.02)	221	(83.34)	1,329	(1.02)	1,342	131.94	579
Finances under mark up arrangements - secured	-	-	21	(95.34)	453	(92.07)	5,713	29.43	4,414	1,373.32	300	(78.24)	1,377
Trade and other payables	539	(64.02)	1,498	(0.88)	1,511	(56.65)	3,486	1.39	3,438	14.92	2,992	5.06	2,848
Unclaimed dividend	60	1.47	59	7.53	55	(0.82)	55	(11.01)	62	57.81	39	-	-
Accrued Finance Cost	243	54.23	157	(8.75)	173	(48.51)	335	34.43	249	31.40	190	(14.42)	222
TOTAL	56,218	5.79	53,140	(0.05)	53,168	(20.44)	66,827	(1.98)	68,176	(7.73)	73,889	18.89	62,148

VERTICAL ANALYSIS

(Rupees In Million)

	2022		2021		2020		2019		2018		2017		2016	
	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%
EQUITY & LIABILITIES														
SHARE CAPITAL & RESERVES														
Issued, subscribed and paid up capital	894	1.59	894	1.68	894	1.68	894	1.34	894	1.31	894	1.21	894	1.44
Preference shares /convertible stock of Rs 190 each	606	1.08	606	1.14	606	1.14	606	0.91	606	0.89	606	0.82	606	0.98
Reserves	44,128	78.50	42,351	79.70	45,029	84.69	49,084	73.45	51,550	75.61	57,673	78.05	49,550	79.73
Un-appropriated profit / (loss)	4,320	7.68	4,308	8.11	3,162	5.95	2,338	3.50	3,384	4.96	6,492	8.79	1,734	2.79
NON-CURRENT LIABILITIES														
Long term finances	4,045	7.20	2,483	4.67	933	1.75	2,733	4.09	933	1.37	2,254	3.05	3,576	5.75
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-	13	0.02	26	0.04
Lease liabilities	-	-	-	-	-	-	41	0.06	-	-	-	-	-	-
Long term advances	19	0.03	8	0.01	8	0.02	59	0.09	87	0.13	66	0.09	-	-
Deferred taxation	-	-	94	0.18	-	-	462	0.69	362	0.53	344	0.47	344	0.55
Retirement benefits	759	1.35	601	1.13	303	0.57	621	0.93	512	0.75	358	0.48	87	0.14
Deferred liabilities	68	0.12	52	0.10	39	0.07	178	0.27	356	0.52	325	0.44	305	0.49
CURRENT LIABILITIES														
Current portion of long-term finances	538	0.96	9	0.02	2	0.00	221	0.33	1,329	1.95	1,342	1.82	579	0.93
Finances under mark up arrangements - secured	-	-	21	0.04	453	0.85	5,713	8.55	4,414	6.47	300	0.41	1,377	2.22
Trade and other payables	539	0.96	1,498	2.82	1,511	2.84	3,486	5.22	3,438	5.04	2,992	4.05	2,848	4.58
Unclaimed dividend	60	0.11	59	0.11	55	0.10	55	0.08	62	0.09	39	0.05	-	-
Accrued Finance Cost	243	0.43	157	0.30	173	0.32	335	0.50	249	0.37	190	0.26	222	0.36
TOTAL	56,218	100	53,140	100	53,168	100	66,827	100	68,176	100	73,889	100	62,148	100

Horizontal & Vertical Analysis

Balance Sheet

HORIZONTAL ANALYSIS

(Rupees In Million)

	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19	2019	19 vs 18	2018	18 vs 17	2017	17 vs 16	2016
	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%	Rs
ASSETS													
NON-CURRENT ASSETS													
Property, plant and equipment	339	80.84	187	13.77	165	(97.74)	7,286	11.30	6,546	26.26	5,185	21.71	4,260
Right-of-use assets	-	-	-	-	-	-	63	-	-	-	-	-	-
Investment property	1,463	0.36	1,458	2.55	1,422	191.66	487	336.73	112	(17.14)	135	1.14	133
Intangible assets	2	(24.48)	2	(19.72)	3	(95.99)	65	(3.42)	67	1,338.46	5	(52.48)	10
Investments	50,572	7.78	46,923	1.59	46,186	(3.20)	47,714	(7.03)	51,323	(14.70)	60,166	20.15	50,078
Long term security deposits	3	(47.47)	5	(4.10)	5	(31.23)	8	(8.94)	9	(42.66)	15	(42.66)	26
Long term loans	-	-	-	-	-	-	0.3	(88.09)	2	(27.14)	3	-	-
Deferred taxation	4.7	-	-	-	262.5	-	-	-	-	-	-	-	-
CURRENT ASSETS													
Stores and spares	-	-	-	-	-	-	658	32.12	498	17.99	422	5.03	402
Stock-in-trade	-	-	-	-	-	-	3,439	10.04	3,125	59.87	1,955	10.51	1,769
Current portion of long term investment	-	-	-	-	-	-	-	-	10	-	-	-	-
Short term investments	150	-	235	-	-	-	80	-	-	-	-	-	-
Trade debts	-	-	10	(85.93)	74	(97.56)	3,045	18.54	2,569	7.38	2,392	10.14	2,172
Loans, advances, deposits, prepayments and other receivables	1,354	30.45	1,038	(46.13)	1,927	124.60	858	2.77	835	14.53	729	(32.57)	1,081
Income Tax Receivable	2,170	(25.50)	2,913	(2.79)	2,997	3.76	2,888	(4.28)	3,017	11.75	2,700	27.00	2,126
Cash and bank balances	160	(56.55)	368	190.63	127	(46.12)	235	276.11	63	(65.69)	182	101.08	91
TOTAL	56,218	5.79	53,140	(0.05)	53,168	(20.44)	66,827	(1.98)	68,176	(7.73)	73,889	18.89	62,148

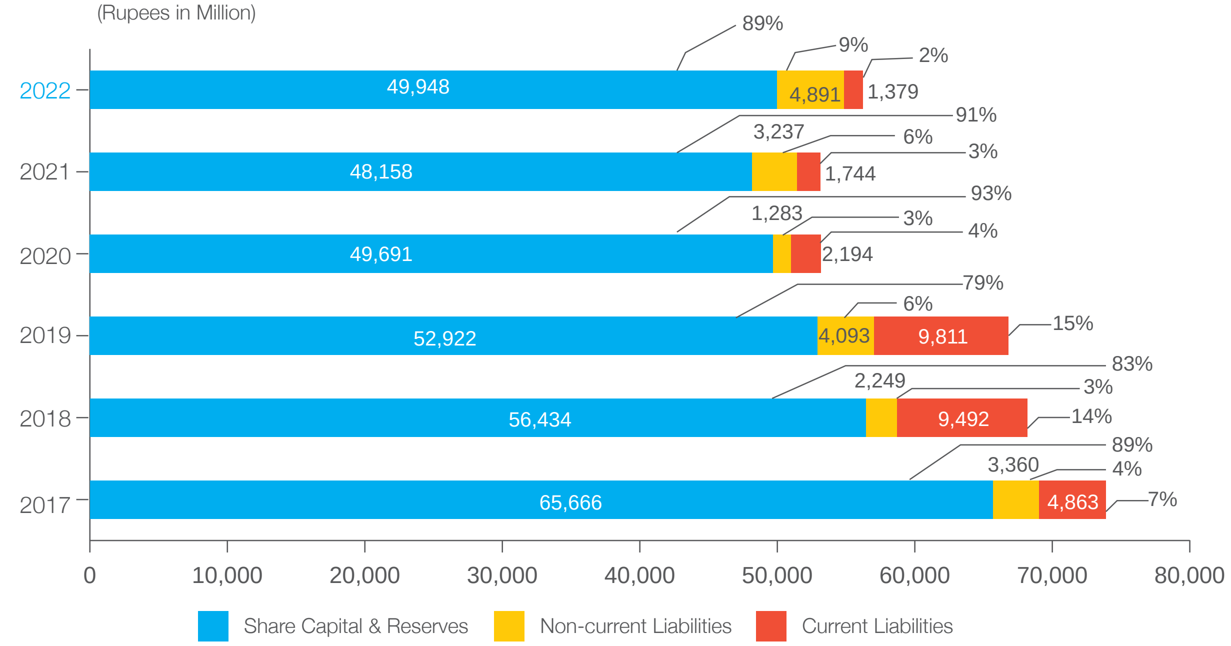
VERTICAL ANALYSIS

(Rupees In Million)

	2022		2021		2020		2019		2018		2017		2016	
	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%
ASSETS														
NON-CURRENT ASSETS														
Property, plant and equipment	339	0.60	187	0.35	165	0.31	7,286	10.90	6,546	9.60	5,185	7.02	4,260	6.85
Right-of-use assets	-	-	-	-	-	-	63	0.09	-	-	-	-	-	-
Investment property	1,463	2.60	1,458	2.74	1,422	2.67	487	0.73	112	0.16	135	0.18	133	0.21
Intangible assets	2	0.00	2	0.00	3	0.00	65	0.10	67	0.10	5	0.01	10	0.02
Investments	50,572	89.96	46,923	88.30	46,186	86.87	47,714	71.40	51,323	75.28	60,166	81.43	50,078	80.58
Long term security deposits	3	0.00	5	0.01	5	0.01	8	0.01	9	0.01	15	0.02	26	0.04
Long term loans	-	-	-	-	-	-	0.3	0.00	2	0.00	3	0.00	-	-
Deferred taxation	4.7	0.01	-	-	262.5	0.49	-	-	-	-	-	-	-	-
CURRENT ASSETS														
Stores and spares	-	-	-	-	-	-	658	0.98	498	0.73	422	0.57	402	0.65
Stock-in-trade	-	-	-	-	-	-	3,439	5.15	3,125	4.58	1,955	2.65	1,769	2.85
Current portion of long term investment	-	-	-	-	-	-	-	-	10	0.01	-	-	-	-
Short term investments	150	0.27	235	0.44	-	-	80	0.12	-	-	-	-	-	-
Trade debts	-	-	10	0.02	74	0.14	3,045	4.56	2,569	3.77	2,392	3.24	2,172	3.49
Loans, advances, deposits, prepayments and other receivables	1,354	2.41	1,038	1.95	1,927	3.62	858	1.28	835	1.22	729	0.99	1,081	1.74
Income Tax Receivable	2,170	3.86	2,913	5.48	2,997	5.64	2,888	4.32	3,017	4.43	2,700	3.65	2,126	3.42
Cash and bank balances	160	0.28	368	0.69	127	0.24	235	0.35	63	0.09	182	0.25	91	0.15
TOTAL	56,218	100	53,140	100	53,168	100	66,827	100	68,176	100	73,889	100	62,148	100

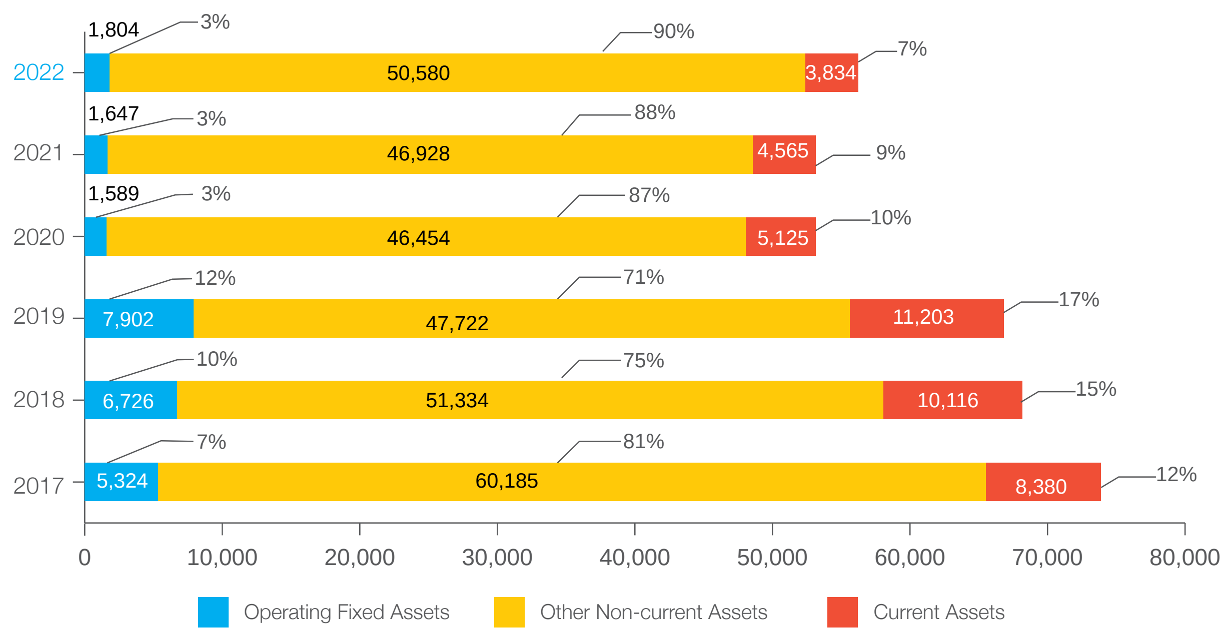
	2022	2021	2020	2019	2018	2017	2016
Share capital & reserves	49,948	48,158	49,691	52,922	56,434	65,666	52,784
%	89%	91%	93%	79%	83%	89%	85%
Non-Current Liabilties	4,891	3,237	1,283	4,093	2,249	3,360	4,338
%	9%	6%	3%	6%	3%	4%	7%
Current Liabilities	1,379	1,744	2,194	9,811	9,492	4,863	5,025
%	2%	3%	4%	15%	14%	7%	8%

EQUITY AND LIABILITIES
(Rupees in Million)



	2022	2021	2020	2019	2018	2017
Operating Fixed Assets	1,804	1,647	1,589	7,902	6,726	5,324
%	3%	3%	3%	12%	10%	7%
Other Non-current Assets	50,580	46,928	46,454	47,722	51,334	60,185
%	90%	88%	87%	71%	75%	81%
Current Assets	3,834	4,565	5,125	11,203	10,116	8,380
%	7%	9%	10%	17%	15%	12%

ASSETS
(Rupees in Million)

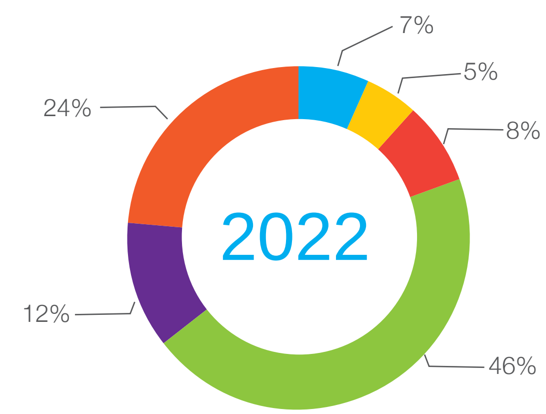


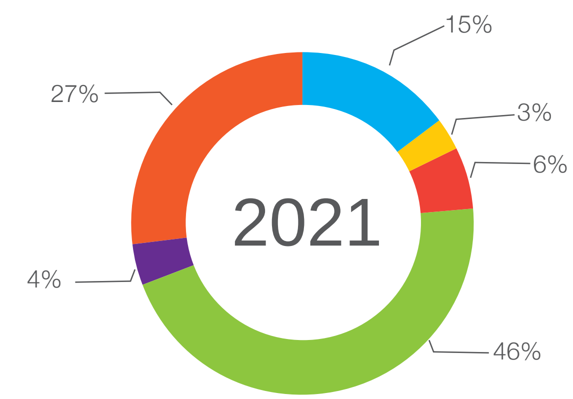
Value Added & its Distribution

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

	2022	%	2021	%	2020
	(Rupees in thousand)				
WEALTH GENERATED					
Sales	-		-		15,420,119
Dividend Income	4,862,333		4,195,733		1,916,898
Rental and other Income	655,184		1,269,725		406,333
	5,517,517	100%	5,465,458	100%	17,743,350
WEALTH DISTRIBUTED					
Bought-In-Materials & Services	381,103	7%	830,185	15%	11,116,799
To Employees					
Remuneration, Benefits And Facilities	266,392	5%	181,528	3%	1,593,791
To Government					
Income Tax, Sales Tax, Custom & Excise Duties, Workers' Funds, Eobi & Social Security Contribution, Professional & Local Taxes	422,169	8%	303,557	6%	1,354,541
To Providers Of Capital					
Cash Dividend To The Ordinary Shareholders	2,457,936	45%	2,457,936	45%	2,011,039
Finance Costs	663,730	12%	217,074	4%	782,263
Retained For Reinvestment & Future Growth / (Utilized From Reserves)	1,326,187	24%	1,475,178	27%	884,917
	5,517,517	100%	5,465,458	100%	17,743,350

WEALTH GENERATED & DISTRIBUTED
(Percentage)





Bought-in-materials & Services	381	7%
Employees	266	5%
Government	422	8%
Shareholders	2,458	46%
Finance Cost	664	12%
Retained for Reinvestment & Future Growth	1,326	24%
	5,518	**100%**

Bought-in-materials & Services	830	15%
Employees	182	3%
Government	304	6%
Shareholders	2,458	46%
Finance Cost	217	4%
Retained for Reinvestment & Future Growth	1,475	27%
	5,465	**100%**

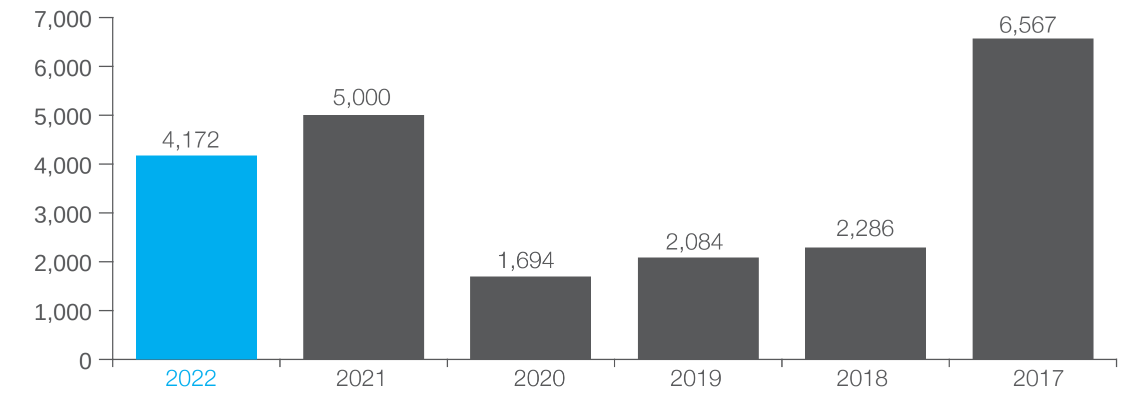
Sources & Application of Funds

Over the last six years

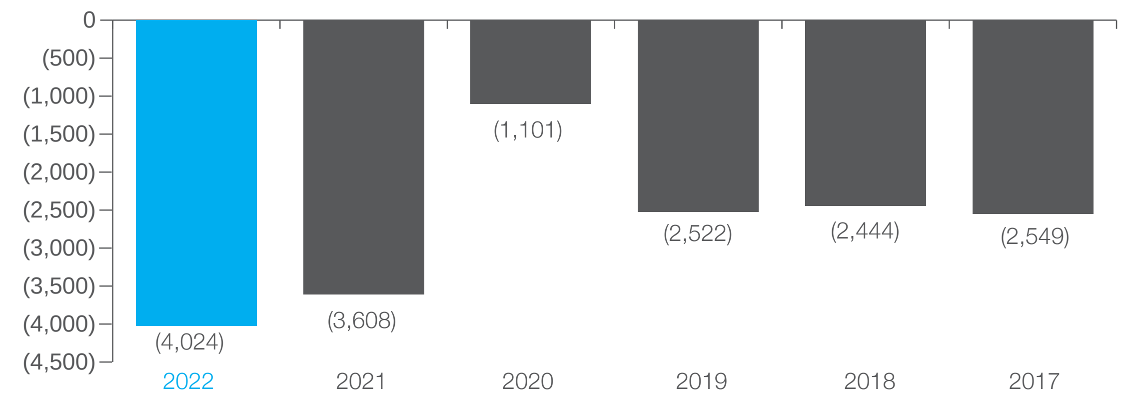
	2022	2021	2020	2019	2018	2017
Cash flow from operating activities						
Cash generated from operations	271,533	214,748	2,312,377	1,844,199	825,675	2,252,114
Finance cost paid	(575,140)	(230,904)	(913,524)	(963,463)	(465,034)	(477,465)
Taxes paid & refund - net	(390,184)	(275,401)	(456,940)	(575,521)	(975,744)	(1,437,792)
Long term loans - net	-	-	379	2,563	1,190	2,864
Long term security deposits - net	2,433	220	2,288	763	(6,230)	(1,471)
Payments for accumulating compensated absences	(1,325)	(1,248)	(4,130)	(226,947)	(33,490)	(21,595)
Retirement benefits paid	(7,164)	(5,972)	(72,287)	(25,679)	(23,739)	(21,339)
Long term advances - net	9,447	10,765	663	3,336	20,680	(2,476)
Dividends received	4,862,333	5,287,607	825,024	2,025,215	2,942,799	6,273,905
Net cash inflow from operating activities	**4,171,933**	**4,999,815**	**1,693,850**	**2,084,466**	**2,286,107**	**6,566,745**
Cash flow from investing activities						
Fixed capital expenditure	(260,827)	(141,369)	(699,639)	(1,995,235)	(2,215,130)	(1,663,202)
Investments made in equity securities	(3,809,348)	(3,488,151)	(443,811)	(614,538)	(289,614)	(958,526)
Investments made in government securities	-	-	-	-	-	(1,599,994)
Proceeds from disposal of government securities	-	-	-	-	-	1,603,171
Proceeds from disposal of property, plant and equipment	46,215	21,391	42,396	77,281	60,846	69,455
Proceeds from disposal of investments	-	-	-	10,000	-	-
Net cash used in investing activities	**(4,023,960)**	**(3,608,129)**	**(1,101,054)**	**(2,522,492)**	**(2,443,898)**	**(2,549,096)**
Cash flow from financing activities						
Repayment of long term finances	-	-	-	(1,321,450)	(1,321,420)	(571,420)
Proceeds from long-term finances	2,100,000	1,550,000	2,243,333	2,000,000	-	-
Repayment of liabilities against assets subject to finance lease - net	-	-	-	-	(13,730)	(10,617)
Repayment of lease liabilities	-	-	(11,588)	(19,519)	-	-
Participating dividend on preference shares paid	-	-	-	-	(82,499)	(45,000)
Dividend paid	(2,520,820)	(2,033,175)	(1,073,007)	(1,347,518)	(2,658,674)	(2,221,580)
Net cash (used in) / generated from financing activities	**(420,820)**	**(483,175)**	**1,158,738**	**(688,487)**	**(4,076,323)**	**(2,848,617)**
Net (decrease) / increase in cash and cash equivalents	**(272,847)**	**908,511**	**1,751,534**	**(1,126,513)**	**(4,234,114)**	**1,169,032**
Short term borrowings transferred to Packages Convertors Limited	-	-	3,400,000	-	-	-
Cash and cash equivalents at the beginning of the year	582,029	(326,482)	(5,478,016)	(4,351,503)	(117,389)	(1,286,421)
Effect of exchange rate changes on cash and cash equivalents	777	-	-	-	-	-
Cash and cash equivalents at the end of the year	**309,959**	**582,029**	**(326,482)**	**(5,478,016)**	**(4,351,503)**	**(117,389)**

	2022	2021	2020	2019	2018	2017
Operating	4,172	5,000	1,694	2,084	2,286	6,567
Investing	(4,024)	(3,608)	(1,101)	(2,522)	(2,444)	(2,549)
Financing	(421)	(483)	1,159	(688)	(4,076)	(2,849)

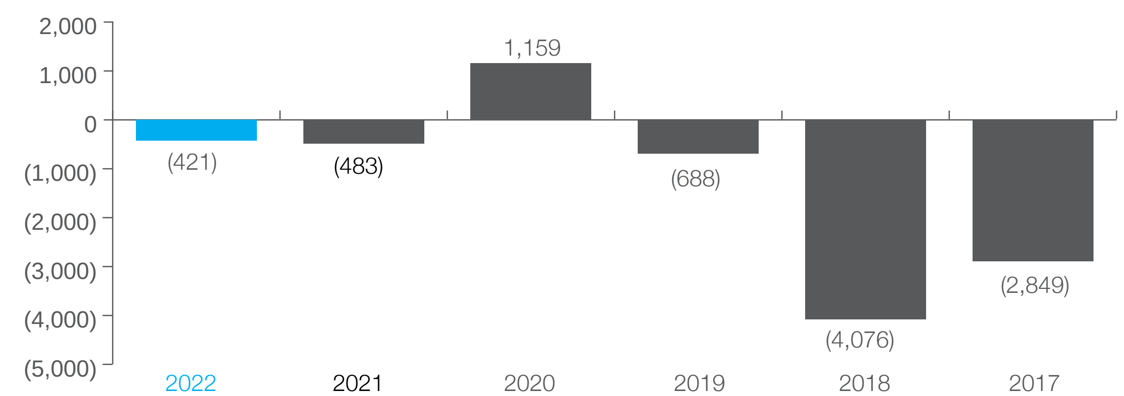
Operating Activities
(Rupees in Million)



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, 2022. Packages Limited is operating as a Holding Company and derives value for its shareholders from its equity participation in 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, OmyaPack (Private) Limited, StarchPack (Private) Limited and 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 investee companies.

The Board is responsible for overall management of the Company and 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, four (4) 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 its momentum of growth in the future.

Towfiq Habib Chinoy
(Chairman)
Lahore
March 24, 2023

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, 2022.

FINANCIAL PERFORMANCE

Summarized financial performance is as follows:

	2022	2021
	(Rupees in million)	
Dividend income	4,862	4,196
Rental income	488	423
Net operating revenue	**5,350**	**4,619**
EBIT	**4,477**	**4,095**
Finance costs	(664)	(217)
Other income / (expenses) – net	122	109
(Impairment loss) / reversal of impairment loss on investment	(687)	677
WPPF provision written back	929	-
Earnings before tax	4,177	4,664
Taxation	(309)	(542)
Earnings after tax	**3,868**	**4,122**
Basic Earnings per Share – Rupees	43.27	46.12

Packages Limited is now operating as a 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 major source of income of Packages Limited. As a result, its income pattern will follow dividend distribution pattern of the subsidiaries. It is envisioned that the operating performance of the subsidiaries will result in better dividend payout to the holding company. The management believes that the corporate structure shall be conducive to focused management of the subsidiaries and leading to better operating performance.

FINANCE COSTS

Finance cost of the Company has increase by Rs 447 million during 2022 over 2021 mainly due to increase in interest rates which is attributable to high inflation rates, deficit in balance of payments, currency devaluation of Pak Rupee against US dollar and international market conditions.

INVESTMENTS IN GROUP COMPANIES

Your Company contributed Rs 3,793.7 million (including USD 1.205 million) as equity investment in Sanofi-Aventis Pakistan Limited ("SAPL"), Tri-Pack Films Limited ("TPFL"), Starchpack (Private) Limited ("SPAC") and Anemone Holdings Limited, Mauritius ("AHL").

Public offer of Sanofi-Aventis Pakistan Limited

During the period, Packages Limited acquired 585,254 ordinary shares of sanofi-aventis Pakistan Limited comprising 6.07% of the issued ordinary share capital thereof pursuant to the public offer made by the Company on June 30, 2022 at an offer price of Rs 1,704 per ordinary share pursuant to the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 (the 'Regulations'). Packages Limited had made a public announcement of intention on April 28, 2022 of the finalization of purchase price and terms and conditions of the Proposed Transaction between the Investor Consortium and Sanofi Foreign Participants B.V. for the purchase of entire 52.87% shareholding of Sanofi Foreign Participants B.V. held in sanofi- aventis Pakistan Limited. The Investor Consortium is comprised of Packages Limited, IGI Investments (Private) Limited and affiliates of Arshad Ali Gohar Group. The Investor Consortium is led by Packages Limited.

The negotiated purchase price for the Proposed Transaction is Rs 940 per share (excluding transaction costs) and the Company expects to acquire 35% of equity stake in Sanofi Pakistan. The remaining shareholding i.e. 17.87% (Remaining Shareholding) is expected to be taken by other members of the Investor Consortium. The Company shall also be committed to purchase Remaining Shareholding to the extent not taken-up by any other member of the Investor Consortium along with 6.07% already acquired under the mandatory public offer in terms of applicable take-over laws as stated above.

Impairment in Flexible Packaging Convertors (Proprietary) Limited

Flexible Packaging Convertors (Proprietary) Limited ('FPC') which is based in South Africa (the subsidiary of Anemone Holdings Limited, Mauritius), has experienced 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. Resultantly, your Company carried out an estimate of the recoverable amount of the investment in AHL and determined it to be lower than its carrying amount. As the recoverable amount of the investment worked out is lower than its carrying value, therefore, an impairment loss of Rs 687.121 million has been recognized in these unconsolidated financial statements.

Reversal of WPPF expense booked in prior years

As disclosed in note 13.6 of the enclosed financial statements, the Company has accrued an amount of Rs 929.419 million in respect of WPPF which represents 5% of the investment income from the years 2015 to 2019. The management of the Company, based on various legal opinions, considers that the Company's investment income does not form part of 'profit' for the purpose of payment to WPPF fund. Further, a significant time has passed since the provision was recorded.

Based on the above premise, the above provision has been reversed in its financial statements.

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 19 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 an 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 115.998 million (2021: Rs 120.697 million) in respect of rent for the year from January 2022 to December 2022.

Furthermore, the management intends to acquire the tile 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 2022 was at Rs 260.8 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, Packages Power (Private) Limited, StarchPack (Private) Limited and Anemone Holdings (Private) Limited.

The Board is satisfied that there are no short-term or long-term financial constraints including access to credit and the Company enjoys a strong balance sheet with net debt: equity ratio at 8:92 in Dec 2022, however, it must be noted that it operates in a current economic environment where access to foreign currency is constrained.

Risk Mitigation

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 ensures 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.

Foreign Exchange Risk

Foreign currency risk arises mainly where receivables and payables exist due to transaction 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.422 million during the year 2022 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, 2022 were as follows:

Provident Fund	**Rs. 2,775.78 million**
Gratuity Fund	**Rs. 536.32 million**
Pension Fund	**Rs. 2,084.91 million**

APPROPRIATION

In view of the financial results of the Company for the year 2022, 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 2022 after appropriation of preference dividend / return	3,784,123
Un-appropriated profit brought forward	535,879
Available for appropriation	**4,320,002**
Transfer to General Reserve	(1,500,000)
Participating Dividend – Preference Shareholders	(63,749)
Cash dividend	(2,457,937)
To be carried forward to 2023	**298,316**

AUDITORS

The present auditor's 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, 2023, 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 socia responsibility are mentioned on page no. 54 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 no. 89.

MATERIAL CHANGES

There have been no material changes since December 31, 2021 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, 2022.

NUMBER OF DIRECTORS

(a)	Male	9
(b)	Female	1

COMPOSITION OF THE BOARD

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

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

CHANGES IN THE COMPOSITION OF THE BOARD

During the year, Mr. Atif Aslam Bajwa joined the Board of the Company on 26 August 2022 as a Non-Executive Director in place of Mr. Imran Khalid Niazi.

Meetings of Board of Directors
During the year 2022, four (4) 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)	4
Syed Hyder Ali	4
Syed Shahid Ali	3
Mr. Hasan Askari	4
Mr. Atif Aslam Bajwa (Appointed on 26 August 2022)	1
Ms. Saba Kamal	4
Mr. Tariq Iqbal Khan	4
Syed Aslam Mehdi	4
Mr. Josef Meinrad Mueller	2
Mr. Irfan Mustafa	4
Mr. Imran Khalid Niazi (Resigned on 26 August 2022)	2

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, one (1) Executive Director and a Chairman who is an Independent Director.

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 (Appointed on 26 August 2022)	1
Mr. Tariq Iqbal Khan	4
Syed Aslam Mehdi	4
Mr. Imran Khalid Niazi (Resigned on 26 August 2022)	2

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. Atif Aslam Bajwa (Appointed on 26 August 2022)	-
Mr. Towfiq Habib Chinoy	4
Mr. Josef Meinrad Mueller	3
Mr. Irfan Mustafa	2
Mr. Imran Khalid Niazi (Resigned on 26 August 2022)	2

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 32, page no. 162 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 judgment;

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

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

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

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

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

(i) Key operating and financial data of last six years is annexed on page no. 91;

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

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

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

(m) The details of training programs attended by directors is annexed on page no. 82; (n) The pattern of shareholding is annexed on page no. 289; 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
Directors	NIL
Chief Executive Officer	87,400
Chief Financial Officer	NIL
Company Secretary	NIL
Head of Internal Audit	NIL
Other Executive(s)	NIL
Spouse/Sponsor(s)	63,850
Minor children	NIL
Sale/Donation/Gift of Shares	**No. of shares**
Donation of shares by an Executive/Sponsor	182,700

PATTERN OF SHAREHOLDING
A statement of the pattern of shareholding of certain class of shareholders as at December 31, 2022, whose disclosure is required under the reporting framework, is annexed in the Report, please refer page no. 289.

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 stated above.

BOARD'S PERFORMANCE EVALUATION BY AN EXTERNAL CONSULTANT

As per the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 and S.R.O. 301 (I)/2020 dated 9 April 2020, the Board approved the appointment of Pakistan Institute of Corporate Governance (PICG) to conduct an external assessment of the Board for the year 2022.

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 post-pandemic recovery of the global economy has been impacted by high inflation, aggressive monetary tightening, and uncertainties resulting from the Russia-Ukraine conflict. Pakistan's economy also faces mounting pressures on account of the aforementioned global situation coupled with political instability and uncertainty, trade deficit and depletion of foreign exchange reserves, all leading to significant pressure on the PKR against the US dollar which has adversely affected the availability of raw material and supplies for the operations. Rising inflation has affected the disposable income of the masses and their spending is expected to remain under check.

Going forward, the economic outlook is expected to be shaped largely by the the revival of the IMF programme, restoration of political stability, flood relief support from the international community, and support from friendly countries along with the continued implementation of reforms aimed at stabilising the economy.

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)
Lahore
March 24, 2023

Syed Hyder Ali
(Chief Executive Officer & Managing Director)

Independent Auditors' Report on Unconsolidated Financial Statements

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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, 2022, 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 significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2022 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 Matters

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 28 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 Packaging Convertors (Proprietary) Limited, an indirect subsidiary of the Company through Anemone Holdings Limited, the management tested the Company's investment in its subsidiary, Anemone Holdings Limited, for impairment. Resultantly, an impairment loss of Rs 687.121 million has been recognized due to the recoverable amount being lower than the carrying amount of the investment. The determination of the recoverable amount involved judgements and estimation techniques used by the management for assessing the 'fair value less costs of disposal' and 'value in use' of the subsidiary using relevant future cash flows and discount rate. Based on the high level of judgment and estimations 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 valuation methodology used by the management; • Obtained the discounted cash flow model ('model') and checked the mathematical accuracy of the computations; • Obtained an understanding of the work performed by the management on the model for the purpose of valuation; • Assessed the professional qualification, competence and experience of the management's personnel in the field; • Tested, understood, and evaluated the process by which the cash flow forecast was prepared and approved, including confirming the mathematical accuracy of the underlying calculations; • Evaluated the cash flow forecast by obtaining an understanding of the business; • Tested, on sample basis, the reasonableness of the input data used by the management; • Tested the assumptions used in the model by management for determining the fair value; • Obtained corroborating evidence relating to the value as determined by the management by challenging key assumptions for the growth rates in the cash flow forecast by comparing them to historical results and economic forecasts and challenging the discount rate by independently estimating a range based on market data; • Assessed whether the assumptions used were in line with other market participants and reflected the particular status of the investment shareholding; and • Reviewed the adequacy of the disclosures made by the Company regarding applicable accounting and reporting standards.

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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.

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- 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 06, 2023
UDIN: AR202210070KZn8rle6m

Unconsolidated Statement of Financial Position
as at December 31, 2022

EQUITY AND LIABILITIES	Note	2022	2021
		(Rupees in thousand)	
CAPITAL AND RESERVES			
Authorized share capital			
- 150,000,000 (2021: 150,000,000) ordinary shares of Rs 10 each		1,500,000	1,500,000
- 22,000,000 (2021: 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 (2021: 89,379,504) ordinary shares of Rs 10 each	5	893,795	893,795
- 8,186,842 (2021: 8,186,842) 10% non-voting preference shares / convertible stock of Rs 190 each	7.1	606,222	606,222
Other reserves	6	44,128,251	42,350,898
Revenue reserve: Un-appropriated profits		4,320,002	4,307,565
Total equity		49,948,270	48,158,480
NON-CURRENT LIABILITIES			
Long term finances from financial institutions	7	4,045,150	2,482,650
Long term advances	8	19,310	7,703
Deferred taxation		-	94,483
Employee benefit obligations	9	758,526	600,570
Accumulating compensated absences	10	67,534	52,043
		4,890,520	3,237,449
CURRENT LIABILITIES			
Current portion of non - current liabilities	11	537,500	8,927
Short term borrowings from financial institutions - secured	12	-	21,136
Trade and other payables	13	538,893	1,497,811
Unclaimed dividend		59,741	58,875
Accrued finance cost	14	242,901	157,496
		1,379,035	1,744,245
CONTINGENCIES AND COMMITMENTS	15		
		56,217,825	53,140,174

ASSETS	Note	2022	2021
		(Rupees in thousand)	
NON-CURRENT ASSETS			
Property, plant and equipment	16	338,873	187,388
Investment properties	17	1,463,166	1,457,966
Intangible assets	18	1,583	2,096
Long term investments	19	50,572,456	46,922,876
Long term security deposits		2,692	5,125
Deferred taxation	20	4,676	-
		52,383,446	48,575,451
CURRENT ASSETS			
Loans, advances, deposits, prepayments and other receivables	21	1,354,050	1,048,472
Income tax receivable	22	2,170,370	2,913,086
Short term investments	23	150,000	235,000
Cash and bank balances	24	159,959	368,165
		3,834,379	4,564,723
		56,217,825	53,140,174

The annexed notes 1 to 42 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, 2022

	Note	2022	2021
		(Rupees in thousand)	
Dividend income	25	4,862,333	4,195,733
Rental income	26	487,448	423,569
Operating revenue		5,349,781	4,619,302
Administrative expenses	27	(683,942)	(531,258)
Net impairment (loss)/gain on financial assets	21.4	(188,314)	7,062
Other expenses	28	(734,175)	(60,169)
Other income	29	1,097,155	846,156
Operating profit		4,840,505	4,881,093
Finance costs	30	(663,730)	(217,074)
Profit before taxation		4,176,775	4,664,019
Taxation	31	(309,017)	(541,894)
Profit for the year		3,867,758	4,122,125
Earnings per share		(Rupees)	
- Basic	38.1	43.27	46.12
- Diluted	38.2	41.24	43.84

The annexed notes 1 to 42 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, 2022

	Note	2022	2021
		(Rupees in thousand)	
Profit for the year		3,867,758	4,122,125
Other comprehensive income/(loss) 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	527,353	(3,428,541)
Remeasurements of retirement benefits obligation		(83,635)	(266,213)
Tax effect of remeasurements of retirement benefits obligation		-	77,202
		443,718	(3,617,552)
Other comprehensive income/(loss) for the year		443,718	(3,617,552)
Total comprehensive income for the year		4,311,476	504,573

The annexed notes 1 to 42 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, 2022

	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, 2021	893,795	606,222	3,766,738	20,337,368	1,615,000	19,310,333	3,161,751	49,691,207
Appropriation of reserves								
Transfer to general reserve	-	-	-	-	-	750,000	(750,000)	-
Transaction with preference shareholders								
Participating dividend on preference shares/convertible stock	-	-	-	-	-	-	(26,250)	(26,250)
Transaction with owners in their capacity as owners, recognised directly in equity								
Final dividend for the year ended December 31, 2020 of Rs 22.50 per share	-	-	-	-	-	-	(2,011,050)	(2,011,050)
Total comprehensive (loss)/income for the year								
Profit for the year	-	-	-	-	-	-	4,122,125	4,122,125
Other comprehensive loss for the year	-	-	-	(3,428,541)	-	-	(189,011)	(3,617,552)
	-	-	-	(3,428,541)	-	-	3,933,114	504,573
Balance as on December 31, 2021	**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 - 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, 2021 of Rs 27.5 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**

The annexed notes 1 to 42 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, 2022

	Note	2022	2021
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	35.1	271,533	214,345
Finance cost paid		(575,140)	(230,904)
Income tax paid		(390,184)	(275,401)
Long term security deposits - net		2,433	220
Employee benefits obligations paid		(7,164)	(5,972)
Payment for accumulating compensated absences		(1,325)	(1,248)
Dividends received		4,862,333	5,287,607
Long term advances - net		9,447	10,765
Net cash inflow from operating activities		4,171,933	4,999,412
Cash flows from investing activities			
Payments for property, plant and equipment		(208,468)	(57,421)
Payments for investment properties		(52,359)	(83,948)
Investments made in equity instruments		(3,809,348)	(3,488,151)
Proceeds from disposal of property, plant and equipment		46,215	21,391
Net cash outflow from investing activities		(4,023,960)	(3,608,129)
Cash flows from financing activities			
Proceeds from long term finances		2,100,000	1,550,000
Dividend paid		(2,520,820)	(2,033,175)
Net cash outflow from financing activities		(420,820)	(483,175)
Net (decrease)/increase in cash and cash equivalents		(272,847)	908,108
Cash and cash equivalents at the beginning of the year		582,029	(326,482)
Effect of exchange rate changes on cash and cash equivalents		777	403
Cash and cash equivalents at the end of the year	35.2	309,959	582,029

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

The annexed notes 1 to 42 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, 2022

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, 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, ground calcium carbonate products, insurance, power generation, real estate and starch.

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, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated financial statements.

2.2.2 Standard, 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, 2023 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) Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (effective for annual reporting period beginning on January 01, 2023)

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.

b) Definition of Accounting Estimates – Amendments to IAS 8 (effective for annual reporting period beginning on January 01, 2023)

The amendment to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

c) Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (effective for annual reporting period beginning on January 01, 2024)

The narrow-scope amendments to IAS 1 'Presentation of Financial Statements' clarify that liabilities are classified as either current or non current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

The Company is yet to assess the impact of these amendments on its financial statements.

3. Basis of measurement

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

- certain financial instruments and plan assets of defined benefit plans at fair value; and
- certain employee benefit obligations, provisions and long term advances at present value.

3.2 Critical accounting estimates and judgements

The 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, 22 and 31

iv) Impairment of financial assets (other than investments in equity instruments) - notes 4.8.4 and 19

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 significant accounting policies

The significant 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 July 30, 2019, has registered the Company, Bulleh Shah Packaging (Private) Limited ('BSPPL'), Packages Investments Limited ('PIL') and Packages Convertors Limited ('PCL') (together the 'Group') as a Group and has also, vide its certificate dated November 6, 2019, designated the Group for the purpose of group taxation under Section 59AA of the Income Tax Ordinance, 2001. Consequently, the Group is being taxed as one fiscal unit from the tax year 2020 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, 2022 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, 2022 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. 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 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 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, 2022.

(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, 2022. 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 20.101 million (2021: Rs 5.774 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:

	2022	2021
Discount rate per annum	14.50%	9.75%
Expected rate of increase in salary level per annum	14.50%	11.75%
Expected mortality rate	SLIC 2001-2005 Setback 1 Year	SLIC 2001-2005 Setback 1 Year
Expected rate of return per annum	14.50%	11.75%

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 8.202 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, 2022, based on the following assumptions:

	2022	2021
Discount rate per annum	14.50%	9.75%
Expected rate of increase in pension level per annum	14.50%	11.75%
Expected mortality rate	SLIC 2001-2005 Setback 1 Year	SLIC 2001-2005 Setback 1 Year
Expected rate of return per annum	14.50%	11.75%
Average duration of liability (years)	7	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, 2022 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:

	2022	2021
Discount rate per annum	14.50%	9.75%
Expected rate of increase in salary level per annum	14.50%	11.75%
Expected mortality rate	SLIC 2001-2005 Setback 1 Year	SLIC 2001-2005 Setback 1 Year
Duration of the plan (years)	8	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

2022	2021		2022	2021
(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 (2021: 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	2022	2021
		(Rupees in thousand)	
Capital reserves			
- Share premium	6.1	3,766,738	3,766,738
- FVOCI reserve	6.2	17,436,180	16,908,827
- Capital redemption reserve	6.3	1,615,000	1,615,000
		22,817,918	22,290,565
Revenue reserve			
- General reserve		21,310,333	20,060,333
		44,128,251	42,350,898

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	2022	2021
		(Rupees in thousand)	
Preference shares/convertible stock - unsecured	7.1	932,650	932,650
Long term loans - secured	7.2	3,650,000	1,550,000
		4,582,650	2,482,650
Current portion shown under current liabilities	11	(537,500)	-
		4,045,150	2,482,650

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	2022	2021
		(Rupees in thousand)	
Face value of preference shares/convertible stock [8,186,842 (2021: 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, 2021, 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	2022	2021
		(Rupees in thousand)	
Long term finance facility - I	7.2.1	800,000	800,000
Long term finance facility - II	7.2.2	750,000	750,000
Long term finance facility - III	7.2.3	1,200,000	-
Long term finance facility - IV	7.2.4	900,000	-
		3,650,000	1,550,000

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. This loan is repayable in 8 equal semi-annual instalments in 5 years, including a grace period of 1 year, with instalments starting in January 2023. The effective mark-up rate charged on drawdowns during the year was 13.21% 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. This loan is repayable in 8 equal semi-annual instalments in 5 years, including a grace period of 1 year with instalments starting in June 2023. The loan carries mark-up at the rate of six-month KIBOR, payable quarterly. The effective mark-up rate charged during the year was 13.33% 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. This loan is repayable in 8 equal semi-annual instalments in 5 years, including a grace period of 1 year with instalments starting in July 2023. The loan carries mark-up at the rate of six-month KIBOR, payable quarterly. The effective mark-up rate charged during the year was 13.24% 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 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 effective mark-up rate charged during the year was 16.07% per annum.

7.3 The reconciliation of the carrying amount is as follows:

	Note	2022	2021
		(Rupees in thousand)	
Opening balance		2,482,650	932,650
Disbursements during the year		2,100,000	1,550,000
		4,582,650	2,482,650
Current portion shown under current liabilities	11	(537,500)	-
Closing balance		4,045,150	2,482,650

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 7.05% to 15.35% (2021: 7.05% to 11.06%) per annum for similar instruments. The reconciliation of the carrying amount is as follows:

	Note	2022	2021
		(Rupees in thousand)	
Opening balance		16,630	10,336
Additions during the year		18,149	13,614
Adjustments during the year		(8,702)	(2,849)
Discounting adjustment of long term advances		(9,952)	(5,748)
Unwinding of discount on liability	30	3,185	1,277
		19,310	16,630
Current portion shown under current liabilities	11	-	(8,927)
Closing balance		19,310	7,703

9. Employee benefit obligations

	Note	2022	2021
This represents:			
Pension	9.1	612,108	495,707
Gratuity	9.2	146,418	104,863
		758,526	600,570

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	
	2022	2021	2022	2021
	(Rupees in thousand)		(Rupees in thousand)	
Present value of defined benefit obligation	817,174	792,827	304,691	238,147
Less: fair value of plan assets	205,066	297,120	158,273	133,284
Liability as at year end	612,108	495,707	146,418	104,863

9.2 Movement in net liability for employee benefit obligations

	Pension fund		Gratuity fund	
	2022	2021	2022	2021
	(Rupees in thousand)		(Rupees in thousand)	
Net liability at beginning of the year	495,707	225,878	104,863	76,819
Charged to unconsolidated statement of profit or loss	58,244	22,023	23,240	15,609
Net remeasurement for the year charged to OCI	58,157	247,806	25,478	18,407
Contribution made by the Company during the year	-	-	(7,163)	(5,972)
Net liability at end of the year	612,108	495,707	146,418	104,863

9.3 Movement in present value o defined benefit obligation

	Pension fund		Gratuity fund	
	2022	2021	2022	2021
	(Rupees in thousand)		(Rupees in thousand)	
Present value of defined benefit obligation at beginning of the year	792,827	763,692	238,147	171,565
Current service cost	-	-	11,340	8,411
Interest cost	87,846	70,438	27,972	15,147
Benefits paid during the year	(90,390)	(82,509)	-	-
Liability transferred from group companies	-	-	5,958	26,792
Benefits due but not paid	-	-	(175)	-
Remeasurements:				
Actuarial losses from change in financial assumptions	20,835	15,371	540	321
Experience adjustments	6,056	25,835	20,909	15,911
	26,891	41,206	21,449	16,232
Present value of defined benefit obligation at end of the year	817,174	792,827	304,691	238,147

9.4 Movement in fair value of plan assets

	Pension fund 2022	Pension fund 2021	Gratuity fund 2022	Gratuity fund 2021
Fair value as at beginning of the year	297,120	537,814	133,284	94,746
Interest income on plan assets	29,602	48,415	16,072	7,949
Company contributions	-	-	7,163	5,972
Benefits paid during the year	(90,390)	(82,509)	-	-
Plan assets transferred from group companies	-	-	5,958	26,792
Benefits due but not paid	-	-	(175)	-
Return on plan assets, excluding interest income	(31,266)	(206,600)	(4,029)	(2,175)
Fair value as at end of the year	205,066	297,120	158,273	133,284

9.5 Amounts recognised in the unconsolidated statement of profit or loss

	Pension fund		Gratuity fund	
	2022	2021	2022	2021
	(Rupees in thousand)		(Rupees in thousand)	
Current service cost	-	-	11,340	8,411
Interest cost	87,846	70,438	27,972	15,147
Interest income on plan assets	(29,602)	(48,415)	(16,072)	(7,949)
Net expense for the year charged to unconsolidated statement of profit or loss	58,244	22,023	23,240	15,609

9.6 Total remeasurements charged to OCI

	Pension fund 2022	Pension fund 2021	Gratuity fund 2022	Gratuity fund 2021
Actuarial losses from change in financial assumptions	20,835	15,371	540	321
Experience adjustments	6,056	25,835	20,909	15,911
Remeasurement in plan assets, excluding interest income	31,266	206,600	4,029	2,175
Total remeasurements charged to OCI	58,157	247,806	25,478	18,407

9.7 Plan assets

	Pension fund 2022	Pension fund 2021	Gratuity fund 2022	Gratuity fund 2021
Plan assets are comprised as follows:				
Debt instruments	129,913	206,795	5,698	98,364
Equity investments	57,084	89,136	29,281	32,521
Cash at banks	18,069	1,189	123,294	2,399
	205,066	297,120	158,273	133,284

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:

	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

	2021	
	Pension fund	Gratuity fund
	(Rupees in thousand)	
Discount rate + 100 bps	714,876	230,162
Discount rate - 100 bps	850,685	247,129
Salary growth rate + 100 bps	858,545	247,116
Salary growth rate - 100 bps	734,415	230,029

10. Accumulating compensated absences

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

	Note	2022	2021
		(Rupees in thousand)	
Opening liability		52,043	39,381
Charged to unconsolidated statement of profit or loss	10.2	16,816	13,910
		68,859	53,291
Payments made during the year		(1,823)	(5,726)
Liability transferred out to group companies		(1,109)	(1,021)
Liability transferred in from group companies		1,607	5,499
Liability as at year end	10.1	67,534	52,043

10.1 Movement in liability for accumulating compensated absences

	2022	2021
Present value as at beginning of the year	52,043	39,381
Current service cost	5,409	3,362
Interest cost	6,007	3,511
Benefits paid during the year	(1,823)	(5,726)
Liability transferred out to group companies	(1,109)	(1,021)
Liability transferred in from group companies	1,607	5,499
Remeasurement in respect of experience adjustments	5,400	7,037
Present value of as at year end	67,534	52,043

10.2 Charge for the year

	2022	2021
Current service cost	5,409	3,362
Interest cost	6,007	3,511
Remeasurement during the year	5,400	7,037
Total expense for the year	16,816	13,910

10.3 Sensitivity analysis

	2022	2021
Year end sensitivity analysis (+/- 100 bps) on defined benefit obligation:		
Discount rate + 100 bps	63,974	49,858
Discount rate - 100 bps	70,450	54,519
Salary growth rate + 100 bps	70,460	54,534
Salary growth rate - 100 bps	63,908	49,802

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	2022	2021
		(Rupees in thousand)	
Current portion of long term finances	7	537,500	-
Current portion of long term advances	8	-	8,927
		537,500	8,927

12. Short term borrowings from financial institutions - secured

	Note	2022	2021
Short term running finances from financial institutions - secured	12.1	-	21,136

12.1 Running finances - secured

Short term running finances available from commercial banks under mark-up arrangements aggregate Rs 2,000 million (2021: Rs 2,000 million). The rates of mark-up are based on KIBOR plus spread of 0.25% and range from 10.63% to 16.61% (2021: 7.70% to 9.76%) 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 Rs 1,300 million (2021: Rs 1,300 million) for opening letters of credit (a sublimit of running finance facilities) and Rs 200 million (2021: Rs 200 million) for guarantees, the amounts utilised at December 31, 2022 were Rs 11.545 million (2021: Rs 104.514 million) and Rs 118.680 million (2021: Rs 119.447 million) respectively.

13. Trade and other payables

	Note	2022	2021
		(Rupees in thousand)	
Trade creditors	13.1	83,538	64,681
Accrued liabilities	13.2 & 13.3	412,722	427,614
Bills payable		-	8,767
Sales tax payable		1,407	45
Withholding sales tax payable		-	153
Withholding income tax payable		13,644	8,763
Payable to retirement funds	13.4	7,747	5,422
Deposits	13.5	7,248	7,348
Profit payable on Term Finance Certificates ('TFCs')		1,387	1,387
Workers' Profit Participation Fund	13.6	-	929,419
Others		11,200	44,212
		538,893	1,497,811

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

	Note	2022	2021
		(Rupees in thousand)	
DIC Pakistan Limited		-	125
Bulleh Shah Packaging (Private) Limited		4,848	1,443
Packages Convertors Limited		6,281	3,023
IGI General Insurance Limited		3	-
IGI Life Insurance Limited		2,118	693
StarchPack (Private) Limited		2,187	-
		15,437	5,284

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

	Note	2022	2021
		(Rupees in thousand)	
IGI Life Insurance Limited		407	547
IGI General Insurance Limited		4,556	3,094
Bulleh Shah Packaging (Private) Limited		1,709	-
Packages Real Estate (Private) Limited		3	-
Josef Meinrad Mueller		1,934	1,934
		8,609	5,575

13.3 This includes provision amounting to Rs 310 million (2021: Rs 194.002 million) in respect of rent of land on lease from the Government of the Punjab ('GoPb') for the period from December 2015 to December 2022.

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 115.998 million (2021: Rs 120.697 million) in respect of rent for the year ended December 31, 2022. 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	2022	2021
		(Rupees in thousand)	
Employees' provident fund	13.4.1	4,005	2,371
Employees' gratuity fund		757	465
Management staff pension fund	13.4.1	2,985	2,586
		7,747	5,422

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 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.

13.6 Workers' profit participation fund ('WPPF')

	Note	2022	2021
		(Rupees in thousand)	
Opening balance		929,419	929,419
Provision reversed during the year	13.6.1 & 29	(929,419)	-
Closing balance		-	929,419

13.6.1 Based on a legal opinion, the Company has 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.

14. Accrued finance cost

	Note	2022	2021
		(Rupees in thousand)	
Accrued mark-up/interest on:			
- Long term finances from financial institutions		86,999	1,420
- Preference shares/convertible stock - unsecured	7.1	155,550	155,550
- Short term borrowings from financial institutions - secured		352	526
		242,901	157,496

15. Contingencies and commitments

15.1 Contingencies:

(i) Claims against the Company by ex-employees not acknowledged as liabilities amounting to Rs 11.620 million (2021: Rs 13.540 million).

(ii) Standby letter of credit issued by Habib Bank Limited - Pakistan ('HBL Pakistan') in favour of Habib Bank Limited - Bahrain ('HBL Bahrain') on behalf of the Company amounting to nil (2021: USD 1.250 million equivalent to Rs 220.642 million) to secure long term finance facility provided by HBL Bahrain to Anemone Holdings Limited ('AHL'), wholly-owned subsidiary of the Company. The standby letter of credit was secured against pledge of Nestle Pakistan Limited's shares owned by the Company as referred to in note 19.2.2.

(iii) Post dated cheque issued in favour of Commissioner Inland Revenue amounting to Rs 50.408 million in respect of super tax liability for the tax year 2022 (2021: nil)

(iv) Guarantees are issued to the following parties:

- Guarantee issued to Shell Pakistan Limited against fuel cards issued to employees amounting to Rs 2 million (2021: Rs 2 million).
- Guarantee issued to Pakistan State Oil Limited against fuel cards issued to employees amounting to Rs 7 million (2021: Rs nil).
- Guarantee issued to Sui Northern Gas Pipeline Limited against supply of gas amounting to Rs 7.5 million (2021: Rs 7.5 million).
- Guarantee issued to Lahore Electricity Supply Company Limited against supply of electricity amounting to Rs 35.600 million (2021: Rs 35.600 million).
- Guarantee issued to Director of Excise and Taxation Department in respect of petition pending in Sindh High Court regarding Infrastructure Development Cess amounting to Rs 54 million (2021: Rs 54 million).
- Guarantee issued to Nazir High Court Sindh against order passed by Customs Appelate Tribunal amounting to Rs 12.580 million (2021: Rs 12.580 million).
- Guarantee issued to Arif Habib Limited in respect of public offer for puchase of shares of Tri-Pack Films Limited amounting to nil (2021: Rs 1,579 million)

(v) For contingencies relating to sales tax and income tax, refer notes 21.3 and 22 respectively.

15.2 Commitments in respect of:

(i) Letters of credit and contracts for other than for capital expenditure is Rs 11.559 million (2021: Rs 24.768 million).

16. Property, plant and equipment

	Note	2022	2021
		(Rupees in thousand)	
Operating fixed assets	16.1	330,660	167,138
Capital work-in-progress	16.2	8,213	20,250
		338,873	187,388

16.1 Operating fixed assets

	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)		

	2021						
	Cost as at January 1, 2021	Additions / (deletions)	Cost as at December 31, 2021	Accumulated depreciation as at January 1, 2021	Depreciation charge / (deletions) for the year	Accumulated depreciation as at December 31, 2021	Book value as at December 31, 2021
	(Rupees in thousand)						
Leasehold land - note 16.1.2	90,076	-	90,076	26,076	1,850	27,926	62,150
Buildings on freehold land	28,172	175	28,347	4,201	1,414	5,615	22,732
Buildings on leasehold land	4,154	-	4,154	4,154	-	4,154	-
Other equipment (computers, lab equipment and other office equipment)	15,429	4,722	19,075	6,769	4,011	10,009	9,066
		(1,076)			(771)		
Furniture and fixtures	26	-	26	-	9	9	17
Vehicles	96,594	36,084	103,732	32,356	7,239	30,559	73,173
		(28,946)			(9,036)		
	234,451	40,981	245,410	73,556	14,523	78,272	167,138
		(30,022)			(9,807)		

16.1.1 The book value of fully depreciated assets which are not in use as at December 31, 2022 is Rs 9.580 million (2021: Rs 8.768 million).

16.1.2 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.

16.1.3 Depreciation charged on operating fixed assets has been allocated to ‘Administrative expenses’.

16.1.4 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:

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 -

2021							
Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss) on sale	Mode of sale
		(Rupees in thousand)					
Vehicles	**Employees**						
	Aftab Ahmad Khan	3,814	853	2,961	3,120	159	As per Company policy
	Haroon Naseer	2,171	1,253	918	1,108	190	- do -
	Khurram Saeed	1,512	907	605	570	(35)	- do -
	Muhammad Umar	1,860	253	1,607	1,472	(135)	- do -
	Muhammad Awais Jawaid	1,282	763	519	594	75	- do -
	Sibat Usman	1,325	345	980	821	(159)	- do -
	Syed M. Uzair	1,323	178	1,145	978	(167)	- do -
	Syed Omer Hamdani	1,425	95	1,330	1,289	(41)	- do -
	Ali Hussain	1,715	789	926	2,260	1,334	Negotiation
	Related parties						
	Packages Convertors Limited	2,320	1,392	928	928	-	As per Company policy
	- do -	2,556	1,533	1,023	1,023	-	- do -
	- do -	2,399	20	2,379	2,379	-	- do -
	IGI General Insurance Limited	2,700	203	2,497	2,500	3	Insurance Claim
	- do -	1,866	47	1,819	1,830	11	- do -

16.2 Capital work-in-progress

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

	Note	2022	2021
		(Rupees in thousand)	
Balance as at January 1		20,250	3,810
Advances given during the year		7,605	20,250
Capital expenditure incurred during the year		-	174
Transferred to operating fixed assets		(19,642)	(3,984)
Balance as at December 31		8,213	20,250

17. Investment properties

	Note	2022	2021
Investment properties	17.1	1,446,221	1,449,486
Capital work in progress	17.2	16,945	8,480
		1,463,166	1,457,966

17.1 Investment properties

	2022						
	Cost as at January 1, 2022	Additions (note 17.2)	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

	2021						
	Cost as at January 1, 2021	Additions (note 17.2)	Cost as at December 31, 2021	Accumulated depreciation as at January 1, 2021	Depreciation charge for the year	Accumulated depreciation as at December 31, 2021	Book value as at December 31, 2021
	(Rupees in thousand)						
Freehold land - notes 17.1.2 and 17.1.3	932,435	77,856	1,010,291	-	-	-	1,010,291
Buildings on freehold land	958,139	-	958,139	487,596	45,800	533,396	424,743
Buildings on leasehold land - note 13.3	39,575	-	39,575	23,248	1,875	25,123	14,452
	1,930,149	77,856	2,008,005	510,844	47,675	558,519	1,449,486

17.1.1 Depreciation charge for the year has been allocated to administrative expenses (note 27).

17.1.2 Land of the Company measuring 119 kanals, 15 marlas and 62.25 sq.fts situated at Lahore with a book value of Rs 6.149 million (2021: Rs 6.149 million) (the ‘Mortgaged Security’), have been mortgaged under a first exclusive equitable charge of Rs 7,800 million (2021: Rs 7,800 million) in favour of MCB Bank Limited against a term finance facility of upto Rs 4,500 million (2021: Rs 4,500 million) and a running finance facility of upto Rs 2,000 million (2021: Rs 2,000 million) provided to 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 (2021: 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	80.00
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	5.49
		275.93

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.

17.1.5 Included within this owned land is a land measuring 25 acres that is rented out to StarchPack (Private) Limited ('SPPL') for its commercial activities. This land has been given as a security against a long term finance facility obtained by SPPL.

17.1.6 Fair value of the investment properties, based on the valuation carried out by an independent valuer, as at December 31, 2022 is Rs 41,295.057 million (2021: Rs 25,685.182 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 39.4.

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:

	2022	2021
	(Rupees in thousand)	
Rental income from operating leases	487,448	423,569
Direct operating expenses from property that generated rental income	1,248	1,249

17.2 Capital work in progress - investment properties

	2022	2021
Advance against purchase of land	-	4,500
Buildings on freehold land	16,945	3,980
	16,945	8,480

	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	39,394	(43,894)	-
Buildings on freehold land	3,980	12,965	-	16,945
	8,480	52,359	(43,894)	16,945

	2021			
	Balance as at January 1, 2021	Capital expenditure incurred during the year	Transfer to Investment Property	Balance as at December 31, 2021
	(Rupees in thousand)			
Advance against purchase of land	1,300	4,710	(1,510)	4,500
Buildings on freehold land	1,088	79,238	(76,346)	3,980
	2,388	83,948	(77,856)	8,480

17.3 Leasing arrangements

The investment properties are leased out under operating leases with rentals payable monthly, as referred in note 26.1. 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, 2022	131,517	2,008	133,525
December 31, 2021	124,499	1,801	126,300

18. Intangible assets

This represents computer software, website development costs and ERP system.

	Note	2022	2021
		(Rupees in thousand)	
Cost as at year end		4,123	4,123
Accumulated amortisation			
As at January 1		(2,027)	(1,512)
Amortisation for the year	18.1	(513)	(515)
As at December 31		(2,540)	(2,027)
Book value as at year end		1,583	2,096

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

Administrative expenses	27	513	515

19. Long term investments

	Note	2022	2021
These represent the investments in:			
- Related parties - at cost	19.1	29,130,697	26,024,118
- Others	19.2	21,441,759	20,898,758
		50,572,456	46,922,876

19.1 Related parties - at cost

	Note	2022	2021
Subsidiary - quoted:			
Tri-Pack Films Limited			
Registered Office: Suite No. 416-422, The Forum, G-20, Block No. 9, Clifton, Karachi, Pakistan			
26,871,931 (2021: 19,371,931) fully paid ordinary shares of Rs 10 each			
Equity held 69.26% (2021: 49.93%)	19.1.3	5,246,294	-
Subsidiaries - unquoted:			
DIC Pakistan Limited			
Registered Office: Suite No. 416-422, The Forum, G-20, Block No. 9, Clifton, Karachi, Pakistan			
3,377,248 (2021: 3,377,248) fully paid ordinary shares of Rs 10 each			
Equity held 54.98% (2021: 54.98%)		15,010	15,010
	C.F	5,261,304	15,010

	Note	2022	2021
		(Rupees in thousand)	
	B.F	5,261,304	15,010
Packages Real Estate (Private) Limited			
Registered Office: Suite No. 416-422, The Forum, G-20, Block No. 9, Clifton, Karachi, Pakistan			
302,500,000 (2021: 302,500,000) fully paid ordinary shares of Rs 10 each			
Equity held 75.16% (2021: 75.16%)		3,019,090	3,019,090
Packages Lanka (Private) Limited, Ja-Ela, Sri Lanka			
44,698,120 (2021: 44,698,120) shares of Sri Lankan Rupees 10 each			
Equity held 79.07% (2021: 79.07%)		442,938	442,938
Anemone Holdings Limited, Ebene, Mauritius			
12,558,451 (2021: 11,353,478) shares of US Dollar 1 each	19.1.1 &		
Equity held 100.00% (2021: 100.00%)	19.1.2		
Cost - Rs 1,888.769 million (2021: Rs 1,651.992 million)		1,201,649	1,651,993
Packages Power (Private) Limited			
Registered Office: Suite No. 416-422, The Forum, G-20, Block No. 9, Clifton, Karachi, Pakistan			
2,500,000 (2021: 2,500,000) fully paid ordinary shares of Rs 10 each			
Equity held 100.00% (2021: 100.00%)		25,000	25,000
Packages Convertors Limited			
Registered Office: Suite No. 416-422, The Forum, G-20, Block No. 9, Clifton, Karachi, Pakistan			
30,839,030 (2021: 30,839,030) fully paid ordinary shares of Rs 100 each			
Equity held 100.00% (2021: 100.00%)		3,083,903	3,083,903
Packages Investments Limited			
Registered Office: Suite No. 416-422, The Forum, G-20, Block No. 9, Clifton, Karachi, Pakistan			
10,000 (2021: 10,000) fully paid ordinary shares of Rs 100 each			
Equity held 100.00% (2021: 100.00%)		1,000	1,000
Bulleh Shah Packaging (Private) Limited			
Registered Office: Suite No. 416-422, The Forum, G-20, Block No. 9, Clifton, Karachi, Pakistan			
1,091,873,871 (2021: 1,091,873,871) fully paid ordinary shares of Rs 10 each			
Equity held 100.00% (2021: 100.00%)		10,807,230	10,807,230
	C.F.	23,842,114	19,046,164

	Note	2022	2021
		(Rupees in thousand)	
	B.F.	23,842,114	19,046,164
StarchPack (Private) Limited			
Registered Office: Suite No. 416-422, The Forum, G-20, Block No. 9, Clifton, Karachi, Pakistan			
21,000,000 (2021: 7,010,000) fully paid ordinary shares of Rs 100 each			
Equity held 100.00% (2021: 100.00%)		2,100,000	701,000
Advance against purchase of shares		800,000	799,000
	19.1.4	2,900,000	1,500,000
		26,742,114	20,546,164
Joint venture - unquoted:			
OmyaPack (Private) Limited			
Registered Office: Suite No. 416-422, The Forum, G-20, Block No. 9, Clifton, Karachi, Pakistan			
49,500,000 (2021: 49,500,000) fully paid ordinary shares of Rs 10 each			
Equity held 50.00% (2021: 50.00%)		495,000	495,000
Associates - quoted:			
IGI Holdings Limited, Karachi			
Registered Office: Suite No. 701-713, The Forum, G-20, Block No. 9, Clifton, Karachi, Pakistan			
15,033,041 (2021: 15,033,041) fully paid ordinary shares of Rs 10 each			
Equity held 10.54% (2021: 10.54%)	19.1.5	896,310	896,310
Tri-Pack Films Limited, Karachi			
Registered Office: Suite No. 416-422, The Forum, G-20, Block No. 9, Clifton, Karachi, Pakistan			
26,871,931 (2021: 19,371,931) fully paid ordinary shares of Rs 10 each			
Equity held 69.26% (2021: 49.93%)	19.1.3	-	4,086,644
Sanofi Aventis Pakistan Limited			
Registered Office: Plot No. 23, Korangi Industrial, Estate Road, Sector 22 Korangi, Karachi, Pakistan			
585,254 (2021: nil) fully paid ordinary shares of Rs 10 each			
Equity held 6.07% (2021: nil)	19.1.6	997,273	-
		1,893,583	4,982,954
		29,130,697	26,024,118

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 has experienced deteriorating financial performance, and is suffering operating losses contrary to previous budgets and forecasts. Resultantly, the Company carried out an estimate of the recoverable amount of the investment.

The recoverable amount of investment in Anemone Holdings Limited has been determined based on 'fair value less costs of disposal' being higher than the 'value in use'. The 'fair value less costs of disposal' has been worked out using income approach. As the recoverable amount of the investment worked out is lower than its carrying value, therefore, an impairment loss of Rs 687.121 million has been recognized in these unconsolidated financial statements.

Level 3 fair value of investment has been derived using income approach. The main level 3 inputs used by the Company are derived and evaluated as follows:

- Discount rate is determined using a capital asset pricing model to calculate a post-tax rate that reflects current market assessments of the time value of money and the risk specific to FPCPL.

- Long term growth rate is estimated based on historical performance of FPCPL, current market information for similar type of entities and forecast of the country in which FPCPL operates.

The significant assumptions used in this valuation technique are as follows:

- Discount rate of 18.26% per annum.
- Long term growth rate of 4.50% per annum for computation of terminal value.
- Annual growth in costs is linked to inflation at 4.66% per annum.

19.1.2 During the year, the Company invested USD 1.205 million equivalent to Rs 236.777 million (2021: USD 2.486 million equivalent to Rs 409.405 million) as equity in AHL by remitting the loan payment due by AHL to Habib Bank Limited, Bahrain under a finance facility agreement.

19.1.3 Packages Limited entered into an agreement with Mitsubishi Corporation ('MC') to purchase MC's stake of 20.33% in the shareholding of Tri-Pack Films Limited. This transfer of shares has been executed after satisfaction of certain pre-conditions which were met on February 15, 2022. Packages Limited has a total shareholding of 69.26% in Tri-Pack Films Limited due to which Tri-Pack Films Limited is now a subsidiary.

19.1.4 This represents the investment made in pursuance to decision taken by the Board of Directors of Company in the recently incorporated subsidiary of StarchPack (Private) Limited. The investee is yet to issue shares against the Rs 800 million of share deposit money.

19.1.5 The Company's investment in IGI Holdings Limited ('IGIHL') is less than 20.00% but 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

19.1.6 During the current year, an Investor Consortium comprising of the Company, IGI Investments (Private) Limited and affiliates of Arshad Ali Gohar Group, entered into a share purchase agreement ('Agreement') with Sanofi Foreign Participants B.V to purchase 5,069,000 shares of Sanofi-Aventis Pakistan Limited ('SAPL') representing a stake of 52.87% in the shareholding. However, this transfer of shares was to be executed after satisfaction of certain pre-conditions mentioned in the Agreement. These conditions have not been met as of December 31, 2022, however, the Company expects that this transaction will be materialised in near future.

The aforementioned Agreement came under the ambit of Listed Companies (Substantial Acquisition of Shares and Takeovers) Regulations, 2017 (the 'Regulations') as it exceeded the 50% boundary mentioned in the Regulations. Pursuant to these Regulations, the Company made a public offer to purchase shares of SAPL from the public in accordance with the Regulations. Consequently, on September 30, 2022, the Company acquired 585,254 shares from the general public following the conclusion of the public offer which represents 6.07% of shareholding in Sanofi-Aventis Pakistan Limited.

The Company's investment in SAPL is less than 20.00% but 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 SAPL.

19.2 Others - FVOCI

	Note	2022	2021
		(Rupees in thousand)	
Quoted			
Nestle Pakistan Limited			
3,649,248 (2021: 3,649,248) fully paid ordinary shares of Rs 10 each Equity held 8.05% (2021: 8.05%) Cost - Rs 5,778.896 million (2021: Rs 5,778.896 million)	19.2.1	21,421,086	20,893,733
Systems Limited			
46,050 (2021: nil) fully paid ordinary shares of Rs 10 each Equity held 0.0159% (2021: nil)		15,648	-
		21,436,734	20,893,733
Unquoted			
Coca-Cola Beverages Pakistan Limited			
500,000 (2021: 500,000) fully paid ordinary shares of Rs 10 each Equity held 0.0185% (2021: 0.0185%)	19.2.2	5,000	5,000
Pakistan Tourism Development Corporation Limited			
2,500 (2021: 2,500) fully paid ordinary shares of Rs 10 each		25	25
		5,025	5,025
		21,441,759	20,898,758

19.2.1 As of December 31, 2022, an aggregate of 2,620,000 (2021: 2,630,000) shares of Nestle Pakistan Limited having market value of Rs 15,379.400 million (2021: Rs 15,058.039 million) have been pledged in favour of HBL Pakistan and Allied Bank Limited. The details of shares pledged are as follows:-

Lender	No. of shares pledged 2022	No. of shares pledged 2021	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	-	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	1,414,000	Shares are pledged against the short term borrowing facility obtained.
Habib Bank Limited	-	186,000	Shares are pledged against issuance of standby letter of credit in favour of HBL Bahrain.
	2,620,000	2,920,000	

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

19.3 Reconciliation of carrying amount

	Note	2022	2021
		(Rupees in thousand)	
Balance as at beginning of the year		46,922,876	46,186,402
Investments made during the year	19.1.2, 19.1.3, 19.1.4 & 19.2	3,809,348	3,488,151
Fair value gain/(loss) recognised in other comprehensive income		527,353	(3,428,541)
Reversal of impairment loss on equity instruments of Tri-Pack Films Limited, Karachi, Pakistan		-	676,864
Impairment loss on equity instruments of Anemone Holdings Limited, Ebene, Mauritius	19.1.1 and 28	(687,121)	-
Balance as at end of the year		50,572,456	46,922,876

20. Deferred taxation

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

	Note	2022	2021
		(Rupees in thousand)	
Deferred tax liability			
Accelerated tax depreciation		648	130,518
Others		403	2,923
		1,051	133,441
Deferred tax asset			
Provision for accumulating compensated absences		(2,695)	(15,092)
Loss allowance on financial assets		(3,032)	(21,984)
Others		-	(1,882)
		(5,727)	(38,958)
Deferred tax (asset)/liability		(4,676)	94,483

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

	Note	2022	2021
		(Rupees in thousand)	
Opening balance		94,483	(262,476)
(Credited)/charged to unconsolidated statement of profit or loss	31	(99,159)	356,959
Closing balance		(4,676)	94,483

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

	Note	2022	2021
		(Rupees in thousand)	
Advances - considered good			
- To employees		210	1,158
- To suppliers		3,151	2,976
		3,361	4,134
Due from related parties - unsecured	21.1	1,133,195	367,335
Profit receivable on deposits		5,359	3,454
Trade deposits		5,252	5,425
Prepayments	21.2	24,260	31,670
Balances with statutory authorities			
- Customs duty paid in advance		3,359	1,859
- Sales tax receivable		55,905	55,905
- Sales tax recoverable	21.3	345,775	345,983
		405,039	403,747
Other receivables		41,704	278,459
		1,618,170	1,094,224
Loss allowance on due from related parties and other receivables	21.4	(264,120)	(45,752)
		1,354,050	1,048,472

21.1 Due from related parties - unsecured

	Note	2022	2021
Packages Convertors Limited		379,323	44,178
DIC Pakistan Limited		5,122	3,076
Packages Real Estate (Private) Limited		60,772	40,649
Bulleh Shah Packaging (Private) Limited		369,614	20,394
OmyaPack (Private) Limited		6,828	1,114
Tri-Pack Films Limited		4,447	6,490
IGI General Insurance Limited		2,869	427
IGI Life Insurance Limited		6,835	13,712
IGI Finex Securities Limited		37	28
IGI Holdings Limited		1,474	-
IGI Investments (Private) Limited		3,623	-
Flexible Packages Convertors (Pty) Ltd		125,515	125,515
Packages Lanka (Private) Limited		162,868	107,956
Chantler Packages Inc.		266	266
S.C. Johnson & Son of Pakistan (Private) Limited		908	-
StarchPack (Private) Limited		2,694	3,530
	21.1.1 & 21.1.2	1,133,195	367,335

21.1.1 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, 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

	Expected loss rate	Due from related parties	Loss allowance
	December 31, 2021		
		(Rupees in thousand)	
0 to 180 days	16.1%	53,216	8,591
180 days and above	21.8%	170,844	37,162
		224,060	45,753

21.1.2 The maximum aggregate amount due from these related parties at the end of any month during the year was Rs 1,133.195 million (2021: Rs 389.245 million).

21.2 Prepayments include Rs 8.010 million (2021: Rs 5.958 million) made to IGI Life Insurance Limited, a related party.

21.3 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 (Appeals) 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.

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 General Sales Tax along with penalty thereon. The Company appealed against the order before the 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) 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 has 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 General Sales Tax along with penalty and default surcharge thereon.

Being aggrieved by the order of DCIR, the Company has 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.

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 has 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 has 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.

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.

21.4 This represents loss allowance on the following:

	Note	2022	2021
		(Rupees in thousand)	
Due from related parties - unsecured	21.4.1	237,790	45,753
Other receivables		26,330	30,053
		264,120	75,806
The reconciliation of loss allowance during the year is as follows:			
Opening balance		75,806	82,868
Impairment loss/(gain) during the year		188,314	(7,062)
Balance as at end of the year		264,120	75,806

21.4.1 Includes loss allowance of Rs 233.584 million (2021: Rs 34.583 million) recognised in relation to amounts due from Packages Lanka (Private) Limited and Flexible Packages Converters (Proprietory) Limited in respect of management fee/technical fee receivable.

22. Income tax receivable

	Note	2022	2021
		(Rupees in thousand)	
Income tax refundable		2,134,357	2,877,073
Income tax recoverable		36,013	36,013
		2,170,370	2,913,086

22.1 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 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 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.

22.2 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 deleting 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.

22.3 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.

22.4 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 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.

22.5 In respect of tax year 2021, a demand amounting to Rs 307.80 million has been 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 have raised the demand primarily on account of non-withholding of the income tax.

Being aggrieved by the order of the DCIR, the Company has filed an appeal before Commissioner Inland Revenue (Appeals) (CIR-A) on the grounds that the order of the DCIR is erred in holding the Company as "Assessed-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.

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. These represent investment in Term Deposit Receipts issued by a banking company having maturity of one to six months carrying markup rate of 7.12% to 14.50% per annum (2021: 6.64% to 9.59% per annum).

24. Cash and bank balances

	Note	2022	2021
		(Rupees in thousand)	
At banks:			
- Savings accounts	24.1 & 24.2	127,923	327,564
- Current accounts	24.3	24,730	34,431
		152,653	361,995
In hand [including USD 2,270 (2021: USD 2,693), Euro 10,300 (2021: 10,000)		7,306	6,170
		159,959	368,165

24.1 The balances in savings accounts bear mark-up at 8.25% to 14.50% per annum (2021: 5.75% to 7.25% per annum).

24.2 Included in these are restricted funds of Rs 7.248 million (2021: Rs 7.348 million) in respect of deposits that are repayable on demand as referred to in note 13.5.

24.3 Included in these are restricted funds of Rs 1.332 million (2021: Rs 1.332 million) held as payable to TFC holders as referred to in note 13.

25. Dividend income

	Note	2022	2021
		(Rupees in thousand)	
This represents dividend income from the following:			
Related parties	25.1	3,658,081	3,261,141
Others		1,204,252	934,592
		4,862,333	4,195,733

25.1 Dividend income from related parties

	Note	2022	2021
		(Rupees in thousand)	
DIC Pakistan Limited		274,908	158,731
Packages Real Estate (Private) Limited		75,625	-
Bulleh Shah Packaging (Private) Limited		1,500,796	1,570,005
IGI Holdings Limited		82,682	105,231
Tri-Pack Films Limited		349,335	64,667
OmyaPack (Private) Limited		24,750	12,375
Packages Converters Limited		1,349,985	1,350,132
		3,658,081	3,261,141

26. Rental income

This represents rental income from the following:

	Note	2022	2021
Related parties	26.1	476,067	410,485
Others		11,381	13,084
		487,448	423,569

26.1 Rental income from related parties

	2022	2021
Packages Real Estate (Private) Limited	55,248	41,044
DIC Pakistan Limited	31,604	27,789
Bulleh Shah Packaging (Private) Limited	79,162	73,987
IGI Life Insurance Limited	-	9,340
StarchPack (Private) Limited	1,628	-
Packages Converters Limited	308,425	258,325
	476,067	410,485

27. Administrative expenses

	Note	2022	2021
Salaries and amenities	27.1 & 27.2	266,392	181,528
Travelling and conveyance		33,977	10,604
Rent, rates and taxes		151,896	149,173
Insurance		6,395	5,328
Printing, stationery and periodicals		4,618	7,975
Postage, telephone and telex		3,088	3,269
Motor vehicles running		29,284	8,968
Computer charges		2,412	2,427
Professional services	27.3	74,121	51,515
Repairs and maintenance		1,775	1,602
Depreciation on operating fixed assets		26,647	14,523
Amortization of intangible assets	18.1	513	515
Depreciation on investment properties	17.1	47,159	47,675
Others		35,665	46,156
		683,942	531,258

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

	Note	2022	2021
		(Rupees in thousand)	
Defined benefit plans			
- Gratuity fund		23,240	15,609
- Pension fund		58,244	22,023
Defined contribution plans			
- Provident fund		17,081	13,770
- Pension fund		28,347	24,479
Other benefit plan			
- Accumulating compensated absences		16,816	13,910
		143,728	89,791

27.2 Salaries and amenities include Rs 0.647 million (2021: Rs 0.874 million) in respect of services rendered by manpower contractors during the year.

27.3 Professional services

The charges for professional services include the following in respect of auditors' remuneration (excluding sales tax) for:

	Note	2022	2021
		(Rupees in thousand)	
- Statutory audit		1,910	1,705
- Half-yearly review		700	683
- Tax services		9,202	2,592
- Advisory services		8,688	-
- Workers' profit participation fund audit, management staff employees gratuity funds audits, audit of consolidated financial statements and certifications required under various regulations		2,693	2,183
Out of pocket expenses		1,961	585
		25,154	7,748

28. Other expenses

	Note	2022	2021
Exchange loss - net		30,051	7,914
Donations	28.1	17,003	52,255
Impairment loss on investment in subsidiary	19.1.1	687,121	-
		734,175	60,169

28.1 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.

29. Other income

	Note	2022	2021
		(Rupees in thousand)	
Income on bank deposits		62,184	54,750
Profit on disposal of operating fixed assets		15,879	1,176
Management and technical fee from related parties	29.1	54,402	78,702
Liabilities no longer payable written back		24,043	26,224
Reversal of impairment on investments		-	676,864
Reversal of provision for Workers' Profit Participation Fund	13.6	929,419	-
Others [including nil (2021: Rs 0.024 million) from related parties]		11,228	8,440
		1,097,155	846,156

29.1 This represents management fee charged to Flexible Packages Convertors (Proprietary) Limited ('FPCPL') and Packages Lanka (Private) Limited, related parties. As per terms of agreement dated May 28, 2015 with FPCPL, a technical fee of Rs 31.840 million was to be recognised as income for the year, however, considering the cashflow constraints of the related party, collectability of technical fee was not probable, hence, the income was not recognised as consistent with the Company's revenue recognition policy.

30. Finance cost

	Note	2022	2021
		(Rupees in thousand)	
Interest and mark-up including commitment charges on:			
- Long term finances from financial institutions	30.1	457,575	48,206
- Short term borrowings from financial institutions - secured		26,800	-
Return on preference shares/convertible stock	7.1	155,550	155,550
Bank charges		20,620	12,041
Unwinding of discount on long term advances	8	3,185	1,277
		663,730	217,074

30.1 This includes an amount of Rs 51.290 million (2021: Rs 46.786 million) as annual commitment fee on the undisbursed amount of facility from IFC as referred to in note 7.4.

31. Taxation

	Note	2022	2021
		(Rupees in thousand)	
Current			
- For the year		357,768	269,328
- Prior years		50,408	(84,393)
		408,176	184,935
Deferred	20.1	(99,159)	356,959
	31.1	309,017	541,894

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

31.2 Tax charge reconciliation

	Note	2022	2021
		(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 for tax purposes		0.44	0.21
- Super tax		1.33	0.00
- Amounts that are exempt for tax purposes		(0.09)	(0.49)
- Amounts that are chargeable to tax at different rates		(7.69)	(4.36)
- Group taxation as explained in note 4.1		(14.85)	(10.93)
- Change in prior years' tax		(0.74)	(1.81)
		(21.60)	(17.38)
Average effective tax rate charged to unconsolidated statement of profit or loss		7.40	11.62

32. Remuneration of Chief Executive, Directors and Executives

32.1 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		Executive	
	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in thousand)							
Short term employee benefits								
Managerial remuneration	10,770	9,448	894	1,953	-	-	41,539	51,371
Housing	7,411	8,911	270	584	-	-	16,232	19,916
Utilities	3,303	1,872	60	130	-	-	2,676	4,047
Bonus and Incentives	3,103	27,903	175	379	-	-	12,279	41,081
Leave passage	886	776	-	-	-	-	1,045	1,746
Reimbursement of medical expenses	10,508	10,865	71	36	-	-	2,463	1,839
Directors' meeting fees	-	-	-	-	7,550	5,875	-	-
Other allowances and expenses	-	-	85	430	-	-	-	-
Other perquisites and benefits	11,293	5,298	-	-	-	-	4,229	11,616
	47,274	65,073	1,555	3,512	7,550	5,875	80,463	131,616
Post employment benefits								
Contribution to provident, gratuity and pension funds	3,650	3,200	-	-	-	-	5,657	8,333
	50,924	68,273	1,555	3,512	7,550	5,875	86,120	139,949
Number of persons	1	1	1	1	8	8	32	24

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

32.3 Premium charged in the financial statements in respect of directors' indemnity insurance policy, purchased by the Company during the year, amounted to Rs 0.844 million (2021: Rs 0.753 million).

33. 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	2022	2021
		(Rupees in thousand)	
i. Subsidiary companies	Purchase of goods & services	604	966
	Investment in equity instruments	2,796,429	1,909,405
ii. Joint ventures	Purchase of goods and services	-	128
iii. Associates	Purchase of goods and services	2,100	597
	Insurance premium	36,292	26,453
	Insurance claims received	4,305	1,830
	Investment in equity instruments	997,273	1,578,746
	Dividend paid	734,448	600,912
iv. Retirement funds	Expense charged in respect of retirement plans	126,914	74,837
	Dividend paid	77,892	63,730
v. Key management personnel	Salaries and other employee benefits - note 33.1	63,736	109,032
	Dividend paid	87,651	60,265

33.1 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 32 to these unconsolidated financial statements.

33.2 All transactions with related parties have been carried out on mutually agreed terms and conditions.

33.3 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	Not applicable
Bulleh Shah Packaging (Private) Limited	Subsidiary	Not applicable
Tri-Pack Films Limited	Subsidiary	Not applicable
Packages Real Estate (Private) Limited	Subsidiary	Not applicable
Flexible Packages Converters (Proprietory) Limited	Subsidiary	Not applicable
Chantler Packaging Inc.	Subsidiary	Not applicable
Packages Convertors Limited	Subsidiary	Not applicable
Packages Investments Limited	Subsidiary	Not applicable
Packages Power (Private) Limited	Subsidiary	Not applicable
Anemone Holdings Limited	Subsidiary	Not applicable
DIC Pakistan Limited	Subsidiary	Not applicable

Name	Relationship	% age of shareholding in the Company
StarchPack (Private) Limited	Subsidiary	Not applicable
IGI Life Insurance Limited	Associate	None
IGI Insurance Limited	Associate	None
IGI Holding (Private) Limited	Associate	None
IGI Finex Securities Limited	Associate	None
Sanofi-Aventis Pakistan Limited	Associate	None
IGI FSI (Private) Limited	Associate	None
IGI General Insurance Limited	Associate	None
IGI Investments (Private) Limited	Associate	29.88%
OmyaPack (Private) Limited	Joint Venture	Not applicable
Packages Foundation	Common Director/Governor	Not applicable
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	Not applicable
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 Meinred Moeller	Director	0.00%
Hasan Askari	Director	0.00%
Saba Kamal	Director	0.00%
Irfan Mustafa	Director	0.00%
Atif Aslam Bajwa	Director	N/A
Syed Aslam Mehdi	Director	0.01%
Imran Khalid Niazi	Ex-Director	0.00%
Syed Babar Ali	Key Management Personnel	3.39%
Khurram Raza Bakhtayari	Key Management Personnel	Not applicable
Shaheen Sadiq	Key Management Personnel	Not applicable
Hammad Ahmed Butt	Key Management Personnel	Not applicable
Kaifee Siddiqui	Key Management Personnel	Not applicable
Sajjad Iftikhar	Key Management Personnel	Not applicable

34. Subsidiaries incorporated outside Pakistan

	Anemone Holdings Limited	Flexible Packages Convertors (Proprietary) Limited	Packages Lanka (Private) Limited	Chantler Packages Inc.
Basis of association	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Country of incorporation / jurisdiction	Republic of Mauritius	South Africa	Sri Lanka	Canada
Registered address	2nd floor, The AXIS, 26 Cyber city, Ebene, Republic of Mauritius	316 Marks Street, Watloo 0184, Pretoria South, Gauteng, RSA	148, Minuwandoga Road, Ekala, Ja-Ela	880 Lakeshore Road East, Mississauga, Ontario
Effective percentage of shareholding	100.00%	63.50%	79.07%	72.07%
Company's shareholding	Direct	Through Anemone Holdings Limited	Direct	Through Packages Lanka (Private) Limited
Amount of investment - foreign currency	USD 12.558 million	No direct investment	SL Rupees 451.417 million	No direct investment
Amount of investment at cost - local currency	Rs 1,888.770 million	No direct investment	Rs 442.938 million	No direct investment
Terms and conditions for which investment has been made	Unconditional equity investment	No direct 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

35. Cash flow information

35.1 Cash generated from operations

	Note	2022	2021
		(Rupees in thousand)	
Profit before tax		4,176,775	4,664,019
Adjustments for:			
- Provision for retirement benefits	9	81,485	37,632
- Exchange loss	29	29,274	7,511
- Provision for accumulating compensated absences	10	16,816	13,910
- Reversal of workers' profit participation fund	13.6	(929,419)	-
- Provision for rent in respect of land leased from GoPb		115,998	120,697
- Depreciation on operating fixed assets	16.1	26,647	14,523
- Depreciation on investment properties	17	47,159	47,675
- Amortisation on intangible assets	18	513	515
- Impairment loss/(gain) on equity investment	19	687,121	(676,864)
- Net impairment loss/(gain) on financial assets	21.1	188,314	(7,062)
- Dividend income	25	(4,862,333)	(4,195,733)
- Liabilities no longer payable written back	29	(24,043)	(26,224)
- Profit on disposal of operating fixed assets	29	(15,879)	(1,176)
- Discounting adjustment of long term advances		(9,952)	(5,748)
- Finance cost	30	663,730	217,074
Profit before working capital changes		192,206	210,749
Effect on cash flow due to working capital changes:			
- Decrease in loans, advances, deposits, prepayments and other receivables		230,832	119,340
- Decrease in trade and other payables		(151,505)	(115,744)
		79,327	3,596
		271,533	214,345

35.2 Cash and cash equivalents

	Note	2022	2021
Cash and bank balances	24	159,959	368,165
Short term borrowings from financial institutions - secured	12	-	(21,136)
Short term investments		150,000	235,000
		309,959	582,029

36. Number of employees

	2022	2021
Total number of employees as at December 31	127	90
Average number of employees during the year	109	79

37. Rates of exchange

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

	Average rate		Spot rate	
	2022	2021	2022	2021
	(Rupees in thousand)		(Rupees in thousand)	
USD	205.215	161.721	226.900	177.950
EURO	215.830	192.448	242.330	201.740

38. Earnings per share

38.1 Basic earnings per share

		2022	2021
Profit for the year	Rupees in thousand	3,867,758	4,122,125
Weighted average number of ordinary shares	Number	89,379,504	89,379,504
Basic earnings per share	Rupees	43.27	46.12

38.2 Diluted earnings per share

		2022	2021
Profit for the year	Rupees in thousand	3,867,758	4,122,125
Return on preference shares / convertible stock	Rupees in thousand	155,550	155,550
		4,023,308	4,277,675
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	41.24	43.84

39. Financial risk management

39.1 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, 2022 and as at December 31, 2021, 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	
	2022	2021
	(Rupees in thousand)	
Pakistan Stock Exchange Limited	2,142,109	986,940

As at December 31, 2022, the Company does not have any investment classified at fair value through profit or loss.

(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 and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

	2022	2021
	(Rupees in thousand)	
Fixed rate instruments:		
Financial assets		
Bank balances - savings accounts	127,923	327,564
Financial liabilities		
Preference shares/convertible stock - unsecured	(932,650)	(932,650)
Net exposure	(804,727)	(605,086)
Floating rate instruments:		
Financial liabilities		
Short term borrowings from financial institutions - secured	-	(21,136)
Long term finances from financial institutions	(3,650,000)	(1,550,000)
	(3,650,000)	(1,571,136)
Net exposure	(3,650,000)	(1,571,136)

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, 2022, 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 105.120 million (2021: Rs 45.249 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:

	2022	2021
	(Rupees in thousand)	
Long term security deposits	2,692	5,125
Short term investments	150,000	235,000
Loans, advances, deposits and other receivables	924,541	611,897
Balances with banks	152,653	361,995
	1,229,886	1,214,017

(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 21.4. 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	2022	2021
	Short term	Long term		(Rupees in thousand)	
Bank balances:					
Allied Bank Limited	A1+	AAA	PACRA	829	3,156
Bank Al-Habib Limited	A1+	AAA	Moody's	85	498
Citibank N.A.	F-1	A+	Fitch Ratings	11	9
Habib Bank Limited	A1+	AAA	VIS	2,111	26,984
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	65,362	60,905
JS Bank Limited	A1+	AA-	PACRA	20	26
MCB Bank Limited	A1+	AAA	Moody's	23,372	2,507
National Bank of Pakistan	A1+	AAA	PACRA	-	10
Samba Bank Limited	A1	AA	PACRA	-	1,333
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	60,863	266,567
				152,653	361,995
Short term investments:					
Allied Bank Limited	A1+	AAA	PACRA	40,000	125,000
Habib Bank Limited	A1+	AAA	VIS	110,000	110,000
				150,000	235,000

(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. Due to the dynamic nature of the Company's businesses, the Company's finance department maintains flexibility in funding by maintaining availability under committed credit lines. At December 31, 2022, the Company had Rs 2,000 million (2021: Rs 21.136 million) available borrowing limits from financial institutions under mark up arrangements and Rs 159.959 million (2021: Rs 368.164 million) in cash and bank balances.

Management monitors the forecasts of the Company's cash and cash equivalents (note 35.2) 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, 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

	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, 2021						
Long term finances from financial institutions	2,482,650	2,482,650	-	-	-	2,482,650
Short term borrowings from financial institutions - secured	21,136	21,136	21,136	-	-	-
Long term advances	16,630	23,157	9,279	1,006	344	12,528
Trade and other payables	559,431	559,431	559,431	-	-	-
Unclaimed dividend	58,875	58,875	58,875	-	-	-
Accrued finance cost	157,496	157,496	157,496	-	-	-
	3,296,218	3,302,745	806,217	1,006	344	2,495,178

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, 2022

	At fair value through other comprehensive income	At amortised cost	Total
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, advances, 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

Assets as per unconsolidated statement of financial position as at December 31, 2021

	At fair value through other comprehensive income	At amortised cost	Total
Long term investments	20,898,758	26,024,118	46,922,876
Long term security deposits	-	5,125	5,125
Short term investments	-	235,000	235,000
Loans, advances, deposits and other receivables	-	611,897	611,897
Cash and bank balances	-	368,165	368,165
	20,898,758	27,244,305	48,143,063

Liabilities as per unconsolidated statement of financial position

	Financial liabilities at amortised cost	
	2022	2021
	(Rupees in thousand)	
Long term finances from financial institutions	4,582,650	2,482,650
Long term advances	29,261	16,630
Short term borrowings from financial institutions - secured	-	21,136
Trade and other payables	523,842	559,431
Unclaimed dividend	59,741	58,875
Accrued finance cost	242,901	157,496
	5,438,395	3,296,218

39.2 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.

39.3 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 and liquid investments.

The gearing ratios as at December 31, 2022 and 2021 were as follows:

	Note	2022	2021
		(Rupees in thousand)	
Borrowings	7 & 12	4,582,650	2,503,786
Less : Cash and bank balances	24	(159,959)	(368,165)
Net debt		3,885,191	2,135,621
Total equity		49,948,270	48,158,480
		Percentage	
Gearing ratio		7.22%	4.25%

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, 2022, the debt service coverage ratio was 23.09 (2021: 23.86), the current ratio was 2.76:1 (2021: 2.58:1) and the debt to equity ratio was 7.53% (2021: 5.20%).

39.4 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, 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

At December 31, 2021

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
Assets	(Rupees in thousand)			
Investments - FVOCI	20,893,733	-	5,025	20,898,758

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 years. 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.

There were no transfers amongst the levels during the year. Further, there were no changes in the valuation techniques during the year.

40. Date of authorisation for issue of financial statements

These unconsolidated financial statements were authorised for issue on March 24, 2023 by the Board of Directors of the Company.

41. Event after the reporting period

The Board of Directors have proposed a dividend of Rupee 27.50 per share, amounting to Rs 2,457.936 million at their meeting held on March 24, 2023 for approval of the members at the Annual General Meeting to be held on April 28, 2023. 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.

42. Corresponding figures

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

	(Rupees in thousand)
- 'Trade debts' previously presented on the face of statement of financial position have now been reclassified and presented as 'other receivables' under 'Loans, advances, deposits, prepayments and other receivables'	10,467
- 'Rental income' previously presented under 'other income' has now been reclassified and presented separately on the face of statement of profit or loss	423,569

Chief Executive Officer

Director

Chief Financial Officer

Consolidated Finanical Statements

Directors' Report On Consolidated Financial Statements

For the Year Ended December 31, 2022

The Directors of the Parent Company take pleasure in presenting the Consolidated Financial Statements of the Group for the year ended December 31, 2022. Comparison of consolidated results for the year 2022 as against year 2021 is as follows:

	2022	2021
	(Rupees in million)	
Sales – net	121,894	80,322
Profit from operations - EBIT	**15,837**	**10,584**
Share of profit in associates and joint venture	252	677
Bargain purchase gain on acquisition of Tri-Pack Films Limited	1,875	-
Investment income	1,204	935
Profit before tax	**11,910**	**9,607**

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 2022, the Group achieved net sales of Rs 121,894 million against net sales of Rs 80,322 million achieved during last year representing sales growth of 52% with an operating profit of Rs 11,910 million as compared to 9,607 million generated during last year representing growth of 24%, mainly on account of revenue growth and cost controls and a one-time net bargain purchase gain under business combination on acquisition of Tri-Pack Films Limited ('TPFL').

Included in the above, for the current year, is a 319-day revenue of Rs 18,205 million after intra-group adjustments which has also impacted the bottom-line with the inclusion of profit from TPFL of Rs 338 million.

Identified assets acquired and liabilities assumed of TPFL have been carried at fair value at the date of acquisition and the investment in associate has been deemed disposed at its fair value at the acquisition date. This has resulted in a one-time net gain under business combination amounting to Rs 1,875 million recognised in the Consolidated Financial Statements of the Group.

The Group's finance cost has increased by Rs 4,669 million which is mainly attributable to increased bench-mark interest rates and increased amount of loans availed for the purpose strategic expansion through capital expenditure.

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 subsidiary of Packages Limited. It is principally engaged in the manufacture and sale of packaging materials, tissue products & sanitary napkins. PCL has achieved net sales of Rs. 41,585 million during the year 2022 as compared to Rs 29,881 million during 2021, representing sales growth of 39%. The Company has generated profit before tax of Rs. 2,587 million during the year 2022 as compared to Rs 2,594 million during 2021. The impact in the bottom-line is a representation of the increased finance cost which has escalated by 2.7 times owing to the increased base-rate.

BULLEH SHAH PACKAGING (PRIVATE) LIMITED

Bulleh Shah Packaging (Private) Limited is principally engaged in the manufacturing and conversion of paper and paper board and corrugated boxes. The Company has achieved net sales of Rs. 47,589 million during the year 2022 as compared to Rs 36,938 million during 2021 representing sales growth of 29%. The Company has recorded profit before tax of Rs 5,485 million during the year 2022 as compared to the Rs 4,355 million in corresponding period last year, primarily due to revenue growth and tighter control over fixed costs.

A fire incident occurred at its warehouse situated in Kasur on February 9, 2022. The fire was brought under control using the in-house firefighting system and with the help of local administration. The business continuity plan was successfully implemented and plant operations and supplies to its customers resumed. The profit before tax includes the insurance gain recorded to date on the assets destroyed in fire amounting to Rs. 332 million.

DIC PAKISTAN LIMITED

DIC Pakistan Limited is an un-listed public limited subsidiary of Packages Limited. It is principally engaged in manufacturing, processing and selling of industrial inks. The Company achieved net sales of Rs. 9,365 million during the year 2022 as compared to Rs. 6,716 million last year, representing sales growth of 39%. The Company has generated profit before tax of Rs. 1,070 million during the year 2022 as against Rs. 950 million in 2021, representing growth of 13%.

PACKAGES LANKA (PRIVATE) LIMITED

Packages Lanka (Private) Limited is a Sri Lankan based subsidiary of Packages Limited. It is primarily engaged in production of flexible packaging. The Company has achieved sales of SLR 4,987 million during the year 2022 as compared to SLR 2,468 million in 2021, representing 102% increase. The Company has generated profit before tax of SLR 849 million in the year 2022 as compared to profit before tax of SLR 108 million of 2021. This has come in a tightening Sri-Lankan economy & is mainly on account of the effective pricing strategy of the management along with robust controls over the costs.

FLEXIBLE PACKAGES CONVERTORS (PROPRIETARY) LIMITED

Flexible Packages Convertors (Proprietary) Limited is a company based in South Africa. It is principally engaged in the manufacture of flexible packaging material. The Company achieved net sales revenue of ZAR 545 million during the year 2022 as compared to ZAR 698 million during 2021. The Company has recorded loss before tax of ZAR 78 million in current year as compared to loss before tax of ZAR 28 million in 2021. As disclosed in note 25.1 of the enclosed Consolidated Financial Statements, the Company has experienced deteriorating financial performance and tough economic conditions coupled with low sales to key customers, unfavourable product mix and higher than anticipated variable and fixed costs. Resultantly, the Group carried out an estimate of the recoverable amount of the net assets and determined it to be lower than its carrying amount. As the recoverable amount of the investment worked out is lower than its carrying value, therefore, an impairment loss of Rs 1,056 million has been recognized in these Consolidated Financial Statements.

PACKAGES REAL ESTATE (PRIVATE) LIMITED

Packages Real Estate (Private) Limited is a subsidiary of Packages Limited. It is primarily engaged in business of all types of construction activities and development of real estate. It is currently operating a real estate project titled “Packages Mall” and has also started leasing of office spaces to corporate customers. The Company has achieved net revenue of Rs. 4,569 million during the year ended December 31, 2022 as compared to Rs 3,278 million during 2021. The Company has recorded profit before tax of Rs 592 million during the year 2022 as compared to Rs 454 million in 2021.

STARCHPACK (PRIVATE) LIMITED

StarchPack (Private) Limited is a wholly owned subsidiary of Packages Limited. It will be principally engaged in the manufacture and sale of corn-based starch products, its derivates and by-products. During the current period, the Parent Company made an additional investment of Rs. 1,400 million in pursuance to decision taken by the Board of Directors of Parent Company. The Company is expected to start commercial operations in the second half of 2023.

TRI-PACK FILMS LIMITED

Tri-Pack Films Limited (‘TPFL’) is principally engaged in the manufacturing and sale of Biaxially Oriented Polypropylene (BOPP) film and Cast Polypropylene (CPP) film. On February 15, 2022, the transaction of acquiring 7,500,000 shares (representing 19.33% shareholding) of TPFL from Mitsubishi Corporation was completed. The Parent Company now owns 69.26% in TPFL and includes it as a subsidiary in the Consolidated Financial Statements.

The Company has achieved net sales of Rs 24,120 million during the year 2022 as compared to sales of Rs 19,054 million achieved during the corresponding period of last year, representing sales growth of 27%. The Company has recorded a profit before tax of Rs 1,382 million as against Rs 1,415 million achieved during corresponding period of last year on account of rapidly increasing finance costs.

PUBLIC OFFER FOR SANOFI-AVENTIS PAKISTAN LIMITED

The Parent Company had made a public announcement of intention on April 28, 2022 of the finalization of purchase price and terms and conditions of the Proposed Transaction between the Investor Consortium and Sanofi Foreign Participants B.V. for the purchase of entire 52.87% shareholding of Sanofi Foreign Participants B.V. held in sanofi-aventis Pakistan Limited. The Investor Consortium is comprised of the Parent Company, IGI Investments (Private) Limited and affiliates of Arshad Ali Gohar Group. The Investor Consortium is led by the Parent Company. The negotiated purchase price for the Proposed Transaction is Rs 940 per share (excluding transaction costs) and the Parent Company expects to acquire 35% of equity stake in Sanofi Pakistan. The remaining shareholding i.e. 17.87% (Remaining Shareholding) is expected to be taken by other members of the Investor Consortium. The Company shall also be committed to purchase Remaining Shareholding to the extent not taken-up by any other member of the Investor Consortium.

During the period, the Parent Company acquired 585,254 ordinary shares of sanofi-aventis Pakistan Limited comprising 6.07% of the issued ordinary share capital thereof pursuant to the mandatory public offer made by the Parent Company on June 30, 2022 at an offer price of Rs 1,704 per ordinary share pursuant to the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017.

FUTURE OUTLOOK

The post-pandemic recovery of the global economy has been impacted by high inflation, aggressive monetary tightening, and uncertainties resulting from the Russian-Ukraine conflict. Pakistan’s economy, where the most significant portion of the net assets of the Group reside, faces mounting pressures on account of the aforementioned global situation coupled with political instability and uncertainty, trade deficit and depletion of foreign exchange reserves, all leading to significant pressure on the PKR against the US dollar which has adversely affected the availability of raw material and supplies for the operations. Rising inflation has affected the disposable income of the masses and their spending is expected to remain under check.

Going forward, the economic outlook of Pakistan is expected to be shaped largely by the revival of the IMF programme, restoration of political stability, flood relief support from the international community, and support from friendly countries along with the continued implementation of reforms aimed at stabilising the economy.

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)
Lahore
March 24, 2023

Syed Hyder Ali
(Chief Executive Officer & Managing Director)

Independent Auditors' Report on Consolidated Financial Statements

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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, 2022, 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 significant 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, 2022, 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 judgement, 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.

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Following are the Key audit matters:

S.No.	Key audit matter	How the matter was addressed in our audit
1.	Impairment of a cash-generating unit *(Refer notes 4.3.4 and 25.1 to the annexed consolidated financial statements)* As disclosed in note 25.1, due to the deteriorating financial performance and continuing operating losses, the management tested the cash-generating unit ('CGU') comprising of Flexible Packages Convertors (Proprietary) Limited ('FPCL'), for impairment. Resultantly, an impairment loss of Rs 1,056.313 million has been recognized due to the recoverable amount being lower than the carrying amount of the CGU. The determination of the recoverable amount involved judgements and estimation techniques used by the management for assessing the 'fair value less costs of disposal' and 'value in use' of the CGU using the relevant future cash flows and discount rate. Based on the high level of judgment and estimations 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 CGU; • Assessed the valuation methodology used by the management; • Obtained the discounted cash flow model ('model') and checked the mathematical accuracy of the computations; • Obtained an understanding of the work performed by the management on the model for the purpose of valuation; • Assessed the professional qualification, competence and experience of the management's personnel in the field; • Tested, understood, and evaluated the process by which the cash flow forecast was prepared and approved, including confirming the mathematical accuracy of the underlying calculations; • Evaluated the cash flow forecast by obtaining an understanding of the CGU; • Tested, on sample basis, the reasonableness of the input data used by the management; • Tested the assumptions used in the model by management for determining the fair value; • Obtained corroborating evidence relating to the value as determined by the management by challenging key assumptions for the growth rates in the cash flow forecast by comparing them to historical results and economic forecasts and challenging the discount rate by independently estimating a range based on market data; • Assessed whether the assumptions used were in line with other market participants and reflected the particular status of the investment shareholding; • Tested if the impairment loss has been accurately calculated by applying the exchange rate prevailing on the date of impairment; • Tested the basis on which the impairment loss has been allocated to the assets included in the CGU; and • Reviewed the adequacy of the disclosures made by the Group regarding applicable accounting and reporting standards.

S.No.	Key audit matter	How the matter was addressed in our audit
2.	Acquisition of subsidiary *(Refer notes 4.7 and 55 to the annexed consolidated financial statements)* The Group previously held 49.93% shareholding of Tri-Pack Films Limited ('TPFL'). On February 15, 2022, the Group acquired 7,500,000 shares from Mitsubishi Corporation pursuant to the Share Purchase Agreement amounting to Rs 1,144.543 million, which represents 19.33% of shareholding in TPFL. The fair value of the equity interest held as at acquisition date was determined to be Rs 5,238.413 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 7,248.817 million resulting in a bargain purchase gain of Rs 2,010.404 million recognised in the consolidated statement of profit or loss. The acquisition is a significant transaction during the year and estimation is involved in determining the fair value of net assets acquired, therefore, we consider it to be a key audit matter.	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 TPFL. • Tested compliance with the relevant laws and regulations. • Traced the amount paid to Mitsubishi Corporation 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 involvement of management's expert. • Evaluated the professional qualification of management's expert and assessed the independence, competence, and experience of the management's expert in the field. • Involved auditor's expert to assess the adequacy of the work performed by the management's expert. • Matched the underlying carrying value and fair value with the financial information of TPFL and management's expert's report respectively. • Recalculated the bargain purchase gain by deducting the carrying values of net assets of TPFL from the fair value of net assets acquired. • 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 06, 2023
UDIN: AR202210070v4S3e9fwk

Consolidated Statement of Financial Position
as at December 31, 2022

EQUITY AND LIABILITIES	Note	2022	2021
		(Rupees in thousand)	
CAPITAL AND RESERVES			
Authorized share capital			
-150,000,000 (2021: 150,000,000) ordinary shares of Rs 10 each		1,500,000	1,500,000
- 22,000,000 (2021: 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 (2021: 89,379,504) ordinary shares of Rs 10 each	5	893,795	893,795
- 8,186,842 (2021: 8,186,842) 10% non-voting preference shares / convertible stock of Rs 190 each		606,222	606,222
Other reserves	6	46,591,959	44,748,580
Equity portion of loan from shareholder of the Parent Company	7	277,219	277,219
Revenue reserve: Un-appropriated profits		13,492,287	10,474,905
Attributable to Equity Holders of the Parent Company		61,861,482	57,000,721
Non-controlling interests		4,847,940	2,025,433
Total equity		66,709,422	59,026,154
NON-CURRENT LIABILITIES			
Long term finances from financial institutions	8	29,455,752	15,270,036
Lease liabilities	9	279,789	321,560
Security deposits	10	395,309	154,637
Deferred income	11	380,169	244,082
Deferred government grant	12	1,195,487	230,419
Deferred taxation	13	5,489,139	2,267,881
Long term advances	14	215,404	154,738
Employee benefit obligations	15	1,627,639	1,214,217
Accumulating compensated absences	16	470,408	378,686
		39,509,096	20,236,256
CURRENT LIABILITIES			
Current portion of non-current liabilities	17	7,149,479	6,285,777
Short term borrowings from financial institutions - secured	18	35,662,097	18,666,793
Trade and other payables	19	20,863,580	12,647,371
Unclaimed dividend		82,041	59,238
Accrued finance cost	20	2,513,568	770,253
		66,270,765	38,429,432
CONTINGENCIES AND COMMITMENTS	21		
		172,489,283	117,691,842

ASSETS	Note	2022	2021
		(Rupees in thousand)	
NON-CURRENT ASSETS			
Property, plant and equipment	22	60,929,247	31,469,874
Right-of-use assets	23	287,999	403,526
Investment properties	24	12,044,054	11,270,230
Intangible assets	25	150,024	383,154
Investments accounted for using the equity method	26	5,817,480	8,787,331
Other long term investments	27	21,441,759	20,898,757
Long term security deposits		191,152	145,216
Long term loans	28	316	561
		100,862,031	73,358,649
CURRENT ASSETS			
Stores and spares	29	3,810,529	3,170,406
Stock-in-trade	30	37,180,876	21,071,871
Short term investments	31	521,695	2,251,000
Trade debts	32	16,083,009	9,843,484
Loans, advances, deposits, prepayments and other receivables	33	7,161,541	2,292,705
Income tax receivable	34	4,680,025	4,695,577
Cash and bank balances	35	2,189,577	1,008,150
		71,627,252	44,333,193
		172,489,283	117,691,842

The annexed notes 1 to 58 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, 2022

	Note	2022	2021
		(Rupees in thousand)	
Revenue	36	121,893,589	80,322,297
Cost of sales and services	37	(96,546,304)	(63,612,824)
Gross profit		25,347,285	16,709,473
Administrative expenses	38	(3,968,767)	(2,866,502)
Distribution and marketing costs	39	(4,648,181)	(2,913,840)
Net impairment (loss)/gain on financial assets		(184,287)	75,038
Other expenses	40	(3,420,479)	(1,277,554)
Other income	41	4,586,833	857,204
Investment income	42	1,204,252	934,592
Share of net profit of associates and joint ventures accounted for using equity method		251,656	677,339
Operating profit		19,168,312	12,195,750
Finance cost	43	(7,258,173)	(2,588,800)
Profit before taxation		11,910,139	9,606,950
Taxation	44	(4,930,310)	(2,456,799)
Profit for the year		6,979,829	7,150,151
Profit is attributable to:			
Equity holders of the Parent Company		6,925,585	6,856,129
Non-controlling interests		54,244	294,022
		6,979,829	7,150,151
Earnings per share attributable to equity holders of the Parent Company during the year			
- Basic	51.1	77.49	76.71
- Diluted	51.2	72.12	71.41

The annexed notes 1 to 58 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, 2022

	Note	2022	2021
		(Rupees in thousand)	
Profit for the year		6,979,829	7,150,151
Other comprehensive income/(loss) 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)		527,353	(3,428,541)
Remeasurements of retirement benefits		(162,444)	(297,212)
Tax effect of remeasurements of retirement benefits		23,118	181,963
		388,027	(3,543,790)
Items that may be reclassified subsequently to profit or loss:			
Net exchange differences on translation of foreign operations		(77,873)	6,203
Share of other comprehensive income/(loss) of associates and joint venture accounted for using the equity method - net of tax	26.3	102,472	(195,814)
		24,599	(189,611)
Other comprehensive income/(loss) for the year		412,626	(3,733,401)
Total comprehensive income for the year		7,392,455	3,416,750
Total comprehensive income for the year attributable to:			
Equity Holders of the Parent Company		7,382,447	3,126,287
Non-controlling interests		10,008	290,463
		7,392,455	3,416,750

The annexed notes 1 to 58 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, 2022

	Attributable to owners of the Parent Company													
	Issued, subscribed and paid up share capital		Reserves											
			Capital reserves							Revenue reserves		Capital and 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	Non-controlling interests	Total equity
	(Rupees in thousand)													
Balance as on January 1, 2021	893,795	606,222	3,766,738	(154,125)	20,337,367	2,648,933	80,653	277,219	1,615,000	19,310,333	6,529,599	55,911,734	1,864,946	57,776,680
Appropriation of reserves														
Transfer to general reserve	-	-	-	-	-	-	-	-	-	750,000	(750,000)	-	-	-
Transactions with preference shareholders														
Participating dividend on preference shares/convertible stock - note 8.39.1	-	-	-	-	-	-	-	-	-	-	(26,250)	(26,250)	-	(26,250)
Total transactions with owners in their capacity as owners, recognised directly in equity														
Final dividend for the year ended December 31, 2020 of Rs 22.50 per share	-	-	-	-	-	-	-	-	-	-	(2,011,050)	(2,011,050)	-	(2,011,050)
Dividends relating to 2020 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(129,976)	(129,976)
	-	-	-	-	-	-	-	-	-	-	(2,011,050)	(2,011,050)	(129,976)	(2,141,026)
Total comprehensive income/(loss) for the year														
Profit for the year	-	-	-	-	-	-	-	-	-	-	6,856,129	6,856,129	294,022	7,150,151
Other comprehensive (loss)/income for the year	-	-	- 18,036	-	(3,428,541)	(195,814)	-	-	-	-	(123,523)	(3,729,842)	(3,559)	(3,733,401)
	-	-	-	18,036	(3,428,541)	(195,814)	-	-	-	-	6,732,606	3,126,287	290,463	3,416,750
Balance as on December 31, 2021	**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 8.39.1	-	-	-	-	-	-	-	-	-	-	(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 Rs 27.5 per share	-	-	-	-	-	-	-	-	-	-	(2,457,937)	(2,457,937)	-	(2,457,937)
Dividend 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 - note 55	-	-	-	-	-	-	-	-	-	-	-	-	3,217,647	3,217,647
Total comprehensive (loss)/income 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**

The annexed notes 1 to 58 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, 2022

	Note	2022	2021
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	50.1	2,931,058	6,465,892
Finance cost paid		(5,626,377)	(2,387,848)
Income tax paid		(2,591,206)	(1,567,798)
Payments for accumulating compensated absences		(26,080)	(19,213)
Long term loans and deposits - net		-	(7,668)
Long term advances - net		96,212	95,933
Long-term loans and deposits - net		(47,061)	-
Employee benefit obligations paid		(51,588)	(57,118)
Net cash (outflow)/inflow from operating activities		(5,315,042)	2,522,180
Cash flows from investing activities			
Payments for property, plant and equipment and investment properties		(22,748,687)	(8,857,860)
Payment for acquisition of subsidiary - net of cash acquired	55.7	(6,386,137)	-
Investments made in equity instruments		(1,012,921)	(1,578,744)
Investments made in short term securities		-	(761,000)
Insurance claim received		5,205,417	-
Investments purchased in debt securities		-	(40,000)
Proceeds from disposal of property, plant and equipment		987,367	154,175
Dividends received		1,311,684	1,122,376
Net cash outflow from investing activities		(22,643,277)	(9,961,053)
Cash flows from financing activities			
Proceeds from long term finances		19,180,958	4,858,109
Repayment of long term finances		(5,627,046)	(3,332,230)
Participating dividend on preference shares		(63,749)	(26,250)
Payment of lease liabilities		(217,747)	(262,093)
Dividend paid to equity holders of the parent company		(2,452,908)	(2,006,769)
Dividend paid to non-controlling interests		(405,148)	(129,975)
Net cash inflow/(outflow) from financing activities		10,414,360	(899,208)
Net decrease in cash and cash equivalents		(17,543,959)	(8,338,081)
Cash and cash equivalents at the beginning of the year		(15,447,643)	(7,109,965)
Effect of exchange rate changes on cash and cash equivalents		777	403
Cash and cash equivalents at the end of the year	50.2	(32,990,825)	(15,447,643)

Refer note 50.3 for reconciliation of liabilities arising from financing activities.

The annexed notes 1 to 58 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, 2022

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') and Flexible Packages Convertors (Proprietary) Limited ('FPCPL') (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.
- Construction: 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) film and cast polypropylene (CPP) films.

The Group also holds investment in companies engaged in the manufacture and sale of pharmaceutical, plastic, 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 54.

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, 2022 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.

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, 2023 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) Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (effective for annual reporting period beginning on January 01, 2023)

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.

b) Definition of Accounting Estimates – Amendments to IAS 8 (effective for annual reporting period beginning on January 01, 2023)

The amendment to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

c) Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (effective for annual reporting period beginning on January 01, 2024)

The narrow-scope amendments to IAS 1 'Presentation of Financial Statements' clarify that liabilities are classified as either current or non current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

The Group is yet to assess the impact of these amendments on its consolidated financial statements.

3. Basis of measurement

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

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

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

3.2 Critical accounting estimates and judgements

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

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

i) Useful lives and residual values of property, plant and equipment and investment properties - notes 4.3, 4.4, 22 and 24
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, 34 and 44
iv) Impairment of financial assets (other than investments in equity instruments) - notes 4.13 and 32
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, 29 and 30
vii) Provisions, contingent assets and contingent liabilities - notes 4.31 and 21
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 55

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 significant accounting policies

The summary of significant 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.

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 July 30, 2019, has registered the Parent Company, BSPPL, PIL and PCL as a Taxation Group and has also, vide its certificate dated November 6 2019, designated the Taxation Group for the purpose of group taxation under Section 59AA of the Income Tax Ordinance, 2001. Consequently, the Taxation Group is being taxed as one fiscal unit from the tax year 2020 and onwards.

Any adjustments as in the current and deferred taxes of the Taxation Group on account of group taxation are credited or charged to consilidated statment 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 20.00%
- Plant and machinery	3.33% to 50.00%
- Other equipments	3.33% to 50.00%
- Furniture and fixtures	10.00% to 33.33%
- Major spare parts and stand-by equipment	3.33% to 33.33%
- Vehicles	14.29% 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, 2022 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, 2022 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 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.

4.5.4 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, 2022 has not required any adjustment as its impact is considered insignificant other than the goodwill which has been fully impaired as a result of impairment assessment carried out by the Group as explained in note 25.

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. 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 Tri-Pack Films Limited ('TPFL') as detailed in note 55 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 and PREPL 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, 2022. 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 73.996 million (2021: Rs 57.003 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:

	2022	2021
Discount rate per annum	11.75% - 14.50%	11.75% - 12.25%
Expected rate per annum of increase in salary level	14.50%	11.75% - 12.25%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	SLIC 2001 - 2005 Setback 1 Year
Expected rate of return per annum	11.75% - 14.50%	10.25% - 11.75%

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 81.127 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, 2022, based on the following assumptions:

	2022	2021
Discount rate per annum	14.50%	11.75%
Expected rate of increase in pension level per annum	14.50%	5.00%
Expected mortality rate	SLIC 2001-2005 Setback 1 Year	SLIC 2001-2005 Setback 1 Year
Expected rate of return per annum	14.50%	11.75%

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 operate a recognised/approved contributory provident fund for its permanent employees. Equal monthly contributions at the rate of 10.00% per annum of basic salaries plus dearness allowance and cost of living allowance are made by the Group and the employees to the fund. The nature of contributory pension fund has been explained in note 4.8.2 (b) above.

Employees of Packages Lanka (Private) Limited, a subsidiary incorporated in Sri Lanka, are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective statutes and regulations. The contributions are made at the rate of 12.00% and 3.00% per annum of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund, respectively.

4.8.3 Accumulating compensated absences

The Group provides for accumulating compensated absences when the employees render services that increase their entitlement to future compensated absences. The annual leaves can be encashed at the time the employee leaves the Group on the basis of gross salary while no encashment is available for medical leaves. The employees of the Group are entitled to earned annual and medical leaves on basis of their service with the Group and in accordance with the Group policy.

As per the Group's leaves policy, employees are entitled to following earned leaves along with their maximum accumulation.

	Earned leaves entitlement per year (days)	Maximum accumulation of compensated leaves (days)
Service up to 14 years	15	30
Service 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, 2022 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:

	2022	2021
Discount rate per annum	14.50%	11.75% - 12.25%
Expected rate of increase in salary level per annum	14.50%	11.75% - 12.25%
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, 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 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.

4.19 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.

4.20 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.

4.22 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 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 on a straight-line basis over the lease/license term. 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 4.4.

4.23 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.

4.24 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.

4.25 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.

4.26 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.

4.27 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.
Unallocated	Workshop and other general business

4.28 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.

4.29 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.

4.30 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.

4.31 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.

4.32 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).

4.33 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.

4.34 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

2022	2021		2022	2021
(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 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 (2021: 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	2022	2021
		(Rupees in thousand)	
Capital reserves			
- Share premium	6.1	3,766,738	3,766,738
- Exchange differences on translation of foreign operations	6.2	(172,535)	(136,089)
- FVOCI reserve	6.3	17,436,179	16,908,826
- Other reserves relating to associates and joint ventures	6.4	2,555,591	2,453,119
- Transaction with non-controlling interests	6.5	80,653	80,653
- Capital redemption reserve	6.6	1,615,000	1,615,000
		25,281,626	24,688,247
Revenue reserve			
- General reserve		21,310,333	20,060,333
		46,591,959	44,748,580

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 4.23 (c). 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	2022	2021
		(Rupees in thousand)	
These are composed of:			
- Local currency loans from financial institutions - secured			
- Long term finance facility I	8.1	1,679,431	3,042,827
- Long term finance facility II	8.2	1,500,000	750,000
- Long term finance facility III	8.3	1,498,460	2,496,928
- Long term finance facility IV	8.4	750,000	450,000
- Long term finance facility V	8.5	200,000	-
- Long term finance facility VI	8.6	900,000	-
- Long term finance facility VII	8.7	322,463	370,564
- Long term finance facility VIII	8.8	2,498,519	190,919
- Long term finance facility IX	8.9	250,000	583,333
- Long term finance facility X	8.10	1,000,000	1,666,667
- Long term finance facility XI	8.11	1,600,000	2,000,000
- Long term finance facility XII	8.12	666,667	1,000,000
- Long term finance facility XIII	8.13	-	526,799
- Long term finance facility XIV	8.14	1,170,535	601,179
- Long term finance facility XV	8.15	2,000,000	-
- Long term finance facility XVI	8.16	3,000,000	-
- Long term finance facility XVII	8.17	800,000	800,000
- Long term finance facility XVIII	8.18	750,000	750,000
- Long term finance facility XIX	8.19	1,200,000	-
- Long term finance facility XX	8.20	900,000	-
- Long term finance facility XXI	8.21	1,750,000	2,000,000
- Long term finance facility XXII	8.22	1,000,000	1,400,000
- Long term finance facility XXIII	8.23	-	347,788
- Long term finance facility XXIV	8.24	924,938	832,074
- Long term finance facility XXV	8.25	2,000,000	-
- Long term finance facility XXVI	8.26	2,000,000	-
- Long term finance facility XXVII	8.27	200,000	-
- Long term finance facility XXVIII	8.28	300,000	-
- Long term finance facility XXIX	8.29	-	55,618
- Long term finance facility XXX	8.30	666,667	-
- Long term finance facility XXXI	8.31	493,920	-
- Long term finance facility XXXII	8.32	1,000,000	-
- Long term finance facility XXXIII	8.33	160,775	-
- Long term finance facility XXXIV	8.34	1,189,672	-
- Long term finance facility XXXV	8.35	32,168	-
- Long term finance facility XXXVI	8.36	1,627,095	-
		36,031,310	19,864,696
- Foreign currency loans from financial institutions - secured			
- Term finance loan I	8.37	184,351	419,380
- Term finance loan II	8.38	18,195	64,701
		202,546	484,081
Preference shares/convertible stock - unsecured	8.39	932,650	932,650
		37,166,506	21,281,427
Deferred government grant	12	(1,087,187)	(280,253)
		36,079,319	21,001,174
Current portion shown under current liabilities	17	(6,623,567)	(5,731,138)
	8.40	29,455,752	15,270,036

8.1 Long term finance facility I

The Group obtained a term finance facility from MCB Bank Limited amounting to Rs 4,500 million. The loan carries markup at annual rate of 6 month Karachi Inter-Bank Offered Rate ('KIBOR'). Markup is payable half yearly in arrears. The balance of loan as at year end is payable in two semi-annual instalments ending on September 28, 2023. 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 Group obtained a term finance facility from MCB Bank Limited amounting to Rs 1,500 million to finance construction of corporate office project. The loan carries markup at annual rate of 6 month KIBOR. Markup is payable half yearly in arrears. This loan is repayable in eight equal half yearly instalments in arrears after expiry of grace period of 4 years starting from January 28, 2026. 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 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.

8.3 Long term finance facility III

The Group obtained a term finance facility from Allied Bank Limited (ABL) amounting to Rs 3,500 million. The loan carries markup at annual rate of 6 month KIBOR during the tenure of the loan. Markup is payable half yearly in arrears. The balance of loan as at year end is payable in three semi annual instalments ending on February 09, 2024. The loan is secured to the extent of Rs 4,666.670 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 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.

8.4 **Long term finance facility IV**

The Group obtained a term finance facility from Allied Bank Limited amounting to Rs 750 million to finance construction of corporate office project. The loan carries markup at annual rate of 6 month KIBOR. Markup is payable half yearly in arrears. This loan is repayable in eight equal half yearly instalments in arrear after expiry of grace period of 4 years commencing from February 06, 2021. 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 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.

8.5 **Long term finance facility V**

The Group obtained a term finance facility from MCB Bank Limited amounting to Rs 1,250 million to finance construction of corporate office project. The loan carries markup at annual rate of 6 month KIBOR. Markup is payable half yearly in arrears. This loan is repayable in seven equal half yearly instalments in arrear after expiry of grace period of 3.5 years starting from June 1, 2026. 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.

8.6 **Long term finance facility VI**

The Group has obtained a term finance facility from Allied Bank Limited amounting to Rs 2,000 million as a war chest. The loan carries markup at annual rate of 6 month KIBOR. Markup is payable half yearly in arrears. This loan is repayable in two semi-annual instalments after end of grace period i.e. 3 years from the first draw down on March 30, 2022. The loan is secured to the extent of Rs 4,666.670 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.

8.7 **Long term finance facility VII**

This loan has been obtained from Allied Bank Limited to meet Balancing, Modernising and Replacement (BMR) of the plant to increase its capacity and efficiency. The aggregate loan amount of this facility is Rs 500 million. It carries quarterly markup at 3 month KIBOR + 0.2% per annum before State Bank of Pakistan's approval and SBP rate i.e 1% per annum after the State Bank of Pakistan gives approval of disbursement. The loan is repayable in 16 equal quarterly instalments in 6 years including a grace period of 2 years from the date of disbursement. The last repayment date is October 22, 2027. It is secured by a joint parri passu charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin. The loan has been approved by SBP in the current year, hence, it is a State Bank of Pakistan ('SBP') Temporary Economic Refinance Facility.

8.8 **Long term finance facility VIII**

This loan has been obtained from MCB Bank Limited to meet Balancing, Modernising and Replacement (BMR) of the plant to increase its capacity and efficiency. The aggregate loan amount of this facility is Rs 5,000 million which is convertible to long term financing facility of SBP. It carries markup at 6 month KIBOR per annum on demand finance facility. SBP rate + 0.5% will be applicable after the SBP gives approval of disbursement. This loan is repayable in 16 equal semi-annual instalments in 10 years including a grace period of 2 years from the date of disbursement. The first repayment will start in 2023 and the loan will expire in 2032. It is secured by a joint parri passu and ranking charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin.

8.9 **Long term finance facility IX**

This loan has been obtained from MCB Islamic Bank Limited against diminishing musharaka agreement to meet the capital expenditure requirements already incurred by the Group from own sources. The aggregate loan amount is Rs 1,000 million. It carries mark-up at three month KIBOR plus 0.10 % per annum. The effective mark-up charged during the year ranges from 8.68 % to 15.89 % per annum. Mark-up is payable quarterly in arrears. This loan was originally repayable in 4 years including a grace period of 1 year. However, as per the State Bank of Pakistan's Banking Policy & Regulations Department's Circular Letter No.14 of 2020, the repayment of this loan was deferred by 1 year. The balance is repayable in 3 equal quarterly installments ending August 2023. It is secured by a joint parri passu charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin.

8.10 **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. The aggregate loan amount is Rs 2,000 million. It carries mark-up at six month KIBOR plus 0.10 % per annum. The effective mark-up charged during the year is 7.64% to 16.10% per annum (2021: 7.35 % to 7.77% per annum). Mark-up is payable semi-annually in arrears. This loan is repayable in 5 years including a grace period of 2 years. The balance is repayable in 6 equal half yearly instalments ending in March 2024. 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 Allied Bank Limited for the purpose of re-profiling of statement of financial position and meeting capital expenditure requirements of the Group. The aggregate loan amount is Rs 2,000 million. It carries mark-up at six month KIBOR plus 0.10% per annum. The effective mark-up charged during the year ranges from 7.63% to 16.09% per annum (2021: 7.38 % to 7.75% per annum). Mark-up is payable quarterly in arrears. This loan was originally repayable in 7 years including a grace period of 2 years. However, as per the State Bank of Pakistan's Banking Policy & Regulations Department's Circular Letter No.14 of 2020, the repayment of this loan has been deferred by 1 year. The balance is repayable in 10 equal semi-annual instalments ending in September 2026.

8.12 Long term finance facility XII

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. The aggregate loan amount is Rs 1,000 million. It carries mark-up at six month KIBOR plus 0.20% per annum. The effective mark-up charged during the year ranges from 7.96% to 16.31% per annum (2021: 7.50% to 8.04% per annum). Mark-up is payable semi-annually in arrears. This loan is repayable in 5 years including a grace period of 2 years. The balance is repayable in 4 equal semi-annual instalments ending in September 2024. 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 represents long term financing facility availed under State Bank of Pakistan's (SBP) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns ('Refinance Scheme') obtained from Allied Bank Limited, amounting to Rs 531.504 million. It carried markup at 1 percent per annum with effect from the date it is approved by the State Bank of Pakistan. The effective mark-up charged during the year ranges from 1% to 7.46% per annum. Markup was paid quarterly in arrears. It was secured by a joint parri passu charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin. The loan has been fully repaid during the year.

8.14 Long term finance facility XIV

This loan has been obtained from MCB Bank Limited to meet Balancing, Modernising and Replacement (BMR) of the plant to increase its capacity and efficiency. The aggregate loan amount of this facility is Rs 1,500 million. It carries markup semi-annually at 6 month KIBOR before State Bank of Pakistan's approval and SBP rate + 0.47% after the State Bank of Pakistan gives approval to a disbursement. This loan is repayable in 16 equal semi-annual instalments in 10 years including a grace period of 2 years from the date of disbursement. The last repayment date of this loan is July 20, 2032. 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 Meezan Bank Limited against diminishing musharaka agreement for the purpose of re-profiling of statement of financial position of the Group. The aggregate loan amount is Rs 2,000 million. It carries mark-up at six month KIBOR per annum. The effective mark-up charged during the year is 11.03% to 16% per annum. Mark-up is payable semi-annually in arrears. This loan is repayable in 6 years including a grace period of 2 years. This loan is repayable in 6 years including a grace period of 2 years. The balance is repayable in 8 equal half yearly instalments ending in March 2028. It is secured by a ranking 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 Faysal Bank Limited against diminishing musharaka agreement for the purpose of re-profiling of statement of financial position of the Group. The aggregate loan amount is Rs 3,000 million. It carries mark-up at three month KIBOR per annum. The effective mark-up charged during the year is 14.68% to 15.83% per annum. Mark-up is payable quarterly in arrears. This loan is repayable in 5 years including a grace period of 2 years. The balance is repayable in 12 equal quarterly instalments ending in May 2027. It is secured by a ranking charge over plant and machinery of Packaging segment and Paper and Board segment with 25% margin.

8.17 Long term finance facility XVII

This represents a Term Finance Facility (the 'Facility') of Rs 1,500 million, which 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. During the year 2021, the Group made a drawdown of Rs 800 million on December 28, 2021. The facility carries mark-up at the rate of six-month KIBOR per annum payable quarterly. This loan is repayable in 8 equal semi-annual instalments in 5 years, including a grace period of 1 year. The last repayment of the loan is on December 28, 2026. The effective mark-up rate charged during the year was 13.21% per annum.

8.18 Long term finance facility XVIII

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 Group. The Facility is secured against pledge of Nestle Pakistan Limited's shares owned by the Group. This loan is repayable in 8 equal semi-annual instalments in 5 years, including a grace period of 1 year with instalments starting in June 2023. The loan carries mark-up at the rate of six-month KIBOR per annum payable quarterly. The effective mark-up rate charged during the year was 13.33% per annum.

8.19 Long term finance facility XIX

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 Group. The Facility is secured against pledge of Nestle Pakistan Limited's shares owned by the Group. This loan is repayable in 8 equal semi-annual instalments in 5 years, including a grace period of 1 year with installments starting from July 2023. The loan carries mark-up at the rate of six-month KIBOR per annum payable quarterly. The effective mark-up rate charged during the year was 13.24% per annum.

8.20 Long term finance facility XX

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 Sanofi-Aventis Pakistan Limited. The Facility is secured against pledge of Nestle Pakistan Limited's shares owned by the Group. This loan is repayable in 8 equal semi-annual instalments in 6 years, including a grace period of 2 years. The last repayment of the loan is on July 30, 2028. The loan carries mark-up at the rate of six-month KIBOR per annum payable quarterly. The effective mark-up rate charged during the year was 16.07% per annum.

8.21 Long term finance facility XXI

This represents a Term Finance Facility (the 'Facility') of Rs 2,000 million 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. The mark-up on the facility is payable semi-annually at the rate of six month KIBOR plus 0.10% per annum. The balance is repayable in seven equal semi-annual instalments ending on May 28, 2026. The effective mark-up rate charged during the year ranges from 10.41% to 16.00% (2021: 7.45% to 10.41% per annum).

8.22 Long term finance facility XXII

This represents a Term Finance Facility (the 'Facility') of Rs 2,000 million 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. The mark-up on the facility is payable semi-annually at the rate of six-month KIBOR plus 0.10% per annum. The balance is repayable in five equal semi-annual instalments ending on March 06, 2025. The effective mark-up rate charged during the year ranges from 11.56% to 15.45% (2021: 7.45% to 7.75% per annum).

8.23 Long term finance facility XXIII

This represents long term loan obtained under the Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the State Bank of Pakistan (SBP). The Facility was secured against pledge of Nestle Pakistan Limited's shares owned by the Group under a "Share Pledge Agreement". The loan carried mark-up at the rate of 0.5% per annum. The loan has been repaid during the year.

8.24 Long term finance facility XXIV

This represents long term demand financing facility obtained from Askari Bank Limited under SBP Refinance Scheme for Temporary Economic Refinance Facility ('TERF') obtained by the Group recognised initially at fair value. The total facility available amounts to Rs 950 million. The balance is repayable in sixteen equal semi annual instalments. The last repayment of the loan is on June 30, 2032. The facility is secured against ranking charge over present and future fixed assets (excluding D-Tech Sanitary Napkins F5S and Amica Matrix 600mpm) with 25% margin, the collateral for this loan is Rs 1,267 million. The mark-up on the facility is payable quarterly at six-month KIBOR plus 1.0% per annum before SBP's approval and SBP rate i.e. 1% plus 3.00% per annum after the SBP gives approval to a disbursement.

8.25 Long term finance facility XXV

This represents a Term Finance Facility (the 'Facility') of Rs 2,000 million 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. The mark-up on the facility is payable quarterly at the rate of six month KIBOR per annum. The balance is repayable in twelve equal quarterly instalments ending on August 19, 2027. The effective mark-up rate charged during the year at 16.00% (2021: nil).

8.26 Long term finance facility XXVI

This represents a Term Finance Facility ('the Facility') of Rs 2,000 million 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. The mark-up on the facility is payable semi-annually at the rate of six month KIBOR per annum. The balance is repayable in ten equal semi-annual instalments ending on October 10, 2028. The effective mark-up rate charged during the year at 15.84% (2021: nil).

8.27 Long term finance facility XXVII

This represents long term demand financing facility obtained from Bank Islami Limited under State Bank of Pakistan's ('SBP') Refinance Scheme for Temporary Economic Refinance Facility ('TERF') obtained by the Group during the year, recognised initially at fair value. The total facility available amounts to Rs 200 million. The balance is repayable in sixteen equal semi annual instalments ending on July 1, 2032. The facility is secured against ranking charge over D-TECH sanitary napkins F5S machine of the Consumer Product segment and the collateral for this loan is Rs 378 million. The mark-up on the facility is payable semi annually at SBP rate i.e.1% plus 2.00% per annum.

8.28 Long term finance facility XXVIII

This represents long term demand financing facility obtained from JS Bank Limited under State Bank of Pakistan's ('SBP') Refinance Scheme for Temporary Economic Refinance Facility ('TERF') obtained by the Group during the year, recognised initially at fair value. The total facility available amounts to Rs 300 million. The balance is repayable in thirty two equal quarterly instalments ending on April 1, 2032. The facility is secured against ranking charge over automatic tissue converting line Amica Matrix 600mpm machine Consumer Product segment and the collateral for this loan is Rs 400 million. The mark-up on the facility is payable quarterly at SBP rate i.e. 1.00% plus 4.00% per annum.

8.29 Long term finance facility XXIX

This represents long term financing facility obtained from Allied Bank Limited under the State Bank of Pakistan's (SBP) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns, recognized initially at fair value. The total facility amounted to Rs 111.235 million. The effective interest rate during the year was 7.44% per annum. As of December 31, 2022, there is no outstanding balance in respect of this facility.

8.30 Long term finance facility XXX

This represents Term Loan Finance facility (the 'Facility') obtained from MCB Bank Limited amounting to Rs 1,000 million. The balance is repayable in twelve equal quarterly installments ending in November 2024. Markup on facility is payable quarterly at 3 months KIBOR plus 0.10%. The interest charged on the Facility during the year was at the rate of 13.07% (2021: 7.48%). 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.

8.31 Long term finance facility XXXI

This represents Term Loan Finance facility (the 'Facility') obtained from MCB Bank Limited amounting to Rs 696.011 million. The balance is repayable in twelve equal quarterly installments ending in July 2025. Markup on facility is payable quarterly at 3 month KIBOR plus 0.15%. The interest charged on the Facility during the year was at the rate of 13.48% per annum (2021: 7.64% per annum). 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.

8.32 Long term finance facility XXXII

This represents Term Loan Finance facility (the 'Facility') obtained from MCB Bank Limited amounting to Rs 1,000 million. The balance is repayable in ten equal semi-annual installments ending in December 2028. Markup on facility is payable quarterly at 3 month KIBOR plus 0.50%. The interest charged on the Facility during the year was at the rate of 13.88% per annum (2021: 8.34% per annum). 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

This represents a syndicate long term loan agreement under the Temporary Economic Refinance Facility by the State Bank of Pakistan amounting to Rs 157.190 million. The balance is repayable in thirty two equal quarterly installments ending in April 2031. Markup on facility is payable quarterly at SBP rate i.e. 1% plus 0.75%. The interest charged on the facility during the year was at the rate of 1.75% per annum (2021: 1.75% per annum). 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 represents a syndicate long term loan agreement under the Temporary Economic Refinance Facility by the State Bank of Pakistan. The loan has been obtained to finance the acquisition of new BOPP Line. The Group has paid Rs 3.670 million on account of transaction cost, which has been adjusted against the present value of financial liability calculated by discounting the future cashflows at market interest rate. The loan has been discounted using market interest rate and the difference between the respective fair values and proceeds received has been recorded as deferred government grant (as disclosed in Note 12).

8.35 Long term finance facility XXXV

This represents a bilateral long term loan agreement with a commercial bank having a sublimit of Rs 1,000 million under the Long Term Finance Facility by the State Bank of Pakistan. The loan has been obtained by the Group to finance the acquisition of new BOPP Line. The loan has been discounted using market interest rate and the difference between the respective fair values and proceeds received has been recorded as deferred government grant.

8.36 Long term finance facility XXXVI

This represents term finance facility (the 'Facility') of Rs 1,900 million 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. The loan carries mark-up at the rate of six-month Karachi Inter-bank Offered Rate ('KIBOR'). First principal repayment is due on December 01, 2025 and is repayable in eight equal semi-annual instalments ending on March 01, 2029.

8.37 Term finance loan I

This represents a term loan from First National Bank South Africa at 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 as referred to in note 22.1.2.

8.38 Term finance loan II

This term loan has been obtained from MCB Bank Limited, Sri Lanka and is repayable in bi-annual installments within two years. The loan carries markup at Average Weighted Prime Lending Rate ('AWPLR') and is secured against plant and machinery and land and buildings of the Packaging segment located in Sri Lanka as referred to in note 22.1.3.

8.39 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	2022	2021
		(Rupees in thousand)	
Face value of preference shares/convertible stock [8,186,842 (2021: 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	20	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.

8.39.1 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, 2021 (December 31, 2020: Rs 22.50 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.

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

	Note	2022	2021
		(Rupees in thousand)	
Balance as at beginning of the year		21,001,174	19,350,701
Acquisition of subsidiary		3,137,114	-
Disbursements during the year		19,180,958	4,858,109
Repayments during the year		(5,627,046)	(3,332,230)
Exchange adjustment		(53,206)	(10,519)
		37,638,994	20,866,061
Discounting adjustment for recognition at fair value - deferred government grant		(1,790,385)	(155,960)
Unwinding of discount on liability		232,404	291,073
Transaction cost		(1,694)	-
Balance as at end of the year		36,079,319	21,001,174
Current portion shown under current liabilities		(6,623,567)	(5,731,138)
Closing balance		29,455,752	15,270,036

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	2022	2021
		(Rupees in thousand)	
Opening balance		461,296	598,694
Effect of acquisition of subsidiary - lease liability acquired		37,178	-
Liability recognised during the year		98,694	37,815
Remeasurement of lease liability		(24,870)	-
Liability derecognised during the year		(12,412)	-
Interest on lease liability	43	63,432	45,633
Exchange rate effect		71,118	41,247
Payments made during the year		(217,745)	(262,093)
		476,691	461,296
Current portion shown under current liabilities	17	(196,902)	(139,736)
Closing balance		279,789	321,560

9.1 Maturity analysis as at December 31, 2022

	Note	2022	2021
		(Rupees in thousand)	
Gross lease liabilities - minimum lease payments:			
Not later than 1 year		257,021	161,601
Later than 1 year but not later than 5 years		314,302	369,989
		571,323	531,590
Future finance charge		(94,632)	(207,692)
Present value of finance lease liabilities		476,691	461,296

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, 2022, is Rs 675 million (2021: Rs 475 million). These have been carried at amortized cost using a market interest rate ranging from 10% to 14% (2021: 10% - 14%) for a similar instrument. The gain on initial recognition is recognised as deferred income 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. The reconciliation of carrying amount is as follows:

	Note	2022	2021
		(Rupees in thousand)	
Cumulative security deposits from tenants		548,058	475,424
Less: cumulative income arising on initial recognition deferred over the lease term		(263,533)	(162,459)
Security deposits recognized		284,525	312,965
Add: Unwinding of discount on security deposits			
- Prior years		93,087	89,024
- For the year	43	43,308	37,375
		136,395	126,399
Less: current portion of rental security deposits	17	(25,611)	(284,727)
		395,309	154,637

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	2022	2021
		(Rupees in thousand)	
Opening balance		293,912	351,254
Add: income recognised during the year on receipt of security deposits		-	-
Add: Income recognised during the year		263,533	8,318
Less: Transferred to consolidated statement of profit or loss	41	(81,250)	(65,660)
Deferred income recognised		476,195	293,912
Income to be recognised in the following year classified under current liabilities	17	(96,026)	(49,830)
		380,169	244,082

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	2022	2021
		(Rupees in thousand)	
Opening balance		280,253	78,806
Capitalised in capital work-in-progress		(26,712)	-
Deducted from borrowing cost		(17,086)	-
Recognition on acquisition of TPFL		149,223	-
Deferred grant recognised during the year		1,127,110	273,367
Credited to consolidated profit or loss	41	(134,733)	(71,920)
		1,378,055	280,253
Current portion shown under current liabilities	17	(182,568)	(49,834)
Closing balance		1,195,487	230,419

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	2022	2021
		(Rupees in thousand)	
Deferred tax liability			
Accelerated tax depreciation		3,861,562	3,248,829
Fair value gain on acquisition of subsidiary		2,441,343	-
Investments in associates and joint ventures		340,000	458,000
Intangible assets		96	-
Right-of-use assets		6,039	49,154
		6,649,040	3,755,983
Deferred tax asset			
Unused tax losses	13.2	(967,194)	(1,125,180)
Unrealised profit on stock-in-trade		(42,308)	-
Intangible assets		-	(1,031)
Provision for slow moving stock and stores		(13,293)	(23,051)
Lease liabilities		(2,246)	(193,126)
Provision for unfunded defined benefit plan		(9,982)	-
Provision for accumulating compensated absences		(61,637)	(77,490)
Loss allowance on financial assets		(40,248)	(38,021)
Capital Allowances for tax purposes		64,999	56,847
Deferred liabilities		(44,574)	(38,899)
Provision for doubtful debts		(206)	(41,193)
Long term advances - Staff credit balances		(18,376)	(7,999)
Others		(24,836)	1,041
		(1,159,901)	(1,488,102)
		5,489,139	2,267,881

13.1 Deferred tax asset on tax credits representing minimum tax available for carry forward under section 113 of the Income Tax Ordinance, 2001 is recognised to the extent that the realisation of related tax benefits through future taxable profits of the Group is probable. These have been recognised on the basis of approved business plan.

13.2 The unabsorbed depreciation loss of Rs 3,218.255 million (2021: 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.

13.3 For the purpose of current taxation, unused tax losses available for carry forward to the Group are Rs 1,422.28 million (2021: Rs 1,442.97 million). The Group has not recognized any related deferred tax asset due to certain unsettled tax positions.

13.4 As at December 31, 2022, AHL had accumulated tax losses of equivalent value of Rs 267.281 million (2021: Rs 267.281 million) which are available for set off against taxable profit of AHL up to the year ending December 31, 2027. No deferred tax assets has been recognised against the tax loss carried forward due to the unpredictability of future profit streams of the AHL.

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

	Note	2022	2021
		(Rupees in thousand)	
Opening balance		2,267,881	1,612,241
Acquisition of TPFL		2,671,187	-
Charged to consolidated statement of profit or loss	44	486,690	751,116
Charged/(credited) to consolidated other comprehensive income		99,083	(96,758)
Exchange (loss)/gain		(35,702)	1,282
Closing balance		5,489,139	2,267,881

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 15.35% (2021: 7.05% to 12.46%) per annum to arrive at the present value. The reconciliation of the carrying amount is as follows:

	Note	2022	2021
		(Rupees in thousand)	
Opening balance		185,250	99,891
Additions during the year		133,475	119,631
Deletions during the year		(43,646)	(23,700)
Discounting adjustment	41	(49,000)	(20,125)
Unwinding of finance cost of present value - net	43	14,130	9,553
		240,209	185,250
Current portion shown under current liabilities	17	(24,805)	(30,512)
Closing balance		215,404	154,738

15. Employee benefit obligations

	Note	2022	2021
		(Rupees in thousand)	
Funded			
- Pension funds		659,590	495,706
- Gratuity funds		934,771	674,841
	15.1	1,594,361	1,170,547
Unfunded			
- Staff gratuity	15.2	33,278	43,670
		1,627,639	1,214,217

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	
	2022	2021	2022	2021
	(Rupees in thousand)		(Rupees in thousand)	
Present value of defined benefit obligation	886,150	792,827	1,741,313	1,326,858
Fair value of plan assets	(226,560)	(297,121)	(806,542)	(652,017)
Liability as at December 31	659,590	495,706	934,771	674,841

15.1.1 Movement in net liability for employee benefit obligations

	Pension fund		Gratuity fund	
	2022	2021	2022	2021
	(Rupees in thousand)		(Rupees in thousand)	
Net liability as at January 1	495,706	225,877	674,841	536,792
Acquisition of TPFL	39,370	-	43,928	-
Charged to consolidated statement of profit or loss	62,568	22,023	184,305	128,130
Net remeasurement for the year recorded in consolidated other comprehensive income ('OCI')	61,946	247,806	105,120	55,899
Contribution by the Group	-	-	(73,423)	(45,980)
Net liability as at December 31	659,590	495,706	934,771	674,841

15.1.2 Movement in present value of defined benefit obligation

	Pension fund		Gratuity fund	
	2022	2021	2022	2021
	(Rupees in thousand)		(Rupees in thousand)	
Present value of defined benefit obligation as at January 1	792,827	763,692	1,326,858	1,133,310
Acquisition of TPFL	66,620	-	183,986	-
Service cost	-	-	102,803	76,881
Interest cost	94,981	70,438	170,017	108,252
Benefits paid	(97,045)	(82,509)	(61,754)	(22,528)
Benefits due but not paid	-	-	1,097	(1,311)
Remeasurements:				
Actuarial (gains)/losses from change in financial assumptions	22,538	15,371	9,242	2,984
Experience adjustments	6,229	25,835	54,252	29,270
	28,767	41,206	63,494	32,254
Liability transferred to group companies	-	-	(45,188)	-
Present value of defined benefit obligation as at December 31	886,150	792,827	1,741,313	1,326,858

15.1.3 Movement in fair value of plan assets

	Pension fund		Gratuity fund	
	2022	2021	2022	2021
	(Rupees in thousand)		(Rupees in thousand)	
Fair value as at January 1	(297,121)	(537,815)	(652,017)	(596,518)
Acquisition of TPFL	(27,250)	-	(144,490)	
Interest income on plan assets	(32,413)	(48,415)	(88,515)	(57,003)
Group contributions	-	-	(70,853)	(45,980)
Benefits paid	97,045	82,509	62,344	22,528
Benefits due but not paid	-	-	175	1,311
Return on plan assets, excluding interest income	33,179	206,600	14,518	23,645
Plan assets transferred from group companies group companies	-	-	45,188	-
Remeasurement of plan assets	-	-	27,108	-
Fair value as at December 31	(226,560)	(297,121)	(806,542)	(652,017)

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	
	2022	2021	2022	2021
	(Rupees in thousand)		(Rupees in thousand)	
Current service cost	-	-	102,803	76,881
Interest cost for the year	94,981	70,438	170,017	108,252
Interest income on plan asset	32,413	48,415	88,515	57,003
Net expense charged to consolidated statement of profit or loss	127,394	118,853	361,335	242,136

15.1.6 Remeasurements charged to consolidated OCI

	Pension fund		Gratuity fund	
	2022	2021	2022	2021
	(Rupees in thousand)		(Rupees in thousand)	
Actuarial losses from change in financial assumptions	22,538	15,371	9,242	2,984
Experience adjustments	6,229	25,835	54,252	29,270
Remeasurement of plan assets	-	-	27,108	-
Return on plan assets, excluding interest income	33,179	206,600	14,518	23,645
	61,946	247,806	105,120	55,899

15.1.7 Plan assets

Plan assets are comprised as follows:

	Pension fund 2022	Pension fund 2021	Gratuity fund 2022	Gratuity fund 2021
Debt instruments	145,346	206,795	337,537	417,249
Shares and units of mutual funds	63,102	89,136	303,436	200,249
Cash at banks	18,112	1,190	165,568	34,519
	226,560	297,121	806,541	652,017

15.2 Unfunded retirement benefits - staff gratuity

Reconciliation of carrying amount is as follows:	2022	2021
	(Rupees in thousand)	
As at the beginning of the year	43,670	44,854
Interest cost	3,660	3,431
Charge for the year	3,104	3,463
Payments made during the year	(608)	(2,864)
Actuarial loss	(3,437)	(6,493)
Exchange adjustment	(13,111)	1,279
As at the end of the year	33,278	43,670

15.3 Sensitivity analysis

Year end sensitivity analysis on defined benefit obligation:

	2022		2021	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in thousand)		(Rupees in thousand)	
Discount rate + 100 bps	829,300	3,664,470	714,876	936,014
Discount rate - 100 bps	944,862	4,271,657	850,685	1,117,434
Salary growth rate + 100 bps	953,210	4,271,938	858,545	1,117,369
Salary growth rate - 100 bps	812,325	3,659,254	734,415	934,523

16. Accumulating compensated abscences

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

	Note	2022	2021
		(Rupees in thousand)	
Opening balance		378,686	341,975
Additions due to acquisition of TPFL		31,452	-
Charged to consolidated statement of profit or loss	16.2	83,264	55,924
		493,402	397,899
Payments made during the year		(22,994)	(19,213)
Closing balance	16.1	470,408	378,686

16.1 Movement in liability for accumulating compensated absences

	2022	2021
Present value of obligation as at January 1	378,686	341,975
Additions due to acquisition of TPFL	31,511	-
Current service cost	48,286	35,660
Interest cost on defined benefit obligation	42,714	31,063
Benefits paid during the year	(23,826)	(21,485
Remeasurement during the year	(1,688)	(22,043)
Experience (gains)/losses	(6,048)	11,244
Net liability transferred from group companies	832	2,272
Present value of obligation as at December 31	470,467	378,686

16.2 Charges during the year

	2022	2021
Current service cost	48,286	35,660
Interest cost	42,714	31,063
Experience (gains)/losses	(6,048)	11,244
Remeasurement during the year	(1,688)	(22,043)
Expense charged to the consolidated statement of profit or loss	83,264	55,924

16.3 Sensitivity analysis

Year end sensitivity analyses on defined benefit obligation are as follows:

	Note	2022	2021
		Accumulating compensated absences	
		(Rupees in thousand)	
Discount rate + 100 bps		389,719	337,391
Discount rate - 100 bps		456,454	398,181
Salary increases + 100 bps		456,421	398,156
Salary increases - 100 bps		385,841	337,994

17. Current portion of non-current liabilities

	Note	2022	2021
Current portion of long term finances	8	6,623,567	5,731,138
Current portion of lease liabilities	9	196,902	139,736
Current portion of long term advances	14	24,805	30,512
Current portion of deferred income	11	96,026	49,830
Current portion of deferred government grant	12	182,568	49,834
Current portion of rental security deposits	10	25,611	284,727
		7,149,479	6,285,777

18. Short term borrowings from financial institutions - secured

	Note	2022	2021
Running finances from financial institutions - secured	18.1	25,457,067	7,492,669
Short term finances from financial institutions - secured	18.2	10,205,030	11,174,124
		35,662,097	18,666,793

18.1 Running finances from financial institutions - secured

Short term running finances available from commercial banks under mark-up arrangements amount to Rs 51,300 million (2021: Rs 29,150 million). The rates of mark-up are based on KIBOR plus spread and range from 8.22% to 17.36% (2021: 7.38% to 10.28%) 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 22% (2021: 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 22,154 million (2021: Rs 11,600 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 17.10% (2021: 7.35% to 10.53%) 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 25,400 million (2021: Rs 23,450 million) for opening letters of credit (including Rs 8,000 million available to Group as sub-limit of the running finance facilities referred to in note 18.1) and Rs 1,175 million (2021: Rs 1,755 million) for guarantees, the amounts utilised at December 31, 2022 were Rs 7,497.546 million (2021: Rs 12,510 million) and Rs 1,146.780 million (2021: Rs 1,473 million) respectively. The facilities for guarantee are secured by second hypothecation charge over stores, spares, stock-in-trade and trade debts.

19. Trade and other payables

	Note	2022	2021
		(Rupees in thousand)	
Trade creditors	19.1	11,156,087	7,167,167
Accrued liabilities	19.2, 19.3, 19.4 & 19.11	6,841,790	3,267,584
Bills payable		418,578	22,320
Retention money payable		94,538	20,749
Sales tax withholding payable		168,272	62,716
Withholding income tax payable		51,572	25,972
Contract liabilities	19.5	1,111,300	618,552
Payable to retirement funds		53,352	41,163
Deposit from customers		52,241	-
Security deposits - interest free repayable on demand - unsecured		21,454	-
Rebate payable against export		27,712	-
Deposits - interest free repayable on demand	19.7	4,866	113,405
Profit payable on term finance certificate ('TFC')		1,387	1,387
Workers' profit participation fund	19.8	52,592	924,437
Workers' welfare fund	19.9	289,692	188,101
Others	19.10	518,147	193,818
		20,863,580	12,647,371

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

	2022	2021
Plastic Extrusion (Proprietary) Limited	-	20,875
Benda Lutz	4,765	2,945
PT Pardic Jaya Chemicals	268,695	66,890
DIC Asia Pacific Pte Limited	61,652	95,739
DIC Australia Pty Limited	-	51
DIC Graphics (Thailand) Company Limited	27,645	10,416
DIC Graphics Corporation	18,149	-
DIC India Limited	-	132
DIC Malaysia SDN. BHD	27,029	6,673
DIC Corporation Tokyo	14,299	2,926
Nantong DIC Color Company Limited	157,992	36,093
PT DIC Graphics	726	13,917
IGI General Insurance Limited	71,548	20,093
IGI Holdings Limited	-	3,967
IGI Life Insurance Limited	14,598	2,699
IGI FSI (Private) Limited	1,202	-
Michael Hoffman	-	20,763
Nivi Investment Pty Limited	6,031	4,414
Bopa Moruo Private Equity Fund 1 (RF) Pty	5,796	8,244
Omya Pack (Private) Limited	70,938	34,942
Sun Chemical AB	8,707	2,075
Sun Chemical AG	5,426	48
Sun Chemical N.V/S.A	8,196	19,302
Sun Chemical SA	4,742	9,402
Tri-Pack Films Limited	-	174,637
	778,136	557,243

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

	Note	2022	2021
		(Rupees in thousand)	
IGI Life Insurance Limited		407	6,047
IGI General Insurance Limited		13,986	8,962
Packages Foundation		16,691	-
DIC Corporation Japan		-	36,041
DIC Asia Pacific Pte Limited		-	321
Josef Meinrad Muller		1,934	1,934
		33,018	53,305

19.3 On August 13, 2020, the Honourable Supreme Court issued 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 (2021: Rs 86.865 million) in respect of GIDC prior to the promulgation date of GIDC Act, 2015.

However, on September 18, 2020, the Group obtained a stay order from Honourable Lahore High Court 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 formed under court order number WP No. 31491 of 2016, therefore, till the time High Level Committee of SNGPL resolves the exact liability of the Group, SNGPL cannot recover the same from the Group. The matter was decided in the favour of the Group on June 17, 2021 by the LHC, while SNGPL filed a review petition which is under decision.

The Honourable Lahore High Court ('LHC') has disposed of the review petition by an order dated September 21, 2022 by stating the fact that the high powered committee already constituted by Government of Pakistan is directed to be activated with in 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.

Lahore High Court has instructed the Federal Government to make rules for resolution of disputes and manner of recovery of GIDC arrears prior to the promulgation date, under section 6 of the GIDC Act, 2015. Therefore, the amount of unpaid GIDC has not been discounted, since the timing of payment is unknown at the date of financial position.

It also includes a provision of Rs 594.636 million (2021: nil, as TPFL was not a subsidiary in the previous year), in respect of GIDC provided by TPFL. During the year, the Group stopped making payments of installments as stay order has been obtained by the Group from the honorable High Court of Sindh.

19.4 Included in accrued liabilities is a provision amounting to Rs 310 million (2021: Rs 194.002 million) in respect of rent of land on lease from the Government of the Punjab ('GoPb') for the period from December 2015 to December 2022.

A portion of the land on which the Parent Company's buildings are situated (note 24), measuring 231 kanals and 19 marlas, was leased out to the Parent Company by GoPb from December 1955 till November 2015 after which the lease has not been renewed. During the year 2015, the Parent 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 Parent 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 Parent 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 consolidated financial statements. Moreover, the Court has further decided that the land shall be sold as an industrial land through an open auction with the Parent 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 115.998 million (2021: Rs 120.697 million) in respect of rent for the year ended December 31, 2022. 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 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 2.628 million (2021: Rs 3.139 million).

19.6 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 except for:

- Total investment, at the time of making investment in listed equity securities of the Parent Company out of the Fund, exceeds 3% of the total fund size of the Parent Company as prescribed under the Employees Contributory Funds (Investment in Listed Securities) Regulations, 2018.

19.7 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 Company.

19.8 Workers' profit participation fund

	Note	2022	2021
		(Rupees in thousand)	
Opening balance		924,437	870,846
Acquisition of TPFL		13,277	-
Refund claimed		947	1,891
Reversal of provision	19.8.1	(929,419)	-
Provision for the year	40	585,483	446,820
		594,725	1,319,557
Payments made during the year		(542,133)	(395,120)
Closing balance		52,592	924,437

19.8.1 Based on a legal opinion, the Group has 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.

19.9 Workers' welfare fund

	Note	2022	2021
		(Rupees in thousand)	
Opening balance		188,101	113,343
Acquisition of TPFL		80,278	-
Provision for the year	40	189,407	170,868
		457,786	284,211
Payments made during the year		(168,094)	(96,110)
Closing balance		289,692	188,101

19.10 Included in other payables is a provision amounting to Rs 47.5 million (2021: nil) in respect of a case pending in Sindh High Court. Sindh Government has imposed an infrastructure cess on importers @ 1% of import value. Group filed an appeal against this order in the Sindh High Court. Sindh High Court passed the judgement in favor of Sindh Government. On behalf of the Group, the lawyer has challenged the judgement in Honorable Supreme Court with regard to the unlawful levy and collection of infrastructure cess imposed by the Government of Sindh. The matter is pending in the Sindh High Court for final verdict, however, the Group has made a provision of Rs 47.5 million in this respect as of now.

19.11 This includes Rs 566.34 million (2021: Rs 379.86 million) levied through The Sindh Development and Maintenance of Infrastructure Cess, 2017, which superseded the previous levy under Sindh Finance Act, 1994. As per order dated September 1, 2021, the Honorable Supreme Court of Pakistan has directed the petitioners to provide 100% bank guarantees towards the Cess.

20. Accrued finance cost

	Note	2022	2021
		(Rupees in thousand)	
Accrued mark-up/interest on:			
- Long term finances from financial institutions		1,139,135	386,823
- Preference shares/convertible stock	43	155,550	155,550
- Short term borrowings from financial institutions		1,218,883	227,880
		2,513,568	770,253

21 Contingencies and commitments

21.1 Contingencies other than disclosed elsewhere, in respect of:

(i) Claims against the Group by ex-employees not acknowledged as liabilities amounting to Rs 11.620 million (2021: Rs 13.540 million).

(ii) Guarantees issued in favour of Office of Excise and Taxation Lahore, Total Parco Pakistan Limited and Shell Pakistan Limited amounting to Rs 147.687 million and Rs 56.94 million respectively (2021: Rs 56.94 million).

(iii) Letters of guarantees issued to various parties aggregating to Rs 1,922.21 million (2021: Rs 1,097.26 million).

(iv) Standby letter of credit issued by Habib Bank Limited - Pakistan ('HBL Pakistan') in favour of Habib Bank Limited - Bahrain ('HBL Bahrain') on behalf of the Group amounting to nil (2021: USD 1.250 million equivalent to Rs 220.642 million) to secure long term finance facility provided by HBL Bahrain to Anemone Holdings Limited ('AHL'), wholly-owned subsidiary of the Group. The standby letter of credit is secured against pledge of Nestle Pakistan Limited's shares owned by the Group as referred to in note 27.

(v) Parent Company's share in contingencies of associates and joint venture accounted for under equity method is nil (2021: Rs 392.41 million).

(vi) Guarantees are issued to the following parties:

- Guarantee issued to Shell Pakistan Limited against fuel cards issued to employees amounting to Rs 2 million (2021: Rs 2 million).

- Guarantee issued to Pakistan State Oil Limited against fuel cards issued to employees amounting to Rs 7 million (2021: Rs nil).

- Guarantee issued to Sui Northern Gas Pipelines Limited against supply of gas amounting to Rs 7.5 million (2021: Rs 7.5 million).

- Guarantee issued to Lahore Electricity Supply Company Limited against supply of electricity amounting to Rs 35.600 million (2021: Rs 35.600 million).

- Guarantee issued to Director of Excise and Taxation Department in respect of petition pending in Sindh High Court regarding Infrastructure Development Cess amounting to Rs 54 million (2021: Rs 54 million).

- Guarantee issued to Nazir High Court Sindh against order passed by Customs Appellate Tribunal amounting to Rs 12.580 million (2021: Rs 12.580 million).

- Guarantee issued to Arif Habib Limited in respect of public offer for puchase of shares of Tri-Pack Films Limited amounting to nil (2021: Rs 1,579 million)

(vii) For contingencies relating to sales tax and income tax, refer to notes 33 and 34 respectively.

21.2 Commitments

(i) Letters of credit and contracts for capital expenditure Rs 5,702.515 million (2021: Rs 7,629.950 million).

(ii) Letters of credit and contracts other than for capital expenditure Rs 4,792.232 million (2021: Rs 6,791.070 million).

There are no commitments with related parties.

22. Property, plant and equipment

	Note	2022	2021
		(Rupees in thousand)	
Operating fixed assets	22.1	43,124,512	24,371,684
Capital work-in-progress	22.2	17,325,877	6,939,724
Major spare parts and stand-by equipment	22.3	478,858	158,466
		60,929,247	31,469,874

22.1 Operating fixed assets

	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 22.1.1	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	5,065,839	1,148,125	(5,916)	395,963	-	1,369,374	3,696,465
				(386,509)				(168,798)			
Buildings on leasehold land - note 22.1.1	442,815	-	-	5,546	448,361	264,364	-	14,546	5,059	283,969	164,392
Plant and machinery	35,041,151	147,537	9,449,864	8,782,656	52,628,803	15,990,143	(260,242)	3,962,308	686,080	19,838,614	32,790,189
				(792,405)				(539,675)			
Other equipment (computers, lab equipment's and other office equipment)	2,500,950	(69,088)	77,599	535,943	2,976,504	1,644,662	(61,810)	286,809	6,018	1,815,849	1,160,655
				(68,900)				(59,830)			
Furniture and fixtures	252,307	(55)	53,012	36,346	340,734	153,887	(6,356)	39,470	12,871	199,232	141,502
				(876)				(640)			
Vehicles	942,584	673	6,792	856,530	1,540,097	306,686	(2,432)	117,906	5,904	294,078	1,246,019
				(266,482)				(133,986)			
	43,957,563	(48,335)	13,969,367	10,718,910	67,082,333	19,585,879	(336,684)	4,895,623	715,932	23,957,821	43,124,512
				(1,515,172)				(902,929)			

	2021										
	Cost as at January 1, 2021	Exchange differences	Acquisition of TPFL	Additions / (deletions)	Cost as at December 31, 2021	Accumulated depreciation as at January 1, 2021	Exchange differences	Depreciation charge / (deletions) for the year	Impairment charge for the year	Accumulated depreciation and impairment as at December 31, 2021	Book value as at December 31, 2021
	(Rupees in thousand)										
Freehold land	1,014,002	14,376	51,125	(256,121)	823,382	-	-	-	-	-	823,382
Leasehold land - note 22.1.1	143,117	830	979	-	144,926	29,276	-	48,706	-	78,012	66,914
Buildings on freehold land	3,785,276	4,219	19,953	-	3,809,448	982,559	-	164,678	-	1,148,125	2,661,323
Buildings on leasehold land	423,971	-	18,844	-	442,815	243,010	-	20,872	-	264,364	178,451
Plant and machinery - note 22.1.2 & 22.1.3	32,423,182	87,425	2,641,334	217,317	35,041,151	13,544,737	-	2,549,731	122,809	15,990,143	19,051,008
			(328,107)					(287,190)			
Other equipment (computers, lab equipment's and other office equipment)	2,083,357	4,834	480,080	-	2,500,950	1,431,738	-	275,272	-	1,644,662	856,288
			(67,321)					(66,188)			
Furniture and fixtures	220,084	1,845	33,426	-	252,307	132,018	-	23,803	-	153,887	98,420
			(3,048)					(2,980)			
Vehicles	882,204	1,041	214,847	1,599	942,584	265,054	-	82,603	-	306,686	635,898
			(157,107)					(41,816)			
	40,975,193	114,570	3,460,588	(37,205)	43,957,563	16,628,392	-	3,165,665	122,809	19,585,879	24,371,684
			(555,583)					(398,174)			

22.1.1 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 49 years and 99 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 Institute of Chartered Accountants of Pakistan through selected opinion.

22.1.2 Plant and machinery of Group's subsidiary namely FPCL amounting to Rs 389.950 million (2021: Rs 516.599 million) has been encumbered as security against long term borrowings and lease liabilities as disclosed in note 8 and note 10.

22.1.3 Plant and machinery and Land and Buildings of Group's subsidiary namely PLL amounting to Rs 658.012 million (2021: Rs 937.322 million) has been encumbered as security against long term borrowings as disclosed in note 8.

22.1.4 The cost of fully depreciated assets as at December 31, 2022 is Rs 7,827.760 million (2021: Rs 4,599.180 million).

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

	Note	2022	2021
		(Rupees in thousand)	
Cost of sales and services	37	4,540,825	2,948,157
Administrative expenses	38	272,357	156,682
Distribution and marketing costs	39	82,441	60,826
		4,895,623	3,165,665

22.1.6 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	231.6
Depalpur, Pakpatan Road, Distric Okara, Punjab	Purchase center for biomass fuel	13
Shahrah-e-Roomi, Lahore, Punjab	Plant site and administrative offices	50.61
Herdo Sehari, Kasur, Punjab	Administrative offices	34.84
Lakho Baryar, Kasur, Punjab	Administrative offices	65.63
No. 148 Minuwangoda Road Ekala, Ja-Ela, Sri Lanka	Freehold land	7.65

22.1.7 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:

2022						
Particulars of assets	Sold to	Cost	Book value	Sale proceeds	Gain / (loss) on sale	Mode of sale
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-

2022						
Particulars of assets	Sold to	Cost	Book value	Sale proceeds	Gain / (loss) on sale	Mode of sale
	Muhammad Ali	1,668	667	629	(38)	-do-
	Muhammad Bin Shahzad	3,985	3,520	3,698	178	-do-
	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 -

2021						
Particulars of assets	Sold to	Cost	Book value	Sale proceeds	Gain / (loss) on sale	Mode of sale
Vehicles	**Employees**					
	Ahmad Bin Tariq	1,338	1,155	1,066	(89)	As per Group policy
	Ahmad Fazal	2,645	2,359	2,397	38	- do -
	Ahmed Hassan Tariq	1,881	753	1,148	395	- do -
	Ahsan Fayyaz Cheema	2,871	2,799	2,871	72	- do -
	Akhtar Bashir Ahmad	1,375	752	940	188	- do -
	Ali Sajawal Khan	1,903	1,691	1,637	(54)	- do -
	Asad Ur Rehman	1,806	804	1,073	269	- do -
	Athar Riaz	2,451	1,650	2,042	392	- do -
	Daniyal Shaheen	1,267	992	922	(70)	- do -
	Farhan Amin	1,164	840	827	(13)	- do -
	Hafiz M. Bilal	1,901	1,625	1,670	45	- do -
	Hafiz Nabeel Ahmad	840	610	516	(94)	- do -
	Hammad Sadiq	1,468	1,248	1,255	7	- do -
	Haroon Saleem	2,455	2,373	2,395	22	- do -
	Kashif Rauf	1,184	900	892	(8)	- do -
	Mohsin Sarwar	1,535	614	959	345	- do -
	Muhammad Ali Wajid	1,743	1,124	1,208	84	- do -
	Muhammad Bin Shahzad	1,537	884	1,090	206	- do -
	Muhammad Hamza Rao	2,717	2,106	2,023	(83)	- do -
	Muhammad Latif	1,642	657	889	232	- do -
	Muhammad Siddique	1,662	665	693	28	- do -
	Muhammad Tanveer	1,250	702	831	129	- do -
	Muhammad Usman Sabir	2,700	2,097	2,007	(90)	- do -
	Noman Sabir	1,780	1,436	1,554	118	- do -
	Omer Ejaz	2,787	1,909	1,982	73	- do -
	Riaz Hussain	1,949	755	2,410	1,655	- do -
	Rizwan Ahmad	1,250	690	831	141	- do -
	Salman Haider	1,700	1,366	1,307	(59)	- do -
	Salman Javaid Mirza	1,240	508	608	100	- do -
	Shahid Islam	1,069	559	558	(1)	- do -
	Suhail Ahmad Khan	1,240	871	896	25	- do -
	Syed Rehan Javed	2,280	2,109	2,125	16	- do -
	Umair Qadir	1,398	1,244	1,188	(56)	- do -
	Umar Javed	2,059	1,407	1,500	93	-do-
	Waqar Haider	1,429	1,274	1,227	(47)	-do-
	Zafar Ul Islam	1,815	1,649	1,604	(45)	-do-
	Zeeshan Ur Rehman	1,327	692	898	206	-do-
	Zohaib Hassan	1,429	1,346	1,351	5	-do-
	Tariq Mehmood	1,684	943	1,207	264	-do-
	Shiraz Khan	1,537	815	853	38	-do-
	Humaira Shazia	1,822	715	1,880	1,165	-do-
	Jahanzaib	1,238	1,040	892	(148)	-do-

2021						
Particulars of assets	Sold to	Cost	Book value	Sale proceeds	Gain / (loss) on sale	Mode of sale
	Mehreen Zafar	1,600	1,456	920	(536)	As per Group policy
	Humaira Shazia	2,709	2,433	2,433	-	-do-
	Syed Aslam Mehdi	8,309	3,905	7,114	3,209	-do-
	Muhammad Sohail Iftikhar	2,795	2,539	2,553	14	-do-
	Haris Bin Khalid	1,780	1,647	1,780	133	-do-
	Muhammad Raheel Kamran	1,750	1,633	1,611	(22)	-do-
	Muhammad Amir Janjua	2,684	1,423	1,540	117	-do-
	Muhammad Ali Nazeer	1,600	1,387	1,382	(5)	-do-
	Mohammad Ali	2,503	1,377	1,537	160	-do-
	Sunnainah Zaidi	1,849	1,276	1,473	197	-do-
	Saliha Rashad	1,733	1,196	1,363	167	-do-
	S Khurram Ali Naqvi	1,308	1,177	1,308	131	-do-
	Asma Javed	2,220	888	2,011	1,123	-do-
	Khuram Ejaz	1,075	763	824	61	-do-
	Mohammad Qadeer	1,250	725	833	108	-do-
	Tahir Majeed	1,771	708	782	74	-do-
	Muhammad Nauman Rashid	1,661	681	963	282	-do-
	Ehsan Ul Haq	1,642	657	1,042	385	-do-
	Abid Riaz	1,069	526	674	148	-do-
	Syed Sarosh Sohail	1,512	605	936	331	-do-
	Muhammad Asghar	1,297	519	820	301	-do-
	Aftab Ahmad Khan	3,814	2,961	3,120	159	-do-
	Haroon Naseer	2,171	918	1,108	190	-do-
	Khurram Saeed	1,512	605	570	(35)	-do-
	Muhammad Umar	1,860	1,607	1,472	(135)	-do-
	Muhammad Awais Jawaid	1,282	519	594	75	-do-
	Sibat Usman	1,325	980	821	(159)	-do-
	Syed M. Uzair	1,323	1,145	978	(167)	-do-
	Syed Omer Hamdani	1,425	1,330	1,289	(41)	-do-
	Ali Hussain	1,715	926	2,260	1,334	Negotiation
	Related Party					
	IGI General Insurance Limited	2,700	2,497	2,500	3	Insurance Claim
	-do-	1,866	1,819	1,830	11	-do-
	Others					
	Mr. Malik Murad Ali	2,212	708	2,300	1,592	As per Group policy
	Ch. Riaz Ahmed	1,270	1,067	1,250	183	- do -
	Nadeem Sharif	1,678	1,158	2,220	1,062	- do -
	Asif Umar	1,308	1,230	1,308	78	- do -
	Khurram Motors	4,169	1,668	3,813	2,145	- do -

22.2 Capital work-in-progress

	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 December as at 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	992,840	(975,855)	(4,292)	(101,024)	-	3,301,691
Other	26,750	-	-	2,845	7,605	-	(3,835)	(18,421)	(19,642)	(4,698)
	6,939,724	(1,726)	665,638	18,323,551	1,000,445	-	(48,667)	(9,533,446)	(19,642)	17,325,877

	2021									
	Cost as at January 1, 2021	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 December as at 31, 2021
	(Rupees in thousand)									
Civil works	157,092	214	-	369,841	4,937	4,937	(174)	(53,045)	-	483,802
Plant and machinery	2,502,462	-	-	5,468,921	709,203	3,853	(121)	(2,813,361)	-	5,870,957
Advances to suppliers	254,348	-	-	366,960	53,409	(8,790)	(1,915)	(105,797)	-	558,215
Other	925	-	-	26,749	-	-	(924)	-	-	26,750
	2,914,827	214	-	6,232,471	767,549	-	(3,134)	(2,972,203)	-	6,939,724

22.3 Major spare parts and stand-by equipment

	Note	2022	2021
		(Rupees in thousand)	
Balance at the beginning of the year		158,466	134,506
Acquisition of subsidiary		112,434	-
Additions during the year		320,619	55,344
Depreciation charged	22.3.1	-	(6,201)
Transfers made during the year		(112,661)	(25,183)
Balance at the end of the year		478,858	158,466

22.3.1 The depreciation charge for the year has been allocated to cost of sales and services.

23. Right-of-use assets

	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	576,517	-	(39,097)	38,883 (24,160)	552,143	207,983	-	27,147 (9,685)	74,018	299,463	252,680
Equipment	26,211	-	-	-	26,211	12,947	-	-	-	12,947	13,264
	636,810	6,953	(39,097)	38,883 (24,160)	619,389	233,284	2,647	31,124 (9,685)	74,018	331,388	287,999

	2021										
	Cost as at January 1, 2021	Exchange differences	Lease reassessment	Additions / (deletions)	Cost as at December 31, 2021	Accumulated depreciation as at January 1, 2021	Exchange differences	Depreciation charge / (deletions) for the year	Impairment charge for the year	Accumulated depreciation and impairment as at December 31, 2021	Book value as at December 31, 2021
	(Rupees in thousand)										
Vehicles	195,101	-	-	- (195,101)	-	82,804	-	38,102 (120,906)	-	-	-
Plant and equipment	89,858	3,462	-	- (59,238)	34,082	35,508	1,788	3,189 (28,131)	-	12,354	21,728
Land and buildings	644,468	-	-	16,323 (84,274)	576,517	205,877	-	108,738 (106,632)	-	207,983	368,534
Equipment	14,215	-	-	11,996	26,211	4,913	-	8,034	-	12,947	13,264
	943,642	3,462	-	28,319 (338,613)	636,810	329,102	1,788	158,063 (255,669)	-	233,284	403,526

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

	Note	2022	2021
		(Rupees in thousand)	
Cost of sales and services	37	1,514	87,193
Administrative expenses	38	20,558	62,141
Distribution and marketing costs	39	9,052	8,729
		31,124	158,063

24. Investment properties

	Note	2022	2021
Developed	24.1	12,005,057	10,108,169
Under construction		16,945	1,140,009
Capital spares		22,052	22,052
		12,044,054	11,270,230

24.1 Investment property-developed

2022	Note	Cost as at January 1, 2022	Additions	Transfer in	Cost as at December 31, 2022	Accumulated depreciation as at January 1, 2022	Depreciation charge for the year	Transfer out	Accumulated depreciation as at December 31, 2022	Book value as at December 31, 2022
		(Rupees in thousand)								
Freehold land	24.1.2 & 24.1.3	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

2021	Note	Cost as at January 1, 2021	Additions	Transfer in	Cost as at December 31, 2021	Accumulated depreciation as at January 1, 2021	Depreciation charge for the year	Transfer out	Accumulated depreciation as at December 31, 2021	Book value as at December 31, 2021
		(Rupees in thousand)								
Freehold land	24.1.2 & 24.1.3	383,364	-	332,618	715,982	-	-	-	-	715,982
Buildings on freehold land		7,958,372	9,072	1,859	7,969,303	1,078,459	299,216	(114)	1,377,561	6,591,742
Buildings on leasehold land		910	5,056	-	5,966	5,559	30	-	5,589	377
Mall equipment		40,209	974	-	41,183	29,277	8,156	-	37,433	3,750
External development		1,187,889	2,940	11,388	1,202,217	144,761	39,628	-	184,389	1,017,828
HVAC system		1,392,417	3,393	-	1,395,810	673,293	186,573	-	859,866	535,944
Electrical system		2,696,229	2,936	-	2,699,165	1,139,990	316,629	-	1,456,619	1,242,546
		13,659,390	24,371	345,865	14,029,626	3,071,339	850,232	(114)	3,921,457	10,108,169

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

	Note	2022	2021
		(Rupees in thousand)	
Cost of sales and services	37	908,760	847,947
Administrative expenses	38	2,286	2,285
		911,046	850,232

24.1.2 Land of the Parent Company measuring 119 kanals, 15 marlas and 62.25 sq.fts situated at Lahore with a book value of Rs 6.149 million (2021: Rs 6.149 million) (the 'Mortgaged Security'), has been mortgaged under a first exclusive equitable charge of Rs 7,800 million (2021: Rs 7,800 million) in favour of MCB Bank Limited against a term finance facility of upto Rs 4,500 million (2021: Rs 4,500 million) and a running finance facility of upto Rs 2,000 million (2021: Rs 2,000 million) provided to PREPL by MCB Bank Limited under a tri-partite agreement between the Parent 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 (2021: Rs 4,667 million) provided to PREPL by Allied Bank Limited under a tri-partite agreement between the Parent Company, Allied Bank Limited and PREPL.

24.1.3 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 24.1.4	0.068
Dullu Kalan, Lahore, Punjab	Rented out	16.84
Korangi Industrial Area, Karachi, Sindh	Rented out	5.49
		78.148

24.1.4 Leasing arrangements

These investment properties are leased out under operating leases with rentals payable 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, 2022	8,031	2,008	10,039
December 31, 2021	5,284	1,801	7,085

24.1.5 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, 2022 is Rs 482.200 million (2021: Rs 452.737 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 53.2.

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 53.2. Fair value of such investment properties has been determined to be Rs 15,857 million (2021: Rs 17,484 million).

Valuation techniques used to derive level 3 fair values

The Group has determined the fair value as on December 31, 2022 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 consolidated statement of financial position date are as follows:

	2022	2021
	(Rupees in thousand)	
Gross rentable area (sq ft)	670,030	591,030
Rent rates assumed per sq ft (Rs)	65 - 1514	50 - 1,331
Inflation in rent and operating costs	6% - 15%	6% - 9%
Discount rate (%)	19.73%	15.20%
Fair value (Rs in million)	15,857	17,484

25. Intangible assets

	Note	Goodwill	Computer	Total
		(Rupees in thousand)		
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 and impairment				
As at January 1, 2022		-	(343,513)	(343,513)
Acquisition of TPFL		-	(72,096)	(72,096)
Impairment during the year	25.1	(266,363)	-	(266,363)
Amortisation for the year	25.2	-	(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
Year ended December 31, 2021				
Cost				
As at January 1, 2021		219,717	464,798	684,515
Additions during the year		-	38,941	38,941
Exchange differences		3,211	-	3,211
As at December 31, 2021		222,928	503,739	726,667
Accumulated amortisation				
As at January 1, 2021		-	(311,994)	(311,994)
Amortisation for the year	25.2	-	(31,519)	(31,519)
As at December 31, 2021		-	(343,513)	(343,513)
Book value as at December 31, 2021		222,928	160,226	383,154

25.1 Impairment test for goodwill

For the purpose of annual impairment testing, goodwill is allocated to the operating segments expected to benefit from the synergies of the business combination in which the goodwill arises.

Flexible Packages Convertors (Proprietary) Limited ('FPCPL'), South African project

The goodwill arose as a result of an acquisition of business during the year ended December 31, 2015. The Group tests whether goodwill has suffered any impairment on an annual basis.

FPCPL has experienced deteriorating financial performance and is suffering operating losses contrary to previous budgets and forecasts. Therefore, the recoverable amount of this cash generating unit ('CGU') was determined to be less than the carrying amount of the assets of the CGU by an amount of Rs 1,056.313 million. The recoverable amount was determined using 'fair value less costs of disposal' being higher than the 'value in use' of the CGU. The fair value less cost of disposal was determined on the basis of un-audited financial statements of FPCPL for the year ended December 31, 2022.

These calculations use cash flow projections based on financial budgets covering a five year period. The present value of the expected cash flows is determined using weighted average cost of capital ('WACC') of the CGU. Cash flows beyond the five year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts of the country in which the CGU operates, also taking into account the industry growth rates.

As a result of impairment, the goodwill is fully impaired, whereas, the remaining impairment charge has been allocated to non-current assets of CGU on a pro-rata basis. Current assets included in CGU such as trade debts, stores and spares and inventories were assumed to have recoverable amounts equal to their carrying values. The impairment has been charged to 'other expenses' and has been allocated to the assets of the CGU as follows:

Asset description	Note	Carrying amount	Impairment allocated	Carrying amount after impairment
		(Rupees in thousand)		
Goodwill	25	266,363	266,363	-
Property, plant and equipment	22.1	1,740,247	715,932	1,024,315
Right-of-use assets	23	179,920	74,018	105,902
		2,186,530	1,056,313	1,130,217

Key assumptions

Level 3 fair value of the CGU has been derived using income approach. The main level 3 inputs used are derived and evaluated as follows:

- Discount rate is determined using a capital asset pricing model to calculate a post-tax rate that reflects current market assessments of the time value of money and the risk specific to FPCPL.
- Long term growth rate is estimated based on historical performance of FPCPL, current market information for similar type of entities and forecast of the country in which the CGU operates.

The significant assumptions used in this valuation technique are as follows:

- Discount rate of 18.26% per annum.
  Long term growth rate of 4.50% per annum for computation of terminal value.
- Annual growth in costs is linked to inflation at 4.66% per annum.

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

	Note	2022	2021
		(Rupees in thousand)	
Cost of sales and services	37	22,239	17,809
Administrative expenses	38	14,161	11,685
Distribution and marketing costs	39	2,025	2,025
		38,425	31,519

26. Investments accounted for using the equity method

26.1 Amounts recognised in consolidated statement of financial position

	Note	2022	2021
		(Rupees in thousand)	
Investments in associates	26.4	5,229,326	8,239,595
Investment in joint ventures	26.5	588,154	547,736
		5,817,480	8,787,331

26.2 Amounts recognised in consolidated statement of profit or loss

	Note	2022	2021
		(Rupees in thousand)	
Investments in associates	26.4	110,053	605,962
Investment in joint ventures	26.5	34,171	67,330
		144,224	673,292

26.3 Amounts recognised in consolidated statement of other comprehensive income

	Note	2022	2021
		(Rupees in thousand)	
Investments in associates	26.4	96,225	(200,615)
Investment in joint ventures	26.5	6,247	4,801
		102,472	(195,814)

26.4 Investments in associates - equity method

	Note	2022	2021
		(Rupees in thousand)	
IGI Holdings Limited, Pakistan			
Balance as the beginning		4,089,597	4,302,897
Share of profit for the year		123,166	87,115
Share of OCI for the year		99,424	(195,184)
Dividends received during the year		(82,682)	(105,231)
		4,229,505	4,089,597
Tri-Pack Films Limited, Pakistan			
Balance as the beginning		4,149,998	1,831,036
Investment made during the year		-	1,578,744
Share of profit for the period/year		63,822	342,751
Bargain purchase gain		-	176,096
Share of OCI for the year		-	(5,423)
Impairment reversal		-	291,461
Dividend received during the year		-	(64,667)
Acquisition of control	55	(4,213,820)	-
		-	4,149,998
Sanofi-Aventis Pakistan Limited, Pakistan			
Balance as the beginning		-	-
Investment made during the year		997,273	-
Share of profit for the year		5,747	-
Share of OCI for the year		(3,199)	-
		999,821	-
		5,229,326	8,239,595

26.4.1 The reconciliation of carrying amount is as follows:

	2022	2021
Cost	1,875,651	4,965,022
Post acquisition share of profits and reserves net of impairment losses		
Opening balance	3,274,573	2,747,655
Share of profit from TPFL adjusted on acquisition	(63,354)	-
Share of profit from associates - net of tax	128,913	429,866
Share of other comprehensive loss - net of tax	96,225	(200,615)
Bargain purchase gain	-	176,096
Impairment reversal	-	291,469
Dividends received during the year	(82,682)	(169,898)
Closing balance	3,353,675	3,274,573
Balance as on December 31	5,229,326	8,239,595

26.4.2 Investments in equity instruments of associates - Quoted

	Note	2022	2021
		(Rupees in thousand)	
Tri-Pack Films Limited, Pakistan 26,871,931 (2021: 19,371,931) fully paid ordinary shares of Rs 10 each	26.4.2.1	-	4,149,998
IGI Holdings Limited, Pakistan 15,033,041 (2021: 15,033,041) fully paid ordinary shares of Rs 10 each Equity held 10.54% (2021: 10.54%) Market value - Rs 1,428.139 million (2021: Rs 2,309.526 million)	26.4.2.2	4,229,505	4,089,597
Sanofi-Aventis Pakistan Limited 585,254 (2021: nil) fully paid ordinary shares of Rs.1,704.00 each Equity held 6.07% (2021: nil) Market value - Rs 575.305 million (2021: nil)	26.4.2.3	999,821	-
		5,229,326	8,239,595

26.4.2.1 Packages Limited entered into an agreement with Mitsubishi Corporation ('MC') to purchase MC's stake of 19.33% in the shareholding of Tri-Pack Films Limited. This transfer of shares has been executed after satisfaction of certain pre-conditions which were met on February 15, 2022. Packages Limited has a total shareholding of 69.26% in Tri-Pack Films Limited due to which Tri-Pack Films Limited is now a subsidiary. The business combination accounting for TPFL is explained in note 55.

26.4.2.2 The Group's investment in IGI Holdings Limited ('IGIHL') is less than 20.00% but it is considered to be an associate as per the requirement of IAS 28, 'Investments in Associates and Joint Ventures" 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

26.4.2.3 During the current year, an Investor Consortium comprising of the Group, IGI Investments (Private) Limited and affiliates of Arshad Ali Gohar Group, entered into a share purchase agreement ('Agreement') with Sanofi Foreign Participants B.V to purchase 5,069,000 shares of Sanofi-Aventis Pakistan Limited ('SAPL') representing a stake of 52.87% in the shareholding. However, this transfer of shares was to be executed after satisfaction of certain pre-conditions mentioned in the Agreement. These conditions have not been met as of December 31, 2022, however, the Group expects that this transaction will be materialised in near future.

The aforementioned agreement came under the ambit of Listed Companies (Substantial Acquisition of Shares and Takeovers) Regulations, 2017 (the 'Regulations') as it exceeded the 50% boundary mentioned in the Regulations. Pursuant to these Regulations, the Group made a public offer to purchase shares of SAPL from the public in accordance with the Regulations. Consequently, on September 30, 2022, the Group acquired 585,254 shares from the general public, following the conclusion of the public offer which represents 6.07% of shareholding in Sanofi-Aventis Pakistan Limited.

The Group's investment in SAPL is less than 20.00% but it is considered to be an associate as per IAS 28, 'Investments in Associates and Joint Ventures' because the Group has significant influence over the financial and operating policies through representation on the board of directors of SAPL.

26.5 Investment in joint ventures

The breakup of investment in joint venture is as follows:

	Note	2022	2021
		(Rupees in thousand)	
Cost		1,531,670	1,531,670
Post acquisition share of profit and reserves			
Opening balance		(983,934)	(1,038,179)
Share of profit from joint ventures - net of tax		58,921	67,330
Share of other comprehensive income from joint ventures - net of tax		6,247	4,801
Dividends received during the year		(24,750)	(17,886)
Closing balance		(943,516)	(983,934)
Balance as on December 31	26.5.1	588,154	547,736

26.5.1 Investments in equity instruments of joint ventures - Unquoted

	Note	2022	2021
		(Rupees in thousand)	
Plastic Extrusions (Proprietary) Limited, South Africa			
500 (2021: 500) fully paid ordinary shares of ZAR 1 each	26.5.1.1		
Equity held 50.00% (2021: 50.00%)		53,029	38,909
OmyaPack (Private) Limited, Pakistan			
49,500,000 (2021: 49,500,000) fully paid ordinary shares of Rs 10 each Equity held 50.00% (2021: 50.00%)		535,125	508,827
		588,154	547,736

26.5.1.1 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%
Company'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

26.5.2 Investment in joint venture - equity method

	Note	2022	2021
		(Rupees in thousand)	
Plastic Extrusions (Proprietary) Limited, South Africa			
Balance as the beginning		38,909	24,437
Share of profit for the year		6,239	14,566
Share of OCI for the year		7,881	5,417
Dividend received during the year		-	(5,511)
		53,029	38,909
OmyaPack (Private) Limited, Pakistan			
Balance as the beginning		508,827	469,054
Share of profit for the year		52,682	52,764
Share of OCI for the year		(1,634)	(616)
Dividend received during the year		(24,750)	(12,375)
		535,125	508,827
		588,154	547,736

27. Other long term investments

	Note	2022	2021
		(Rupees in thousand)	
Quoted			
Nestle Pakistan Limited			
3,649,248 (2021: 3,649,248) fully paid ordinary shares of Rs 10 each			
Equity held 8.05% (2021: 8.05%)	27.1		
Cost - Rs 5,778.896 million (2021: Rs 5,778.896 million)		21,421,086	20,893,732
Systems Limited			
46,050 (2021: nil) fully paid ordinary shares of Rs 10 each			
Equity held 0.0159% (2021: nil)		15,648	-
		21,436,734	20,893,732
Unquoted	27.3		
Coca-Cola Beverages Pakistan Limited			
500,000 (2021: 500,000) fully paid ordinary shares of Rs 10 each			
Equity held 0.0185% (2021: 0.0185%)	27.2	5,000	5,000
Pakistan Tourism Development Corporation Limited			
2,500 (2021: 2,500) fully paid ordinary shares of Rs 10 each		25	25
Orient Match Company (Private) Limited			
1,900 (2021: 1,900) fully paid ordinary shares of Rs 100 each		-	-
		5,025	5,025
		21,441,759	20,898,757

27.1 As of December 31, 2022, an aggregate of 2,620,000 (2021: 2,630,000) shares of Nestle Pakistan Limited having market value of Rs 15,379.400 million (2021: Rs 15,058.039 million) have been pledged in favour of HBL Pakistan and Allied Bank Limited.

The details of shares pledged are as follows:

Lender	No. of shares pledged 2022	No. of shares pledged 2021	Purpose
	(Rupees in thousand)		
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	-	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 ('HBL')	600,000	1,414,000	Shares are pledged against the short term borrowing facility obtained.
Habib Bank Limited	-	186,000	Shares are pledged against issuance of standby letter of credit in favour of HBL Bahrain.
	2,620,000	2,920,000	

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

27.3 Cumulative fair value gain on FVOCI financial assets

	Note	2022	2021
		(Rupees in thousand)	
Balance as at beginning of the year		16,908,826	20,337,367
Changes in FVOCI		527,353	(3,428,541)
Balance as at end of the year		17,436,179	16,908,826

28. Long term loans

	Note	2022	2021
Loans to employees - considered good	28.1	438	780
Current portion shown under current assets	33	(122)	(219)
		316	561

28.1 These represent interest free loans to employees for purchase of motor cycles and cycles and are repayable in monthly instalments over a period of 60 to 260 months. These 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.

29. Stores and spares

	Note	2022	2021
		(Rupees in thousand)	
Stores [including in transit Rs 136.748 million (2021: Rs 97.689 million)]		1,578,187	1,391,884
Spares [including in transit Rs 66.611 million (2021: Rs 51.569 million)]		2,323,862	1,778,680
	29.1	3,902,049	3,170,564
Provision for obsolete/slow-moving stores and spares	29.2	(91,520)	(158)
		3,810,529	3,170,406

29.1 Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

29.2 The movement in provision for obsolete/slow-moving stores and spares during the year is as follows:

	Note	2022	2021
		(Rupees in thousand)	
Balance as at January 1		158	475
Acquisition of TPFL		89,020	-
Provision/(reversal of provision) for the year		2,342	(317)
Balance as at December 31		91,520	158

30. Stock-in-trade

	Note	2022	2021
Raw materials [including in transit Rs 5,595.905 million (2021: Rs 4,703.338 million)]	30.1	26,900,246	13,422,223
Work-in-process	30.2	2,997,264	1,707,221
Finished goods	30.3 & 30.4	7,182,820	5,714,539
Goods purchased for resale	30.5	321,802	312,600
		37,402,132	21,156,583
Provision for obsolete/slow-moving stock-in-trade	30.6	(221,256)	(84,712)
		37,180,876	21,071,871

30.1 Raw materials amounting to Rs 520.868 million (2021: Rs 256.915 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.

30.2 Work-in-process amounting to Rs 13.213 million (2021: Rs 13.154 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.

30.3 Finished goods amounting to Rs 1.198 million (2021: Rs 7.268 million) are in the possession of various customers of the Group that are yet to be sold by the Group to these customers.

30.4 Finished goods with a cost of Rs 1,233.461 million (2021: Rs 2,113.582 million) are being valued at net realizable value ('NRV') of Rs 1,165.700 million (2021: Rs 1,921.842 million).

30.5 Goods purchased for resale amounting to Rs 145.691 million (2021: Rs 190.743 million) are in the possession of third parties. Furthermore, goods purchased for resale costing Rs 35.140 million (2021: Rs 34.707 million) are carried at their NRV amounting to Rs 34.391 million (2021: Rs 33.679 million) and the resulting NRV write down expense amounting to Rs 0.749 million (2021: Rs 1.028 million) has been charged to cost of sales.

30.6 The movement in provision for obsolete/slow-moving stock-in-trade during the year is as follows:

	Note	2022	2021
		(Rupees in thousand)	
Opening balance		84,712	78,116
Acquisition of TPFL		72,665	-
Provision for the year	37.1	65,670	43,316
Stocks written off against provision		(1,791)	(36,720)
Closing balance		221,256	84,712

31. These represent investment in Term Deposit Receipts issued by the banking companies having maturity of one to six months carrying markup rate of 6.75% to 15.10% per annum (2021: 6.64% to 11.84% per annum).

32. Trade debts

	Note	2022	2021
		(Rupees in thousand)	
Related parties - unsecured	32.1& 32.2	113,347	99,286
Others	32.3	16,279,323	9,932,536
		16,392,670	10,031,822
Loss allowance	32.4	(309,661)	(188,338)
		16,083,009	9,843,484

32.1 Related parties - unsecured

	2022	2021
Plastic Extrusions (Proprietary) Limited	72,661	76,464
Sanofi Aventis Pakistan Limited	10,610	-
Omya Pack (Private) Limited	134	843
Tri-Pack Films Limited	-	3,595
DIC Lanka (Private) Limited	-	3,410
Dilmah Ceylon Tea Company PLC	14,441	12,165
IGI General Insurance Limited	154	-
SC Johnson & Son of Pakistan (Private) Limited	15,347	2,809
	113,347	99,286

32.1.1 The maximum aggregate amount due from these related parties at the end of any month during the year was Rs 146.507 million (2021: Rs 76.465 million).

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

	Note	2022	2021
		(Rupees in thousand)	
Neither past due nor impaired		48,968	15,032
Past due but not impaired:			
Up to 90 days		52,414	80,843
90 to 180 days		8,028	3,411
181 to 365 days		3,937	-
		64,379	84,254
		113,347	99,286

32.3 Includes trade debts of Rs 625.677 million (2021: Rs 210.67 million) which are secured by way of inland letters of credit.

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

	Note	2022	2021
		(Rupees in thousand)	
Opening balance		188,338	241,394
Acquisition of TPFL		67,505	-
Impairment loss recognised during the year		84,283	(54,123)
Bad debts written off		(69,050)	-
Exchange gain		38,585	1,067
Closing balance		309,661	188,338

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

	Note	2022	2021
		(Rupees in thousand)	
Current portion of loans to employees	28	122	219
Advances			
- To employees	33.1	93,657	8,394
- To suppliers		359,383	108,280
		453,040	116,674
Due from related parties - unsecured	33.2 & 33.3	134,573	57,360
Trade deposits		245,293	188,657
Profit receivable on deposits		8,375	7,612
Security deposits		37,286	6,025
Prepayments	33.4	1,400,356	380,266
Balances with statutory authorities			
- Customs duty		112,945	152,079
- Import rebate receivable		72,981	-
- Export rebate receivable		15,824	-
- South African Revenue Service - VAT (Sales tax recoverable)		-	5,419
- Sales tax recoverable	33.5	3,055,864	829,734
		3,257,614	987,232
Other receivables	33.6	1,624,882	548,660
		7,161,541	2,292,705

33.1 Included in advances to employees are amounts due from executives of Rs 2.553 million (2021: Rs 1.756 million).

33.2 Due from related parties - unsecured

	Note	2022	2021
		(Rupees in thousand)	
Omya Pack (Private) Limited		103,830	28,842
IGI Finex Securities Limited		193	28
IGI Holdings Limited		1,474	-
IGI General Insurance Limited		4,735	2,528
IGI Investments (Private) Limited		3,623	-
PT DIC Graphics		-	676
IGI Life Insurance Limited		19,126	17,035
Tri-Pack Films Limited		-	7,501
S.C. Johnson & Son of Pakistan (Private) Limited		908	-
Packages Foundation		684	750
		134,573	57,360

These are in the normal course of business and are interest free.

33.3 The maximum aggregate amount due from these related parties at the end of any month during the year was Rs 198.305 million (2021: Rs 59.762 million).

33.4 Prepayments include Rs 48.543 million (2021: Rs 30.096 million) made to IGI Life Insurance Limited, a related party (associate).

33.5 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 has been made in these consolidated financial statements.

(b) In respect of tax periods from 2014 to 2016, the Additional Commissioner, Punjab Revenue Authority, through his 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 Group filed an appeal against the above order with the Commissioner (Appeals) 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 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.

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 General Sales Tax along with penalty thereon. The Group appealed against the order before the 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) 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 3/146/2021-22 dated February 28, 2022 has 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 General Sales Tax along with penalty and default surcharge thereon.

Being aggrieved by the order of DCIR , the Group has 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.

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 has 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.

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) 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 (2021: 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.

(g) For the sales tax periods January 2019 to December 2019, the Deputy Commissioner Inland Revenue ['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 management is confident that the probable outcome of the appeal will be in the Group's favour.

33.6 Other receivables include Rs 585.833 million (2021: Rs 0.0315 million) from IGI General Insurance Limited, associate. It is neither past due, nor impaired.

34. Income tax receivable

	Note	2022	2021
		(Rupees in thousand)	
Income tax refundable	34.1	4,644,012	4,659,564
Income tax recoverable	34.2	36,013	36,013
		4,680,025	4,695,577

34.1 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.

34.2 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.

34.3 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. No provision for this amount has been made in the financial statements as according to the management of the Group, there are meritorious grounds that the ultimate decision would be in its favour.

34.4 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).

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.

34.5 In respect of tax year 2021, a demand amounting to Rs 307.80 million has been 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 have raised the demand primarily on account of non-withholding of the income tax.

Being aggrieved by the order of the DCIR, the Group has 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 "Assessed-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.

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.

34.6 In respect of tax year 2017, the DCIR issued notice dated March 11, 2020 under section177(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 is in the process of filing an appeal before the Appellate Tribunal Inland Revenue. The management, in consultation with their legal advisor, is of the view that these matters will eventually be decided in the favor of the Group, therefore no provision has been made in these financial statements.

34.7 In respect of tax year 2005, an appeal effect order dated June 21, 2011 was issued by the DCIR wrongly disallowing expenses and charging sales in respect of trial production resulting in an impact of Rs 131.40 million. The Group filed an appeal before the CIR(A) who directed to rectify. The department went into appeal in the ATIR against the order of CIR(A). The ATIR held the matter not to be rectifiable. During the year 2021, the Group filed a reference application in the Sindh High Court which was dismissed as a result of which the Group filed a constitutional petition before the Honorable Supreme Court of Pakistan. During the year, that matter was decided against the Group, hence a provision has been recorded in these financial statements amounting to Rs 46 million.

35. Cash and bank balances

	Note	2022	2021
		(Rupees in thousand)	
At banks:			
- On deposit accounts [including ZAR 318,264 (2021: nil)]	35.1	50,093	-
- On savings accounts	35.2	1,424,327	686,062
- On current accounts	35.3	702,520	312,242
		2,176,940	998,304
In hand [including USD 2,270 (2021: USD 2,693) EURO 10,300 (2021: EURO 10,000)		12,637	9,846
		2,189,577	1,008,150

35.1 The balances in saving accounts bear mark-up which ranges from 6.25% to 14.50% (2021: 5.5% to 7.75%) per annum.

35.2 Included in these are restricted funds of Rs 12.113 million (2021: Rs 7.348 million) in respect of deposits that are repayable on demand.

35.3 Included in these are restricted funds of Rs 1.332 million (2021: Rs 1.332 million) held as payable to TFC holders.

36. Revenue

The Group derives the following types of revenue:	Note	2022	2021
		(Rupees in thousand)	
Sale of goods	36.1	117,324,916	76,871,949
Services	36.2	4,568,673	3,450,348
		121,893,589	80,322,297

36.1 Sale of goods

	2022	2021
Local sales		
- Own manufactured	136,063,841	89,219,713
- Purchased for resale	1,207,841	265,362
	137,271,682	89,485,075
Export sales	723,659	1,038,025
	137,995,341	90,523,100
- Sales tax	(19,326,719)	(12,766,724)
- Trade discount	(1,325,499)	(671,000)
- Commission	(18,207)	(213,427)
	(20,670,425)	(13,651,151)
	117,324,916	76,871,949

36.2 Services

	Note	2022	2021
License fee	36.2.1	2,786,408	2,230,710
Service and management charges	36.2.2	1,458,343	933,419
Advertisements and parking income	36.2.3	323,922	286,219
		4,568,673	3,450,348

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

	Note	2022	2021
		(Rupees in thousand)	
- Not later than one year		2,379,745	1,075,667
- Later than one year and not later than five years		12,148,835	1,074,523
		14,528,580	2,150,190

36.2.2 This revenue is chargeable to sales tax and it is exclusive of sales tax of Rs 242.690 million (2021: Rs 154.240 million).

36.2.3 This is net of waivers of nil (2021: Rs 9.86 million) to tenants due to COVID-19.

37. Cost of sales and services

	Note	2022	2021
		(Rupees in thousand)	
Cost of sales - own manufactured	37.1	93,125,482	61,153,312
Cost of sales - purchased for resale	37.2	814,253	544,633
Cost of services	37.3	2,606,569	1,914,879
		96,546,304	63,612,824

37.1 Cost of sales - own manufactured

	Note	2022	2021
Materials consumed		64,361,611	42,201,482
Salaries, wages and amenities	37.1.1 & 37.1.2	6,505,494	4,793,788
Travelling and conveyance		159,200	85,467
Fuel and power		10,584,070	6,873,630
Production supplies consumed		1,643,176	1,822,429
Rent, rates and taxes		142,112	25,341
Insurance		340,920	227,126
Repairs and maintenance		2,320,661	1,429,153
Packing expenses		1,968,405	1,035,010
Depreciation on operating fixed assets	22.1.5	4,540,825	2,948,157
Depreciation charged on major spare parts		-	6,201
Depreciation on right-of-use assets	23.1	1,514	49,091
Amortisation of intangible assets	25.2	22,239	17,809
Safety equipment		91,678	43,361
Technical fee and royalty	37.1.3	260,045	153,522
Provision for obsolete/slow-moving stock-in-trade	30.6	65,670	43,316
Material handling charges		416,348	287,142
Medical expenses		70,330	51,177
Other expenses		1,178,036	556,992
		94,672,334	62,650,194
Opening work-in-process		1,073,285	1,212,575
Opening work in process - Acquisition of subsidiary		405,375	-
Closing work-in-process		(2,993,503)	(1,073,285)
Cost of goods manufactured	37.1.4	93,157,491	62,789,484
Opening stock of finished goods		6,313,816	4,677,644
Opening stock of finished goods - Acquisition of subsidiary		672,821	-
		100,144,128	67,467,128
Closing stock of finished goods		(7,018,646)	(6,313,816)
		93,125,482	61,153,312

37.1.1 Salaries, wages and amenities include Rs 290.512 million (2021: Rs 241.694 million) in respect of retirement benefits.

37.1.2 Salaries, wages and amenities include Rs 1,586.92 million (2021: Rs 1,076.670 million) in respect of services rendered by manpower contractors during the year.

37.1.3 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).

37.1.4 Cost of goods manufactured includes an amount of Rs 6,976.17 million (2021: Rs 5,101.361 million) for stores and spares consumed. It also include amounts of Rs 65.93 million (2021: Rs 162.357 million), Rs 0.42 million (2021: Rs 15.814 million) and Rs 113.36 million (2021: Rs 55.671 million) for raw material, stores and spares and finished goods written off respectively.

37.2 Cost of sales - purchased for resale

	Note	2022	2021
		(Rupees in thousand)	
Purchases		823,455	683,736
Opening stock of goods purchased for resale		312,600	173,497
Closing stock of goods purchased for resale		(321,802)	(312,600)
		814,253	544,633

37.3 Cost of services

	Note	2022	2021
Salaries, wages and benefits		125,043	88,236
Depreciation on investment properties	24.1.1	908,760	847,947
Depreciation on right-of-use assets		-	38,102
Fuel and power		880,516	420,937
Rent, rates and taxes		221,872	200,078
Insurance		37,739	34,799
Consultancy		3,414	4,372
Mall operating expenses		429,225	280,408
		2,606,569	1,914,879

38. Administrative expenses

	Note	2022	2021
Salaries, wages and amenities	38.1 & 38.2	2,227,991	1,483,380
Travelling and conveyance		112,372	86,027
Rent, rates and taxes		186,663	174,456
Insurance		40,480	40,075
Printing, stationery and periodicals		55,438	41,226
Postage, telephone and telex		55,697	42,292
Medical expenses		-	5,904
Entertainment expenses		-	1,178
Motor vehicles running		61,108	21,663
Computer charges		116,002	90,735
Training expenses		-	770
Professional services	38.3	107,371	57,848
Consultancy and transaction advisory fee		261,753	239,843
Repairs and maintenance		66,545	52,961
Depreciation on operating fixed assets	22.1.5	272,357	156,682
Depreciation on right-of-use assets	23.1	20,558	62,141
Amortisation of intangible assets	25.2	14,161	11,685
Depreciation on investment properties	24.1.1	2,286	2,285
Other expenses		367,985	295,351
	38.4	3,968,767	2,866,502

38.1 Salaries, wages and amenities include Rs 217.347 million (2021: Rs 144.833 million) in respect of retirement benefits.

38.2 Salaries, wages and amenities include Rs 222.38 million (2021: Rs 183.435 million) in respect of services rendered by manpower contractors during the year.

38.3 Professional services

	Note	2022	2021
		(Rupees in thousand)	
The charges for professional services include the following in respect of auditors' services (excluding sales tax) for:			
Statutory audit		46,139	26,713
Half yearly review		6,740	4,630
Tax services		30,843	21,781
Advisory services		9,557	1,192
Workers' profit participation fund audit, management staff pension and gratuity fund audit, audit of consolidated financial statements and other certification charges		8,003	-
Out of pocket expenses		6,089	3,532
		107,371	57,848

38.4 Administrative expenses include Rs 123.785 million (2021: Rs 110.110 million) for stores and spares consumed.

39. Distribution and marketing costs

	Note	2022	2021
		(Rupees in thousand)	
Salaries, wages and amenities	39.1 & 39.2	1,282,800	943,734
Travelling and conveyance		162,009	77,412
Rent, rates and taxes		19,270	13,105
Freight and distribution		1,937,841	1,048,514
Insurance		78,337	58,135
Electricity		3,853	-
Postage, telephone and telex		-	217
Advertisement and sales promotion		703,967	547,520
Depreciation on operating fixed assets	22.1.5	82,441	60,826
Amortisation on intangible assets	25.2	2,025	2,025
Depreciation on right-of-use assets	23.1	9,052	8,729
Repairs and maintenance		2,747	-
Bad debts written off		24,835	3,453
Other expenses		339,004	150,170
	39.3	4,648,181	2,913,840

39.1 Salaries, wages and amenities include Rs 51.824 million (2021: Rs 50.681 million) in respect of retirement benefits.

39.2 Salaries, wages and amenities include Rs 57.20 million (2021: Rs 74.129 million) in respect of labour contractors for services rendered during the year.

39.3 Distribution and marketing costs include Rs 12.48 million (2021: Rs 7.570 million) for stores and spares consumed.

40. Other expenses

	Note	2022	2021
		(Rupees in thousand)	
Worker's profit participation fund	19.8	585,483	446,820
Workers' welfare fund	19.9	189,407	170,868
Impairment on assets of FPCPL	25.1	1,056,313	-
Advance written off		-	1,077
Loss on disposal of operating fixed assets		-	9,435
Capital expenditure written off		-	4,136
Exchange loss - net		1,387,965	463,958
Donations	40.1	176,832	181,260
Miscellaneous		24,479	-
		3,420,479	1,277,554

40.1 The Group made a donation of Rs 24.039 million (2021: Rs 28.195 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.

41. Other income

	Note	2022	2021
		(Rupees in thousand)	
Income on bank deposits		167,875	86,387
Reversal of impairment on property, plant and equipment		205,416	130,000
Rental income from investment properties		15,933	26,763
Profit on disposal of operating fixed assets		59,926	-
Scrap sales		470,265	36,701
Liabilities, no longer payable, written back		70,911	54,265
Management and technical fee		22,000	45,272
Amortization of deferred government grant	12	134,733	71,920
Amortization of deferred income	11	81,250	65,660
Reversal of impairment on associate accounted for using equity method	26	-	291,469
Insurance gain on assets destroyed by fire	41.1	331,933	-
Bargain purchase gain on acquisition of subsidiary	55.6	1,875,347	-
WPPF provision written back	19.8.1	929,419	-
Discounting adjustment on long term advances	14	49,000	20,125
Others		172,825	28,642
		4,586,833	857,204

41.1 This represents net insurance gain on assets destroyed in fire.

On February 09, 2022, a fire event occurred at the finishing house and central stores of Bulleh Shah Packaging (Private) Limited which damaged the building and certain items of property, plant and equipment, stores and spares and stock-in-trade with book value aggregating to Rs 5,811.12 million which were adequately insured. The Group has filed an insurance claim and the insurer has accepted and acknowledged the claim amounting to Rs 6,143.05 million. Accordingly, an insurance settlement gain of Rs 331.93 million has been recognised.

In addition to the above, the Group is also entitled, under the insurance policy, to claim loss incurred due to business interruption. Therefore, subsequent to the year end, the Group has submitted the initial communication to the Insurance Company's surveyor for the recovery of loss due to business interruption. However, the loss claim is yet to be acknowledged and confirmed by the Insurance Company therefore it has not been recorded in these financial statements.

42. This represents dividend income from other long term investments as referred to in note 27.

43. Finance cost

	Note	2022	2021
		(Rupees in thousand)	
Interest and mark-up including commitment charges on			
- Long term finances from financial institutions			
- Local currency	43.1	3,269,715	1,282,478
- Foreign currency		68,795	105,014
- Short term borrowings from financial institutions - secured		3,516,159	797,028
- Loan from shareholder of Parent Company		-	89,893
- Lease liabilities	9	63,432	45,633
Return on preference shares/convertible stock	8.39 & 20	155,550	155,550
Interest on security deposits	10	43,308	37,375
Unwinding of finance cost on long term advances	14	14,130	9,553
Bank charges		127,084	66,276
		7,258,173	2,588,800

43.1 This includes an amount of Rs 51.290 million (2021: Rs 46.786 million) as annual commitment fee on the undisbursed amount of facility availed from International Finance Corporation ('IFC').

44. Taxation

	Note	2022	2021
		(Rupees in thousand)	
Current			
- Current year		4,048,266	1,783,225
- Prior years		395,354	(77,542)
		4,443,620	1,705,683
Deferred	13	486,690	751,116
		4,930,310	2,456,799

44.1 Tax charge reconciliation

	Note	2022	2021
		(% age)	
Numerical reconciliation between the average effective tax rate and the applicable tax rate			
Applicable tax rate		29.00	29.00
Tax effect of amounts that are:			
- Associates and joint ventures results reported net of tax		0.24	0.60
- Not deductible for tax purposes		12.05	6.85
- Super tax - current year		3.66	-
- Super tax - prior year		2.27	-
- Exempt for tax purposes		(0.03)	(0.22)
- Chargeable to tax at different rates		(0.68)	-
Effect of change in prior years' tax		0.96	(0.72)
Group taxation as explained in note 4.2		(5.21)	(4.85)
Effect of changes in tax rate		(2.05)	(2.04)
Adjustments of brought forward losses		-	(0.07)
Deferred tax asset has been recognised		2.96	0.83
Tax effect under presumptive tax regime and others		0.06	0.05
Tax credits and losses recognised during the year		(0.15)	(0.07)
Tax effect of impairment reversal in respect of which no deferred tax asset has been recognized		(0.50)	(2.54)
Deferred tax asset not recognized		-	(0.02)
Temporary differences in respect of foreign subsidiaries		-	0.57
Effect of tax credit under section 61		0.03	-
Tax calculated at domestic rates		-	(0.86)
Minimum tax		0.22	0.15
Effect of allowance against property income		(1.36)	(0.66)
Others		(0.07)	(0.43)
		12.40	(3.43)
Average effective tax rate charged to consolidated statement of profit or loss		41.40	25.57

45. Remuneration of Chief Executive, Directors and Executives

45.1 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		Executive	
	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in thousand)							
Short term employee benefits								
Managerial remuneration	10,770	9,448	894	1,953	-	-	670,580	414,644
Housing	7,411	8,911	270	584	-	-	236,838	143,395
Utilities	3,303	1,872	60	130	-	-	53,905	31,669
Bonus and incentives	3,103	27,903	175	379	-	-	338,860	298,642
Leave passage	886	776	-	-	-	-	18,141	12,319
Reimbursement of medical expenses	10,508	10,865	71	36	-	-	20,453	13,057
Directors' meeting fees	-	-	-	-	7,550	5,875	-	20
Other allowances and expenses	-	-	85	430	-	-	-	50,200
Other perquisites and benefits	11,293	5,298	-	-	-	-	91,050	-
	47,274	65,073	1,555	3,512	7,550	5,875	1,429,827	963,946
Post employment benefits								
Contribution to provident, gratuity and pension funds	3,650	3,200	-	-	-	-	117,601	78,173
	50,924	68,273	1,555	3,512	7,550	5,875	1,547,428	1,042,119
Number of persons	1	1	1	1	8	8	181	120

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

45.3 Premium charged in the consolidated statement of profit or loss in respect of directors' indemnity insurance policy purchased by the Group during the year, amounting to Rs 0.844 million (2021: Rs 0.715 million).

46. Transactions with related parties

The related parties include the joint ventures, investor, 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	2022	2021
		(Rupees in thousand)	
i. Joint ventures	Purchase of goods and services	532,127	443,075
	Sale of goods and services	511,860	436,577
	Rental income	5,584	4,608
	Dividend income	24,750	12,375
ii. Associates	Purchase of goods and services	35,742	2,304,087
	Sale of goods and services	42,606	45,539
	Dividend income	82,682	30,936
	Rental and other income	18,132	169,898
	Insurance claims	3,115,493	116,828
	Commission earned	-	25,637
	Insurance Premium	889,003	549,922
	Management and techincal fee	22,000	21,270
	Dividend paid	808,203	600,912
	Investment in equity investments	997,273	-

Relationship with the Company	Nature of transactions	2022	2021
		(Rupees in thousand)	
iii. Other related parties	Purchase of goods and services	1,737,381	1,356,162
	Sale of goods and services	358,894	237,439
	Commission earned	1,569	744
	Commission expense	1,629	448
	Royalty and technical fee - expense	111,891	71,587
	Dividend paid	247,448	129,808
	Donations	143,932	52,273
	Rental and other income	2,033	1,912
iv. Retirement funds	Expense charged in respect of retirement plans	516,763	355,613
	Dividend paid	77,892	63,730
v. Key management personnel	Salaries and other employee benefits - note 46.1	823,709	407,851
	Dividend paid	87,651	60,265
	Meeting fee	7,550	-

46.1 This represents remuneration of the Chief Executive, executive director and some of the executives that are included in the remuneration disclosed in note 46 to these consolidated financial statements.

All transactions with related parties have been carried out on mutually agreed terms and conditions.

There are no transactions with key management personnel other than under the terms of employment.

46.2 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
DIC Asia Pacific Pte Limited	Group company	None
DIC Corporation Japan	Group company	- do -
Tetra Pak Pakistan Limited	Group company	- do -
PT Pardic Jaya Chemicals, Indonesia	Group company	- do -
DIC Malaysia SDN. BHD	Group company	- do -
DIC India Limited	Group company	- do -
DIC Graphics (Thailand) Company Limited	Group company	- do -
DIC Australia Pty Limited	Group company	- do -
PT DIC Graphics	Group company	- do -
DIC Lanka (Private) Limited	Group company	- do -
Tri-Pack Films Limited	Associate	- do -
IGI Life Insurance Limited	Associate	- do -
IGI Insurance Limited	Associate	- do -
Omya Pack(Private) Limited	Joint venture	- 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%
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 Maratib Ali Trust	Common director/Trustee	None
S.C. Johnson & Son of Pakistan (Private) Limited	Group company	- do -
Benda Lutz	Group company	- do -
Ceylon Tea Services Limited	Group company	- do -
DIC Graphics Corporation	Group company	- do -
DIC Performance Resins Gmbh	Group company	- do -
DIC Philippines, Inc.	Group company	- do -
Sun Chemical AB	Group company	- do -
Sun Chemical AG	Group company	- do -
Sun Chemical N.V/S.A	Group company	- do -
Sun Chemical S.P.A	Group company	- do -
Sun Chemical SA	Group company	- do -
Syed Hyder Ali	Chief Executive Officer	2.94%
Towfiq Habib Chinoy	Director	0.11%
Tariq Iqbal Khan	Director	0.01%
Syed Aslam Mehdi	Director	0.01%
Syed Shahid Ali	Director	0.17%
Josef Meinred Moeller	Director	0.00%
Atif Aslam Bajwa	Director	0.00%
Hasan Askari	Director	0.00%
Saba Kamal	Director	0.00%
Irfan Mustafa	Director	0.00%
Imran Khalid Niazi	Ex-Director	0.00%
Shamim Ahmad Khan	Ex-Director	None
Syed Babar Ali	Key Management Personnel	3.39%
Khurram Raza Bakhtayari	Key Management Personnel	None
Shaheen Sadiq	Key Management Personnel	- do -
Hammad Ahmed Butt	Key Management Personnel	- do -
Kaifee Siddiqui	Key Management Personnel	- do -
Sajjad Iftikhar	Key Management Personnel	- do -

47. Capacity and production - tonnes

	Capacity		Actual production	
	2022	2021	2022	2021
Paper and paperboard produced	309,200	306,400	253,419	247,400
Paper and paperboard converted	167,877	155,979	140,822	137,554
Plastics all sorts converted	130,853	52,000	77,175	42,613
Inks produced	16,762	16,102	10,761	10,168

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

48. Number of employees

	Note	2022	2021
Total number of employees as at December 31		3,264	3,271
Average number of employees during the year		3,268	3,294

49. Rates of exchange

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

	Average rate		Spot rate	
	2022	2021	2022	2021
USD 1	205.215	161.721	226.900	177.950
EURO 1	215.830	192.448	242.330	201.740
ZAR 1	11.671	10.619	13.309	11.215
LKR 1	0.650	0.821	0.621	0.878

50. Cash flow information

50.1 Cash generated from operations

	Note	2022	2021
		(Rupees in thousand)	
Profit before tax		11,910,139	9,606,950
Adjustments for:			
- Depreciation on operating fixed assets		4,895,623	3,165,665
- Depreciation on right-of-use assets		31,124	158,063
- Depreciation on investment properties		911,046	850,232
- Depreciation charged on major spare parts		-	6,201
- Discounting adjustment on long term advances		(49,000)	(20,125)
- Impairment loss on assets of subsidiary		1,056,314	-
- Reversal of impairment - associates		-	(291,469)
- Insurance gain on assets destroyed by fire		(331,933)	-
- Amortisation on intangible assets		36,560	31,519
- Amortisation of deferred income		(81,248)	(57,342)
- Amortisation of deferred government grant		(134,733)	(71,920)
- Discounting adjustment of government grant		(460,506)	-
- Provision for accumulating compensated absences		86,350	55,924
- Provision for employee benefit obligations		219,863	157,047
- Bargain purchase gain on acquisition of subsidiary		(1,875,347)	-
- Reversal of impairment losses on financial assets		184,287	(75,038)
- Exchange adjustments - net		865,923	459,612
- Profit on disposal of operating fixed assets		(59,926)	-
- Loss on disposal of operating fixed assets		-	9,435
- Provisions and unclaimed balances written back		(1,005,421)	(54,265)
- Unwinding of finance cost of present value		14,130	9,553
- Unwinding of discount on liability		65,996	-
- Interest cost on lease liability		63,432	45,633
- Reversal of provision for obsolete/slow-moving stores and spares		1,924	(317)
- Provision for obsolete/slow-moving stock-in-trade		(5,873)	43,316
- Finance cost		7,266,106	2,588,800
- Dividend income		(1,204,252)	(934,592)
- Share of profit of investments accounted for under equity method - net of tax		(251,656)	(677,339)
Profit before working capital changes		22,148,922	15,005,543
Effect on cash flow due to working capital changes:			
- Increase in stores and spares		(552,611)	(515,817)
- Increase in stock-in-trade		(12,220,664)	(7,698,256)
- Increase in trade debts		(3,247,256)	(2,182,141)
- Increase in loans, advances, deposits, prepayments and other receivables		(9,125,580)	(1,004,474)
- Increase in rental security deposits		245,089	67,567
- Increase in trade and other payables		5,683,158	2,793,470
		(19,217,864)	(8,539,651)
		2,931,058	6,465,892

50.2 Cash and cash equivalents

	Note	2022	2021
Cash and bank balances	35	2,189,577	1,008,150
Short term borrowings from financial institutions - secured	18	(35,662,097)	(18,666,793)
Short term investments	31	481,695	2,211,000
		(32,990,825)	(15,447,643)

50.3 Reconciliation of liabilities arising from financing activities

	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
	21,742,723	13,336,167	2,564,307	37,643,197

	Opening balance as at January 1, 2021	Cash flows	Other changes*	Closing balance as at December 31, 2021
	(Rupees in thousand)			
Long term finances from financial institutions	19,350,701	1,525,879	404,847	21,281,427
Lease liabilities	598,694	(262,093)	124,695	461,296
	19,949,395	1,263,786	529,542	21,742,723

*Other changes represent non-cash movements.

51. Earnings per share

51.1 Basic earnings per share

		2022	2021
Profit for the year	Rupees in thousand	6,925,585	6,856,129
Weighted average number of ordinary shares	Numbers	89,379,504	89,379,504
Basic earnings per share	Rupees	77.49	76.71

51.2 Diluted earnings per share

		2022	2021
Profit for the year	Rupees in thousand	6,925,585	6,856,129
Return on preference shares/ convertible stock - net of tax	Rupees in thousand	110,833	110,833
		7,036,418	6,966,962
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	Rupees	72.12	71.41

52. 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.
Unallocated	Workshop and other general business

	Packaging Division		Consumer Products Division		Ink Division		Real Estate		Paper and Board		Plastic		Unallocated		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in thousand)															
Total revenue	55,498,880	43,867,525	10,620,524	7,075,141	9,365,316	6,716,486	4,518,895	3,243,455	33,651,937	25,733,798	20,633,686	-	519,701	603,449	134,808,939	87,239,854
Intersegment revenue	(1,039,533)	(520,676)	(376,231)	(159,607)	(1,704,036)	(1,219,158)	-	-	(7,057,253)	(4,862,076)	(2,428,680)	-	(309,617)	(156,040)	(12,915,350)	(6,917,557)
Revenue from external customers	54,459,347	43,346,849	10,244,293	6,915,534	7,661,280	5,497,328	4,518,895	3,243,455	26,594,684	20,871,722	18,205,006	-	210,084	447,409	121,893,589	80,322,297
%age of revenue	45%	55%	8%	9%	6%	7%	4%	4%	22%	26%	15%	0%	0%	0%	100%	100%
Interest revenue	-	-	-	-	-	-	52,184	15,459	-	-	-	-	111,081	70,928	163,265	86,387
Interest expense	(2,154,439)	(841,232)	(465,424)	(136,187)	(232,362)	(89,415)	(915,261)	(608,667)	(1,827,667)	(714,094)	(1,012,461)	-	(658,598)	(199,205)	(7,266,212)	(2,588,800)
Depreciation and amortisation	(1,427,060)	(1,397,880)	(214,855)	(175,678)	(48,244)	(58,629)	(960,615)	(906,623)	(1,479,385)	(1,544,646)	(1,559,463)	-	(211,487)	(135,337)	(5,901,109)	(4,218,793)
Segment profit before tax	2,728,628	2,841,243	1,335,691	1,126,840	1,069,774	949,878	592,069	453,514	4,221,233	2,935,839	338,795	-	2,491,970	4,231,488	12,778,160	12,538,802
Segment taxation	(662,405)	(281,248)	-	-	(399,203)	(266,033)	(307,536)	(274,024)	(1,700,126)	(790,023)	(233,533)	-	(1,271,146)	(1,286,627)	(4,573,949)	(2,897,955)
Segment profit after tax	2,066,223	2,559,995	1,335,691	1,126,840	670,571	683,845	284,533	179,490	2,521,107	2,145,816	105,262	-	1,220,824	2,955,561	8,204,211	9,651,547
%age of profit/(loss) after tax	25%	39%	16%	15%	8%	8%	3%	-6%	31%	26%	1%	0%	15%	18%	100%	100%
Segment assets	30,891,577	24,393,190	7,606,161	3,611,890	4,802,406	3,725,317	13,532,066	12,693,625	53,157,169	32,639,257	23,727,077	-	38,733,938	38,541,902	172,450,394	115,605,181
Segment liabilities	9,720,959	7,969,802	1,183,564	702,126	2,978,994	2,069,234	9,916,178	9,259,974	9,059,409	4,806,077	13,664,429	-	63,548,662	35,824,909	110,072,195	60,632,122

52.1 Reconciliation of segment profit

	2022	2021
	(Rupees in thousand)	
Total profit for reportable segments	12,778,160	12,538,802
Net income from associates and joint ventures	251,656	677,339
Intercompany adjustment	(1,119,677)	(3,609,191)
Profit before tax as per consolidated statement of profit or loss	11,910,139	9,606,950

52.2 Reconciliation of segment assets

	2022	2021
Total assets for reportable segments	172,450,394	115,605,181
Intersegment assets	(26,703,227)	(18,459,503)
Other corporate assets	26,742,116	20,546,164
Total assets as per consolidated statement of financial position	172,489,283	117,691,842

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.

52.3 Reconciliation of reportable segment liabilities

	2022	2021
	(Rupees in thousand)	
Total liabilities for reportable segments	46,523,533	24,807,213
Intersegment liabilities	(4,292,334)	(1,966,433)
Unallocated liabilities	63,548,662	35,824,908
Total liabilities as per consolidated statement of financial position	105,779,861	58,665,688

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.

52.4 Reconciliation of segment taxation

	2022	2021
	(Rupees in thousand)	
Total tax expense for reportable segments	(4,573,949)	(2,897,955)
Intercompany adjustment	(356,361)	441,156
Tax as per consolidated statement of profit or loss	(4,930,310)	(2,456,799)

52.5 Reconciliation of segment profit after tax

	2022	2021
Total profit after tax for reportable segments	8,128,002	9,640,847
Intercompany adjustment for loss before tax	(791,847)	(2,931,852)
Intercompany adjustment for taxation	(356,326)	441,156
Profit as per consolidated statement of profit or loss	6,979,829	7,150,151

52.6 Information by geographical area

	Revenue		Non-current assets	
	2022	2021	2022	2021
	(Rupees in thousand)		(Rupees in thousand)	
Afghanistan	101,198	68,157	-	-
Angola	19,266	-	-	-
Australia	31	23,621	-	-
Bahrain	473,375	8,412	-	-
Bangladesh	-	6,204	-	-
Botswana	4,821	-	-	-
Canada	418,382	809	79,302	72,785
Kenya	77,315	33,572	-	-
Kwaluseni	-	10,786	-	-
Mauritius	53,465	201,395	-	-
Mozambique	3,482	2,020	-	-
Namibia	11,036	-	-	-
Nigeria	-	77,974	-	-
Oman	16,281	-	-	-
Pakistan	108,086,465	69,659,578	98,190,542	69,610,177
Qatar	49,703	108,274	-	-
Saudi Arabia	5,594	-	-	-
South Africa	6,875,472	7,367,652	1,973,197	2,780,182
Srilanka	4,009,453	2,625,730	618,990	895,505
Swaziland	168,476	107,868	-	-
UAE	782,581	2,830	-	-
UK	51,515	4,719	-	-
USA	679,126	-	-	-
Windhoek	-	7,529	-	-
Zimbabwe	6,552	5,167	-	-
	121,893,589	80,322,297	100,862,031	73,358,649

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

52.7 Information about major customers

Included in the total revenue is revenue from six (2021: six) customers of the Group from the packaging, Paper & board and Corrugator (2021: packaging, Paper & board and Corrugator) segment which represents approximately Rs 40,109.167 million (2021: Rs 25,925.638 million) of the Group's total revenue. The Group's revenue from other segments is earned from a large mix of customers.

53 Financial risk management

53.1 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, 2022, 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 1,022.337 million lower/higher (2021: Rs 1,176.597 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, 2022, 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 133.120 million lower/higher (2021: Rs 75.743 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.

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	
	2022	2021
	(Rupees in thousand)	
Pakistan Stock Exchange Limited	2,142,109	986,940

As at December 31, 2022, the Group does not have any investment classified at fair value through profit or loss.

(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.

	2022	2021
	(Rupees in thousand)	
Fixed rate instruments:		
Financial assets		
Bank balances - savings accounts	1,424,327	686,062
Financial liabilities		
Preference shares/convertible stock - unsecured	(932,650)	(932,650)
Lease liabilities	(476,691)	(461,296)
	(1,409,341)	(1,393,946)
Net exposure	14,986	(707,884)
Floating rate instruments:		
Financial liabilities		
Long term finances from financial institutions	(36,233,856)	(20,348,777)
Short term borrowings from financial institutions - secured	(35,662,097)	(18,666,793)
	(71,895,953)	(39,015,570)
Net exposure	(71,895,953)	(39,015,570)

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, 2022, 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 963.406 million (2021: Rs 360.003 million with fluctuation of 1%) 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:

	2022	2021
	(Rupees in thousand)	
Long term loans	316	561
Long term security deposits	191,152	145,216
Trade debts	16,083,009	9,843,484
Short term investments	521,695	2,251,000
Loans, advances, deposits and other receivables	2,050,531	808,533
Balances with banks	2,176,940	998,304
	21,023,643	14,047,098

(ii) Impairment of financial assets

The Group's trade debts against local and export sales of inventory 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, 2022 or 24 months before January 01, 2022 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, 2022 and December 31, 2021 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, 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	101,891	84,762	75,780	37,316	309,661

	Current balances	Up to 90 days	91 to 180 days	181 to 365 days	365 days or more	Total
	(Rupees in thousand)					
December 31, 2021						
Expected loss rate	0.03%	1.67%	23.06%	65.11%	100.00%	
Gross carrying amount of trade debts	8,135,264	1,368,501	457,454	37,420	33,183	10,031,822
Loss allowance	2,441	22,861	105,489	24,364	33,183	188,338

(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	2022	2021
	Short term	Long term		(Rupees in thousand)	
Absa Bank	-	BA1	PACRA	-	1,072
Allied Bank Limited	A1+	AAA	PACRA	77,499	108,730
Bank Al-Habib Limited	A1+	AAA	PACRA	14,243	9,140
Bank Islami	A1+	A+	PACRA	1,808	17
Bank of Punjab	A1+	AA+	PACRA	17	3
Bidvest Bank	-	BA2	PACRA	-	958
Citibank N.A.	P1	AA3	JCR-VIS	11	9
Deutcsche Bank AG, Pakistan	P-1	A2	Moody's	40	39
Faysal Bank Limited	A1+	AA	PACRA	25,014	184
First National Bank Limited	-	BA1	PACRA	4,007	114
Habib Bank Limited	A1+	AAA	VIS	783,871	326,367
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	65,362	60,905
Industrial & Commercial Bank of China	F1+	A	Fitch	87	62
Sri Lanka Industrial and Commercial Bank	-	AA-	Fitch	101,611	-
JS Bank Limited	A1+	AA-	PACRA	39	41
MCB Bank Limited	A1+	AAA	PACRA	125,432	107092
MCB Islamic Bank Limited	A1	A	PACRA	562	352
Meezan Bank Limited	A1+	AAA	VIS	1,074	140
National Bank of Pakistan	A1+	AAA	PACRA	10,915	8,114
Nedbank limited	-	BA1	PACRA	-	2,144
Samba Bank Limited	A1	AA	PACRA	-	1,332
Commercial Bank of Ceylon Limited, Sri Lanka	-	A+	Fitch	-	104,093
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	60,863	267,343
United Bank Limited	A1+	AAA	VIS	101	53
Bank Alfalah Limited	A1+	AA+	PACRA	16	-
AfrAsia Bank	-	BA1	PACRA	904,368	-
				2,176,940	998,304

(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 50.2) 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
	(Rupees in thousand)					
At December 31, 2022						
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

	Carrying value	Total contractual cashflows	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	(Rupees in thousand)					
At December 31, 2021						
Long term finances from financial institutions	20,348,777	21,001,174	3,700,981	4,052,126	9,206,957	4,041,110
Security deposits	439,364	439,364	299,058	8,031	132,275	-
Short term borrowings from financial institutions - secured	18,666,793	18,666,793	18,666,793	-	-	-
Trade and other payables	10,827,593	10,827,593	10,827,593	-	-	-
Unclaimed dividend	59,238	59,238	59,238	-	-	-
Accrued finance cost	770,253	770,253	770,253	-	-	-
Lease Liabilities	461,296	531,590	161,601	246,659	123,330	-
	51,573,314	52,296,005	34,485,517	4,306,816	9,462,562	4,041,110

53.2 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 other comprehensive income	At amortised cost	Total
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, advances, 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

	At fair value through other comprehensive income	At amortised cost	Total
Long term loans	-	780	780
Long term deposits	-	145,216	145,216
Trade debts	-	9,843,484	9,843,484
Loans, advances, deposits and other receivables	-	808,533	808,533
Other long term investments	20,898,757	-	20,898,757
Short term investments	-	2,251,000	2,251,000
Cash and bank balances	-	1,008,150	1,008,150
	20,898,757	14,057,163	34,955,920

	Note	2022	2021
		(Rupees in thousand)	
Financial liabilities at amortised cost			
Long term finances from financial institutions		37,166,506	21,281,427
Lease liabilities		279,789	321,560
Security deposits		395,309	154,637
Short term borrowings from financial institutions - secured		35,662,097	18,666,793
Trade and other payables		19,190,152	10,827,593
Unclaimed dividend		82,041	59,238
Accrued finance cost		2,513,568	770,253
Lease liabilities		476,691	461,296
		95,766,153	52,542,797

53.3 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.

53.4 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, 2022 and 2021 were as follows:

	Note	2022	2021
		(Rupees in thousand)	
Borrowings	8 and 14	72,828,603	39,948,220
Less : Cash and bank balances	35	(2,189,577)	(1,008,150)
Net debt		70,639,026	38,940,070
Total equity		66,709,422	59,026,154
Total capital		137,348,448	97,966,224
		Percentage	
Gearing ratio		51%	40%

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 except for the following covenants:

REPL has complied with all the covenants throughout the reporting period except for that required to maintain current ratio criteria. However, this is not considered a material adverse event under the terms of the loan and consequently does not trigger an event of default.

53.5 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The table below analyses the financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets that are measured at fair value:

At December 31, 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

At December 31, 2021

Recurring fair value measurements Assets	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Investments - FVOCI	20,893,733	-	5,025	20,898,758

Valuation techniques used to measure fair values

Fair valuation of investment properties for disclosure purposes has been disclosed in note 24.1.2 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.

54. Interests in other entities

54.1 Subsidiaries

The Group's subsidiaries at December 31, 2022 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
		2022	2021	2022	2021				
			(%)						
Bulleh Shah Packaging (Private) Limited	Pakistan	100.00%	100.00%	nil	nil	Manufacturing and sale of paper, paperboard and corrugated boxes.	4th floor, the Forum, Suite No. 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan	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	G-20, Block 9, Khyaban-e-Jami, Clifton, Karachi	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%	(*)	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 2022	Ownership interest held by the Group 2021	Ownership interest held by non-controlling interests 2022	Ownership interest held by non-controlling interests 2021	Principal activities	Registered address	Principal place of business	Manufacturing units and offices
		(%)							
Linnaea Holdings Inc.	Canada	79.07%	79.07%	20.93%	20.93%	Intermediate holding company of CPI	880 Lakeshore Road East, Mississauga, Ontario	880 Lakeshore Road East, Mississauga, Ontario	None
Chantler Packages Inc. ('CPI')	Canada	72.07%	72.07%	27.93%	27.93%	Manufacturing and sale of flexible packaging	880 Lakeshore Road East, Mississauga, Ontario	880 Lakeshore Road East, Mississauga, Ontario	880 Lakeshore Road East, Mississauga, Ontario"
Packages Real Estate (Private) Limited	Pakistan	75.16%	75.16%	24.84%	24.84%	Development and construction of real estate	4th floor, the Forum, Suite No. 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan	Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore	Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore
Packages Power (Private) Limited	Pakistan	100.00%	100.00%	nil	nil	Generation and sale of electricity	4th floor, the Forum, Suite No. 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan	Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore	None
Packages Convertors Limited	Pakistan	100.00%	100.00%	nil	nil	Manufacturing and sale of packaging material and tissue products	4th floor, the Forum, Suite No. 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan	Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore	Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore
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
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	None

(*) Tri-Pack Films Limited was acquired during the year as explained in note 55. In 2021, it was an associate based on shareholding.

54.1.1 In addition to the sales 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; and
- Unit No 4, 17 Aziz Avenue, Canal Bank, Lahore.

54.2 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.

	Tri-Pack Films Limited		DIC Pakistan Limited		Flexible Packages Convertors (Proprietary)Limited		Packages Lanka (Private) Limited and its subsidiaries		Packages Real Estate (Private) Limited	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Summarized statement of financial position										
Current assets	9,051,363	-	4,269,105	3,333,021	2,078,159	2,503,047	1,926,463	1,332,105	2,107,880	2,025,542
Current liabilities	8,141,639	-	2,881,539	1,966,597	3,844,039	3,199,077	1,584,342	1,329,093	5,457,725	4,669,468
Current net assets/(liabilities)	909,724	-	1,387,566	1,366,424	(1,765,880)	(696,030)	342,121	3,012	(3,349,845)	(2,643,926)
Non-current assets	14,675,714	-	533,301	392,296	1,973,197	2,759,045	698,294	968,290	11,424,186	10,668,084
Non-current liabilities	5,522,790	-	97,455	102,637	587,737	678,583	185,689	194,808	4,458,453	4,590,507
Non-current net assets	9,152,924	-	435,846	289,659	1,385,460	2,080,462	512,605	773,482	6,965,733	6,077,577
Net assets	10,062,648	-	1,823,412	1,656,083	(380,420)	1,384,432	854,726	776,494	3,615,888	3,433,651
Accumulated NCI	3,072,945	-	761,527	739,802	(80,696)	278,403	238,337	154,309	898,188	852,919
Summarized statement of comprehensive income										
Revenue	25,523,952	-	9,365,316	6,716,486	6,912,309	7,701,992	4,204,342	2,758,464	4,568,673	3,277,643
Profit/(loss) for the year	863,506	-	670,571	683,845	(2,035,056)	(239,792)	399,514	138,981	284,532	179,490
Other comprehensive income/(loss)	(5,615)	-	(3,243)	(5,355)	210,940	(130,902)	(318,423)	79,477	(1,670)	(1,671)
Total comprehensive income/(loss)	857,891	-	667,328	678,490	(1,824,116)	(370,694)	81,091	218,458	282,862	177,819
Total comprehensive income/(loss) allocated to NCI	10,345	-	242,800	173,673	(359,099)	(104,455)	2,859	559	70,678	44,170
Dividends paid to NCI	155,047	-	225,107	129,975	-	-	-	-	24,994	-
Summarized cash flows										
Cash flows from operating activities	4,947,176	-	277,402	274,656	45,712	290,855	(77,101)	140,686	1,568,280	1,185,533
Cash flows from investing activities	(1,480,260)	-	(206,901)	(95,831)	(7,095)	(138,594)	(40,409)	(13,885)	(1,687,497)	(963,923)
Cash flows from financing activities	(1,781,967)	-	(581,040)	(365,956)	(20,612)	(381,947)	351,757	(92,020)	(283,625)	(62,028)
Net increase/(decrease) in cash and cash equivalents	1,684,949	-	(510,539)	(187,131)	18,005	(229,686)	234,247	34,781	(402,842)	159,582

54.2.1 Summarised financial information of FPCPL is based on its un-audited financial statements for the year ended December 31, 2022.

54.3 Interests in associates and joint ventures

Set out below are the associates and joint ventures of the Group as at December 31, 2022 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.

	Place of business / country of incorporation	% of ownership interest		Nature of relationship	Measurement method	Quoted fair value		Carrying amount	
		2022	2021			2022	2021	2022	2021
Sanofi-Aventis Pakistan Limited	Pakistan	6.07%	nil	Associate	Equity method	560,673	nil	999,821	nil
Tri-Pack Films Limited	Pakistan	(*)	49.33%	Associate	Equity method	(*)	3,933,471	(*)	4,149,998
IGI Holdings Limited	Pakistan	10.54%	10.54%	Associate	Equity method	1,428,139	2,309,526	4,229,505	4,089,597
Plastic Extrusions (Proprietary) Limited	South Africa	50.00%	50.00%	Joint venture	Equity method	(**)	(**)	53,029	38,909
OmyaPack (Private) Limited	Pakistan	50.00%	50.00%	Joint venture	Equity method	(**)	(**)	535,125	508,827
Total equity accounted investments								4,817,659	8,787,331

Tri-Pack Films Limited is in the business of manufacture and sale of biaxially oriented polypropylene (BoPP) film and cast polypropylene (CPP) films.

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.

Plastic Extrusions (Proprietary) Limited is engaged in the manufacture and sale of plastics.

OmyaPack (Private) Limited is engaged in manufacture and sale of high quality ground calcium carbonate products.

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

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

54.3.2 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:

	Tri-Pack Films Limited*		Sanofi Aventis Pakistan Limted**		IGI Holdings Limited	
	2022	2021	2022	2021	2022	2021
	(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)	
Summarized statement of financial position						
Current assets	-	9,818,225	9,064,118	-	22,989,972	18,029,495
Non-current assets	-	6,913,199	1,932,272	-	65,877,798	64,214,250
Total assets	-	16,731,424	10,996,390	-	88,867,770	82,243,745
Current liabilities	-	8,743,854	5,946,779	-	18,016,983	14,546,041
Non-current liabilities	-	3,280,079	13,500	-	19,761,008	19,715,687
Total liabilities	-	12,023,933	5,960,279	-	37,777,991	34,261,728
Net assets	-	4,707,491	5,036,111	-	51,089,779	47,982,017
Reconciliation to carrying amounts:						
Opening net assets	-	3,875,925	5,218,521	-	47,982,017	49,196,126
Profit for the year	-	1,041,860	213,011	-	2,879,451	2,589,709
Other comprehensive income income/(loss) for the year	-	(16,294)	(118,568)	-	1,012,780	(2,750,404)
Staff cost in relation to share-based payments	-	-	12,490	-	-	-
Repayment of advance against preference shares	-	-	-	-	-	(55,000)
Dividends paid	-	(194,000)	(289,343)	-	(784,469)	(998,414)
Closing net assets	-	4,707,491	5,036,111	-	51,089,779	47,982,017
Group's share - %	*	49.93%	6.07%	0.00%	10.54%	10.54%
Group's share	-	4,149,998	999,821	-	4,229,505	4,089,597
Carrying amount	-	4,149,998	999,821	-	4,229,505	4,089,597

	Tri-Pack Films Limited*		Sanofi Aventis Pakistan Limted**		IGI Holdings Limited	
	2022	2021	2022	2021	2022	2021
	(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)	
Summarized statement of comprehensive income						
Revenue	-	19,054,464	1,404,528	-	9,906,517	12,661,524
Profit for the year	-	1,041,860	213,012	-	2,648,397	2,589,709
Other comprehensive loss	-	(16,294)	(118,568)	-	(309,781)	(2,750,404)
Total comprehensive (loss)/income	-	1,025,566	94,444	-	2,338,616	(160,695)
Dividends received from associates	-	64,667	17,563	-	82,682	105,233

* Consequent to the business combination as explained in note 55 of these consolidated financial statements, TPFL was acquired during the year therefore, the summarised financial information has not been presented.

** As explained in note 26.4.3.2 of these consolidated financial statements, investment aggregating 6.07% was made during the year in SAPL, consequent to which the entity was determined to be an associate of the Group. The summarized financial information of SAPL is as of and for the nine months period ended September 30, 2022.

54.3.3 Summarized financial information of joint ventures

The table below provides summarized financial information of those joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures 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	2022	2021
	(Rupees in thousand)	
Current assets		
Cash and bank balances	171,431	60,898
Other current assets	476,799	435,496
Total current assets	648,230	496,394
Non-current assets	1,098,146	1,081,682
Current liabilities		
Financial liabilities (excluding trade payables)	51,740	45,409
Other current liabilities	395,093	264,407
Total current liabilities	446,833	309,816
Non-current liabilities		
Financial liabilities	184,751	223,397
Other non-current liabilities	44,517	27,184
Total non-current liabilities	229,268	250,581
Net assets	1,070,275	1,017,679

	OmyaPack (Private) Limited	
	2022	2021
	(Rupees in thousand)	
Reconciliation to carrying amounts:		
Opening net assets	1,017,679	938,133
Transaction with owners in their capacity as owners (dividend paid)	(49,500)	(24,750)
Profit for the year	105,363	105,527
Other comprehensive income	(3,267)	(1,231)
Closing net assets	1,070,275	1,017,679
Group's share - %	50.00%	50.00%
Group's share	535,125	508,840
Carrying amount	535,125	508,827
Summarized statement of comprehensive income		
Revenue	1,105,950	819,543
Interest income	1,547	10,218
Depreciation and amortisation	103,351	83,678
Interest expense	33,286	19,952
Income tax expense	(25,321)	(35,303)
Profit for the year	105,363	105,527
Other comprehensive loss	(3,267)	(1,231)
Total comprehensive Income	102,096	104,296

54.3.3.1 Individually immaterial joint ventures

In addition to the interests in joint ventures disclosed above, the Group also has interests in individually immaterial joint venture, Plastic Extrusions (Proprietary) Limited, that is accounted for using the equity method:

	2022	2021
	(Rupees in thousand)	
Aggregate carrying value of individually immaterial associates and joint ventures	53,029	38,909
Aggregate amounts of the Group's share of:		
Profit from continuing operations	6,239	14,566
Other comprehensive income	7,881	5,417
Total comprehensive income	14,120	19,983

55. Business combination

55.1 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.

55.2 Summary of acquisition - Tri-Pack Films Limited

On February 15, 2022, the Group acquired control of Tri-Pack Films Limited ('TPFL'), a company principally engaged in the manufacturing and sale of Biaxially Oriented Polypropylene (BOPP) film and Cast Polypropylene (CPP) film. The acquisition was made considering the growth potential in the business of the TPFL along with the benefit cost synergies which could be achieved due to the operations of the Group being in line with that of TPFL, providing a significant benefit due to the ability of the management to use their core competencies to further the business of TPFL.

55.3 Consideration paid

In addition to the shares acquired on December 31, 2021, the Group on February 15, 2022, the Group acquired 7,500,000 shares from Mitsubishi Corporation pursuant to the Share Purchase Agreement at a negotiated purchase price of Rs 154.62/share amounting to Rs 1,159.65 million (excluding transaction costs) which represents 19.33% of shareholding in Tri-Pack Films Limited ('TPFL'). Consequently, the total shareholding in TPFL was increased to 69.26%.

55.4 Acquisition related costs

Acquisition-related costs amounting to Rs 15.11 million have been recogised in gains and losses relating to business combinations in the consolidated statement of profit and loss.

55.5 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 and carried 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 February 15, 2022	Fair value adjustment	Recognised values after measure-ment period
	(Rupees in thousand)		
Assets			
Property, plant and equipment	6,815,251	7,932,519	14,747,770
Intangible assets	5,771	-	5,771
Long term loans and deposits	6,383	-	6,383
Inventories	3,853,063	-	3,853,063
Trade debts	3,176,556	-	3,176,556
Loans, advances, deposits, prepayments and other receivables	931,894	-	931,894
Income tax receivable	1,486,900	-	1,486,900
Cash and bank balances	566,344	-	566,344
	16,842,162	7,932,519	24,774,681
Liabilities			
Long term finances from financial institutions - secured	2,424,830	-	2,424,830
Deferred income - Government grant	149,223	-	149,223
Lease liability	37,178	-	37,178
Deferred taxation	370,757	2,300,430	2,671,187
Retirement benefits	83,298	-	83,298
Deferred liabilities	31,452	-	31,452
Trade and other payables	2,393,425	-	2,393,425
Unclaimed dividend	17,803	-	17,803
Accrued finance cost	68,812	-	68,812
Short term borrowings from financial institutions - secured	5,792,831	-	5,792,831
Current portion of long term lease liability	3,412	-	3,412
Current portion of long term finances from financial institutions - secured	635,136	-	635,136
	12,008,157	2,300,430	14,308,587
Fair value of net assets acquired			10,466,094

The fair value of acquired trade receivables is Rs 3,176.556 million which is equal to its carrying amount. The gross contractual amount for trade receivables due is Rs 3,176.556 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 22,296.973 million and profit before tax of Rs 338.795 million to the Group for the period from acquisition date to December 31, 2022.

If the acquisition had occurred on January 1, 2022, consolidated pro-forma revenue and profit before tax for the year ended December 31, 2022 would have been Rs 125,120.568 million and Rs 12,037.961 million respectively. These amounts have been calculated using TPFL's revenues adjusted for intragroup sales and Group's share of TPFL's total comprehensive income and TPFL's profit before acquisition date.

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

55.6 Gain on bargain purchase

At the acquisition date, management determined that acquisition of TPFL was a bargain purchase as the provisional fair value of net assets exceeded the fair value of purchase consideration paid by the Group as at the acquisition date. Under IFRS - 3, 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 after measurement period
	(Rupees in thousand)
Fair value of identifable net assets	10,466,094
Percentage of identifiable net assets acquired	69.26%
	7,248,817
Purchase consideration paid in cash	1,144,543
Fair value of equity interest held in TPFL held before the business combination	4,093,870
Total purchase consideration	5,238,413
Gain on bargain purchase	2,010,404

The Group recognised a loss of Rs 119.950 million as a result of measuring its equity interest of 49.93% in TPFL at fair value held before the business combination in accordance with the requirements of IFRS 3. The loss has been recognised in gains and losses relating to business combinations in the consolidated statement of profit or loss.

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

	'Recognised values after measurement period
	(Rupees in thousand)
Bargain purchase gain recognised	2,010,404
Less:	
Loss recognised on measuring equity interest at fair value	119,950
Acquisition related costs	15,107
	135,057
	1,875,347

55.7 Purchase consideration - cash outflow

	'Recognised values after measurement period
	(Rupees in thousand)
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	(1,159,650)
Less: Balances acquired	
Cash and bank balances	566,344
Short term borrowings from financial institutions - secured	(5,792,831)
	(5,226,487)
Net outflow of cash - investing activities	(6,386,137)

56 Date of authorization for issue

These consolidated financial statements were authorized for issue on March 24, 2023 by the Board of Directors.

57 Events after the reporting date

The Board of Directors has proposed a final cash dividend for the year ended December 31, 2022 of 27.5 per share (2021: Rs 27.5 per share), amounting to Rs 2,457.039 million (2021: Rs 2,457.039 million) at their meeting held on March 24, 2023 for approval of the members at the Annual General Meeting to be held on April 28, 2023.

58 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 Associates (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, 2022, there were 4,202 members on the Company's ordinary share register.

DIVIDEND PAYMENT
The Board of Directors of the Company has recommended a 275% final cash dividend for the year ended 2022. The proposal shall be placed before the shareholders of the company in the Annual General Meeting for their consideration and approval on Friday, April 28, 2023. The dividend, if approved by the shareholders, shall be directly credited to the designated bank accounts of the shareholders listed in the Company's share register at the close of business on Wednesday, April 19, 2023, and shall be subject to the Zakat and tax deductions as per applicable laws.

Financial Calendar

RESULTS

First quarter ended March 31, 2022	Approved on announced on	27-04-2022 28-04-2022
Half year ended June 30, 2022	Approved on announced on	26-08-2022 29-08-2022
Third quarter ended September 30, 2022	Approved and announced on	28-10-2022
Year ended December 31, 2022	Approved on announced on	24-03-2023 27-03-2023

DIVIDEND

Final – Cash (2021)	Approved on Statutory time limit upto which payable Paid on	29-04-2022 18-05-2022 13-05-2022
68th ANNUAL GENERAL MEETING TO BE HELD ON		28-04-2023

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 Associates (Pvt.) Limited and serves around 4,202 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
Tel. (021) 35874047-49 Ext: 237
Fax. (021) 35860251
Email: shares.desk@packages.com.pk

Mr. Zeeshan Akhtar
Tel. (021) 34380101-5
Fax. (021) 34380106
Email: info.shares@famco.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	15 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, 72.18% 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 (the "Act").

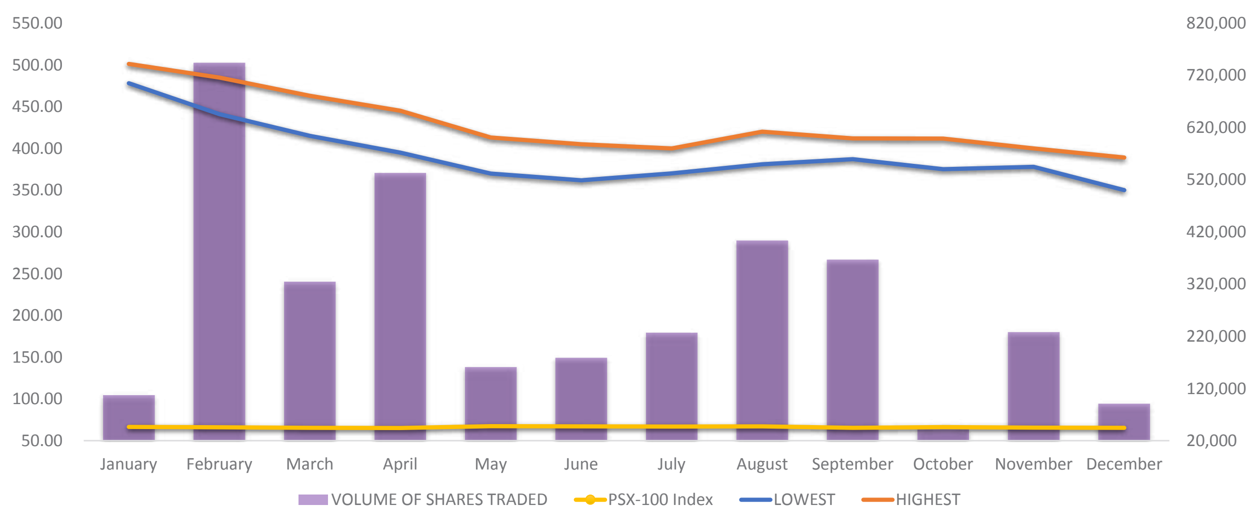
Investors' Grievances
To date none of the investors or shareholders has filed any letter of complaint against any service provided by the Company to its shareholders.

Legal Proceedings
No case has ever been filed by shareholders against the Company.

Share Price/Volume

The monthly high and low prices and the volume of shares traded on the Pakistan Stock Exchange during the financial year 2022 are as under:

Month	Share price on the PSX (Rs.)		Volume of Shares Traded	PSX-100 Index
	Highest	Lowest		Close
January	501.10	478.10	107,200	45,374.68
February	484.84	441.00	744,200	44,461.01
March	462.99	415.00	324,800	44,928.83
April	445.00	395.00	533,100	45,249.41
May	413.00	369.90	161,000	43,078.14
June	405.00	361.80	178,850	41,540.83
July	399.99	370.01	227,200	40,150.36
August	420.00	381.01	403,660	42,351.15
September	412.00	387.00	366,900	41,128.67
October	411.80	375.00	41,620	41,264.66
November	400.00	378.00	228,000	42,348.63
December	388.99	350.00	91,000	40,420.45



Pattern of Shareholding

The shareholding pattern of the equity share capital of the Company as of December 31, 2022 is as follows:

Shareholding		Number of shareholders	Total shares held
From	To		
1	100	1,944	51,557
101	500	871	251,201
501	1,000	385	305,680
1,001	5,000	586	1,360,923
5,001	10,000	144	1,061,967
10,001	15,000	50	637,230
15,001	20,000	24	422,549
20,001	25,000	33	748,026
25,001	30,000	24	667,982
30,001	35,000	19	622,433
35,001	40,000	11	419,216
40,001	45,000	10	429,073
45,001	50,000	5	241,985
50,001	55,000	6	312,012
55,001	60,000	5	285,229
60,001	65,000	8	496,657
65,001	70,000	4	263,259
70,001	75,000	2	142,466
75,001	80,000	4	315,786
85,001	90,000	1	86,999
95,001	100,000	1	100,000
100,001	105,000	2	208,494
110,001	115,000	1	113,800
130,001	135,000	1	133,050
135,001	140,000	1	135,037
140,001	145,000	2	283,951
150,001	155,000	5	761,495
155,001	160,000	2	313,957
170,001	175,000	1	172,000
180,001	185,000	1	182,582
190,001	195,000	4	772,762
195,001	200,000	1	198,835
220,001	225,000	2	444,310
240,001	245,000	1	241,975
245,001	250,000	1	249,830
255,001	260,000	1	258,477

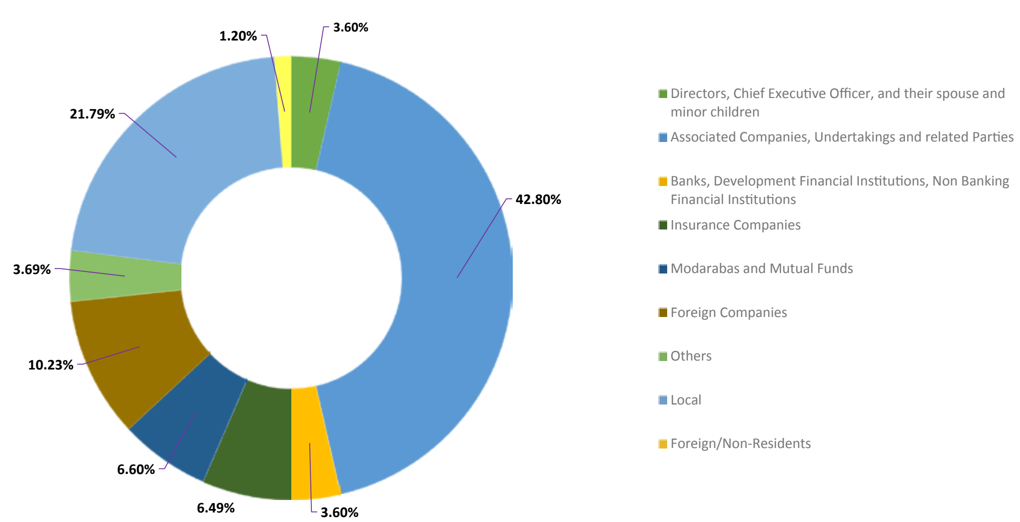
Shareholding From	Shareholding To	Number of shareholders	Total shares held
260,001	265,000	1	264,239
270,001	275,000	1	273,390
275,001	280,000	1	275,100
280,001	285,000	1	281,500
285,001	290,000	1	287,290
300,001	305,000	1	304,718
305,001	310,000	1	307,820
320,001	325,000	1	322,842
345,001	350,000	2	694,288
365,001	370,000	1	367,284
380,001	385,000	1	383,616
400,001	405,000	1	403,055
420,001	425,000	1	421,300
465,001	470,000	1	467,000
595,001	600,000	1	600,000
640,001	645,000	1	643,600
660,001	665,000	2	1,320,834
755,001	760,000	1	757,482
820,001	825,000	1	821,714
890,001	895,000	1	892,479
975,001	980,000	1	975,237
985,001	990,000	2	1,976,300
990,001	995,000	1	990,641
1,070,001	1,075,000	1	1,073,615
1,195,001	1,200,000	1	1,198,668
1,955,001	1,960,000	1	1,957,400
2,065,001	2,070,000	1	2,067,893
2,285,001	2,290,000	1	2,287,175
2,530,001	2,535,000	1	2,533,529
2,845,001	2,850,000	1	2,849,591
3,500,001	3,505,000	1	3,504,115
3,610,001	3,615,000	1	3,612,628
3,915,001	3,920,000	1	3,917,705
4,545,001	4,550,000	1	4,548,820
5,395,001	5,400,000	1	5,396,650
26,705,001	26,710,000	1	26,707,201
		4,202	**89,379,504**

Details of Shareholdings

	Shareholders' category	Number of shareholders	Number of shares held
i.	**Associated Companies, Undertakings and Related Parties**		
	Babar Ali Foundation	3	8,713,733
	IGI Investments (Private) Limited	1	26,707,201
	IGI Finex Securities Limited	1	1
	Trustees Packages Limited Employees Provident Fund	1	2,067,893
	Trustees Packages Limited Management Staff Pension Fund	1	660,036
	Trustees Packages Limited Employees Gratuity Fund	1	104,494
	Total:	**8**	**38,253,358**
ii.	**Modarabas & Mutual Funds**		
	First Tri-Star Modaraba	1	259
	CDC - Trustee MCB Pakistan Stock Market Fund	1	383,616
	CDC - Trustee Pakistan Capital Market Fund	1	15,500
	CDC - Trustee Al-Hamra Islamic Stock Fund	1	62,600
	CDC - Trustee Meezan Balanced Fund	1	43,773
	CDC - Trustee AKD Index Tracker Fund	1	8,489
	CDC - Trustee Al-Hamra Islamic Asset Allocation Fund	1	37,244
	CDC - Trustee Al Meezan Mutual Fund	1	191,678
	CDC - Trustee Meezan Islamic Fund	1	1,073,615
	CDC - Trustee Meezan Tahaffuz Pension Fund - Equity Sub Fund	1	156,151
	CDC - Trustee APIF - Equity Sub Fund	1	10,000
	CDC - Trustee MCB Pakistan Asset Allocation Fund	1	37,000
	CDC - Trustee NIT - Equity Market Opportunity Fund	1	182,582
	MCBFSL - Trustee ABL Islamic Stock Fund	1	800
	CDC - Trustee First Capital Mutual Fund	1	1,750
	CDC - Trustee National Investment (Unit) Trust	1	3,612,628
	CDC - Trustee NIT Islamic Equity Fund	1	22,150
	CDC - Trustee Meezan Asset Allocation Fund	1	18,250
	CDC Trustee - Meezan Dedicated Equity Fund	1	26,250
	CDC - Trustee NIT Asset Allocation Fund	1	10,700
	CDC Trustee - Meezan Dedicated Equity Fund	1	36,750
	CDC - Trustee Atlas Islamic Dedicated Stock Fund	1	10,400
	CDC - Trustee NIT Asset Allocation Fund	1	11,000
	Total:	**20**	**5,895,035**
iii.	**Directors and their spouse(s) and minor children**		
	Syed Hyder Ali	2	2,930,775
	Mr. Hasan Askari	1	100
	Syed Aslam Mehdi	1	10,081
	Mr. Towfiq H. Chinoy	1	113,800
	Mr. Tariq Iqbal Khan	1	6,000
	Syed Shahid Ali	1	153,145
	Ms. Azra Tariq	1	4,100
	Ms. Saba Kamal	1	300
	Mr. Atif Aslam Bajwa	1	100
	Mr. Irfan Mustafa	1	100
	Total:	**11**	**3,218,501**

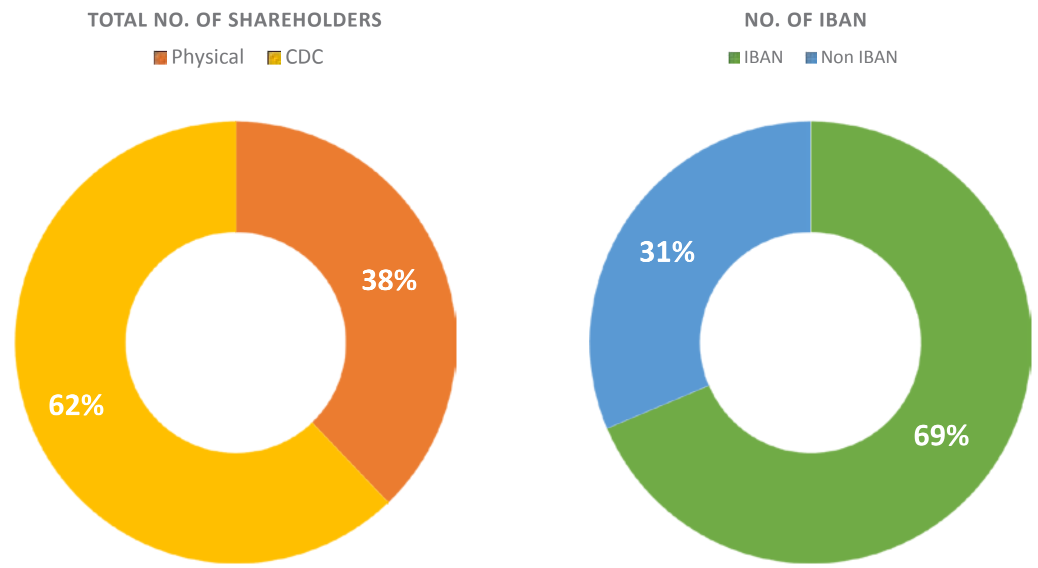
Shareholders' category		Number of shareholders	Number of shares held
iv. Executives			
	Total :	4	5,444,970
v. Banks, Development Financial Institutions, Non-Banking Financial Institutions			
	Total :	17	3,218,361
vi. Shareholders Holding 10% or more Voting Rights in the Company			
IGI Investments (Pvt.) 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	11	3,218,501	3.60
2	Associated Companies, Undertakings and Related Parties	8	38,253,358	42.80
3	NIT and ICP			
4	Banks, Development Financial Institutions, Non-Banking Financial Institutions	17	3,218,361	3.60
5	Insurance Companies	14	5,799,888	6.49
6	Modarabas and Mutual Funds	20	5,895,035	6.60
7	Foreign Companies	16	9,143,761	10.23
8	General Public:			
	a. Local	3,799	19,479,985	21.79
	b. Foreign/Non-Resident	212	1,074,155	1.20
9	Others	105	3,296,460	3.69
	Total	**4,202**	**89,379,504**	**100.00**



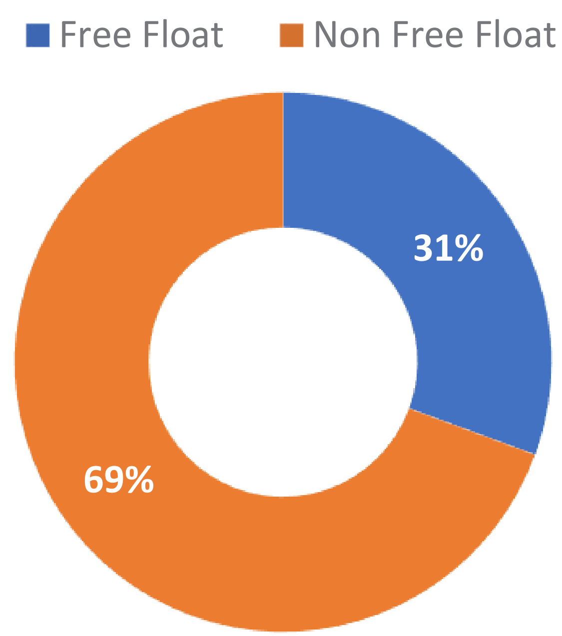
Shareholding Position / IBAN

Total Number of Shareholders as on 31 December 2022			Number of IBAN updated as on 31 December 2022		
Physical	CDC	Total	IBAN	Non-IBAN	Total
1,591	2,611	4,202	2,885	1,317	4,202



Free Float of Shares

Free Float Shares of the Company are 27,332,716 i.e. (30.58%) out of the total 89,379,504 Shares of the Company as at 31 December 2022.



Notice of Annual General Meeting

Notice is hereby given that the 68th Annual General Meeting of the shareholders of Packages Limited will be held at Institute of Chartered Accountants of Pakistan (ICAP), Chartered Accountants Avenue, Block 8 Clifton, Karachi, on Friday, April 28, 2023 at 10:30 A.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 30, 2022.

2) To receive, consider and adopt the audited Financial Statements together with the Directors' and Auditors' Report thereon for the year ended December 31, 2022.

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, 2022 as follows:

a) to the preference share/convertible stock holder (International Finance Corporation) at the rate of Rs 26.79 (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

IQRA SAJJAD
Company Secretary

Karachi
April 07, 2023

Participation in the AGM Proceedings Via Video Conferencing Facility

The Securities and Exchange Commission of Pakistan ("SECP") has vide its circulars issued from time to time directed the listed companies to hold general meetings virtually in addition to the requirements of holding physical meeting. The following arrangements have been made by the Company to facilitate the participation of the shareholders in the AGM:

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, email address by the close of business hours on April 26, 2023. The log-in credentials and link to participate in the AGM would be provided to the registered shareholders via response email.
As always, Packages Limited intends, and undertakes, to hold the meeting in compliance with all applicable laws while ensuring the safety of its shareholders, employees, directors and the public at large.

Notes:

1. The Share Transfer Books of the Company will be closed for determining the entitlement for the payment of Final Cash Dividend from April 20, 2023 to April 28, 2023 (both days inclusive). Transfer requests received at the office of the Share Registrar of the Company at M/s Famco Associate (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 April 19, 2023 (Wednesday) will be treated in time for the purposes of entitlement to the transferees.

2. 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 at 4th Floor, The Forum, Suit # 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi not less than 48 hours before the time of the Meeting.

3. Shareholders holding physical shares are also required to bring their original CNIC and/or copy of CNIC of shareholder(s) of whom he/she/they hold Proxy(ies). Such shareholder(s) shall not be allowed to attend and/or sign the Register of Shareholders/Members at the AGM without such CNIC(s).

4. The CDC Account Holders and Sub-Account Holders, whose registration details are available in the Share Book Details Report, shall be required to produce their respective original Computerized National Identity Card (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 under Circular No.1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan ("SECP"). Proxy form is also available on the Company's website www.packages.com.pk

Revision of Withholding Tax on Dividend Income

Please further note that under Section 150 of the Income Tax Ordinance, 2001 and pursuant to Finance Act 2020 withholding tax on dividend income will be deducted as per law for persons appearing and not appearing in Active Tax Payer List (ATL). According to clarification received from Federal Board of Revenue (FBR) withholding tax will be determined separately on 'Active/Inactive' status of Principal shareholder as well as Joint Holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard, all shareholders who hold shares with joint shareholders are requested to provide shareholding proportions of Principal Shareholder and Joint Holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

Folio/CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC #	Shareholding Proportion (%)	Name and CNIC #	Shareholding Proportion (%)

a. The required information must reach our Share Registrar by April 19, 2023; otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint Holder(s) and tax will be deducted accordingly.

b. Shareholders are therefore requested to please check and ensure the status from Active Taxpayers List (ATL) available at FBR website http://www.fbr.gov.pk/ as well as 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 National Tax Numbers (NTN) are available in ATL at FBR website and recorded by respective Participant/ Investor Account Services or in case of physical shareholding by Company's Share Registrar.

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 19, 2023.

d. Non-resident shareholder(s) shall submit declaration of undertaking with copy of valid passport under definition contained in Section 82 of the Income Tax Ordinance, 2001 for determination of residential status for the purposes of tax deduction on dividend to the Company Share Registrar's M/s Famco Associates Pvt. Ltd. or email at info.shares@famco.com.pk at the latest by April 19, 2023. Member may send a declaration using a standard format as placed on Registrar and Company's websites as mentioned below:

www.famco.com.pk
www.packages.com.pk

Statutory Code of Conduct at AGM

The Members are requested to observe the Statutory Code of Conduct at 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.

Payment of Cash Dividend Through Electronic Mode (Mandatory)

In accordance with the Companies (Distribution of Dividend) Regulation 2017, shareholders are advised to provide their Identification Number/Computerized National Identity Card (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.

Submission of Copy of 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.

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 identification number of the shareholder or authorized person (CNIC or NTN) and as the case may be.

Accordingly, the 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 at M/s Famco Associate (Pvt.) Limited, 8-F, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi. Corporate entities are requested to provide their National Tax Number (NTN) and Folio Number along with the authorized representative's CNIC copy.

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 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.

Change of Address and/or Email Address

Shareholders having physical shares are requested to promptly notify change in their postal address(s) and/ or email address if any, to Share Registrar, in writing whereas CDC account holders are requested to update their addresses with their CDC Participant/CDC Investor Account Services.

Unclaimed dividend/shares

Under Section 244 of the Companies Act, 2017 the Company is required to approach shareholders to claim their unclaimed dividends. In this regard the Company has previously discharged its responsibility by publishing notice in newspapers after sending individual letters to shareholders.

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.

Deposit 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. Shareholders having physical shareholding(s) are encouraged to open a CDC sub-account with any broker or Investor Account directly with CDC to place 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.

Circulation of Annual Audited Accounts via CD/DVD/USB or Any Other Media

SECP through its SRO 470(1)/2016, dated 31 May 2016, has allowed companies to circulate the annual balance sheet, profit and loss account, Auditors' Report and Directors' Report etc. ("annual audited accounts") to its Members through CD/DVD/USB at their registered addresses. The Company has obtained shareholders' approval to do so in one of its erstwhile Annual General Meetings in this regard and has sent its Annual Report 2021 to its shareholders in the form of CD. Members may view complete Annual Report on Company's website. Those requiring printed copy or electronic format through email of Annual Report may send a request using a Standard Request Form as annexed and placed on Company's website as well: www.packages.com.pk. Members are hereby informed that pursuant to Section 223(6) and 473 of the Companies Act 2017, circulation of Audited Financial Statements and Notice of Annual General Meeting has been allowed in electronic format through email.

Members can request a hard copy of the same, which shall be provided free of cost within seven (7) days from receipt of requisition.

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

68th 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-Eight Annual General Meeting of the Company to be held on Friday, the 28th day of April 2023, at 10:30 a.m. at the Auditorium of the Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi and at any adjournment thereof.

Signed ______________ this day of ____________ 2023.

1. Witness

Signature:

Name: ______________________

Address: ______________________

____

CNIC or ______________________

Passport No. ______________________

2. Witness

Signature:

Name: ______________________

Address: ______________________

____

CNIC or ______________________

Passport No. ______________________

Signature

Please affix Rupees five revenue stamp

(Signature should agree with the specimen signature registered with the Company)

Note:
Proxies must be received by the Company not less than 48 hours before the meeting. A proxy need not be a member of the Company.

CDC Shareholders and their Proxies are requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

تشکیل نیابت داری

68واں سالانہ اجلاس عام

دی کمپنی سیکریٹری
پیکجز لمیٹڈ
چوتھی منزل، دی فورم
سوئٹ نمبر 422 - 416، جی-20، بلاک 9
خیابان جامی، کلفٹن، کراچی-75600، پاکستان

میں / ہم -------------------- بابت -- بحیثیت ممبر (ممبران) برائے پیکجز لمیٹڈ اور ہولڈر بابت ---------------------- عمومی شیئرز بمطابق شیئر رجسٹر فولیو نمبر ----------------- اور / یا سی ڈی سی پارٹیسپنٹ -------------- اور سبسکرپشن نمبر -------------------- بذریعہ ہٰذا -------------------------- بابت ---------------------- یا ان کی عدم حاضر پر ---------------------- کو اپنا/ ہمارا پراکسی مقرر کررہاہوں/ کررہے ہیں جو کمپنی کے 68 ویں سالانہ اجلاس عام بروز جمعہ 28 اپریل 2023 بوقت 10:30 بجے صبح بمقام دی انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹینٹس آف پاکستان چارٹرڈ اکاؤنٹینٹس ایونیو، کلفٹن، کراچی میں منعقد ہوگا۔ کسی زیرالتوا تاریخ پر منعقد ہونے والے اجلاس میں میری/ ہماری غیر موجودگی کی صورت میں میری/ ہماری جگہ شرکت کرنے اور ووٹ دینے کے لئے بطور نیابت داری شریک ہوں گے۔

دستخط مورخہ ------------------ 2023

1- گواہ:

دستخط: ------------------------

نام: ------------------------

پتہ: ------------------------

سی این آئی سی نمبر ------------------

پاسپورٹ نمبر ------------------

2- گواہ:

دستخط: ------------------------

نام: ------------------------

پتہ: ------------------------

سی این آئی سی نمبر ------------------

پاسپورٹ نمبر ------------------

ریونیو ٹکٹ چسپاں کریں۔

(دستخط کمپنی میں پہلے سے موجود نمونہ کے مطابق ہونے چاہئے)

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 کاپی پراکسی فارم کے ساتھ کمپنی میں جمع کرائیں۔

Electronic Credit Mandate Form

Dear Shareholder,

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 shareholders only through electronic mode directly into the bank account designated by the entitled shareholders.

In order to receive your dividends directly into your bank account, please complete the particulars as mentioned below and return this letter duly signed along with a copy of your Computerized / Smart National Identity Card (CNIC/SNIC) to the Share Registrar of the Company, M/s FAMCO Associates (Pvt.) Limited, 8-F, Near Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi.

CDC shareholders are requested to submit their Dividend Mandate Form and CNIC/SNIC directly to their broker (participant)/CDC

Yours faithfully
For Packages Limited

(Iqra Sajjad)
Company Secretary

SHAREHOLDERS'S SECTION:

I hereby communicate to receive my future dividends directly in my Bank account as per details given below:

Name of shareholder: --

Folio Number / CDC Account No.: --

Contact number of shareholder: --

Title of bank account of shareholder: --

IBAN Number (see below Note No.1): --

Name of Bank: --

Bank branch & full mailing address: --

CNIC/SNIC No. (Copy attached) :--

NTN (in case of corporate entity): --

It is stated that the above particulars given by me are correct and to the best of my knowledge. I shall keep the Company/broker (participant)/CDC informed in case of any changes in the said particulars in future.

____________________ Shareholder's Signature

____________________ CNIC/SNIC No. (Copy attached)

Date:__________________________

Note:

1. Please provide complete International Bank Account Number (IBAN), after checking with your concerned branch to enable electronic credit directly into your bank account.
2. Please provide declaration for non-deduction of Zakat, if applicable.
3. The payment of cash dividend will be processed based on the bank account number alone. The Company is entitled to rely on the account number as per your instructions. The Company shall not be responsible for any loss, damage, liability or claim arising, directly or indirectly, from any error, delay, or failure in performance of any of its obligations hereunder which is caused by incorrect payment instructions and /or due to any event beyond the control of the Company.

الیکٹرونک کریڈٹ مینڈیٹ فارم

معزز شیئر ہولڈر

آپ کو مطلع کیا جاتا ہے کہ کمپنیز ایکٹ 2017 کے سیکشن 242 کی شقوں کے مطابق ایک لسٹڈ کمپنی کے لئے یہ ضروری ہے کہ وہ اپنے شیئر ہولڈرز کو نقد منافع منقسمہ کی ادائیگی صرف بذریعہ الیکٹرونک طریقہ کار براہ راست شیئر ہولڈرز کی جانب سے نامزد کردہ بینک اکاؤنٹ میں کرے۔

اپنے منافع منقسمہ کو براہ راست اپنے بینک اکاؤنٹ میں وصولی کی غرض سے برائے مہربانی ذیل میں درج کوائف کو مکمل کریں اور اس خط کو باقاعدہ دستخط کرکے اپنے کمپیوٹرائزڈ/ اسمارٹ شناختی کارڈ کی کاپی کے ہمراہ کمپنی کے رجسٹرار **میسرز فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، 8-ایف، نزد ہوٹل فاران، نرسری، بلاک-6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی** کو جمع کرادیں۔

سی ڈی سی شیئر ہولڈرز سے درخواست ہے کہ اپنے منافع منقسمہ کے مینڈیٹ اور کمپیوٹرائزڈ شناختی کارڈ کی کاپی کو براہ راست اپنے بروکر (پارٹیسپینٹ)/سی ڈی سی کو جمع کرادیں۔

آپ کی مخلص
برائے پیکجز لمیٹڈ

اقراء سجاد
کمپنی سیکریٹری

شیئر ہولڈرز پُر کریں:

میں بذریعہ ہذا اطلاع دیتا ہوں کہ آئندہ میں اپنے منافع منقسمہ کو براہ راست اپنے بینک اکاؤنٹ میں درج ذیل تفصیل کے مطابق وصول کروں گا۔

شیئر ہولڈر کا نام : ____________________

فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر : ____________________

شیئر ہولڈر کا رابطہ نمبر : ____________________

شیئر ہولڈر کا بینک اکاؤنٹ کا ٹائٹل : ____________________

آئی بی اے این نمبر (نیچے درج نوٹ نمبر 1 ملاحظہ فرمائیں) : ____________________

بینک کا نام : ____________________

بینک برانچ اور ڈاک کا مکمل پتہ : ____________________

کمپیوٹرائزڈ شناختی کارڈ نمبر (کاپی منسلک کریں) : ____________________

این ٹی این (کارپوریٹ ادارے کی صورت میں) : ____________________

آگاہ کیا جاتا ہے کہ میری جانب سے فراہم کردہ مذکورہ بالا کوائف درست اور میری معلومات کے عین مطابق ہیں اور میں آئندہ ان کوائف میں کسی بھی تبدیلی کی صورت میں کمپنی/ پارٹیسپینٹ/ سی ڈی سی انویسٹرا کاؤنٹ سروسز کو مطلع کرتا رہوں گا۔

____
شیئر ہولڈر کے دستخط

____
کمپیوٹرائزڈ/ اسمارٹ شناختی کارڈ نمبر (کاپی منسلک)

مورخہ: ____________________

نوٹ:

1- برائے مہربانی اپنا مکمل آئی بی اے این اپنی متعلقہ برانچ سے چیک کرنے کے بعد فراہم کریں تاکہ الیکٹرونک کریڈٹ براہ راست آپ کے بینک اکاؤنٹ میں ممکن ہوسکے۔

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 and Notices

The Registrar
FAMCO Associates (Pvt.) Limited,
8-F, Next to Hotel Faran
Block-6, Nursery, P.E.C.H.S.
Shahrah-e-Faisal
Karachi-74000

Dear Sir,

I hereby request you to send me the Annual Report of Packages Limited for the year ended December 31, 2022 and all notices under the Companies Act, 2017 at my postal / email address given below:

(Postal/email address of the shareholder)

____

The above address will be recorded in the members register maintained under Section 119 of the Companies Act, 2017. I will inform the Company and its Share Registrar about any change in my postal address immediately.

Regards,

____
(Signature)
Name of the Shareholders

Folio No:
(In case of physical shareholding)

CDC Account No.:________________
Note: Individual CDC Account holders should submit copy of their Computerized National Identity Card (CNIC) alongwith this request form.

درخواست برائے ترسیل سالانہ رپورٹ اور نوٹسیز

دی شیئر رجسٹرار
فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ
ایف-8، نزد ہوٹل فاران
نرسری بلاک-6، پی ای سی ایچ ایس
شاہراہ فیصل، کراچی

عزیز محترم

میں بذریعہ ہٰذا آپ سے درخواست کرتی / کرتا ہوں کہ پیکجز لمیٹڈ کی سالانہ رپورٹ اور نوٹسیز برائے 2022 کمپنیز ایکٹ 2017 کے تحت میرے درج ذیل ڈاک/ای میل ایڈریس پر ارسال کئے جائیں۔

(شیئر ہولڈر کا ڈاک/ای میل ایڈریس) ______________________________

مذکورہ بالا ڈاک/ای میل ایڈریس کمپنیز ایکٹ 2017 کے سیکشن 119 کے تحت تیار کردہ ممبران کے رجسٹر میں ریکارڈ کرلیا جائے۔ میں کمپنی اور اس کے شئیر رجسٹرار کو اپنے ایڈریس میں کسی بھی تبدیلی کے بارے میں فوری طور پر اطلاع کردوں گا/گی۔

منجانب

(دستخط) ______________________

شیئر ہولڈر کا نام ______________________

فولیو نمبر: ______________________

(فزیکل شیئر ہولڈنگ کی صورت میں)

سی ڈی سی اکاؤنٹ نمبر: ______________________

نوٹ: انفرادی سی ڈی سی اکاؤنٹ ہولڈرز کو اس درخواست فارم کے ساتھ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) کی کاپی جمع کرانی ہوگی۔

اسی طرح جن انفرادی ممبرز نے اپنے کارآمد سی این آئی سی کی کاپی 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 از جلد کمپنی کے شیئر رجسٹرار میسرز فیمکو ایسو سی ایٹس (پرائیویٹ) لمیٹڈ، F-8 متصل ہوٹل فاران، نرسری، بلاک- 6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی کو براہ راست بھیج دیں۔ کارپوریٹ اداروں سے درخواست ہے کہ وہ نیشنل ٹیکس نمبر (این ٹی این) اور فولیو نمبر مع مجاز نمائندے کے سی این آئی سی کی کاپی فراہم کریں۔

زکوٰۃ کی کٹوتی

زکوٰۃ کی لازمی کٹوتی سے استثنیٰ کا دعویٰ کرنے کے لیے، شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ NJSP پر زکوٰۃ اعلامیہ فارم CZ-50 کی 50/- روپے کی ایک نوٹرائز کاپی شیئر رجسٹرار کو جمع کرائیں۔ اگر حصص غیر طبعی رکھے گئے ہیں تو اس طرح کے زکوٰۃ اعلامیہ فارم (CZ-50) کو شیئر ہولڈر کے سی ڈی سی اکاؤنٹ میں، ان کے شریک/سرمایہ کار اکاؤنٹ سروسز کے ذریعے اپ لوڈ کیا جانا چاہیے۔ مزید برآں، غیر مسلم شیئر ہولڈرز کو بھی لازمی ہے کہ وہ کمپنی کے شیئر رجسٹرار کے پاس (کمپنی کی ویب سائٹ پر دستیاب فارمیٹ پر) حصص کی صورت میں فزیکل سرٹیفکیٹ میں یا سی ڈی سی کے شراکت دار / سرمایہ کار اکاؤنٹ کی خدمات کے پاس اسکرپ لیس فارم کی صورت میں شیئرز ہونے کی تصدیق کریں۔ زکوٰۃ کی کٹوتی سے اس وقت تک کوئی رعایت نہیں دی جائے گی جب تک کہ مندرجہ بالا تمام دستاویزات مکمل طور پر دستیاب نہ کر دی جائیں۔

پتے اور یا ای میل ایڈریس میں تبدیلی

فزیکل شیئرز کے حامل شیئر ہولڈرز سے درخواست ہے کہ اپنے ڈاک کے پتے اور یا ای میل ایڈریس میں تبدیلی ، اگر کوئی ہو، تو فوری طور پر شیئر رجسٹرار کو تحریری طور پر مطلع کریں جبکہ سی ڈی سی اکاؤنٹ ہولڈرز سے درخواست ہے کہ وہ اپنے سی ڈی سی شریک/ سی ڈی سی انویسٹر اکاؤنٹ سروسز کے ساتھ اپ ڈیٹ کریں۔

غیر دعویٰ شدہ ڈیویڈنڈ/ شیئرز

کمپنیز ایکٹ 2017 کے سیکشن 244 کے تحت کمپنی نے شیئر ہولڈرز سے رابطہ کیا کہ وہ قانون کے مطابق اپنے غیر دعوی شدہ ڈیویڈنڈ کا دعوی کریں. اِس سلسلے میں کمپنی پہلے ہی شیئر ہولڈرز کو انفرادی خطوط بھیجنے کے بعد اخبارات میں نوٹس شائع کر کے اپنی ذمہ داری ادا کرچکی ہے۔

وہ شیئر ہولڈرز جنہوں نے اپنے ڈیویڈنڈ کا دعوی نہیں کیا ہے ان سے ایک بار پھر درخواست کی جاتی ہے کہ وہ اِس بات کو یقینی بنائیں کہ غیر دعوی کردہ ڈیویڈنڈ کی رقم اور / یا شیئر سرٹیفکیٹ کے لئے فوری طور پر دعویٰ درج کروائیں۔

فزیکل شیئرز کو سی ڈی سی اکاؤنٹ میں جمع کرانا

کمپنیز ایکٹ 2017 کے سیکشن 72 کے مطابق ہر موجودہ لسٹڈ کمپنی کو ایس ای سی پی کے مقرر کردہ طریقے اور تاریخ کے لحاظ سے فزیکل شیئرز بک انٹری فارم میں تبدیل کرانا لازمی ہے ۔ جن شیئر ہولڈرز کے پاس فزیکل شیئرز موجود ہیں ان کو مشورہ دیا جاتا ہے کہ کسی بروکر یا انویسٹر اکاؤنٹ میں براہ راست سی ڈی سی کے ساتھ سی ڈی سی ذیلی اکاؤنٹ کھولیں جس میں وہ اپنے فزیکل شیئر کو اسکرپ لیس فارم میں تبدیل کراسکتے ہیں۔ اس کے کئی فائدے ہیں جس میں شیئرز کی محفوظ تحویل اور حسب خواہش شیئرز کی فروخت، کیونکہ موجودہ پاکستان اسٹاک ایکسچینج کے ضوابط کے مطابق فزیکل شیئرز کی فروخت کی اجازت نہیں ہے۔

سالانہ آڈٹ شدہ اکاؤنٹ کی سی ڈی/ ڈی وی ڈی/ یو ایس بی یا کسی اور میڈیا کے ذریعے ترسیل

ایس ای سی پی نے اپنے SRO 470(1)/2016 مورخہ 31 مئی 2016 کے ذریعے کمپنیز کو اجازت دی ہے کہ وہ سالانہ بیلنس شیٹ، نفع ونقصان کے اکاؤنٹ، آڈٹ شدہ رپورٹ اور ڈائریکٹرز کی رپورٹ وغیرہ (سالانہ آڈٹ شدہ اکاؤنٹس) اپنے ممبرز کو سی ڈی/ ڈی وی ڈی/ یو ایس بی کے ذریعے ان کے رجسٹرڈ پتے پر ارسال کریں۔ کمپنی نے اس سلسلے میں اپنے سابقہ سالانہ اجلاس عام میں سے ایک میں ایسا کرنے کے لیے شیئر ہولڈرز کی منظوری حاصل کرلی ہے اور اپنے شیئر ہولڈرز کو اپنی سالانہ رپورٹ 2021 سی ڈی کی شکل میں بھیج دی ہے ۔ کوئی بھی ممبر مکمل سالانہ رپورٹ کمپنی کی ویب سائٹ پر دیکھ سکتا ہے یا پرنٹ شدہ کاپی درکار ہو یا سالانہ رپورٹ ای میل کے ذریعے الیکٹرونک فارمیٹ میں چاہتے ہوں وہ منسلک مقررہ درخواست فارم ، جو کمپنی کی ویب سائٹ www.packages.com.pk پر بھی موجود ہے، بھیج دیں۔ ممبران کو مطلع کیا جاتا ہے کہ کمپنیز ایکٹ 2017 کے سیکشن 223(6) اور 473 کے تحت آڈٹ شدہ مالیاتی اسٹیٹمنٹس اور سالانہ اجلاس عام کی اطلاع بشکل الیکٹرونک فارمیٹ بذریعہ ای میل بھیجنے کی اجازت ہے۔

ممبران ان کی ہارڈ کاپی کے لئے درخواست دے سکتے ہیں جو ان کو بلاقیمت درخواست کی وصولی کے سات دن کے اندر فراہم کردی جائے گی۔

پوسٹل بیلٹ ای ووٹنگ

کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 برائے ڈائریکٹرز کے انتخابات یا کمپنیز ایکٹ 2017 کے سیکشن 143 اور 144 کی شرائط کے مطابق کسی اور موضوع کے ایجنڈا آئٹم کے لئے ہے۔ جو ممبران 10% یا قانون کے مطابق زیادہ شیئر ہولڈنگ رکھتے ہیں وہ پوسٹل بیلٹ کے ذریعے یعنی بذریعہ ڈاک یا ای ووٹنگ اپنے ووٹ دینے کا حق استعمال کریں گے جو مذکورہ ریگولیشنز میں درج شرائط سے مشروط ہے۔

سالانہ اجلاسِ عام کی اطلاع

بذریعہ ہٰذا مطلع کیا جاتا ہے کہ پیکجز لمیٹڈ کا 68واں سالانہ اجلاسِ عام بروز جمعہ 28 اپریل2023 بوقت10:30 بجے صبح بمقام انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان(ICAP)، چارٹرڈ اکاؤنٹنٹس ایوینیو، بلاک8-، کلفٹن، کراچی اور ورچوئل بذریعہ زوم (ویڈیو) درج ذیل امور کی انجام دہی کے لئے منعقد ہوگا۔

عمومی امور

1- کمپنی کے گزشتہ غیر معمولی اجلاس عام منعقدہ 30مئی 2022کی کارروائی کی توثیق ۔

2- آڈٹ شدہ مالیاتی اسٹیٹمنٹس مع ڈائریکٹرز کی رپورٹ برائے سال مختتمہ 31دسمبر2022 وصول کرنا، ان پر غور کرنا اور ان کو اختیار کرنا۔

3- کمپنی کے عام اور ترجیحی شیئرز کے نقد منافع منقسمہ پر غور و خوض منظوری اور اعلان ۔ ڈائریکٹرز نے31 دسمبر 2022 کو ختم ہونے والے سال کے لیے حتمی نقد منافع منقسمہ کی تجویز دی ہے۔

(الف) ترجیحی شیئر/ تبادلہ پذیر اسٹاک ہولڈرز (انٹرنیشنل فنانس کارپوریشن) کو 26.79روپے190 (14.098%)روپے کی فی ترجیحی شیئر/ تبادلہ پذیر اسٹاک کے حساب سے ادائیگی جو بورڈ کی جانب سے تجویزکردہ اور پیکجز لمیٹڈ اور انٹرنیشل فنانس کارپوریشن کے درمیان سبسکرپشن معاہدہ کی رو سے اور اس کے تحت ہم آہنگ کیا گیا مجموعی مزانیہ 219,298,977روپے اور

(ب) عام شیئرہولڈرز کو27.50 روپے (275%) فی 10 روپے والے عام حصص پر

4- رواں سال کےلئے 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 کےلئے رضامندی ظاہر کی ہے اور بورڈ آف ڈائریکٹرز نے ان کے تقرر کی سفارش کی ہے۔

دیگر امور

1- صدر اجلاس کی اجازت سے کسی دیگر امور کی انجام دہی ۔

بحکم بورڈ

اقراء سجاد
کمپنی سیکریٹری

کراچی
07اپریل، 2023

سالانہ اجلاسِ عام میں بذریعہ ویڈیو کانفرنس شرکت:

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) نے اپنے وقتاً فوقتاً جاری کردہ سرکلرز کے ذریعے لسٹڈ کمپنیزکو ہدایت کی ہے کہ وہ اپنے اجلاسِ عام فنزیکل میٹنگ کی ضروریات کے علاوہ ورچوئل طور پر بھی منعقد کریں۔ کمپنی کی جانب سے شیئر ہولڈرز کو اے جی ایم میں شرکت کےلئے مزید سہولت فراہم کرنے کی غرض سے درج ذیل انتظامات کئے گئے ہیں:

اے جی ایم میں 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 کرلیں جن میں ان کا نام، فولیو نمبر، ای میل ایڈریس ،مورخہ26اپریل2023 تک کاروباری اوقات کے اختتام تک مل جانے چاہئیں۔اے جی ایم میں شرکت کےلئے لاگ اِن اور لنک کی تفصیلات رجسٹرڈ شیئر ہولڈرز کو ای میل کے ذریعے فراہم کردی جائیں گی۔

ہمیشہ کی طرح پیکجز لمیٹڈ اپنے شیئر ہولڈرز، ملازمین، ڈائریکٹرز اور عام لوگوں کے تحفظ کویقینی بنانے کے لئے اجلاس کے انعقاد میں تمام لاگو قوانین کی پابندی کرنے کا ارادہ اور ذمہ داری لیتا ہے ۔

تصریحات:

1- کمپنی کی شیئرٹرانسفر بکس حتمی ڈیویڈنڈ کی ادائیگی کے سلسلے میں اہلیت کا تعین کرنے کےلئے20 اپریل 2023 تا28 اپریل 2023 (بشمول دونوں ایام) بند رہیں گی۔ تاہم کمپنی کے رجسٹرار میسرز فیمکو ایسو سی ایٹس (پرائیویٹ) لمیٹڈ،F-8 متصل ہوٹل فاران، نرسری، بلاک- 6،پی ای سی ایچ ایس، شاہراہ فیصل، کراچی میں19اپریل 2023 (بدھ) کو کاروباری اوقات کے اختتام تک وصول ہونے والی ٹرانسفرکی درخواستیں ٹرانسفریز کی اہلیت کےلئے بروقت تصور ہوں گی۔

2- کوئی ممبر جو اجلاس میں شرکت کرنے اور ووٹ دینے کا حقدارہے، وہ اپنی جگہ کسی دوسرے فرد کوشرکت کرنے، بولنے اور ووٹ دینے کےلئے اپنا پراکسی مقرر کرسکتا ہے۔ پراکسی کی تقرری کی دستاویز کمپنی کے رجسٹرڈ دفترواقع چوتھی منزل، دی فورم، سوئٹ نمبر422-416، G-20، بلاک 9-،خیابان جامی، کلفٹن، کراچی کے پتے پر اجلاس کےوقت سے کم ازکم 48 گھنٹے قبل جمع ہوجانی چاہیے۔

3- فنزیکل 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 اے جی ایم میں شرکت کرنے اور یا شیئر ہولڈرز ممبرز کے رجسٹر میں دستخط کرنے کی اجازت نہیں ہوگی۔

4- سی ڈی سی اکاؤنٹ ہولڈرز اور ذیلی 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 کےلئے اپنا متعلقہ اصل کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ پیش کرنا ہوگا۔ایسے اکاؤنٹ ہولڈرز اور ذیلی 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 ہونگی جو سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے سرکلر نمبر 1مجریہ 26جنوری2000 کے تحت اس مقصد کےلئے درکار ہیں۔ پراکسی فارم کمپنی کی ویب سائٹ پر بھی دستیاب ہےwww.packages.com.pk۔

ڈیویڈنڈ کی آمدنی پر ودہولڈنگ ٹیکس کی تجدید

انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے تحت اور فنانس ایکٹ 2020 کی پیروی میں ڈیویڈنڈ کی آمدنی سے ، ایکٹیوٹیکس پیئر لسٹ (اے ٹی ایل) میں شامل یا نہ شامل ہونے والے افراد کے لئے لاگو قوانین کے مطابق ودہولڈنگ ٹیکس کی کٹوتی کی جائے گی۔ فیڈرل بورڈ آف ریونیو (ایف بی آر) کی جانب سے وصول ہونے والی وضاحت کے مطابق ودہولڈنگ ٹیکس کا تعین پرنسپل شیئر ہولڈرز اورجوائنٹ اکاؤنٹ کی صورت میں جوائنٹ ہولڈرز سے علیحدہ علیحدہ ان کے پاس موجود شیئرز کے تناسب سے ایکٹیو / اِن ایکٹیو کی بنیاد پر کیا جائے گا۔

اس سلسلے میں تمام شیئر ہولڈرز سے، جن کے شیئرز جوائنٹ اکاؤنٹ میں ہیں، درخواست ہے کہ وہ پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈر(ز) کے شیئر ہولڈنگ کا تناسب ہمارے رجسٹرار کو تحریری طور پر درج ذیل کے مطابق فراہم کریں:

فولیو سی ڈی ایس اکاؤنٹ نمبر	کل شیئرز	پرنسپل شیئر ہولڈر		جوائنٹ شیئر ہولڈر	
		نام اور سی این آئی سی نمبر	شیئر ہولڈنگ کا تناسب	نام اور سی این آئی سی نمبر	شیئر ہولڈنگ کا تناسب

ا۔ مطلوبہ معلومات ہمارے شیئررجسٹرار کو19 اپریل2023 تک پہنچ جانی چاہیے ، ورنہ یہ تصور کیا جائے گا کہ پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈر(ز) کے پاس برابر برابر کے شیئرز ہیں اور اسی تناسب سے ٹیکس کی کٹوتی کی جائے گی۔

ب۔ اس لئے شیئر ہولڈرز سے درخواست ہے کہ وہ برائے مہربانی ایف بی آر کی ویب سائٹ http://www.fbr.gov.pk/ پرموجود ایکٹیو ٹیکس پیئر لسٹ (اے ٹی ایل) میں اپنی حیثیت چیک کرلیں اور اطمینان کرلیں اور یہ بھی اطمینان کرلیں کہ ان کے سی این آئی سی پاسپورٹ نمبر ، شریک انویسٹر اکاؤنٹ سروسز کے پاس یا شیئررجسٹرار کےریکارڈ میں (فنزیکل شیئر ہونے کی صورت میں) موجود ہیں۔ کارپوریٹ ادارے (غیر انفرادی شیئر ہولڈرز) کو بھی اطمینان کرلینا ضروری ہے کہ ان کے نام اور نیشنل ٹیکس نمبر (این ٹی این) ایف بی آر کی اے ٹی ایل میں دستیاب ہیں اور متعلقہ شریک انویسٹر اکاؤنٹ سروسز میں یا فنزیکل شیئر ہولڈنگ کی صورت میں کمپنی کے شیئر رجسٹرار کے پاس موجود ہیں۔

ج۔ ڈیویڈنڈ انکم سے ودہولڈنگ ٹیکس سے استثنیٰ کی صرف اسی صورت میں اجازت ہوگی جب کارآمد ٹیکس سے استثنیٰ کے سرٹیفکیٹ کی کاپی کمپنی کے شیئر رجسٹرار کو19 اپریل 2023 تک پہنچادی جائے۔

د۔ انکم ٹیکس آرڈیننس 2001کے سیکشن 82 برائے رہائشی کی حیثیت کاتعین کی تفصیل کے تحت ڈیویڈنڈ پر ٹیکس کی کٹوتی کےلئے غیر رہائشی شیئر ہولڈر کو انڈرٹیکنگ کے ڈکلریشن مع کارآمد پاسپورٹ کی کاپی شیئر رجسٹرار میسرز فیمکو ایسو سی ایٹس پرائیویٹ لمیٹڈ کو بھیجیں یا بذریعہ ای میل info.shares@famco.com.pk پر زیادہ سے زیادہ19 اپریل2023 تک فراہم کردیں۔ میسرز رجسٹرار اور کمپنی کی درج ذیل ویب سائٹس پر دستیاب مقررہ فارمیٹ استعمال کرتے ہوئے ڈکلریشن بھیج سکتے ہیں۔
www.famco.com.pk اور www.packages.com.pk

سالانہ اجلاس میں قانونی ضابطہ اخلاق

ممبران سے درخواست ہے کہ وہ کمپنیز ایکٹ2017کے سیکشن215اور کمپنیز(جنرل پرووینژن اینڈ فارمس) 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 دفعات میں درج ہے، شیئر ہولڈرز کوئی ایسا سامان اپنے ساتھ نہیں لائیں گے جو شرکا ء یا اے جی ایم کے منعقد ہونے کی حدود میں کسی خطرے کا باعث ہو، اور خود کو اے جی ایم کے نوٹس میں شامل ایجنڈےتک محدود رکھیں گے اور نہ ہی ایسا رویہ اختیار کریں گے جو کسی سیاسی وابستگی کو ظاہر کرتا ہو۔ اس کے علاوہ کمپنیز ایکٹ 2017 کے سیکشن 185کی رو سے کمپنی کو اپنے اجلاسوں میں شیئر ہولڈرز کوکسی بھی شکل میں تحائف تقسیم کرنے اجازت نہیں ہے۔

کیش ڈیویڈنڈ کی الیکٹرونک ذریعہ سے ادائیگی (لازمی)

کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈز) ریگولیشنز 2017 کے مطابق، شیئر ہولڈرز کو ہدایت کی جاتی ہے کہ وہ اپنا شناختی نمبر کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) نمبر اورانٹرنیشنل بینک اکاؤنٹ نمبر(آئی بی اے این) کی تفصیلات، اگر پہلے فراہم نہ کی ہوں، تو ہمارے شیئر رجسٹرارکو(اگر شیئرز فنزیکل کی صورت میں ہیں)ان کے مذکورہ بالا دفتر کے پتے پرفراہم کریں یا متعلقہ شرکا بروکر کو (اگر شیئرز سی ڈی سی اکاؤنٹ میں ہیں) مطلع کریں معلومات وصول نہ ہونے کی صورت میں کمپنی ڈیویڈنڈز کی ادائیگی روکنے پر مجبور ہوگی۔

سی این آئی سی اور / یا این ٹی این کی کاپی جمع کرانا (لازمی)

ایس ای سی پی کی ہدایات کے علاوہ، بشمول SRO 831(1)/2012 اور دیگر متعلقہ قواعد، الیکٹرونک ڈیویڈنڈ کی پروسیسنگ کے لیے ، شیئر ہولڈر کو CNIC نمبر فراہم کرنا ہوگا ماسوائے نابالغ اور کارپوریٹ شیئرہولڈرز۔

کمپنیز(ڈسٹری بیوشن آف ڈیویڈنڈ) ریگولیشنز2017 کے ریگولیشن6 اور کمپنیز ایکٹ2017 کے سیکشن 243(3) کی رو سے، کمپنی ان شیئرہولڈرزکے 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۔

بورڈ کی تشکیل

	تعداد
آزاد ڈائریکٹرز	3
نان ایگزیکٹیو ڈائریکٹرز	5
ایگزیکٹو ڈائریکٹرز	2
خواتین (آزاد ڈائریکٹرز میں شامل)	1
	فیصد
آزاد ڈائریکٹرز	30%
نان ایگزیکٹیو ڈائریکٹرز	50%
ایگزیکٹو ڈائریکٹرز	20%

بورڈ کی ترکیب میں تبدیلیاں

سال کے دوران جناب عاطف اسلم باجوہ نے 26 اگست 2022ء کو جناب عمران خالد نیازی کی جگہ نان ایگزیکٹیو ڈائریکٹر کی حیثیت سے کمپنی کے بورڈ میں شمولیت اختیار کی۔

بورڈ آف ڈائریکٹرز کے اجلاس

سال 2022ء کے دوران ، چار (4) بورڈ اجلاس منعقد ہوئے اور ہر ڈائریکٹر نے جتنے اجلاسوں میں شرکت کی ان کی تعداد درج ذیل ہے:

نمبر شمار	ڈائریکٹروں کے نام	اجلاسوں کی تعداد جن میں شرکت کی گئی
1	جناب توفیق حبیب چنائے (چیئرمین)	4
2	جناب سید حیدر علی	4
3	جناب طارق اقبال خان	4
4	جناب عمران خالد نیازی (26 اگست 2022ء کو مستعفی ہوئے)	2
5	جناب جوزف مینزاڈ مولر	2
7	جناب سید اسلم مہدی	4
8	جناب سید شاہد علی	3
9	جناب حسن عسکری	4
10	محترمہ صبا کمال	4
11	جناب عرفان مصطفی	4
12	جناب عاطف اسلم باجوہ (26 اگست 2022ء کو تعینات ہوئے)	1

بورڈ کے اجلاسوں میں شرکت نہ کر پانے والے ڈائریکٹروں کو غیر حاضری کی چھٹی دے دی گئی تھی۔

محاسبہ کمیٹی

کوڈ آف کارپوریٹ گورننس کے نفاذ کے بعد سے بورڈ کی محاسبہ کمیٹی موجود ہے۔ اس میں تین (3) نان ایگزیکٹیو ڈائریکٹرز، ایک (1) ایگزیکٹو ڈائریکٹر اور ایک چیئرمین شامل ہے جو ایک آزاد ڈائریکٹر ہے۔

اس سال کے دوران محاسبہ کمیٹی کے چار (4) اجلاس منعقد ہوئے۔ ہر رکن کی حاضری درج ذیل ہے:

اراکین کے نام	اجلاسوں کی تعداد جن میں شرکت کی گئی
جناب حسن عسکری (چیئرمین)	4
جناب عمران خالد نیازی (26 اگست 2022ء کو مستعفی ہوئے)	2
جناب طارق اقبال خان	4
جناب سید اسلم مہدی	4
جناب سید شاہد علی	2
جناب عاطف اسلم باجوہ (26 اگست 2022ء کو تعینات ہوئے)	1

محاسبہ کمیٹی کے اجلاسوں میں شرکت نہ کر پانے والے اراکین کو غیر حاضری کی چھٹی دے دی گئی تھی۔

محاسبہ کمیٹی نے اپنی حوالہ جات کی شرائط و ضوابط کو لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں فراہم کردہ قواعد و ضوابط کے تحت تشکیل دیا ہے۔

افرادی قوت اور معاوضہ کمیٹی

افرادی قوت اور معاوضہ کمیٹی چھ (6) اراکین پر مشتمل ہے، جس میں تین (3) نان ایگزیکٹو ڈائریکٹرز، ایک (1) ایگزیکٹو ڈائریکٹر اور چیئرمین سمیت دو (2) آزاد ڈائریکٹرز شامل ہیں ۔

اس سال کے دوران افرادی قوت اور معاوضہ کمیٹی کے چار (4) اجلاس منعقد ہوئے۔ ہر رکن کی حاضری مندرجہ ذیل ہے:

اراکین کے نام	اجلاسوں کی تعداد جن میں شرکت کی گئی
محترمہ صبا کمال (چیئرپرسن)	4
جناب توفیق حبیب چنائے	4
جناب سید حیدر علی	4
جناب جوزف مینزاڈ مولر	3
جناب عمران خالد نیازی (26 اگست 2022ء کو مستعفی ہوئے)	2
جناب عرفان مصطفی	2
جناب عاطف اسلم باجوہ (26 اگست 2022ء کو تعینات ہوئے)	-

افرادی قوت اور معاوضہ کمیٹی کے اجلاسوں میں شرکت نہ کر پانے والے اراکین کو غیر حاضری کی چھٹی دے دی گئی تھی۔

افرادی قوت اور معاوضہ کمیٹی نے اپنی حوالہ جات کی شرائط و ضوابط کو لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں فراہم کردہ اصول و ضوابط کے تحت تشکیل دیا ہے۔

متعلقہ پارٹی ٹرانزیکشنز

کمپنیز ایکٹ، 2017 کی دفعہ 208 اور کمپنیز (متعلقہ پارٹی ٹرانزیکشنز اور متعلقہ ریکارڈ کی دیکھ بھال) ریگولیشنز، 2018 کے مطابق، کمپنی نے-

(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 کا 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 حقدار 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 ایسا ڈائریکٹر اصل میں ادائیگی کا حق دار ٹھہرے گا۔

ایگزیکٹو اور نان ایگزیکٹیو ڈائریکٹر کو معاوضے کی مجموعی رقم کی مزید تفصیلات مالیاتی بیانات نوٹ 32، صفحہ نمبر162پر درج ہیں۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

آپ کی کمپنی کے ڈائریکٹرز کہتے ہیں کہ:

1. 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؛
2. کمپنی کے کھاتوں کے درست لیجر برقرار رکھے گئے ہیں؛
3. مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلوں پر مبنی ہیں؛
4. 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؛
5. اندرونی کنٹرول سسٹم بشمول مالی و آپریشنل کنٹرول، خرید و فروخت، وصولیوں اور ادائیگیوں، اثاثوں اور واجبات کے بروقت اور مناسب اندراج کے لئے اکاؤنٹنگ کا نظام، اور رپورٹنگ کا ڈھانچہ اپنی ساخت میں مضبوط ہیں جنکا نفاذ اور نگرانی موثر انداز سے کی جاتی ہے؛
6. 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؛
7. 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؛
8. 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؛
9. گزشتہ چھ سالوں کے اہم آپریٹنگ اور مالیاتی اعداد و شمار صفحہ 91 پر منسلک ہیں؛
10. جہاں ٹیکس، 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؛
11. کارپوریٹ تنظیم نو، کاروبار کی توسیع اور آپریشنز کو بند کرنے جیسے اہم منصوبوں اور فیصلوں کے ساتھ ساتھ اگر مستقبل کے کوئی امکانات، خطرات اور غیر یقینی صورتحال بھی ہو تو اسے بھی واضح کیا گیا ہے؛
12. سال کے دوران منعقد ہونے والے بورڈ اور کمیٹیوں کے اجلاسوں کی تعداد اور ہر ڈائریکٹر کی حاضری کو منسلک کیا گیا ہے؛
13. ڈائریکٹروں نے جن تربیتی پروگراموں میں شرکت کی، ان کی تفصیلات صفحہ 82 پر منسلک ہیں؛
14. شیئر ہولڈنگ کا پیٹرن صفحہ 289 پر منسلک ہے؛ اور
15. 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 / سپانسروں / شریک حیات اور ایگزیکٹوز 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
ڈائریکٹرز	صفر
چیف ایگزیکٹو آفیسر	87,400
چیف فنانشل آفیسر	صفر
کمپنی سیکرٹری	صفر
اندرونی محاسبہ کے سربراہ	صفر
دیگر ایگزیکٹوز	صفر
شریک حیات/ اسپانسر	63,850
نابالغ بچے	صفر
حصص کی فروخت / عطیہ / تحفہ	
ایگزیکٹوز کی طرف سے حصص کا عطیہ	182,700

شیئر ہولڈنگ کا پیٹرن

31 دسمبر2022ء تک 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 صفحہ289 ملاحظہ کریں.

ڈائریکٹرز، CEO، CFO، کمپنی سیکریٹری، اندرونی محاسبہ کے سربراہ اور ان کے شریک حیات یا نابالغ بچوں نے سال کے دوران کمپنی کے حصص میں کوئی تجارت نہیں کی، سوائے اس کے کہ جیسا کہ اوپر مذکور ہے۔

تین سال میں ایک بار بیرونی صلاح کار کے ذریعہ بورڈ کی کارکردگی کا جائزہ

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور301 S.R.O. (I)/2020 بتاریخ 9 اپریل 2020 کی ضروریات کے مطابق ، بورڈ نے پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (PICG) کی تقرری کی منظوری دی جو سال 2022 کے لئے بورڈ کا بیرونی جانچ پڑتال کرے گا۔ برائے مہربانی اس جائزے کے بارے میں مزید تفصیلات کے لئے سالانہ رپورٹ کا صفحہ نمبر ----- ملاحظہ کریں۔

کمپنی کا عملہ اور صارفین

انتظامیہ کمپنی کے حصہ داروں، خاص طور پر اپنے صارفین کی شکر گزار ہے کہ انہوں نے کمپنی کی مصنوعات اور خدمات پر مسلسل اعتماد کا اظہار کیا۔

انتظامیہ کمپنی کے ان تمام ملازمین کا بھی شکریہ ادا کرنا چاہتی ہے جنہوں نے انتھک محنت کی ہے۔ ہم ان کی محنت، وفاداری اور لگن کو سراہتے ہیں۔

مستقبل کا نقطہ نظر

وبائی بیماری کے بعد عالمی معیشت کی بحالی کو افراط زر کی بلند شرح، جارحانہ مالیاتی سختی اور روس ۔ یوکرین تنازعے کے نتیجے میں پیدا ہونے والی غیر یقینی صورتحال نے شدید متاثر کیا ہے۔ پاکستان کی معیشت، جہاں گروپ کے خالص اثاثوں کا سب سے اہم حصہ موجود ہے، مذکورہ بالا عالمی صورتحال کے ساتھ ساتھ سیاسی عدم استحکام اور غیر یقینی صورتحال، تجارتی خسارے اور غیر ملکی زرمبادلہ کے ذخائر میں کمی کی وجہ سے بڑھتے ہوئے دباؤ کا سامنا کر رہی ہے۔ یہ تمام اسباب امریکی ڈالر کے مقابلے میں روپے پر نمایاں دباؤ کا باعث بن رہے ہیں جس نے آپریشنز کے لئے خام مال اور رسد کی دستیابی کو بری طرح متاثر کیا ہے۔ بڑھتی ہوئی مہنگائی نے عوام کی قابل استعمال آمدنی کو متاثر کیا ہے اور توقع ہے کہ ان کے اخراجات تنگی کا شکار ہو جایئں۔

آگے بڑھتے ہوئے، توقع ہے کہ پاکستان کا معاشی منظر نامہ بہت حد تک آئی ایم ایف پروگرام کی تجدید، سیاسی استحکام کی بحالی، بین الاقوامی برادری کی جانب سے سیلاب سے متعلق امداد اور دوست ممالک کی حمایت کے ساتھ ساتھ استحکامِ معیشت کے مقصد کے تحت اصلاحات کے مسلسل نفاذ سے تشکیل پائیگا۔

ان تمام چیلنجز کو مد نظر رکھتے ہوئے گروپ کی انتظامیہ ان چیلنجز کے منفی اثرات کو کم سے کم کرنے، اپنے اسٹیک ہولڈرز کو نفع پہنچاتے ہوئے ان کی خدمت کرنے اور اپنے متنوع پورٹ فولیو سے بھرپوراستفادہ کرتے ہوئے اپنی منافع بخش ترقی کی امنگوں کو پورا کرنے پر توجہ مرکوز کیے ہوئے ہے۔

توفیق حبیب چنائے
(چیئرمین)

سید حیدر علی
(چیف ایگزیکٹو آفیسر اور منیجنگ ڈائریکٹر)

لاہور
24 مارچ، 2023ء

حصص داروں کے لئے ڈائریکٹرز کی رپورٹ

کمپنی کے ڈائریکٹرز 31 دسمبر، 2022 کو ختم ہونے والے سال کے مالیاتی گوشواروں کے ساتھ آپ کی کمپنی کی سالانہ رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

مالیاتی کارکردگی

مالیاتی کارکردگی کا خلاصہ درج ذیل ہے:

	2022	2021
	(روپے ۔ ملین میں)	
ڈیویڈنڈ کی آمدنی	4,862	4,196
کرایہ کی آمدنی	488	423
خالص آپریٹنگ آمدنی	5,350	4,619
EBIT	4,477	4,095
مالیاتی لاگتیں	(664)	(217)
دیگر آمدنی / (اخراجات) – خالص	122	109
(امپیئرمینٹ نقصان) / سرمایہ کاری پر امپیئرمینٹ نقصان کی واپسی	(687)	677
WPPFکی واپسی	929	-
آمدنی قبل از ٹیکس	4,176	4,664
ٹیکس	(309)	(542)
آمدنی بعد از ٹیکس	3,867	4,122
بنیادی آمدنی فی حصص – روپے	43.27	46.12

پیکیجز لمیٹڈ ایک ہولڈنگ کمپنی کے طور پر کام کرتی ہے اور اس کی کارکردگی کا تعین پاکستان کے اندر اور باہر واقع اس کی گروپ کمپنیوں کی مالی کارکردگی سے ہوتا ہے، جو بالآخر عام معاشی حالات سے متاثر ہوگی۔

ڈیویڈنڈآمدنی پیکیجز لمیٹڈ کی آمدنی کا ایک بڑا ذریعہ ہے۔ چنانچہ اس کا طرز آمدنی ماتحت اداروں کے ڈیویڈنڈ کے طرزِ تقسیم کی پیروی کرے گا۔ یہ تصور کیا جاتا ہے کہ گروپ کمپنیوں کی آپریٹنگ کارکردگی کے نتیجے میں ہولڈنگ کمپنی کو بہتر ڈیویڈنڈ کی ادائیگی ہوگی۔ انتظامیہ کا ماننا ہے کہ موجودہ کارپوریٹ تنظیم ماتحت اداروں کے مرکوز انتظام کے لئے سازگار ہے اور بہتر آپریٹنگ کارکردگی کا باعث بنتا ہے۔

مالیاتی لاگتیں

کمپنی کی مالی لاگت میں 2021 کے مقابلے میں 2022 کے دوران 447 ملین روپے کا اضافہ ہوا ہے جس کی بنیادی وجہ شرح سود میں اضافہ ہے جس کا سبب افراط زر کی بلند شرح، ادائیگیوں کے توازن میں خسارہ، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی اور بین الاقوامی مارکیٹ کی صورتحال ہے۔

گروپ کمپنیوں میں سرمایہ کاری

آپ کی کمپنی نے سنوفی - اوینٹس پاکستان لمیٹڈ ("SAPL")، ٹرائی - پیک فلمز لمیٹڈ ("TPFL") ، اسٹارچ پیک (پرائیویٹ) لمیٹڈ ("SPAC") اور اینیمون ہولڈنگز لمیٹڈ، ماریشس ("AHL") میں ایکویٹی کے طور پر3,793,700 ملین روپے (بشمول 1.205 ملین امریکی ڈالر) کا حصہ ڈالا۔

سنوفی - اوینٹِس پاکستان لمیٹڈ کے لئے عوامی پیشکش

سال رواں کے دوران پیکیجز لمیٹڈ نے سنوفی - اوینٹِس پاکستان لمیٹڈ کے 585,254 آرڈنری حصص حاصل کیے جو کہ 30 جون 2022ء کو پیرنٹ کمپنی کی جانب سے کی جانے والی لازمی عوامی پیشکش کے مطابق ایشوڈ آرڈنری شیئر کیپٹل (issued ordinary share capital) کا 6.07% بنتا ہے۔ اس پیشکش میں ایک آرڈنری شیئر کی قیمت 7,041 روپے تجویز کی گئی جو کہ سیکیورٹیز ایکٹ، 2015 اور لسٹڈ کمپنیز (سبسٹینشیئل ایکویزیشن آف ووٹنگ شیئرز اینڈ ٹیک اوورز) ریگولیشنز، 2017 کےاصولوں کے مطابق ہے۔ پیکیجز لمیٹڈ نے 28 اپریل 2022ء کو سنوفی - اوینٹِس پاکستان لمیٹڈ میں موجود سنوفی فارِن پارٹیسپینٹس B.V. کے مکمل 52.87% حصص کی خریداری کے لئے انجمنِ سرمایہ کاران اور سنوفی فارِن پارٹیسپینٹس B.V. کے درمیان مجوزہ لین دین کے شرائط و ضوابط اور قیمتِ خرید کو حتمی شکل دینے کے ارادے کا عوامی اعلان کیا تھا۔ انجمنِ سرمایہ کاران پیکیجز لمیٹڈ، IGI انویسٹمنٹس (پرائیویٹ) لمیٹڈ اور ارشد علی گوہر گروپ سے ملحقہ اداروں پر مشتمل ہے۔ اس انجمن کی قیادت پیکیجز لمیٹڈ کرتی ہے۔

مجوزہ لین دین کے لیے بعد از مذاکرات، قیمت خرید (لین دین کے اخراجات کو چھوڑ کر) 940 روپے فی حصص طے پائی ہے اور پیکیجز لمیٹڈ سنوفی پاکستان میں35% ایکویٹی حصص حاصل کرنے کی توقع رکھتی ہے۔ بقیہ حصص یعنی17.87%، انجمنِ سرمایہ کاران کے دیگر اراکین کی جانب سے خریدے جانے کی توقع ہے۔ کمپنی بقیہ حصص کو اس حد تک خریدنے کے لیے بھی پرعزم ہوگی جس حد تک انجمنِ سرمایہ کاران کے کسی دوسرے رکن نے نہ لئے ہوں جس میں قابل اطلاق ٹیک اوور قوانین کے لحاظ سے لازمی عوامی پیشکش کے تحت پہلے ہی حاصل کردہ 6.07% حصص بھی شامل ہیں جیسا کہ اوپر مذکور ہے۔

فلیکسبل پیکیجنگ کنورٹرز (پروپرائٹری) لمیٹڈ میں نقصان

جنوبی افریقہ میں واقع فلیکسبل پیکیجز کنورٹرز (پروپرائٹری) لمیٹڈ 'FPC' (جو کہ اینیمون ہولڈنگز لمیٹڈ (AHL) ، ماریشس کا ایک ذیلی ادارہ ہے) کو بگڑتی مالی کارکردگی اور سخت معاشی حالات کے ساتھ ساتھ کلیدی گاہکوں کو ہونے والی کم فروخت، غیر موافق مصنوعات کے مرکب اور توقع سے زیادہ متغیر و مقررہ اخراجات سے نبرد آزما ہونا پڑا ہے۔ نتیجتاً، آپکی کمپنی نےAHL میں سرمائے کی قابل وصول رقم (recoverable amount) کا تخمینہ لگایا اور اس کا تعین کیا کہ یہ رقم اس سرمائے کی کیرینگ ویلیو(carrying value) سے کم ہے۔ چونکہ سرمائے کی قابل وصول رقم اس کی کیرینگ ویلیو سے کم ہے، لہذا ، ان غیر مربوط مالیاتی گوشواروں میں 687.121 ملین روپے کے امپیئرمینٹ نقصان(impairment loss) کو تسلیم کیا گیا ہے۔

پچھلے سالوں میں لکھے گئے WPPF اخراجات کی واپسی

جیسا کہ منسلک مالی گوشواروں کے نوٹ 13.6 میں انکشاف کیا گیا ہے، کمپنی نے ڈبلیو پی پی ایف کے سلسلے میں 929.419 ملین روپے کی رقم حاصل کی ہے جو سال 2015 سے 2019 تک سرمایہ کاری کی آمدنی کا 5 فیصد ہے۔ کمپنی کی انتظامیہ، مختلف قانونی آراء کی بنیاد پر، یہ سمجھتی ہے کہ کمپنی کی سرمایہ کاری کی آمدنی ڈبلیو پی پی ایف فنڈ میں ادائیگی کے مقصد کے لئے 'منافع' کا حصہ نہیں ہے۔ مزید برآں، اس شق کو ریکارڈ کیے ہوئے ایک اہم وقت گزر چکا ہے۔ مندرجہ بالا مقدمہ کی بنیاد پر مذکورہ بالا شق کو اس کے مالیاتی گوشواروں میں واپس کر دیا گیا ہے۔

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 اور19 مرلہ ہے، دسمبر 1955 سے نومبر 2015 تک 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 اجازتِ اجراء 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 قیمت دہندگان کے ذریعہ زمین کے مذکورہ حصے کی فیئر ویلیو کے جائزے کی بنیاد پر، انتظامیہ نے کرائے کی مد میں جنوری 2022 سے دسمبر 2022 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 خطرے کی تشخیص کے ذریعے سرمایے 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 2022ء کے دوران سرمائے کے اخراجات 260.8 ملین روپے تھے۔

کمپنی کا سرمایہ کاری 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 ریئل اسٹیٹ (پرائیویٹ) لمیٹڈ، پیکیجز لنکا (پرائیویٹ) لمیٹڈ، پیکیجز پاور (پرائیویٹ) لمیٹڈ، اسٹارچ پیک (پرائیویٹ) لمیٹڈ اور اینیمون ہولڈنگز (پرائیویٹ) لمیٹڈ میں ایکویٹی شراکت داری سے ہوتی ہے ۔

بورڈ اس بات سے مطمئن ہے کہ دسمبر 2022ء میں 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 8:92 ہے۔تاہم یہ امر قابل ذکر ہے کہ موجودہ معاشی حالات میں غیر ملکی زرمبادلہ کی فراہمی تنگی کا شکار ہے۔

رسک کی تخفیف

بورڈ آف ڈائریکٹرز اور بورڈ کی متعلقہ 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 بروقت ردعمل 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 'ایکسپیکٹڈ کریڈٹ لاسز' (ECL) اپروچ کے 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 مینجمنٹ اتنے فنڈز کی دستیابی کو یقینی بناتی ہے 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 کرنا ہے۔

شرح سود کا رسک

متغیر شرح طویل - مدتی فنانسنگ کو " قبل از ادائیگی 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۔

غیر ملکی زرمبادلہ کا رسک

غیر ملکی زرمبادلہ 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۔

سرمائے 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 شراکت

آپ کی کمپنی قومی معیشت میں ایک اہم حصہ دار کی حیثیت رکھتی ہے اور اس نے سال 2022ء کے دوران سیلز ٹیکس، انکم ٹیکس، درآمدی محصول اور دیگر قانونی محصولات کی مد میں قومی خزانے کو 422 ملین روپے ادا کیے ہیں۔

ریٹائرمنٹ فنڈز

اس وقت کمپنی تین ریٹائرمنٹ فنڈز چلا رہی ہے جن میں پرووِیڈنٹ فنڈ، گریجویٹی فنڈ اور پینشن فنڈ شامل ہیں۔ 31 دسمبر 2022ء کو ان فنڈز کے تنقیح شدہ کھاتوں کی بنیاد پر ان فنڈز کی سرمایہ کاری کی مالیت حسب ذیل تھی:

پرووِیڈنٹ فنڈ	2,775.78 ملین روپے
گریجویٹی فنڈ	536.32 ملین روپے
پینشن فنڈ	2,084.91 ملین روپے

تخصیص

سال 2022ء کے لیے کمپنی کے مالیاتی نتائج کے پیش نظر، کمپنی کے بورڈ آف ڈائریکٹرز نے 275فیصد کے نقد منافع (یعنی 27.50 روپے فی حصص) کی تجویز دی ہے۔ اس کے مطابق، مندرجہ ذیل تخصیصات کی گئی ہیں:

	روپے ۔ ہزاروں میں
ترجیحی ڈیویڈنڈ / ریٹرن کی تخصیص کے بعد سال 2022 کے لئے کل جامع آمدنی	3,784,123
آگے لایا گیا غیر تخصیص شدہ منافع	535,879
تخصیص کے لئے دستیاب	4,320,002
جنرل ریزرومیں منتقل کیا گیا	(1,500,000)
ترجیحی ڈیویڈنڈ	(63,749)
نقد ڈیویڈنڈ	(2,457,937)
2023 کی جانب بڑھایا جائے گا	298,361

محاسبین

موجودہ آڈیٹرA.F فرگوسن اینڈ کمپنی کے چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں اور انہوں نے دوبارہ تقرری کے لیے خود کو پیش کیا ہے۔ انہوں نے تصدیق کی ہے کہ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کی جانب سے اطمینان بخش درجہ بندی حاصل کرنے کے ساتھ ساتھ انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے ضابطہ اخلاق پر ICAP کی جانب سے اپنائے گئے رہنما اصولوں کی تعمیل کی گئی ہے۔

محاسبہ کمیٹی کی تجویز کے مطابق، بورڈ آف ڈائریکٹرز نے 31 دسمبر2023ء کو ختم 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۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 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 89 ملاحظہ کریں۔

ماحولیات اور کارپوریٹ سماجی ذمہ داری پر کمپنی کے کاروبار کے اثرات

ماحولیات اور کارپوریٹ سماجی ذمہ داری پر کمپنی کے کاروباری اثرات کے حوالے سے آپ کی کمپنی کی طرف سے اٹھائے گئے اقدامات سالانہ رپورٹ میں صفحہ 54 پر مذکور ہیں۔

مادی تبدیلیاں

31 دسمبر2021ء کے بعد سے کوئی مادی تبدیلیاں نہیں ہوئی ہیں اور کمپنی نے کوئی ایسا معاہدہ نہیں کیا ہے جو اس تاریخ کو اس کی مالیاتی پوزیشن کو متاثر کرے، سوائے اس کے کہ جو31 دسمبر 2022ء کو ختم ہونے والے سال کے لیے کمپنی کے تنقیح شدہ مالیاتی گوشواروں میں پہلے سے مذکور ہیں۔

ڈائریکٹروں کی تعداد

الف۔ مرد	9
ب۔ عورت	1

مربوط مالیاتی گوشواروں کے بارے میں ڈائریکٹرز کی رپورٹ

31 دسمبر 2022 کو ختم ہونے والے سال کے لیے

پیرنٹ کمپنی کے ڈائریکٹرز 31 دسمبر 2022ء کو ختم ہونے والے سال کے لئے گروپ کے مربوط مالیاتی گوشواروں کو پیش کرنے میں خوشی محسوس کرتے ہیں۔ سال 2021ء کے مقابلے میں سال 2022ء کے مجموعی نتائج کا موازنہ درج ذیل ہے۔

	2022	2021
	(روپے ۔ ملین میں)	
فروخت - خالص	121,894	80,322
آپریشنز سے منافع - EBIT	15,837	10,584
ایسوسی ایٹس اور جوائنٹ وینچر میں منافع کا حصہ	252	677
ٹرائی پیک فلمز لمیٹڈ کے حصول پر سودے بازی سے حاصل ہونے والا منافع	1,875	-
سرمایہ کاری کی آمدنی	1,204	935
منافع قبل از ٹیکس	11,910	9,607

ہمیں یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ گروپ کے کلیدی مینوفیکچرنگ آپریشنز نے ایک چیلنجنگ اور مسابقتی ماحول میں نمایاں طور پر بہتر کارکردگی دکھائی ہے۔ سال 2022ء کے دوران، گروپ نے 121,894 ملین روپے کی خالص فروخت حاصل کی جو گزشتہ سال کے دوران حاصل کی گئی 80,322 ملین روپے کی خالص فروخت کے مقابلے میں 52% اضافے کی نمائندگی کرتی ہے جس کے ساتھ گزشتہ سال کے دوران حاصل ہونے والے 9,607 ملین روپے کے مقابلے میں موجودہ سال کا 11,910 ملین روپے کا آپریٹنگ منافع 24% اضافے کی نمائندگی کرتا ہے، جس کے اسباب بنیادی طور پر آمدنی میں اضافہ، لاگت کو قابو کرنے کی تدابیر اور اور ٹرائی پیک فلمز لمیٹڈ ('TPFL') کے حصول پر کاروباری امتزاج کے تحت خریداری کا، ایک مرتبہ کا خالص نفع شامل ہیں۔

مندرجہ بالا میں شامل، موجودہ سال کے لیے، انٹرا گروپ ایڈجسٹمنٹ کے بعد319 دن کی آمدنی 18,205 ملین روپے ہے جس نے TPFL سے 338 ملین روپے کے منافع کی شمولیت کے ساتھ نیچے کی لائن کو بھی متاثر کیا ہے۔

گروپ کی مالیاتی لاگت میں 4,669 ملین روپے کا اضافہ ہوا ہے جو بنیادی طور پر بینچ مارک شرح سود میں اضافے اور سرمائے کے اخراجات کے ذریعے اسٹریٹیجک توسیع کے مقصد کے لئے حاصل کیے گئے قرضوں کی رقم میں بڑھوتی سے منسوب ہے۔

گروپ کے ماتحت اداروں کی آپریشنل کارکردگی کا ایک مختصر جائزہ درج ذیل ہے

پیکجز کنورٹرز لمیٹڈ

پیکجز کنورٹرز لمیٹڈ ('PCL') پیکجز لمیٹڈ کا ایک غیر لسٹڈ پبلک لمیٹڈ ذیلی ادارہ ہے۔ یہ ادارہ بنیادی طور پر پیکیجنگ مواد، ٹشو مصنوعات اور سینیٹری نیپکنز کی تیاری اور فروخت میں مصروف عمل ہے۔ PCL نے سال 2022ء کے دوران 41,585 ملین روپے کی خالص فروخت حاصل کی ہے۔ جبکہ سال 2021ء کے دوران 29,881 ملین روپے کی خالص فروخت حاصل ہوئی تھی جو فروخت میں 39% اضافے کی نمائندگی کرتی ہے۔

کمپنی نے سال 2022ء کے دوران 2,587 ملین روپے کا قبل از ٹیکس منافع کمایا ہے جبکہ 2021ء کے دوران 2,594 ملین روپے کا منافع حاصل ہوا تھا۔ نچلی سطح پر اس کا اثر بڑھتی ہوئی مالیاتی لاگت کی نمائندگی ہے جو بنیادی شرح سود میں اضافے کی وجہ سے 2.7 گنا تک بڑھ گئی ہے۔

بلھے شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ

بلھے شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ بنیادی طور پر کاغذ اور پیپر بورڈ اور نالیدار ڈبوں کی تیاری اور تبدیلی میں مصروف عمل ہے۔ کمپنی نے سال 2022ء کے دوران 47,589 ملین روپے کی فروخت حاصل کی ہے جو کہ 2021ء کے دوران حاصل کی گئی 36,938 ملین روپے کی فروخت کے مقابلے میں 29% کا اضافہ ظاہر کرتی ہے۔ کمپنی نے سال 2022ء کے دوران 5,485 ملین روپے کا قبل ازمنافع ریکارڈ کیا ہے جو کہ گزشتہ سال کی اسی مدت میں 4,355 ملین روپے تھا، جس کی بنیادی وجہ آمدنی میں اضافہ اور فکسڈ اخراجات کی سخت روک تھام ہے۔

9 فروری 2022ء کو، قصور میں واقع اس کمپنی کے گودام میں آگ لگنے کا واقعہ پیش آیا۔ اندرونی فائر فائٹنگ سسٹم اور مقامی انتظامیہ کی مدد سے آگ پر قابو پالیا گیا تھا۔ چنانچہ کاروباری تسلسل کے منصوبے کو کامیابی کے ساتھ نافذ کیا گیا اور پلانٹ آپریشنز اور صارفین کو مال کی فراہمی دوبارہ شروع کردی گئی۔ قبل از ٹیکس منافع میں آگ میں تباہ ہونے والے 332 ملین روپے مالیت کے اثاثوں پر اب تک ریکارڈ کردہ انشورنس منافع بھی شامل ہے۔

DIC پاکستان لمیٹڈ

DIC پاکستان لمیٹڈ، پیکجز لمیٹڈ کا ایک غیر لسٹڈ پبلک لمیٹڈ ماتحت ادارہ ہے۔ یہ بنیادی طور پر صنعتی سیاہی کی تیاری، پروسیسنگ اور فروخت میں مصروف ہے۔ کمپنی نے سال 2022ء کے دوران 9,365 ملین روپے کی خالص فروخت حاصل کی جو گزشتہ سال کے 6,716 ملین روپے کی فروخت کے مقابلے میں 39% اضافے کی نمائندگی کرتی ہے۔ کمپنی نے سال 2022ء کے دوران 1,070 ملین روپے کا قبل از ٹیکس منافع کمایا ہے جبکہ سال 2021ء میں یہ منافع 950 ملین روپے تھا، جو 13% اضافے کی نمائندگی کرتا ہے۔

پیکجز لنکا (پرائیویٹ) لمیٹڈ

پیکجز لنکا (پرائیویٹ) لمیٹڈ سری لنکا میں قائم پیکجز لمیٹڈ کا ایک ذیلی ادارہ ہے۔ یہ کمپنی بنیادی طور پر لچکدار پیکیجنگ کی تیاری میں مصروف عمل ہے۔ کمپنی نے سال 2022ء کے دوران 4,987 ملین سری لنکن روپے کی فروخت حاصل کی ہے جبکہ سال 2021ء میں 2,468 ملین سری لنکن روپے کی فروخت حاصل ہوئی تھی جو 102% اضافے کی نمائندگی کرتی ہے۔ کمپنی نے سال 2022 میں 849 ملین سری لنکن روپے کا قبل از ٹیکس منافع حاصل کیا ہے جو کہ سال 2021ء میں 108 ملین سری لنکن روپے تھا۔ یہ نتائج سری لنکا کی تنگ ہوتی معیشت کے دوران سامنے آئے ہیں اور اس کی بنیادی وجہ انتظامیہ کی قیمتوں کے تعین کی موثر حکمت عملی کے ساتھ ساتھ اخراجات پر مضبوط روک تھام ہے۔

فلیکسبل پیکجز کنورٹرز (پروپرائٹری) لمیٹڈ

فلیکسبل پیکجز کنورٹرز (پروپرائٹری) لمیٹڈ جنوبی افریقہ میں واقع ایک کمپنی ہے ۔ یہ بنیادی طور پر لچکدار پیکیجنگ مواد کی تیاری میں مصروف ہے۔ کمپنی نے سال 2022ء کے دوران 545 ملین افریقی رینڈ کی خالص فروخت آمدنی حاصل کی جبکہ سال 2021ء کے دوران یہ آمدنی 698ملین افریقی رینڈ تھی۔ کمپنی نے رواں سال 78 ملین افریقی رینڈ کا قبل از ٹیکس خسارہ ریکارڈ کیا ہے جبکہ سال 2021ء میں 28 ملین افریقی رینڈ کا قبل از ٹیکس خسارہ ریکارڈ کیا گیا تھا۔ جیسا کہ مربوط مالیاتی گوشواروں سے منسلک نوٹ 25.1 میں مذکور ہے، کمپنی کو بگڑتی مالی کارکردگی اور سخت معاشی حالات کے ساتھ ساتھ کلیدی گاہکوں کو ہونے والی کم فروخت، غیر موافق مصنوعات کے مرکب اور توقع سے زیادہ متغیر و مقررہ اخراجات سے نبرد آزما ہونا پڑا ہے۔ نتیجتاً، گروپ نے خالص اثاثوں کی قابل وصول رقم (recoverable amount) کا تخمینہ لگایا اور اس کا تعین کیا کہ یہ رقم ان اثاثوں کی کیرینگ ویلیو(carrying value) سے کم ہے۔ چونکہ سرمایہ کاری کی قابل وصول رقم اس کی کیرینگ ویلیو سے کم ہے، لہذا ، ان مربوط مالیاتی گوشواروں میں 1,056 ملین روپے کے امپیئرمینٹ نقصان (impairment loss) کو تسلیم کیا گیا ہے۔

پیکجز ریئل اسٹیٹ (پرائیویٹ) لمیٹڈ

پیکجز ریئل اسٹیٹ (پرائیویٹ) لمیٹڈ پیکجز لمیٹڈ کا ایک اور ماتحت ادارہ ہے۔ یہ بنیادی طور پر ہر قسم کی تعمیراتی سرگرمیوں اور ریئل اسٹیٹ کی ترقی کے کاروبار میں مصروف ہے۔ فی الحال یہ ادارہ "پیکیجز مال" کے عنوان سے ایک ریئل اسٹیٹ پروجیکٹ چلا رہا ہے جہاں کارپوریٹ صارفین کو دفاتر کے لیے جگہیں لیز پر دینے کا عمل شروع کر دیا گیا ہے۔ کمپنی نے 31 دسمبر 2022ء کو ختم ہونے والے سال کے دوران 4,569 ملین روپے کی خالص آمدنی حاصل کی ہے جبکہ سال 2021ء کے دوران یہ آمدنی 3,278 ملین روپے تھی۔ کمپنی نے سال 2022ء کے دوران 592 ملین روپے کا قبل از ٹیکس منافع ریکارڈ کیا ہے جبکہ سال 2021ء میں یہ منافع 454 ملین روپے تھا۔

اسٹارچ پیک (پرائیویٹ) لمیٹڈ

اسٹارچ پیک (پرائیویٹ) لمیٹڈ، پیکجز لمیٹڈ کا ایک مکمل ملکیتی ماتحت ادارہ ہے۔ یہ بنیادی طور پر مکئی پر مبنی نشاستہ کی مصنوعات، اس کے مشتقات اور ضمنی مصنوعات کی تیاری اور فروخت میں مصروف ہوگا۔ رواں عرصے کے دوران پیرنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے فیصلے کے مطابق پیرنٹ کمپنی نے 1400 ملین روپے کی اضافی سرمایہ کاری کی توقع ہے کہ کمپنی 2023ء کی دوسری ششماہی میں تجارتی آپریشن شروع کردے گی۔

ٹرائی - پیک فلمز لمیٹڈ

ٹرائی - پیک فلمز لمیٹڈ ('TPFL') بنیادی طور پر بائی ایکسیئلی اورئینٹڈ پولی پروپائلین (BOPP) فلم اور کاسٹ پولی پروپائلین (CPP) فلم کی تیاری اور فروخت میں مصروف ہے۔ 15 فروری 2022ء کو، مٹسوبشی کارپوریشن کے TPFL کے 7،500،000 حصص (جو کہ 19.33% حصص بنتے ہیں) حاصل کرنے کا لین دین مکمل ہوا۔ پیرنٹ کمپنی اب TPFL میں 69.26% حصص کی مالک ہے اور اسے مربوط مالیاتی گوشواروں میں ایک ذیلی ادارے کے طور پر شامل کرتی ہے۔

کمپنی نے سال 2022ء کے دوران 24,120 ملین روپے کی خالص فروخت حاصل کی ہے جبکہ گزشتہ سال کے اسی عرصے کے دوران 19,054 ملین روپے کی فروخت حاصل کی گئی تھی جو فروخت میں 27% اضافے کی نمائندگی کرتی ہے۔ کمپنی نے 1,382 ملین روپے کا قبل از ٹیکس منافع حاصل کیا ہے جبکہ گزشتہ سال کے اسی عرصے کے دوران 1,415 ملین روپے کا منافع حاصل کیا گیا تھا۔اس کی کمی کی بنیادی وجہ تیزی سے بڑھتے ہوئے مالیاتی اخراجات ہیں۔

سنوفی - اوینٹس پاکستان لمیٹڈ کے لئے عوامی پیشکش

پیرنٹ کمپنی نے 28 اپریل 2022ء کو سنوفی - اوینٹِس پاکستان لمیٹڈ میں موجود سنوفی فارِن پار ٹیسپینٹس B.V. کے مکمل 52.87% حصص کی خریداری کے لئے انجمنِ سرمایہ کاران اور سنوفی فارِن پار ٹیسپینٹس B.V. کے درمیان مجوزہ لین دین کے شرائط و ضوابط اور قیمتِ خرید کو حتمی شکل دینے کے ارادے کا عوامی اعلان کیا تھا۔ انجمنِ سرمایہ کاران پیرنٹ کمپنی، IGI انویسٹمنٹس (پرائیویٹ) لمیٹڈ اور ارشد علی گوہر گروپ سے ملحقہ اداروں پر مشتمل ہے۔ اس انجمن کی قیادت پیرنٹ کمپنی کرتی ہے۔ مجوزہ لین دین کے لیے بعد از مذاکرات، قیمتِ خرید (لین دین کے اخراجات کو چھوڑ کر) 940 روپے فی حصص طے پائی ہے اور پیرنٹ کمپنی سنوفی پاکستان میں 35% ایکویٹی حصص حاصل کرنے کی توقع رکھتی ہے۔ بقیہ حصص یعنی 17.87%، انجمنِ سرمایہ کاران کے دیگر اراکین کی جانب سے خریدے جانے کی توقع ہے۔ کمپنی بقیہ حصص کو اس حد تک خریدنے کے لیے بھی پرعزم ہوگی جس حد تک انجمنِ سرمایہ کاران کے کسی دوسرے رکن نے نہ لئے ہوں۔

اس عرصے کے دوران پیرنٹ کمپنی نے سنوفی - اوینٹِس پاکستان لمیٹڈ کے 585,254 آرڈنری شیئرز حاصل کیے جو کہ 30 جون 2022ء کو پیرنٹ کمپنی کی جانب سے کی جانے والی لازمی عوامی پیشکش کے مطابق ایشوڈ آرڈنری شیئر کیپٹل (issued ordinary share capital) کا 6.07% بنتا ہے۔ اس پیشکش میں ایک آرڈنری شیئر کی قیمت 1,704 روپے تجویز کی گئی جو کہ سیکیورٹیز ایکٹ، 2015 اور لسٹڈ کمپنیز (سبسٹینشیئل ایکویزیشن آف ووٹنگ شیئرز اینڈ ٹیک اوورز) ریگولیشنز، 2017 کے مطابق ہے۔

مستقبل کا نقطہ نظر

وبائی بیماری کے بعد عالمی معیشت کی بحالی کو افراط زر کی بلند شرح، جارحانہ مالیاتی سختی اور روس ۔ یوکرین تنازعے کے نتیجے میں پیدا ہونے والی غیر یقینی صورتحال نے شدید متاثر کیا ہے۔ پاکستان کی معیشت، جہاں گروپ کے خالص اثاثوں کا سب سے اہم حصہ موجود ہے، مذکورہ بالا عالمی صورتحال کے ساتھ ساتھ سیاسی عدم استحکام اور غیر یقینی صورتحال، تجارتی خسارے اور غیر ملکی زرمبادلہ کے ذخائر میں کمی کی وجہ سے بڑھتے ہوئے دباؤ کا سامنا کر رہی ہے۔ یہ تمام اسباب امریکی ڈالر کے مقابلے میں روپے پر نمایاں دباؤ کا باعث بن رہے ہیں جس نے آپریشنز کے لئے خام مال اور رسد کی دستیابی کو بری طرح متاثر کیا ہے۔ بڑھتی ہوئی مہنگائی نے عوام کی قابل استعمال آمدنی کو متاثر کیا ہے اور توقع ہے کہ ان کے اخراجات تنگی کا شکار ہو جائیں۔

آگے بڑھتے ہوئے، توقع ہے کہ پاکستان کا معاشی منظر نامہ بہت حد تک آئی ایم ایف پروگرام کی تجدید، سیاسی استحکام کی بحالی، بین الاقوامی برادری کی جانب سے سیلاب سے متعلق امداد اور دوست ممالک کی حمایت کے ساتھ ساتھ استحکامِ معیشت کے مقصد کے تحت اصلاحات کے مسلسل نفاذ سے تشکیل پائے گا۔

ان تمام چیلنجز کو مد نظر رکھتے ہوئے گروپ کی انتظامیہ ان چیلنجز کے منفی اثرات کو کم سے کم کرنے، اپنے اسٹیک ہولڈرز کو نفع پہنچاتے ہوئے ان کی خدمت کرنے اور اپنے متنوع پورٹ فولیو سے بھرپور استفادہ کرتے ہوئے اپنی منافع بخش ترقی کی امنگوں کو پورا کرنے پر توجہ مرکوز کیے ہوئے ہے۔

توفیق حبیب چنائے
(چیئرمین)

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(چیف ایگزیکٹو آفیسراور مینجنگ ڈائریکٹر)

لاہور
24 مارچ، 2023ء

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