

Hoechst
PAKISTAN



(formerly Sanofi Aventis Pakistan Limited)



CREATING A
BETTER
TOMORROW



**ANNUAL
REPORT**
2023



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Company Information

Board of Directors

Syed Babar Ali (Chairman)
Syed Hyder Ali
Mr. Arshad Ali Gohar
Mr. Imtiaz Ahmed Husain Laliwala
Syed Anis Ahmad Shah
Mr. Muhammad Salman Burney
Ms. Saadia Naveed
Ms. Iqra Sajjad
Mr. Sajjad Iftikhar

Chief Executive Officer

Mr. Sajjad Iftikhar

Chief Financial Officer

Mr. Yasser Pirmuhammad

Company Secretary

Syed Muhammad Taha Naqvi

Head of Internal Audit

Mr. Feroze Polani

Auditors

A.F. Fergusons & Co.
Chartered Accountants

Legal Advisors

Khalid Anwer & Co.
Saadat Yar Khan & Co.
Ghani Law Associates
THS & Co.

Shares Registrar

FAMCO Share Registration Services (Private)
Limited
8-F, Near Hotel Faran, Nursery,
Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi
Tel: +92 21 34380101-5
URL: www.famcosrs.com

Bankers

Allied Bank Limited
Bank Al Habib Limited
Deutsche Bank AG
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
Standard Chartered (Pakistan) Limited

Registered Office

Plot 23, Sector 22, Korangi Industrial Area,
Karachi - 74900

Postal Address

P.O. Box No. 4962, Karachi - 74000

Contact

Tel: +92 21 35060221-35
Email: contact@hoechst.com.pk

Web presence

www.hoechst.com.pk

About Hoechst Pakistan Limited

Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited) has been present in Pakistan for over 55 years, saving the lives of millions and improving the quality of life of many more through high quality products.

The Company was incorporated on December 8, 1967, as Hoechst Pakistan Limited. In 1977 the organization went public and was listed on the Karachi Stock Exchange (now Pakistan Stock Exchange). Following multiple mergers, divestments and acquisitions over the years, the name of the company was changed to sanofi-aventis Pakistan limited in 2005.

On May 6th, 2022, Sanofi publicly announced the signing of a binding Share Purchase Agreement with the investor consortium led by Packages Limited, and including IGI Investments, and affiliates of Arshad Ali Gohar Group. The transaction successfully closed at the end of April 2023 with the transfer of 52.87% shares to the consortium. In August 2023, the Board of Directors approved the change of the name of the Company from “sanofi-aventis Pakistan Limited” to “Hoechst Pakistan Limited”.

We are a company with a rich legacy of excellence and reliability, and we are now seeking new ways to innovate and improve upon our past successes to address the full spectrum of healthcare needs, from wellness to prevention to management, treatment and cure.



1970 – Foundation Laying Ceremony of Hoechst Pakistan (now Hoechst Pakistan Limited)

*L to R : Front : Uwe Weimann , Pir Ali Gohar, Syed Babar Ali,
Prof. Sammet (Chairman, Hoechst A.G.) , Dominik von Winterfeldt , Karl – Heinz Gross;*

Back: Dr. Seyfried and Dr. Ing. Siegfried Lenz

Our History

2000

Name of the Company in Pakistan changed to Aventis Pharma (Pakistan) Limited

1999

Hoechst AG & Rhone Poulenc S.A. globally merged their life sciences business into a new company known as Aventis S.A.

1997

Hoechst Pakistan Limited changed its name to Hoechst Marion Roussel (Pakistan) Limited

1977

The company got listed on Karachi Stock Exchange

1967

The Company was incorporated with the name of Hoechst Pakistan Limited



2003

Aventis Pharma (Pakistan) Limited merged with Rhone Poulenc Rorer Pakistan (Private) Limited and name changed to Aventis Limited.

2004

Aventis S.A. acquired by sanofi synthelabo to form a company called sanofi-aventis S.A.

2005

Name of Company changed to Sanofi-Aventis Pakistan Limited.

2011

Sanofi-Aventis changed its identity to Sanofi internationally.

2023

Sanofi's shareholding was purchased by an investor consortium led by Packages Limited. The legal name changed to Hoechst Pakistan Limited.

Vision

To become a healthcare leader focused on patients' needs.

Mission

To enhance the quality of life of millions of people by addressing unmet medical needs in the community and promoting access to quality healthcare.

Our Values



Our Values shape our behaviors, ethics, and serve as a moral compass, ultimately defining the DNA of our company.

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.







Hoechst
PAKISTAN



Board of Directors

Director	Date of Joining Board	Other Engagements
 Syed Babar Ali (Chairman)	Prior to the listing of the company in 1977	Ali Institute of Education Aitchison College, Lahore Babar Ali Foundation Coca Cola Beverages Pakistan Limited Gurmani Foundation IGI Holdings Limited Industrial Technical & Educational Institute Lahore University of Management Sciences (LUMS) National Management Foundation Nestle Pakistan Limited Syed Maratib Ali Religious & Charitable Trust Society Tetra Pak Pakistan Limited The American Academy of Arts & Sciences Tri-Pack Films Limited
 Syed Hyder Ali (Non-Executive Director)	February 22, 1987	Ali Institute of Education Babar Ali Foundation Bulleh Shah Packaging (Private) Limited Flexible Packages Convertors (Pty) Limited IGI General Insurance Limited IGI Investments (Private) Limited IGI Life Insurance Limited IGI Holdings Limited International Chamber of Commerce, Pakistan Lahore University of Management Sciences (LUMS) National Management Foundation Nestle Pakistan Limited Packages Convertors Limited Packages Limited Packages Real Estate (Private) Limited Packages Lanka (Private) Limited Pakistan Centre for Philanthropy Packages Trading FZCO Packages Foundation Syed Maratib Ali Religious & Charitable Trust Society Tri-Pack Films Limited World Wide Fund for Nature – Member Advisory Council
 Arshad Ali Gohar (Non-Executive Director)	February 11, 2011	Ali Gohar & Company (Private) Limited AGT Holdings (Private) Limited AGC (Private) Limited Nera Pharma (SMC-Private) Limited

*Other engagements have been listed in alphabetical order.

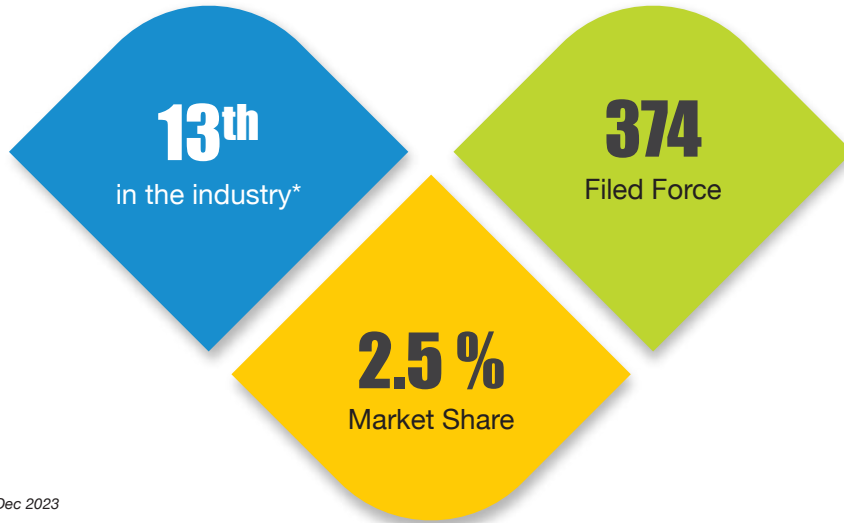
Director	Date of Joining Board	Other Engagements
	April 25, 2017	Board of Governors of The Kidney Centre Post Graduate Training Institute Pakistan Petroleum Limited
<p>Imtiaz Ahmed Husain Laliwala (Independent Director)</p>		
	April 28, 2023	No other engagements
<p>Syed Anis Ahmad Shah (Independent Director)</p>		
	May 25, 2023	Agri Auto Industries Limited Education Fund For Sindh Habib Metro Pakistan (Private) Limited Shabbir Tiles & Ceramics Limited Sindh Engro Coal Mining Co. Limited Thal Nova Power Thar (Private) Limited Thal Electric (Private) Limited Thar Power Company Limited Thal Limited
<p>Muhammad Salman Burney (Non-Executive Director)</p>		
	May 25, 2023	Coronet Foods Limited English Biscuit Manufacturers (Private) Limited Employers' Federation of Pakistan Education Fund for Sindh National Foods Limited Shield Corporation Limited
<p>Saadia Naveed (Independent Director)</p>		

**Other engagements have been listed in alphabetical order.*

Director	Date of Joining Board	Other Engagements
 <p data-bbox="146 551 413 610">Iqra Sajjad (Non-Executive Director)</p>	September 28, 2023	No other engagements
 <p data-bbox="146 950 413 1009">Sajjad Iftikhar (Chief Executive Officer)</p>	April 28, 2023	Babar Ali Foundation - Honorary Secretary IGI General Insurance Limited IGI Investments (Private) Limited StarchPack (Private) Limited

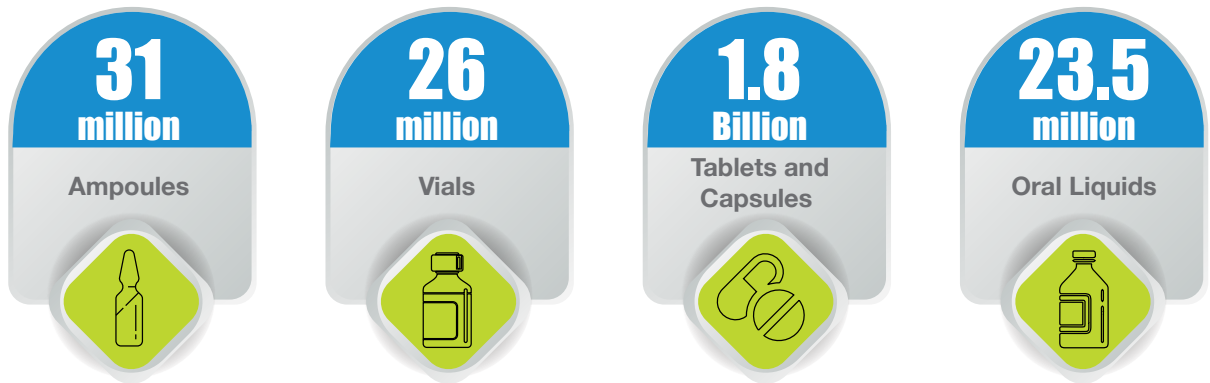
**Other engagements have been listed in alphabetical order.*

The Year at a Glance



*source: IQVIA PKPI MAT Dec 2023

Production Volumes



Our People

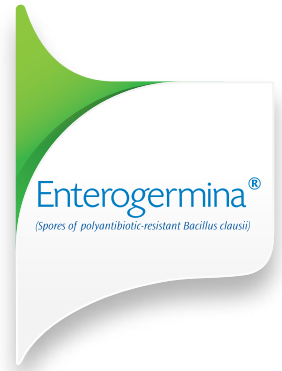


* Including Commercial, Industrial Affairs and company contractuales.

Financial Highlights



Our Key Brands



Employee Engagement



Chairman Syed Babar Ali on site visit after the transition of Sanofi Aventis Pakistan into Hoechst Pakistan Limited



Thirty new plants were added to the green belt during Tree Plantation Drive



New hires captured at the annual orientation program “Know Your Company (KYC)”



In a month-long celebration of Company Values, employees participated in various engaging activities across Pakistan



Employees & their children enthusiastically participated in a "Recycling Contest"



Employees pledge commitment to Quality during World Quality Week



Health, Safety and Environment (HSE) team launched awareness activities in observance of “World Environment Day”



Annual awareness session was held to mark global Breast Cancer Awareness month in October



Management & Non-Management employees get together for Eid Milan Party



Jubilant employees marked Independence Day in traditional outfits



Lucky draw winners of Haj Balloting with HPL Management & President of Employees' Union



Eid Milad-un-Nabi (PBUH) was observed in the month of Rabi-ul-Awal

Corporate Social Responsibility

Improving Diabetes Awareness

We collaborated with leading diabetes institutions throughout the year to educate more than 100,000 people on diabetes. Through our team of Diabetes Educators (DEs), we launched around 10,000 educational/counselling sessions, including patient advocacy and patient support programs with the objective to increase awareness amongst the general public on diabetes symptoms, management, and complications, along with diet and lifestyle modification to prevent the onset of diabetes.

Our partner organizations included National Association of Diabetes Educators of Pakistan (NADEP), Diabetic Association of Pakistan (DAP), Primary Care Diabetes Association of Pakistan (DAP), Pakistan Endocrine Society (PES), & Meethi Zindagi.



Feminine Hygiene

No more shush! Let's talk about it, period!



In collaboration with Marie Stopes Society (MSS), over 150,000 women in rural areas were educated on menstrual health & hygiene. The program entailed extensive trainings for the MSS staff on the topic of menstrual health and hygiene management.

Blood Donation Camp

In collaboration with the Indus Hospital Blood Center, the annual blood camp was arranged for the employees of Hoechst Pakistan Limited on August 11, 2023.

Corporate Governance & Financial Performance



Independent Auditors' Review Report on Statement of Compliance



A.F.FERGUSON & CO.

Independent Auditor's Review Report

To the members of Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan 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 Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited) for the year ended December 31, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2023.

A.F. Ferguson & Co.
Chartered Accountants

Karachi

Date: March 15, 2024

UDIN: CR202310069ZqTfo3ycM

*A.F.FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>*

■ KARACHI ■ LAHORE ■ ISLAMABAD

Statement of Compliance

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

For the Year Ended December 31, 2023

Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited) (the Company) has complied with requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total number of directors are 9 as per the following:

- a. Male: Seven (7)
- b. Female: Two (2)

2. The composition of the Board is as follows:

Category	No.	Names
Independent Directors (Male)	2	Mr. Imtiaz Ahmed Husain Laliwala Syed Anis Ahmad Shah
Independent Director (Female)	1	Ms. Saadia Naveed
Non-Executive Directors (Male)	4	Syed Babar Ali Syed Hyder Ali Mr. Arshad Ali Gohar Mr. Muhammad Salman Burney
Non-Executive Director (Female)	1	Ms. Iqra Sajjad
Executive Director (CEO)	1	Mr. Sajjad Iftikhar

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Company;

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

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

9. At present, out of nine (9) Directors on the Board, four (4) Directors (including the CEO) have acquired the Directors' Training Program Certifications whilst the four (4) Directors are exempt from the requirement of Directors' Training Program. One director will complete training within a due course of time to comply with the requirements of Regulation 19 of the Regulations;

10. The Board has approved appointment of Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. There was no change in the position of Chief Financial Officer during the year;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

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

AUDIT COMMITTEE	
Name of the Member	Category
Mr. Imtiaz Ahmed Husain Laliwala (Independent Director)	Chairman
Syed Anis Ahmad Shah (Independent Director)	Member
Mr. Muhammad Salman Burney (Non-executive Director)	Member
Ms. Saadia Naveed (Independent Director)	Member

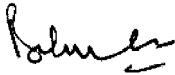
HUMAN RESOURCE AND REMUNERATION COMMITTEE	
Name of the Member	Category
Ms. Saadia Naveed (Independent Director)	Chairperson
Syed Hyder Ali (Non-executive Director)	Member
Mr. Arshad Ali Gohar (Non-executive Director)	Member
Mr. Imtiaz Ahmed Husain Laliwala (Independent Director)	Member
Mr. Muhammad Salman Burney (Non-executive Director)	Member

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 during the year were as per following:
- | | |
|-------------------------------|-----------|
| Audit Committee | Quarterly |
| HR and Remuneration Committee | Yearly |
15. The Board has outsourced the internal audit function to BDO Ebrahim & Co., who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with the 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 any 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, the 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 the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is stated below.

Nomination Committee and Risk Management Committee (Regulations 29 and 30)

The responsibilities of the Nomination Committee and the Risk Management Committee are currently fulfilled by the Human Resource and Remuneration Committee and the Audit Committee, respectively. Therefore, establishing a separate committee for Nomination and Risk Management is not considered necessary.



Syed Babar Ali
Chairman



Sajjad Iftikhar
Chief Executive Officer

Karachi
Date: February 22, 2024

Operating & Financial Highlights

		2023	2022	2021	2020	2019	2018
Liquidity Ratios							
Current Ratio	Times	1.8	1.4	1.8	1.7	1.6	1.7
Quick Ratio	Times	0.8	0.8	0.8	0.9	0.9	0.9
Cash to Current Liabilities	Times	0.03	(0.19)	0.20	(0.05)	(0.12)	0.07
Cash Flow from Operations to Sales	%	15.9	(0.1)	13.2	6.5	3.5	15.1
Net Working Capital	Rs. M	3,417	2,985	3,323	2,862	2,307	2,575
Net Assets	Rs. M	5,471	5,030	5,219	4,562	4,089	4,298
Operating Cycle	Days	112	126	122	119	108	125
Current assets to Total assets	%	79.2	83.1	79.0	78.0	76.8	77.9
Inventory / Current Assets	%	52.4	44.4	53.5	52.4	51.7	58.4
Inventory to Total Assets	%	41.5	36.9	42.3	37.1	33.1	36.9
Activity Ratios							
Inventory Turnover	Times	3.7	3.2	3.3	3.6	4.0	3.4
Average No of Days inventory in stock	Days	100	113	111	102	92	107
Accounts Receivable Turnover	Times	29.9	28.3	32.0	22.9	22.8	20.5
Average Collection Period	Days	12	13	11	16	16	18
Creditors Turnover	Times	3.3	3.0	3.3	3.2	3.3	3.2
Average Payment Period	Days	112	122	111	113	111	115
Fixed Assets Turnover	Times	11.4	10.3	9.2	8.2	8.7	7.7
Operating Assets Turnover	Times	2.4	2.2	2.4	2.2	2.6	2.5
Total Assets Turnover	Times	1.9	1.7	1.8	1.7	1.9	1.8
Leverage							
Interest Coverage Ratio	Times	6.2	15.5	51.5	16.1	8.5	63.6
Fixed Assets to Equity	Times	0.3	0.4	0.3	0.4	0.4	0.4
Profitability Ratios							
Sales Growth	%	15.1	16.9	12.6	(2.7)	11.9	4.1
COGS to Net Sales	%	74.1	73.8	74.0	73.0	74.3	69.5
EBITDA* to Net Sales	%	6.6	5.7	11.3	9.2	6.7	9.9
Profit Before Tax to Net Sales	%	4.3	3.9	9.0	6.2	3.8	7.1
Net Profit Margin	%	1.7	0.9	5.7	3.5	1.1	4.7
Gross Profit Margin	%	25.9	26.2	26.0	27.0	25.7	30.5
Operating Profit Margin	%	5.1	4.2	9.2	6.6	4.3	7.3
Return on Assets	%	3.3	1.5	10.1	6.0	2.0	8.5
Return on Equity	%	6.9	3.3	18.5	11.4	3.7	14.5
Return on Capital Employed	%	20.7	15.0	29.2	21.2	14.8	22.3
Admin. Dist. & Mktg. Exp. to Net Sales	%	16.2	18.1	15.5	18.1	19.6	20.0
Admin. Dist. & Mktg. Exp. Variance	%	2.9	36.7	(3.5)	(10.4)	10.0	0.9
Financial Charges to Net Income	%	48.4	29.9	3.1	11.8	46.7	2.4
Market Value							
Market Value Per Share	Rs.	1,200.00	958.00	897.67	757.34	800.10	750.00
Break-up value per Share	Rs.	567.3	521.5	541.1	473.0	424.0	445.6
Market / Book Ratio	Times	2.1	1.8	1.7	1.6	1.9	1.7
Earnings per share (before tax)	Rs.	95.0	75.1	148.9	91.2	56.7	96.0
Earnings per share (after tax)	Rs.	37.4	17.3	93.9	51.1	16.1	63.5
Price Earning Ratio	Times	32.1	55.4	9.6	14.8	49.8	11.8
Dividend per Share	Rs.	30.0	-	30.0	20.0	8.0	30.0
Dividend Yield	%	2.5	-	3.3	2.6	1.0	4.0
Dividend cover	Times	1.2	-	3.1	2.6	2.0	2.1
Payout Ratio (after tax)	%	80.2	-	31.9	39.1	49.8	47.2
Market Capitalisation	Rs.M	11,574	9,240	8,658	7,304	7,717	7,234

*EBITDA = Earnings before interest, taxes, depreciation and amortization

Horizontal Analysis

	2023	23 vs 22	2022	22 vs 21
	Rs in million	%	Rs in million	%
Operating Results				
Net sales	21,369	15.1	18,560	16.9
Cost of sales	(15,843)	15.7	(13,689)	16.4
Gross profit	5,526	13.5	4,871	18.1
Distribution, selling and administrative expenses	(3,461)	2.9	(3,365)	37.7
Other expenses	(1,361)	49.2	(912)	137.6
Other income	387	114.9	180	5.6
Operating profit	1,091	41.0	774	(47.2)
Finance costs	(175)	250.8	(50)	75.2
Profit before taxation	916	26.5	724	(49.6)
Taxation	(555)	(0.4)	(557)	5.0
Net profit	361	116.3	167	(81.6)
Balance Sheet				
Fixed assets	1,822	(5.1)	1,920	13.4
Other non-current assets	232	38.9	167	(34.4)
Current assets	7,816	(23.7)	10,245	39.8
Total assets	9,870	(20.0)	12,332	33.0
Ordinary share capital	96	-	96	-
Reserves	5,375	9.0	4,934	(3.7)
Non-current liabilities	-	(100.0)	42	(21.1)
Current liabilities	4,399	(39.4)	7,260	81.4
Total equity and liabilities	9,870	(20.0)	12,332	33.0
Cash Flows				
Cash generated from operations	3,395	(17,502.5)	(20)	(100.9)
Cash flows used in operating activities	(879)	(29.7)	(1,251)	112.6
Cash flows used in investing activities	(998)	129.5	(435)	85.1
Cash flows (used in) / generated from financing activities	(41)	(90.8)	(448)	42.4
Net increase / (decrease) in cash and cash equivalents	1,476	(168.5)	(2,153)	(324.7)
Number of Employees				
Number of permanent employees at year end	734		744	

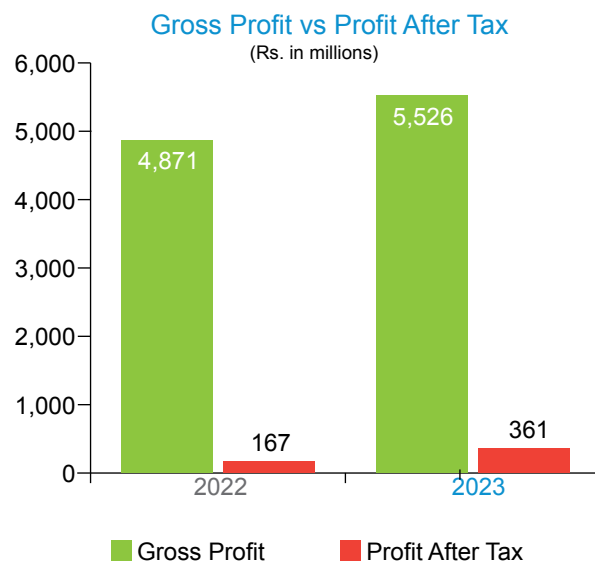
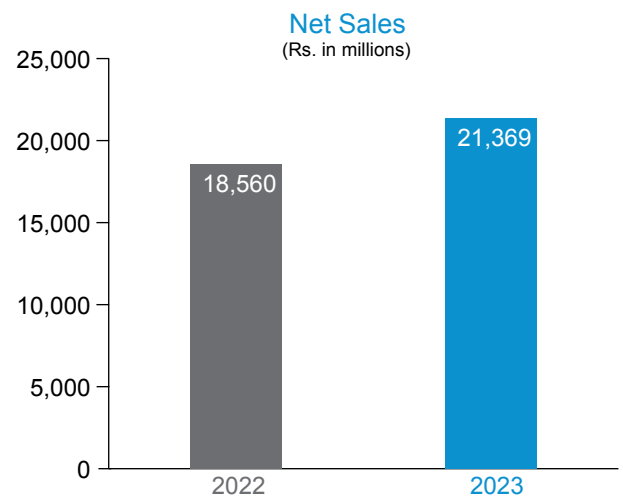
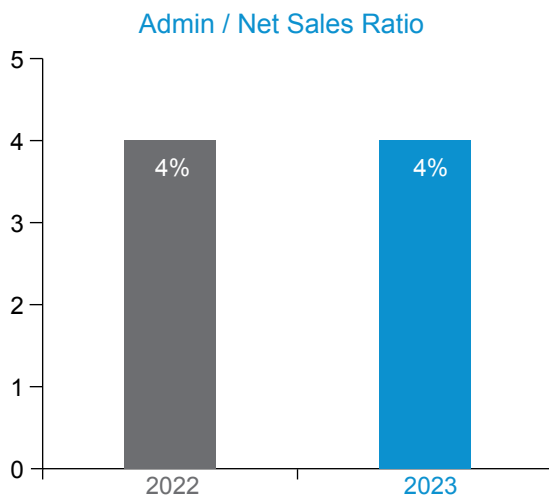
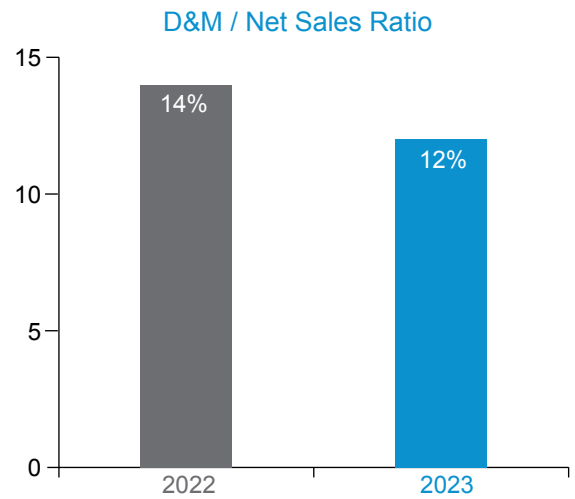
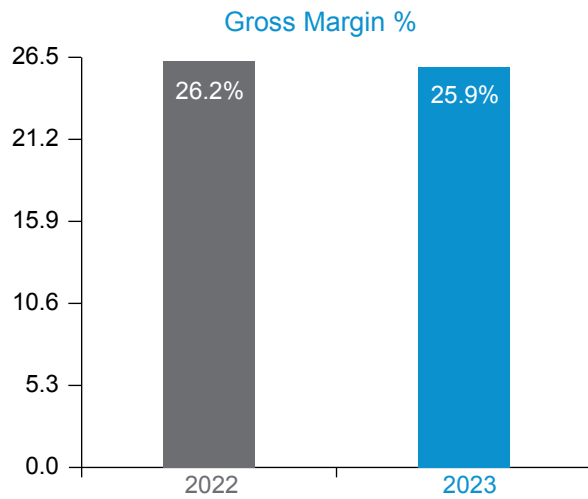
2021	21 vs 20	2020	20 vs 19	2019	19 vs 18	2018	18 vs 17
Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
15,881	12.6	14,108	(2.7)	14,501	11.9	12,961	4.1
(11,758)	14.1	(10,303)	(4.4)	(10,776)	19.5	(9,014)	12.5
4,123	8.4	3,805	2.1	3,725	(5.6)	3,947	(11.0)
(2,444)	(4.2)	(2,551)	(10.4)	(2,848)	10.0	(2,589)	0.9
(384)	5.3	(365)	4.2	(350)	(24.4)	(463)	31.3
170	242.7	50	(46.3)	92	100.7	46	(29.1)
1,465	56.1	938	51.5	619	(34.2)	941	(40.5)
(29)	(51.7)	(58)	(19.4)	(72)	389.2	(15)	(58.2)
1,436	63.3	880	61.0	546	(41.0)	926	(40.1)
(530)	36.7	(387)	(1.2)	(392)	25.1	(313)	(42.0)
906	83.7	493	218.5	155	(74.7)	613	(39.1)
1,693	(4.2)	1,767	6.5	1,658	(0.3)	1,664	(2.3)
255	81.2	140	10.2	127	116.0	59	132.3
7,326	8.6	6,746	14.1	5,911	(2.8)	6,083	24.2
9,274	7.2	8,653	12.4	7,696	(1.4)	7,806	17.8
96	-	96	-	96	-	96	-
5,122	14.7	4,466	11.8	3,993	(5.0)	4,201	3.7
53	(74.4)	207	10,250	2	-	-	-
4,003	3.1	3,884	7.7	3,605	2.8	3,509	41.7
9,274	7.2	8,653	12.4	7,696	(1.4)	7,806	17.8
2,096	129.0	916	81.8	504	(74.3)	1,962	(14.4)
(588)	13.7	(517)	(3.3)	(535)	(25.1)	(714)	(25.9)
(235)	(40.5)	(395)	12.5	(351)	14.5	(307)	78.4
(315)	(234.7)	234	(180.7)	(289)	(32.9)	(431)	(66.5)
958	304.1	237	135.3	(671)	(231.6)	510	491.0
819		793		908		941	

Vertical Analysis

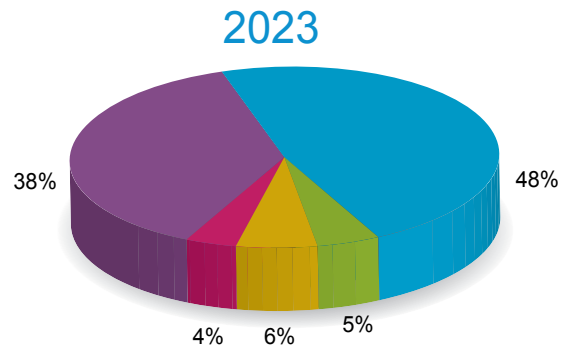
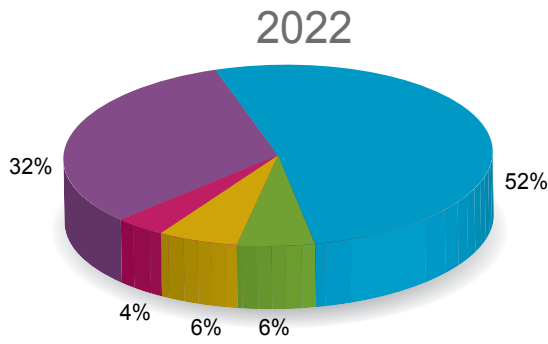
	2023		2022	
	Rs in million	%	Rs in million	%
Operating Results				
Net sales	21,369	100.0	18,560	100.0
Cost of sales	(15,843)	(74.1)	(13,689)	(73.8)
Gross profit	5,526	25.9	4,871	26.2
Distribution, selling and administrative expenses	(3,461)	(16.2)	(3,365)	(18.1)
Other expenses	(1,361)	(6.4)	(912)	(4.9)
Other income	387	1.8	180	1.0
Operating profit	1,091	5.1	774	4.2
Finance costs	(175)	(0.8)	(50)	(0.3)
Profit before taxation	916	4.30	724	3.90
Taxation	(555)	(2.60)	(557)	(3.00)
Net profit	361	1.69	167	0.90
Balance Sheet				
Fixed assets	1,822	18.4	1,920	15.6
Other non-current assets	232	2.4	167	1.4
Current assets	7,816	79.2	10,245	83.0
Total assets	9,870	100.0	12,332	100.0
Ordinary share capital	96	1.0	96	0.8
Reserves	5,375	54.4	4,934	40.0
Non-current liabilities	-	-	42	0.3
Current liabilities	4,399	44.6	7,260	58.9
Total equity and liabilities	9,870	100.0	12,332	100.0
Cash Flows				
Cash generated from operations	3,395	230.0	(20)	0.9
Cash flows used in operating activities	(879)	(59.6)	(1,250)	58.1
Cash flows used in investing activities	(998)	(67.6)	(435)	20.2
Cash flows (used in) / generated from financing activities	(41)	(2.8)	(448)	20.8
Net increase / (decrease) in cash and cash equivalents	1,476	100.0	(2,153)	100.0
Number of Employees				
Number of permanent employees at year end		734		744

2021		2020		2019		2018	
Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
15,881	100.0	14,108	100.0	14,501	100.0	12,961	100.0
(11,758)	(74.0)	(10,303)	(73.0)	(10,776)	(74.3)	(9,014)	(69.5)
4,123	26.0	3,805	27.0	3,725	25.7	3,947	30.5
(2,444)	(15.4)	(2,551)	(18.1)	(2,848)	(19.6)	(2,589)	(20.0)
(384)	(2.4)	(365)	(2.6)	(350)	(2.4)	(463)	(3.6)
170	1.1	50	0.4	92	0.6	46	0.4
1,465	9.3	938	6.6	619	4.3	941	7.3
(29)	(0.2)	(58)	(0.4)	(72)	(0.5)	(15)	(0.1)
1,436	9.10	880	6.2	546	3.80	926	7.2
(530)	(3.3)	(387)	(2.7)	(392)	(2.7)	(313)	(2.4)
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96	1.0	96	1.1	96	1.3	96	1.2
5,122	55.2	4,466	51.6	3,993	51.9	4,201	53.8
53	0.6	207	2.4	2	-	-	-
4,003	43.2	3,884	44.9	3,605	46.8	3,509	45.0
9,274	100.0	8,653	100.0	7,696	100.0	7,806	100.0
2,096	218.7	916	386.1	504	(75.0)	1,962	384.7
(588)	(61.4)	(517)	(218.1)	(535)	79.6	(714)	(140.0)
(235)	(24.5)	(395)	(166.4)	(351)	52.3	(307)	(60.1)
(315)	(32.8)	234	98.5	(289)	43.1	(431)	(84.6)
958	100.0	237	100.0	(671)	100.0	510	100.0
819		793		908		941	

Analytical Review

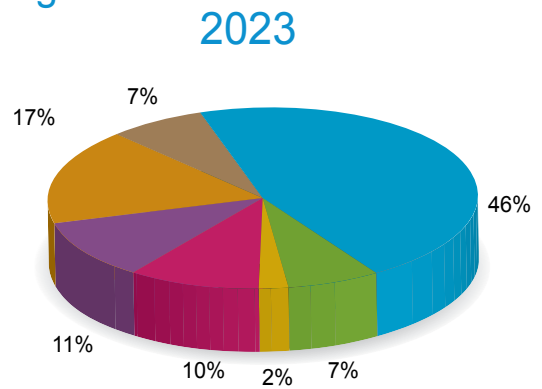
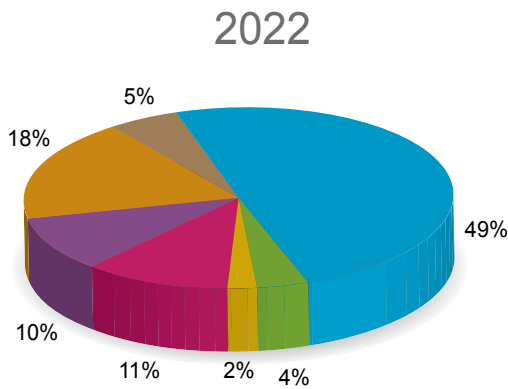


Cost of Sales



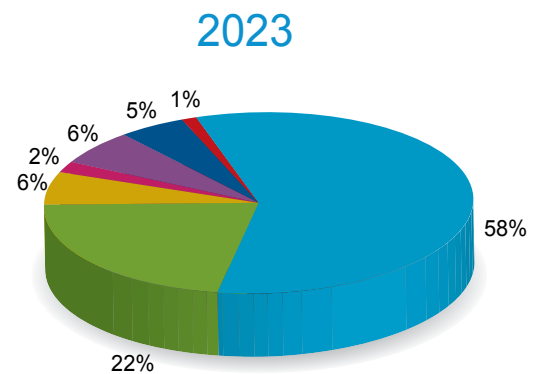
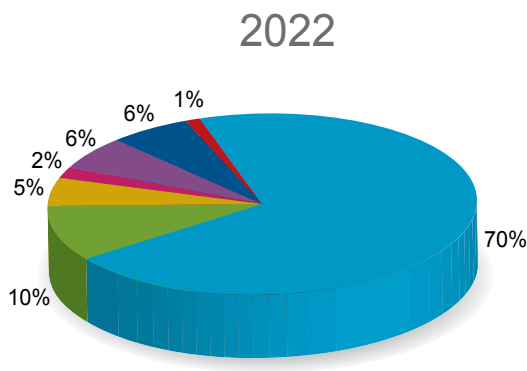
● Raw, packing & auxiliary ● Others ● Staff costs ● Fuel & power ● Finished goods sold

Distribution & Marketing Costs

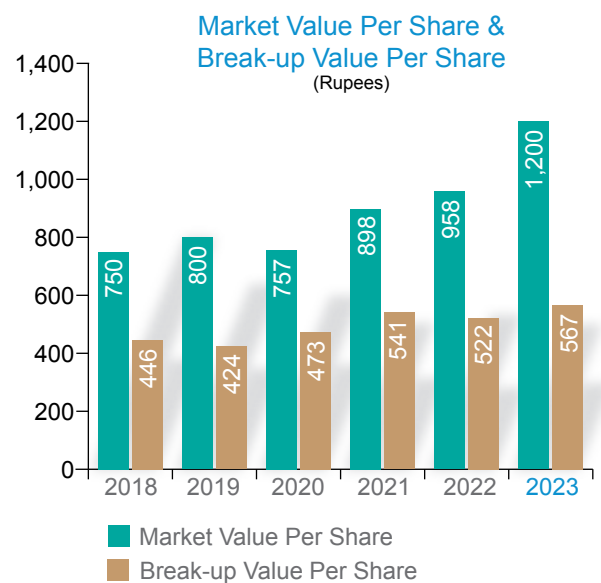
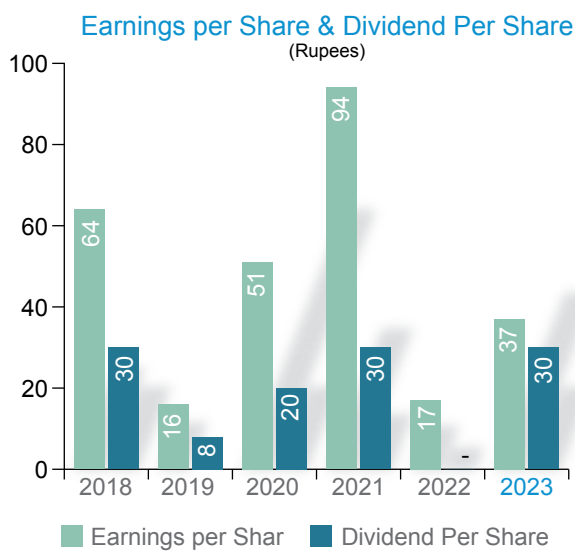
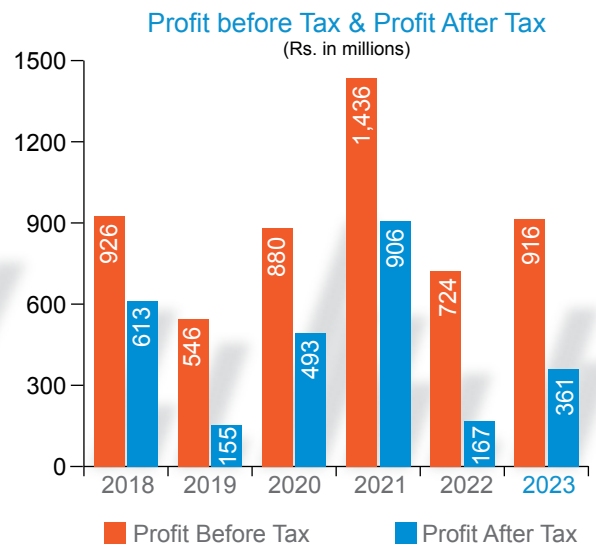
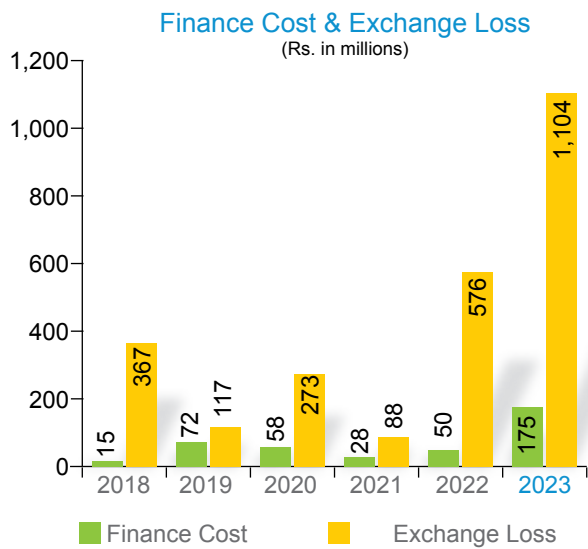
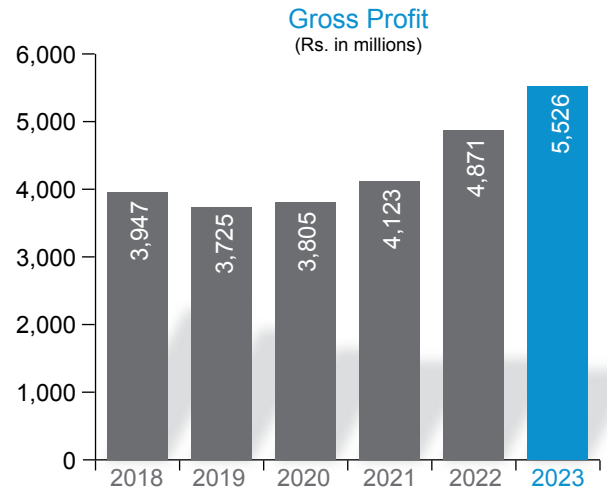
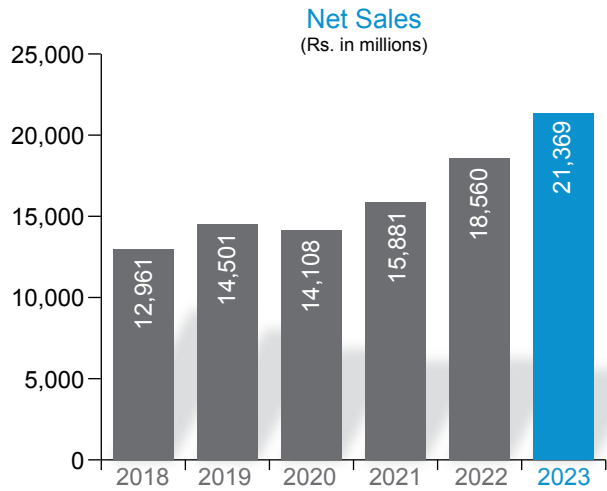


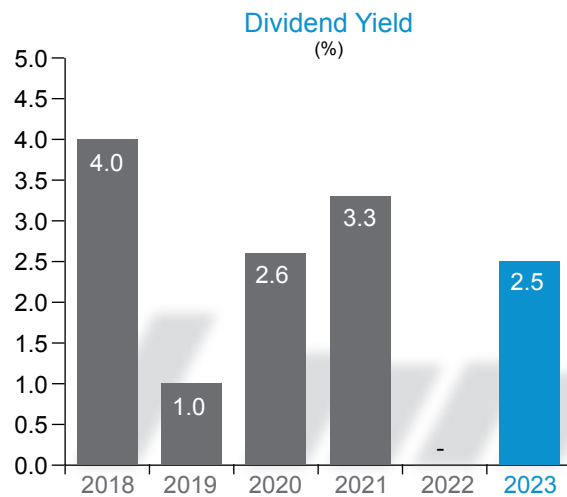
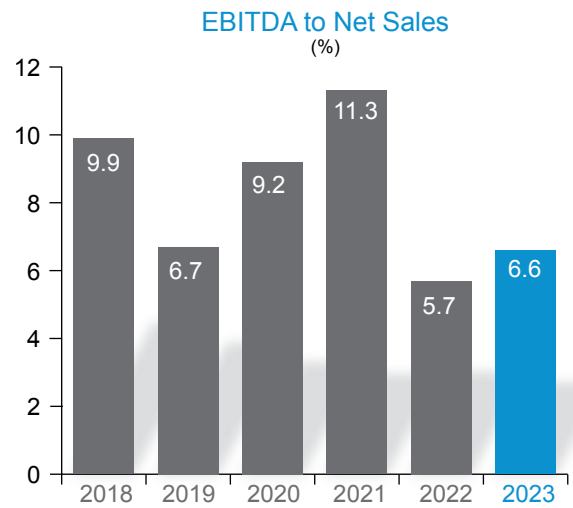
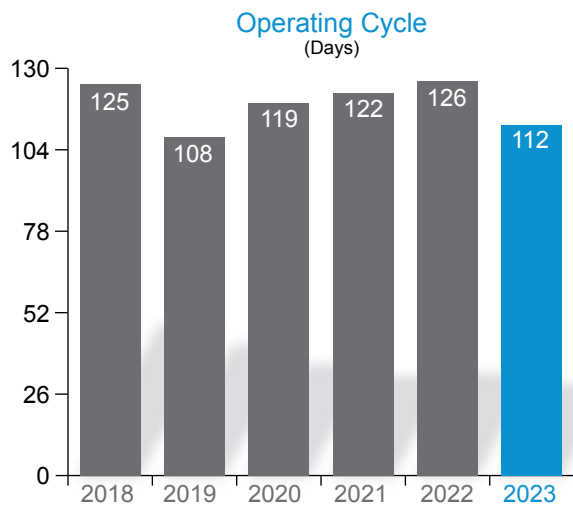
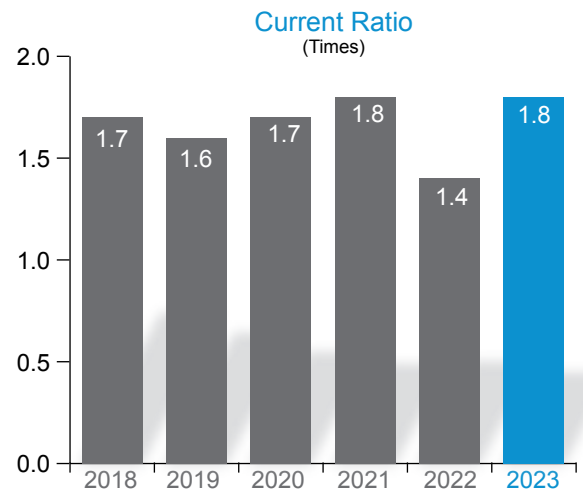
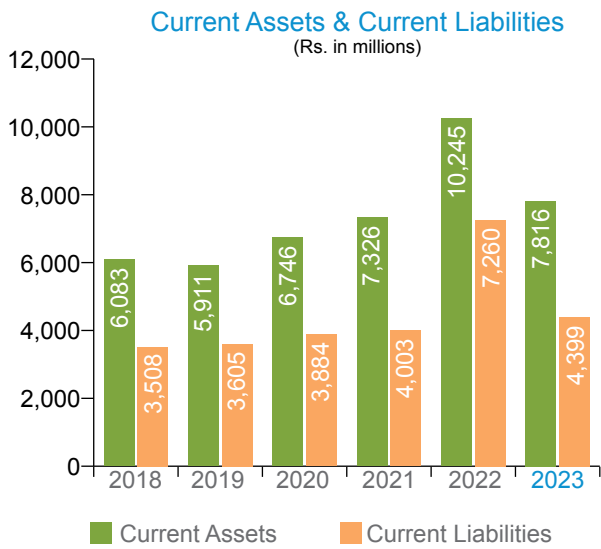
● Staff costs ● Others ● Depreciation ● Travelling & conveyance ● Handling, freight & transportation ● Advertising & sales promotion ● Commission expense

Administrative Expenses



● Staff costs ● Others ● Fuel and Power ● Repairs & maintenance ● Depreciation ● Travelling & conveyance ● Communication





Statement of Value Added

Net Sales including Sales Tax
Materials and Services

2023		2022	
Rs in thousand	%	Rs in thousand	%
21,618,635	100.0	18,695,116	100.0
(15,574,332)	(72.0)	(13,118,598)	(70.2)
6,044,303	28.0	5,576,518	29.8
DISTRIBUTED AS FOLLOWS:			
Employees			
Staff Cost			
2,574,369	42.6	2,647,949	47.5
Workers' Profit Participation Fund			
48,911	0.8	38,766	0.7
2,623,280	43.4	2,686,715	48.2
Government			
Income Tax			
755,044	12.5	557,284	10.0
Custom Duty, Sales Tax and others			
1,880,986	31.1	1,835,496	32.9
Central Research Fund			
9,866	0.2	7,839	0.1
Workers' Welfare Fund			
22,235	0.4	13,241	0.2
2,668,131	44.1	2,413,860	43.3
Capital Providers			
Dividend to shareholders			
289,343	4.8	-	0.0
Mark-up on borrowed funds			
76,838	1.3	23,225	0.4
366,181	6.1	23,225	0.4
Retained in business			
Depreciation and amortisation			
315,247	5.2	285,935	5.1
Net Earnings			
71,464	1.2	166,783	3.0
386,711	6.4	452,718	8.1
6,044,303	100	5,576,518	100

DISTRIBUTED AS FOLLOWS:

Employees

Staff Cost
Workers' Profit Participation Fund

Government

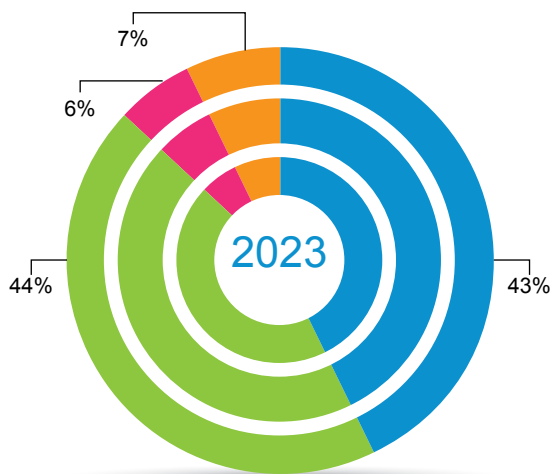
Income Tax
Custom Duty, Sales Tax and others
Central Research Fund
Workers' Welfare Fund

Capital Providers

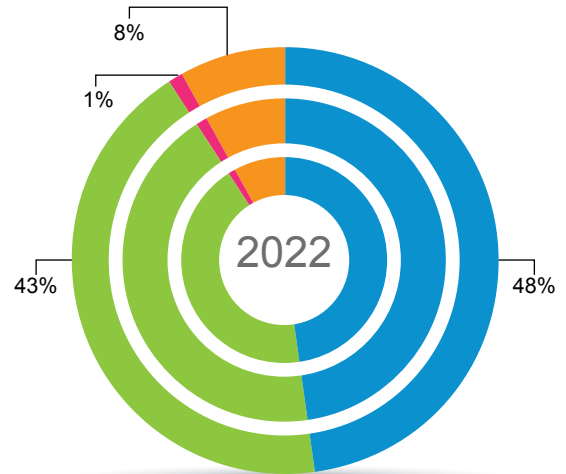
Dividend to shareholders
Mark-up on borrowed funds

Retained in business

Depreciation and amortisation
Net Earnings



● Employees ● Government
● Capital Providers ● Retained in business



● Employees ● Government
● Capital Providers ● Retained in business

Financial Statements



Chairman's Review Report

With the close of another financial year, it is my privilege to write to you once more. This was a happening year for the company as the majority shareholding of the Company was acquired by an Investor Consortium comprising Packages Limited, IGI Investments (Private) Limited and affiliates of Arshad Ali Gohar Group from Sanofi Foreign Participations B.V in April 2023. The name of the Company has also been changed to Hoechst Pakistan Limited in September 2023 and the management is taking necessary regulatory steps for transfer of product registrations. The Company has launched its new corporate website and logo in December 2023 to start a new journey in its history. These developments will not have any impact on the principal line of business of the Company and our commitment to deliver quality products to patients will continue.

At Hoechst, we live by our core values of honesty, care, lead, respect and courage and aim at improving the lives of patients. The company will be striving to enrich its product portfolio while maintaining its quality standards and ethical practices.

The Company has achieved a modest double-digit topline growth of 15% that indicates its commitment to increase its patient reach despite economic challenges led by currency devaluation, inflation, high interest costs and pharma specific price control challenges. The management of your company have implemented aggressive cost control measures to deliver bottom line results.

Your Company, through its resilience and commitment, is managing these challenges on continuing basis to ensure business continuity and the availability of products, in order to protect and support people facing health challenges.

Review of Financial Performance

The Company has achieved net sales of Rs. 21,369 million in 2023 with sales growth of 15% over last year and sustained gross profit margin of 26% through efficient sourcing and operational efficiencies to sustain inflation and currency pressures. The Company achieved net profit after tax of Rs. 361 million in the year 2023 as compared to Rs. 167 million of last year through tighter control over operating costs and efficient working capital and treasury management.

Board's Function and Decision Making

The function of the Board as representatives of the shareholders is governance and oversight. During this challenging year, the Board, under my leadership, worked closely with the management in ensuring that all the legal and regulatory requirements have been complied with, realigning strategies to deal with ongoing challenges and provided necessary direction for the attainment of strategic goals.

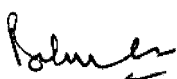
Board's Annual Performance Evaluation

During the year, the Board continued its effort to ensure adherence to the Code of Corporate Governance Regulations 2019 and fortify a culture of strong commitment and compliance with the best corporate governance and prudent pharma practices. The Board has completed its annual self-evaluation for the year ended December 31, 2023.

The overall performance of the Board for the year was satisfactory.

Acknowledgement

I would like to thank all our shareholders, customers and bankers for their trust and support during these challenging times. I would also like to extend my gratitude to the Board members, CEO and all employees for their valuable support and commitment towards your company.



Syed Babar Ali

Karachi: February 22, 2024

Directors' Report to the Shareholders

The Board of Directors is pleased to present the Annual Report of Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited) (the "Company") along with the Company's audited financial statements for the year ended December 31, 2023. The Directors' report has been prepared in accordance with Section 227 of the Companies Act 2017, and Listed Companies (Code of Corporate Governance) Regulations 2019.

Your Company is one of the well-established healthcare companies of Pakistan, focused on patient needs and engaged in the manufacturing, promotion, and sale of pharmaceutical and vaccines.

Change of Management and Control

During the year, an Investor Consortium led by Packages Limited (comprising Packages Limited, IGI Investments (Private) Limited and affiliates of Arshad Ali Gohar Group) acquired entire 52.87% shares held by Sanofi Foreign Participations B.V in the Company on April 28, 2023 in accordance with the terms of the Share Purchase Agreement executed between the parties on April 29, 2022. Earlier, Packages Limited also acquired a 6.07% shareholding in the Company as a result of mandatory tender offer on August 23, 2022, in accordance with the applicable Takeover Laws. Accordingly, Packages Limited has become the Parent Company by virtue of 41.07% shareholding in the Company.

Upon completion of applicable corporate approvals, the name of the Company has been changed from Sanofi-aventis Pakistan Limited to Hoechst Pakistan Limited with effect from September 27, 2023 and a Certificate of Incorporation on Change of Name was issued by the Securities and Exchange Commission of Pakistan and the Company is now taking steps required for name change from Drug Regulatory Authority of Pakistan. This change of name shall have no effect on the principal line of business of the Company. The new name encapsulates the rich legacy of the Company since making its footprint in Pakistan.

Performance Overview

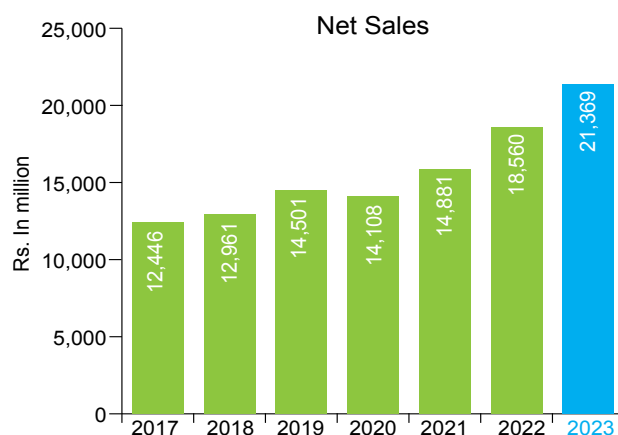
The Company has achieved net sales of PKR 21,369 million during the year 2023 representing a modest growth of 15% as compared to last year that is indicative of improved penetration of Company's products for its patients. Our flagship product Flagyl® crossed PKR 5 billion mark in the year 2023. The Company has maintained its gross margin at 26% despite economic challenges including massive currency devaluation, higher interest rates and significant inflation. These product margins have been maintained through enhanced focus on operational efficiencies and efficient material sourcing.

Net exchange loss on foreign currency liabilities amounted to PKR 1,104 million [2022: PKR 576 million]. This increase in exchange loss is primarily due to significant devaluation of local currency (PKR) against USD and Euro.

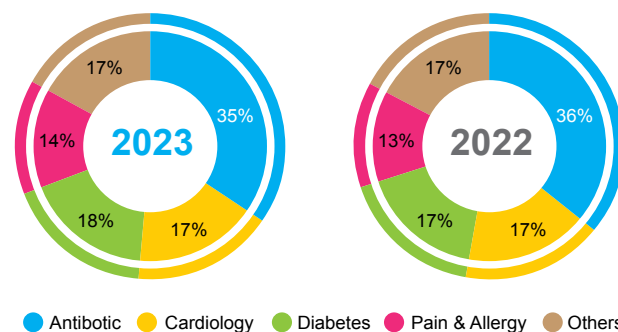
The profit after tax for the year ended December 31, 2023, stands at PKR 361 million, as compared to profit after tax of PKR 167 million in 2022. This has been achieved through enhanced focus on operating cost control and efficient working capital and treasury management that has helped the Company to absorb net exchange loss of PKR 1,104 million [2022: PKR 576 million].

Key Financial Highlights

	2023	2022
	(Rupees in million)	
Net Sales	21,369	18,560
Gross Profit	5,526	4,871
Gross Profit %	26%	26%
Operating Profit	1,091	774
Operating Profit %	5.1%	4.2%
Finance Cost	(175)	(50)
Profit After Tax	361	167
Earnings Per Share (Rupees)	37.41	17.29



Sales contribution split between different therapeutic areas is as follows:



Internal Audit and Controls

The Company has setup an effective internal audit and control function, which provides independent assurance to the Board on the existence and effectiveness of internal controls. In compliance with the Company's risk governance framework, the Audit Committee approves the annual internal audit plan to ensure effectiveness and independence of the Internal Audit function. The Directors are confident that the system of internal control is sound in design and was effectively implemented and monitored throughout the year.

Risk Management

The Company faces several legal, regulatory, and operational risks. There is an Internal Controls and Risk Management Framework in place which ensures that appropriate risk mitigation plans exist and are working effectively. Any significant issues are escalated to higher management and the Board.

Strategic risks are managed by the Board of Directors with the assistance of leadership team while operational risks are managed by the leadership team. Some key areas which can impact the Company's operations being a pharmaceutical player include the following:

- Pricing of pharmaceutical products
- Currency devaluation
- Counterfeit products
- Disruption in supply chain
- Delayed recoveries from institutions
- Product liability claims

Our People and Culture

The talent and passion of our people is our greatest strength. Our people are committed to making the best solutions accessible to patients. We believe in promoting a culture of care, respect, honesty, courage and empowerment which is aligned with the values of our Group. We continue to create a more diverse and inclusive work environment where our people & the Company can excel.

Corporate Social Responsibility

The Company has a long history of supporting and partnering with communities to improve lives across the Country. The Company recognizes that Corporate Social Responsibility (CSR) initiatives create positive impact for communities.

Details of CSR activities carried out during the year are given in CSR section of the Annual Report.

Health, Safety and Environment

The Company is committed to maintaining high standards of Health, Safety and Environment (HSE). The Company ensures compliance with the best HSE practices, conducts regular trainings and also focuses on identification and mitigation of hazards and risks within and outside the Company premises. Some of the key initiatives during the year include implementation of solar energy, reduction in the use of plastic by using reusable belts for securing pallets in Warehouse, emergency evacuation drills, annual medical screening of employees and safety trainings.

The Company achieved 13.4 million safe man hours i.e. there was no lost time injury (LTI) sustained or reported till 2023.

Corporate and Financial Reporting Framework

- The financial statements, prepared by the management of the Company, present true and fair view, of its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.

- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts regarding the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance as detailed in the Listed Companies (Code of Corporate Governance) Regulations, 2019.
- Significant deviations from last year in operating results have been explained in detail together with the reasons thereof in the Annual Report.
- Key operating and financial data for the last six years is shown on pages from 23 to 31.
- The value of investments of provident and gratuity fund based on their accounts (unaudited) as at December 31, 2023 was as follows:

Particulars	Rs in '000'
Provident Fund	652,114
Gratuity Fund	656,152

- Outstanding duties, statutory charges, and taxes, if any, have been duly disclosed in the financial statements.

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:

- established a policy of related party transactions which has been duly approved by the Board.
- set up conditions for transactions with related parties to be characterized as "arm's length transactions."
- circulated and disclosed to the Directors in the Board papers minimum information required for approval of related party transactions.

All related party transactions, during the year 2023, were placed before the Audit Committee and the Board for their review and approval. These transactions were duly reviewed by the Audit Committee and approved by the Board in their respective meetings. All these transactions were on 'arms length basis' in line with transfer pricing policy approved by the Board. The Company also maintains a full record of all such transactions, along with the terms and conditions. For further details please refer note 33 to the financial statements.

Ethics and Compliance

Compliance is an integral part of the Company's way of doing business, which emanates from our Code of Ethics. The Code is communicated to employees and is available in both English and Urdu languages. Training on compliance and ethical principles is mandatory for all employees, with additional specialized trainings for certain categories of employees.

Composition of the Board of Directors

The Board consists of total of 9 directors (including 2 female directors) comprising of 3 Independent, 5 Non-Executive and 1 Executive Director.

Category	No.	Name
Independent Directors (Male)	2	Mr. Imtiaz Ahmed Husain Laliwala Syed Anis Ahmad Shah
Independent Directors (Female)	1	Ms. Saadia Naveed
Non-Executive Directors (Male)	4	Syed Babar Ali Syed Hyder Ali Mr. Arshad Ali Gohar Mr. Muhammad Salman Burney
Non-Executive Directors (Female)	1	Ms. Iqra Sajjad
Executive Director (CEO)	1	Mr. Sajjad Iftikhar

During the year 2023, seven meetings of the Board of Directors were held. Attendance by each Director was as follows:

Name of Director	No. of Meetings attended
Syed Babar Ali	6
Syed Hyder Ali	7
Arshad Ali Gohar	7
Imtiaz Ahmed Husain Laliwala	7
Syed Anis Ahmad Shah (Appointed on April 28, 2023)	6
Muhammad Salman Burney (Elected on May 25, 2023)	5
Saadia Naveed (Elected on May 25, 2023)	4
Sajjad Iftikhar (Appointed on April 28, 2023)	6
Iqra Sajjad (Appointed on September 27, 2023)	2
Asim Jamal (Resigned on June 30, 2023)	3
Yasser Pirmuhammad (Retired on May 25, 2023)	1
Marc Antoine Lucchini (Resigned on April 28, 2023)	1
Hermes Martet (Resigned on April 28, 2023)	1
Naira Admyan (Resigned on April 28, 2023)	1
Rehmatullah Khan Wazir (Resigned on April 28, 2023)	-

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

Directors' Remuneration

The Company pays a standard fee to Non-Executive and Independent Directors for attending Board meetings and meetings of Board Committees. The fee, determined by the Board, is aligned with market norms and is in no manner at a level that could be perceived to compromise their independence.

In addition, the Board has also approved payment of a fee to the Chairman and a Non-executive director in consideration of providing guidance and advice to the management over and above their duties. The details of the fees paid to the Directors are detailed in note 33 of the financial statements.

Audit Committee

The Board Audit Committee comprises of the following members:

- **Imtiaz Ahmed Husain Laliwala**
Chairman [Independent Director]
- **Syed Anis Ahmad Shah**
Member [Independent Director]
- **Saadia Naveed**
Member [Independent Director]
- **Muhammad Salman Burney**
Member [Non-Executive Director]

Human Resource & Remuneration Committee

The Human Resource & Remuneration Committee comprises of the following members:

- **Saadia Naveed**
Chairperson [Independent Director]
- **Syed Hyder Ali**
Member [Non-Executive Director]
- **Arshad Ali Gohar**
Member [Non-Executive Director]
- **Imtiaz Ahmed Husain Laliwala**
Member [Independent Director]
- **Muhammad Salman Burney**
Member [Non-Executive Director]

Pattern of shareholding

The pattern of shareholding along with categories of shareholders as at December 31, 2023 as required under section 227 of the Companies Act 2017 is presented on page 92 of the annual report.

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.

Dividend

The economic volatility coupled with constant rupee devaluation and the resulting inflation has had an adverse impact over the Company's margins and liquidity. Nevertheless, the Board of Directors have recommended final dividend of Rs. 30.00 for the year ended December 31, 2023.

Future Outlook

As we look to the year ahead, we will continue to build on our competencies and review our strategies to ensure that they remain relevant and most suited, in line with changing dynamics in the local and global marketplace. Your Company remains focused on delivering high-quality medicines to customers, while also making concrete.

efforts to improve profitability through innovation, improved efficiency and effective cost containment initiatives to maximize shareholders' returns.

The Company continues to face the dual challenges of escalation in costs owing to inflation and further devaluation of the rupee. The continuous rise in the policy rate will further increase the cost of doing business along with challenging macroeconomic indicators which may adversely affect the Company's operations. However, we are confident that through effective management and leadership, the Company would be able to navigate through those challenges.

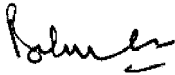
Moving forward, we hope that the Drug Regulatory Authority of Pakistan (DRAP) together with the Government will take

necessary actions, including pricing reviews, to address the margin depletion being faced by the industry. We remain committed and available for engagement with regulators and the Government to explore avenues in driving the industry forward.

Acknowledgement

The Board looks forward to the forthcoming Annual General Meeting of shareholders to discuss Company's performance during the year 2023 and is thankful for the trust and confidence reposed in the Board by the shareholders. The Board would like to thank all our stakeholders for their continued support and confidence in the Company. The Board would like to especially appreciate the dedicated efforts of the committed employees for their diligence and hard work that enables us to take the Company ahead.

By the order of the Board



Syed Babar Ali
Chairman



Sajjad Iftikhar
Chief Executive Officer

Karachi
Date: February 22, 2024

Independent Auditors' Report to the Members



A·F·FERGUSON&CO.

Independent Auditors' Report To the members of Hoechst Pakistan Limited (formerly sanofi-aventis Pakistan Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited) (the Company), which comprise the statement of financial position as at December 31, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

*A.F.FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>*

■ KARACHI ■ LAHORE ■ ISLAMABAD



Following are the Key audit matters:

S.No.	Key audit matters	How the matter was addressed in our audit
	<p>(i) Revenue Recognition</p> <p>[Refer notes 2.19 and 24 to the financial statements]</p> <p>Net revenue from sale of products for the year ended December 31, 2023 amounted to Rs. 21,369 million. Revenue from contracts with customers is recognized at a point in time when control of the products is transferred to the customer i.e. on acknowledgement of receipt of products by customers.</p> <p>As part of our overall response to the audit risks when identifying and assessing the risks of material misstatement, we considered that there is an inherent risk that revenue may be overstated due to the pressure on Company's management to achieve performance targets. The Company also focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the control of the products has been transferred. We have specifically focused as to whether the sales are valid and have been recorded in the correct accounting period, as there is a higher risk in recording revenue for sales transactions where the control of the goods have not yet passed to the customer on and close to the year end.</p> <p>Considering the aforementioned reasons together with 15% growth in revenue during the year, we have considered this area as a key audit matter.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> i) obtained an understanding of pricing mechanism of Drug Regulatory Authority of Pakistan (DRAP) and tested, on sample basis, selling prices of regulated pharmaceutical products to ensure compliance with the pricing policies of DRAP. ii) reviewed contracts with customers to obtain an understanding of the terms particularly relating to timing and transfer of control of the products and assessed the appropriateness of revenue recognition policies and practices followed by the Company. iii) performed substantive audit procedures including analytical procedures and test of details over revenue transactions along with review of related supporting documents, including dispatch-related documents and customer acknowledgements, on test basis. iv) performed sales cut-off procedures by agreeing sample of transactions occurred on and around the year end to the evidence of deliveries to ensure that sales are recorded in the correct accounting period. v) obtained an understanding of the Company's process and reviewed Company's policies and practices with respect to discounts allowed to the customers and on sample basis, tested discounts provided during the year to supporting documentation. vi) assessed the adequacy of the Company's disclosures in accordance with applicable financial reporting framework.



S.No.	Key audit matters	How the matter was addressed in our audit
(ii)	<p>Valuation of stock-in-trade</p> <p>[Refer notes 2.27.2 (ii), 2.8 and 9 to the financial statements]</p> <p>Stock-in-trade (net of provision) amounting to Rs. 4,095 million constitutes approximately 41% of the total assets of the Company as at the reporting date.</p> <p>The Company records stock-in-trade using standard costing as a method of valuation which is then actualized at the year end. Further, the net realizable value (NRV) of stock-in-trade is determined keeping in view the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.</p> <p>We have considered this area as a key audit matter due to significant amount involved, complex valuation processes and estimates involved in the determination of provision for obsolescence of stock-in-trade and the NRV.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> i) obtained an understanding of policies and procedures followed by the Company with respect to valuation of stock-in-trade and tested supporting documents for purchases of stock-in-trade and the production costs incurred on sample basis. ii) evaluated the accuracy of the assumptions used by the Company's management to actualize the variances in standard cost of stock-in-trade as at the reporting date. iii) obtained working of variances recorded by the Company's management and compared standard costs with actual costs as per the purchase invoices on a sample basis, which were utilized to actualize standard cost as at year end. iv) performed recalculation of net realizable value (NRV) on a sample basis for closing stock-in-trade by comparing the cost with the subsequent selling prices verified through sales invoices issued after the year end less estimated cost to sell which was based on the actual cost incurred during the year to sell the underlying products. v) tested provision recorded for slow moving, obsolete, damaged and near to expiry stock-in-trade to ensure it is as per the policy of the Company. vi) assessed the adequacy of related financial statements disclosures in accordance with the applicable financial reporting framework.

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

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as



applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the Board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current 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 statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The financial statements of the Company for the year ended December 31, 2022, were audited by EY Ford Rhodes Chartered Accountants, who through their audit report dated April 26, 2023, have expressed an unmodified opinion thereon.

The engagement partner on the audit resulting in this independent auditor's report is Waqas Aftab Sheikh.

A. F. Ferguson & Co.
Chartered Accountants

Karachi
Date: March 15, 2024
UDIN: AR202310069daoiVEzj2

Statement of Financial Position

as at December 31, 2023

	Note	2023	2022
(Rupees in thousand)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	1,777,765	1,884,260
Intangible assets	4	13,081	2,657
Investment properties	5	31,212	32,961
Long-term loans	6	4,146	3,623
Long-term deposits		15,983	15,983
Deferred tax asset - net	7	211,903	147,394
		<u>2,054,090</u>	<u>2,086,878</u>
CURRENT ASSETS			
Stores and spares	8	87,709	88,038
Stock-in-trade	9	4,094,840	4,550,693
Trade debts - net	10	572,014	857,348
Loans and advances	11	99,762	220,304
Trade deposits and short-term prepayments	12	451,443	2,499,808
Other receivables	13	65,483	485,566
Short-term investments	14	889,082	-
Taxation - net		1,438,566	1,309,840
Cash and bank balances	15	117,373	233,196
		<u>7,816,272</u>	<u>10,244,793</u>
TOTAL ASSETS		<u>9,870,362</u>	<u>12,331,671</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	16	96,448	96,448
Reserves	17	5,374,990	4,933,244
		<u>5,471,438</u>	<u>5,029,692</u>
NON-CURRENT LIABILITIES			
Deferred liabilities	19	-	9,000
Defined benefit plans	20	-	32,844
		<u>-</u>	<u>41,844</u>
CURRENT LIABILITIES			
Trade and other payables	21	4,272,677	5,435,086
Contract liabilities		104,714	155,332
Accrued mark-up		2,034	17,440
Short-term borrowings		-	700,000
Bank overdraft	22	-	891,655
Current maturity of long-term financing	18	-	41,053
Current maturity of deferred liabilities	19.1	9,000	9,000
Unclaimed dividend		8,216	8,286
Unpaid dividend		2,283	2,283
		<u>4,398,924</u>	<u>7,260,135</u>
CONTINGENCIES AND COMMITMENTS	23		
TOTAL EQUITY AND LIABILITIES		<u>9,870,362</u>	<u>12,331,671</u>

The annexed notes 1 to 39 form an integral part of these financial statements.



Syed Babar Ali
Chairman



Sajjad Iftikhar
Chief Executive Officer



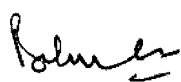
Yasser Pirmuhammad
Chief Financial Officer

Statement of Profit or Loss

For the Year Ended December 31, 2023

	Note	2023	2022
(Rupees in thousand)			
REVENUE - NET	24	21,368,949	18,559,884
Cost of sales	25	(15,842,506)	(13,688,965)
GROSS PROFIT		5,526,443	4,870,919
Distribution and marketing costs	25	(2,641,347)	(2,612,212)
Administrative expenses	25	(819,570)	(752,497)
Other expenses	26	(1,361,230)	(912,169)
Other income	27	386,576	179,851
		(4,435,571)	(4,097,027)
OPERATING PROFIT		1,090,872	773,892
Finance costs	28	(174,773)	(49,825)
PROFIT BEFORE TAXATION		916,099	724,067
Taxation	29	(555,292)	(557,284)
PROFIT FOR THE YEAR		360,807	166,783
EARNINGS PER SHARE - basic and diluted (Rupees)	30	37.41	17.29

The annexed notes 1 to 39 form an integral part of these financial statements.



Syed Babar Ali
Chairman



Sajjad Iftikhar
Chief Executive Officer



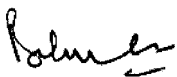
Yasser Pirmuhammad
Chief Financial Officer

Statement of Comprehensive Income

For the Year Ended December 31, 2023

	Note	2023	2022
		(Rupees in thousand)	
PROFIT FOR THE YEAR		360,807	166,783
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss in subsequent years (net of tax):			
Actuarial gain / (loss) on defined benefit plans	20.1	78,950	(61,482)
Deferred tax on actuarial gain / (loss) on defined benefit plans		(6,517)	(21,524)
		72,433	(83,006)
Total comprehensive income for the year		433,240	83,777

The annexed notes 1 to 39 form an integral part of these financial statements.



Syed Babar Ali
Chairman



Sajjad Iftikhar
Chief Executive Officer



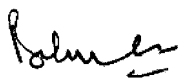
Yasser Pirmuhammad
Chief Financial Officer

Statement of Changes in Equity

For the Year Ended December 31, 2023

	Reserves						Total
	Capital reserves			Revenue reserves			
	Long-term liabilities forgone	Difference of share capital under scheme of arrangement for amalgamation	Share-based payments reserve	General reserve	Unappropriated profit		
	(Rupees in thousand)						
Balance as at January 01, 2022	96,448	5,935	18,000	349,967	3,535,538	1,212,633	5,218,521
Staff cost in relation to share-based payments	-	-	-	16,737	-	-	16,737
Transactions with the owners							
Final dividend @ Rs.30 per ordinary share for the year ended December 31, 2021	-	-	-	-	-	(289,343)	(289,343)
Profit for the year	-	-	-	-	-	166,783	166,783
Other comprehensive loss	-	-	-	-	-	(83,006)	(83,006)
Total comprehensive income for the year	-	-	-	-	-	83,777	83,777
Balance as at December 31, 2022	96,448	5,935	18,000	366,704	3,535,538	1,007,067	5,029,692
Balance as at January 01, 2023	96,448	5,935	18,000	366,704	3,535,538	1,007,067	5,029,692
Staff cost in relation to share-based payments	-	-	-	8,506	-	-	8,506
Profit for the year	-	-	-	-	-	360,807	360,807
Other comprehensive income	-	-	-	-	-	72,433	72,433
Total comprehensive income for the year	-	-	-	-	-	433,240	433,240
Balance as at December 31, 2023	96,448	5,935	18,000	375,210	3,535,538	1,440,307	5,471,438

The annexed notes 1 to 39 form an integral part of these financial statements.



Syed Babar Ali
Chairman



Sajjad Iftikhar
Chief Executive Officer



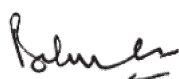
Yasser Pirmuhammad
Chief Financial Officer

Statement of Cash Flows

For the Year Ended December 31, 2023

	Note	2023	2022
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		916,099	724,067
Adjustment for non-cash items:			
Depreciation and amortization		315,247	285,935
Allowance for expected credit loss	10.1, 12.1 & 13.3	47,005	197,516
Unrealised foreign exchange differences		203,507	237,134
Gain on disposal of operating fixed assets - net	3.1.4	(6,118)	(9,944)
Amortization of deferred liabilities	19.1	(9,000)	(15,274)
Expense related to share-based payments	25.1	8,506	16,737
Charge for defined benefit plans	25.1	57,431	167,266
Provision against defined contribution plan		46,808	-
Interest income	27	(80,876)	(1,379)
Dividend income on mutual funds	27	(27,390)	-
Income from investment properties	5.2	(74,640)	(67,347)
Finance costs	28	174,773	49,825
		1,571,352	1,584,536
Working capital changes:			
Decrease / (Increase) in current assets:			
Stores and spares		329	(28,368)
Stock-in-trade		455,853	(631,033)
Trade debts		221,924	(456,092)
Loans and advances		120,542	(57,092)
Trade deposits and short-term prepayments		2,064,770	(2,171,901)
Other receivables		423,165	(226,818)
		3,286,583	(3,571,304)
Increase / (Decrease) in current liabilities:			
Contract liabilities		(50,618)	98,030
Trade and other payables		(1,412,607)	1,869,231
Cash generated from / (used in) operations		3,394,710	(19,507)
Finance costs paid		(190,179)	(33,769)
Interest on lease liabilities paid		-	(22)
Interest received		80,876	1,379
Income tax paid		(755,044)	(576,616)
Retirement benefits paid - net		(14,267)	(640,592)
Long-term loans		(523)	(1,225)
Net cash generated from / (used in) operating activities		2,515,573	(1,270,352)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(286,730)	(573,230)
Sale proceeds from disposal of operating fixed assets	3.1.3	75,421	70,935
Short-term investments made		(5,084,282)	-
Sale proceeds from disposal of short-term investments		4,195,200	-
Dividend income received on mutual funds		27,390	-
Income from investment properties	5.2	74,640	67,347
Net cash used in investing activities		(998,361)	(434,948)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(70)	(288,418)
Repayment of principal portion of long-term financing		(41,053)	(158,177)
Repayment of principal portion of lease liabilities		-	(1,585)
Net cash used in financing activities		(41,123)	(448,180)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,476,089	(2,153,480)
NET FOREIGN EXCHANGE DIFFERENCES		(257)	10,726
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		(1,358,459)	784,295
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	31	117,373	(1,358,459)

The annexed notes 1 to 39 form an integral part of these financial statements.



Syed Babar Ali
Chairman



Sajjad Iftikhar
Chief Executive Officer



Yasser Pirmuhammad
Chief Financial Officer

Notes to the Financial Statements

For the Year Ended December 31, 2023

1. THE COMPANY AND ITS OPERATIONS

1.1 Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited) (the Company) was incorporated in Pakistan in 1967 as a Public Limited Company under Companies Act, 1913 [now Companies Act, 2017 (the Act)]. The shares of the Company are listed on Pakistan Stock Exchange Limited (PSX). The Company is engaged in the manufacturing, selling and trading of pharmaceutical and related products. The registered office of the Company is located at Plot 23, Sector 22, Korangi Industrial Area, Karachi. The Board of Directors in its meeting held on August 08, 2023, has approved to change the name of the Company from “sanofi-aventis Pakistan Limited” to “Hoechst Pakistan Limited”, which became effective from September 27, 2023.

1.2 Till April 28, 2023, the Company was a subsidiary of Sanofi Foreign Participations B.V. (the Parent Company), registered in Netherlands. On December 20, 2021, Packages Limited made a public announcement that its Board of Directors had given an in-principle approval to be part of an investor consortium to evaluate a potential purchase of all of 52.87% shares held by Sanofi Foreign Participations B.V. (the Parent Company) in the Company. The Consortium which was led by Packages Limited included IGI Investments, and affiliates of Arshad Ali Gohar Group. Packages Limited made a public announcement of finalization of purchase price and terms and conditions of the Proposed Transaction between the Consortium and the Parent Company and executed a binding Share Purchase Agreement on April 29, 2022 for the purchase of 52.87% shares. The transaction was successfully completed on April 28, 2023, upon completion of the contractual conditions and compliance with the applicable corporate and regulatory requirements. Accordingly, effective April 29, 2023 Packages Limited becomes the parent company by virtue of 66.07% shareholding (including 41.07% direct shareholding) in the Company and Sanofi Foreign Participations B.V. ceases to be the parent company.

1.3 Geographical location and address of business units of the Company are as follows:

Business Units	Address
- Registered address / Manufacturing facility	Plot 23, Sector 22, Korangi Industrial Area, Karachi.
- Sales Office Islamabad	Jaspal Arcade, Plot No 5, I&T Center, Sector G-8/4, Islamabad.
- Sales Office Lahore	New Building located at, 31/E-I, Gulberg III, Lahore.
- Sales Office Peshawar	71A , Small industrial state, Kohat Road, Peshawar.
- Sales Office Multan	No 502, 5th Floor, Plot no 74-Abdali Road, Multan.
- Sales Office Faisalabad	P-833 situated at State Life Building No.02, Faisalabad.

2 MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

2.1.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRSs), issued by International Accounting Standard Board (IASB) as notified under the Act and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

2.1.2 Basis of measurement

These financial statements have been prepared under the historical cost convention.

2.1.3 Standards, interpretations and amendments to published approved accounting and reporting standards which became effective during the year

There were certain amendments to accounting and reporting standards which became effective on the Company for the current year. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements except for the following:

Amendment in IAS 1 "Presentation of financial statements" (IAS 1) and IFRS Practice Statement 2:

This amendment provides guidance and examples to help entities apply material judgements in order to determine the accounting policy information which should be disclosed. This amendment aims to help entities in providing accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. This amendment only had an impact on the Company's disclosure of accounting policies, but not on the measurement, recognition or presentation of any item in these financial statements.

2.1.4 Revised and amended standards and interpretation that are not yet effective and not early adopted by the Company

There are standards and certain amendments to accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on January 01, 2023. These standards and amendments are not expected to have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

2.2 Shariah related disclosures

As at the reporting date, the Company is listed on the PSX-KMI All Share Index. The Company accordingly, as per requirements specified in the sub-clause 10 of clause VI of Part 1 of the Fourth Schedule to the Companies Act, 2017, has made relevant disclosures in these financial statements.

2.3 Property, plant and equipment

(i) Operating fixed assets

These are stated at cost less accumulated depreciation / amortisation and accumulated impairment loss, if any. Leasehold land is amortised over the period of the lease. Depreciation on all other assets is charged to profit or loss applying the straight-line method whereby the cost of an asset less residual value, if not insignificant, is depreciated over its estimated useful life using depreciation rates as stated in note 3.1. When significant parts of assets are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Depreciation is charged from the month in which asset is available for use and on disposals up to the month the asset is in use.

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end. The effect of any adjustment to residual values, useful lives and methods is recognised prospectively as a change of accounting estimate. In particular, the Company considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The Company accounts for impairment by reducing its carrying value to the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

Subsequent costs are not recognised as assets unless it is probable that future economic benefits associated with these costs will flow to the Company and the cost can be measured reliably.

Maintenance and normal repairs are charged to profit or loss as and when incurred.

(ii) Capital work-in-progress

These are stated at cost less accumulated impairment loss, if any, and consist of expenditure incurred in respect of tangible fixed assets in the course of their construction and installation.

2.4 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2.4.1 Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.4.2 Right-of-use assets

The Company recognises right-of-use assets (ROU assets) at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Unless the Company is reasonably certain to obtain ownership of the leased asset or the ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.4.3 Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option (if any) reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

2.4.4 Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.4.5 Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the amount of the leased asset and recognised over the lease term on the same basis as rental contingent rents are recognised as revenue in the period in which they are earned.

The Company has entered into operating leases on its investment property portfolio consisting of leasehold land and buildings on leasehold land. These leases have terms of three years. All leases include a clause for upward revision of the rental charge at agreed rates.

2.5 Intangible assets

Computer software acquired by the Company are stated at cost less accumulated amortisation and accumulated impairment loss, if any. Cost represents the cost incurred to acquire the software licenses and bring them accumulated to use. The cost of computer software is amortised over the estimated useful life. Separately acquired software licenses are shown at historical cost. These have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of product licenses over their estimated useful lives as disclosed in note 4. Cost associated with maintaining computer software are charged to profit or loss in the expense category that is consistent with the function of the intangible assets.

The useful lives of intangible assets are reviewed at each reporting date. The effect of any adjustment to useful lives is recognised prospectively as a change of accounting estimate.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss.

2.6 Investment properties

The Company's investment properties consist of leasehold land and buildings on leasehold land in Karachi. Management determined that the investment properties consist of two classes of assets, leasehold land and buildings on leasehold land, based on the nature, characteristics and risk of a property.

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged to profit or loss applying the straight-line method using depreciation rates as disclosed in note 5.1.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the derecognition of investment property is recognised in the profit or loss in the year of retirement or disposal. Gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying value of the asset and recognized in the profit or loss in the year of disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied becomes an investment property, the

Company accounts for such property in accordance with the policy stated under property, plant and equipment upto the date of change in use.

2.7 Stores and spares

These are valued at cost. Cost is determined on weighted average basis, except for the stores and spares in transit, which are stated at invoice price plus other charges incurred thereon up to the reporting date. Value of items are reviewed at each reporting date to record provision for any slow-moving and obsolete items, where necessary.

2.8 Stock-in-trade

These are valued at lower of weighted average cost and estimated net realisable value. Goods in transit are valued at cost, comprising invoice price plus other charges incurred thereon up to the reporting date. Cost signifies standard costs adjusted by variances. Cost in relation to work-in-process and finished goods represent direct cost of materials, direct wages and appropriate manufacturing overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Provision is recorded for slow moving and expired stock where necessary.

2.9 Employees benefits

2.9.1 Defined benefit plans

The Company operates an approved funded gratuity scheme in respect of all permanent employees and senior management staff respectively, excluding expatriates. The scheme define the amounts of benefit that an employee will receive on or after retirement subject to a minimum qualifying period of service under the scheme. The scheme is managed in conformity with the provisions of the Trust Deed. The Company is responsible to make contributions to the Gratuity Fund as prescribed under the Trust Deed and its rules, whereas, the trustees are responsible for the day to day management of the Gratuity Fund. The gratuity obligations are calculated annually by an independent actuary using the Projected Unit Credit Method. The most recent valuation in this regard was carried out as at December 31, 2023. During the year ended December 31, 2022, the Company discontinued the approved funded non - contributory pension scheme, hence no contribution has been made for pension during the year.

Remeasurements, comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and the effect of the asset ceiling are recognised directly in equity through other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods. All past service costs are recognised in profit or loss at the earlier of when the amendments or curtailment occurs and when the Company has recognised related retirement or termination benefits. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income in the profit or loss.

2.9.2 Defined contribution plan

The Company also operates a recognised provident fund scheme (Provident Fund) for all permanent employees excluding expatriates. Equal monthly contributions are made to the Provident Fund at the rate of 10 percent of basic salary by employees and the Company.

2.10 Compensated absences

The Company accounts for the accrual in respect of employees' compensated absences in the year in which these are earned. Provisions to cover the obligations are made using the current salary levels of employees.

2.11 Taxation

2.11.1 Current

Provision for current taxation is based on taxable income for the year, determined in accordance with the prevailing law for taxation on income. The tax rates used to compute the amount are those that are enacted or substantively enacted at the reporting date. The charge for the current tax also includes tax credits and adjustments, where considered necessary, for prior years determined during the year or otherwise considered necessary for such years.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.11.2 Deferred

Deferred tax is recognised using the liability method, on all major temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset on deductible temporary difference are recognized on carry-forward of unused tax losses / credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and / or carry-forward of unused tax losses can be utilized.

The carrying amount of all deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the profit or loss except for deferred tax arising on recognition of actuarial loss or gain which is charged to other comprehensive income.

2.11.3 Sales tax

Expenses and assets are recognised net of the amount of sales tax, except when the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

When sales tax is recoverable from or is payable to the taxation authority, it is included as part of receivables or payables in the statement of financial position.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and accounts held with banks that are subject to an insignificant risk of changes in value. This includes bank borrowings and other financing facilities availed by the Company, which are payable on demand and form an integral part of the Company's cash management and are included as part of cash and cash equivalents for the purpose of the statement of cash flows.

2.13 Financial instruments

2.13.1 Financial assets

i) Initial recognition and measurement

Financial assets are classified, at initial recognition, at fair value, and subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade debts, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, the transaction costs. Trade debts are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or FVTPL or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

ii) Subsequent measurement

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for classification at amortised cost or FVTOCI are measured at fair value through profit or loss. Realised and unrealised gains or losses arising from changes in the fair value of the financial assets held at FVTPL are recognised in profit or loss in the period in which they arise.

The Company does not have financial assets designated at FVTOCI.

iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has not transferred neither retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

iv) Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts. To measure the expected credit losses, trade debts have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are based on the payment profiles of sales over a period of 72 months before December 31, 2023 and the corresponding historical default rates experienced within this period. The historical default rates are adjusted to reflect current and forward-looking information according to macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the Gross Domestic Product and the Consumer Price Index of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical default rates based on expected changes in these factors. The historical default rates are further adjusted with the impact of loss given default. The Loss Given Default is the magnitude of the likely loss if there is the default. The Company estimates the Loss Given Default parameters based on the history of recovery rates of defaulted trade debts.

The Company considers a financial asset to be at a risk of default when contractual payments are 90 days past due, unless there are factors that might indicate otherwise. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding

contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.13.2 Financial liabilities

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans, bank overdraft and short-term borrowings and payables, net of directly attributable transaction costs.

ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a) Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Gains or losses on liabilities held for trading are recognised in profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

b) Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

2.13.3 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle liabilities simultaneously. Income and expenses arising from such assets and liabilities are also offset accordingly.

2.14 Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for asset is required then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair

value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining the fair value less cost of disposal, recent market transactions are taken into account, if no such transaction can be identified, appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or available fair value budgets. The Company bases its impairment calculation on detailed budget and forecast calculation, which are prepared separately for each of the Company cash generating unit (CGU) to which individual assets are allocated. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (“the cash-generating unit, or CGU”).

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been 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, if no impairment loss had been recognised.

2.15 Provisions and contingent liabilities

Provisions 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 embodying economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Provisions are reviewed at each reporting date to reflect the current best estimate.

A 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 a 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.

2.16 Government / deferred capital grants

Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is deducted from the related expense, on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.17 Foreign currency translation

These financial statements are presented in Pak Rupees, which is the Company’s functional and presentation currency. Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are recorded at the rates of exchange which approximate those prevailing on the reporting date. Gains and losses on translation are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.18 Share-based compensation

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services to the Company as consideration for equity instruments (equity-settled transactions) granted by Sanofi S.A., France (the Ultimate Parent Company). The economic cost of awarding shares of group companies to employees is reflected by

recording a charge as employee benefit expense in the profit or loss, equivalent to the fair value of shares on the grant date over the vesting period, with a corresponding reserve created to reflect the equity component (share-based payments reserve).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the grant date using an appropriate valuation technique.

The cost is recognised in staff costs (note 25.1), together with a corresponding increase in equity (share-based payments reserve), over the period in which the service are provided and where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

On completion of acquisition transaction as explained in note 1.2, the restricted share based compensation plan awarded to the Company's employees stands cancelled.

2.19 Revenue recognition

2.19.1 Revenue from contracts with customers

The Company is engaged in the manufacturing, selling and trading of pharmaceutical and related products. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on acknowledgment of the goods by the customer. The normal credit term varies up to 210 days depending on the customer type.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., right of returns). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

2.19.2 Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. In general, the contracts for the sale of goods provides customer with a right to return near expiry products.

2.20 Right of return

In general, the contracts for sales of goods provides a customer with a right to return near expiry products. The Company uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Company not will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For products that are expected to be returned, the Company recognises a provision under refund liability and a corresponding adjustment in sales return. Returns for the Company comprise of expired and near expiry products, which are of nil value by the time of return and are subject to destructions.

2.21 Contract balances

2.21.1 Trade debts

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Accounting policies of financial assets have been disclosed in note 2.13.1.

2.21.2 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract (i.e. transfers control of related goods to the customer).

2.22 Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

2.23 Other income

Interest income is accounted for using the effective interest rate method. Income other than interest income is recorded on accrual basis.

2.24 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved. However, if these are approved after the reporting period but before the financial statements are authorised for issue, disclosure is made in the financial statements.

2.25 Operating segments

For management purposes, the activities of the Company are organised into one operating segment since Chief Operating Decision Maker monitors the operating results of the Company. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organisational and management structure, and internal financial reporting systems. Accordingly, the figures reported in these financial statements are related to the Company's only reportable segment.

2.26 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.27 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

2.27.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in these financial statements:

i) Property lease classification – Company as lessor (notes 2.6 and 5)

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

ii) Contingencies (notes 2.15 and 23)

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence / non-occurrence of the uncertain future events.

2.27.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when these financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Property, plant and equipment (notes 2.3 and 3)

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

ii) Stock-in-trade and stores and spares (notes 2.7, 2.8, 8 and 9)

The Company reviews the net realizable value of stock-in-trade to assess any diminution in the respective carrying values and also review the inventories i.e. stock-in-trade and stores and spares for obsolescence.

iii) Allowance for expected credit losses on financial assets (notes 2.13.1 and 10)

The Company assesses the recoverability of its financial assets if there is objective evidence that Company will not be able to collect all the amounts due according to the original terms. Judgement by the management is required in estimation of the amount and timing of future cash flows when determining the level of provision required and in determining the debts that are not recoverable and are to be written off. The Company uses default rates based on provision matrix for its customers who have similar characteristics to calculate Expected Credit Loss (ECL) for

trade debts. The rates in provision matrix are based on days past due for various customer segments that have similar loss patterns. The provision matrix is initially based on Company's historical observed default rates which is then adjusted for forward looking information. The assessment of the correlation between historical observed default rates and the forecast economic conditions and ECL are significant estimates. The amount of ECL is sensitive to changes in circumstances and forecast of economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

iv) Revenue recognition - Estimating variable consideration for returns

For estimates with respect to right of return assets and related refund liabilities refer to notes 2.20 and 2.22 to these financial statements.

v) Retirement benefits (notes 2.9.1, 2.9.2 and 20)

The cost of the retirement benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

vi) Taxation (notes 2.11 and 29)

The Company takes into account the current income tax laws and decisions taken by appellate authorities while recognizing provision for income tax.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future event that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3 PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
(Rupees in thousand)			
Operating fixed assets	3.1	1,653,580	1,606,792
Capital work-in-progress	3.2 & 3.3	124,185	277,468
		<u>1,777,765</u>	<u>1,884,260</u>

3.1 Operating fixed assets

	Leasehold land	Buildings on leasehold land	Plant and machinery	Furniture and fixtures	Factory and office equipment	Motor vehicles	Total
(Rupees in thousand)							
Year ended December 31, 2023							
<i>Net carrying value basis</i>							
Opening net carrying value	247	441,390	653,675	10,644	165,093	335,743	1,606,792
Additions / transfers from capital work-in-progress	-	70,328	206,248	766	38,306	103,378	419,026
Disposals (note 3.1.3)	-	-	(456)	-	(67)	(68,780)	(69,303)
Depreciation charge (note 3.1.2)	(3)	(55,619)	(141,586)	(3,193)	(50,857)	(51,677)	(302,935)
Closing net carrying value	244	456,099	717,881	8,217	152,475	318,664	1,653,580
<i>Gross carrying value basis</i>							
As at December 31, 2023							
Cost	455	1,216,763	3,342,355	71,426	621,342	440,359	5,692,700
Accumulated depreciation	(211)	(760,664)	(2,624,474)	(63,209)	(468,867)	(121,695)	(4,039,120)
	<u>244</u>	<u>456,099</u>	<u>717,881</u>	<u>8,217</u>	<u>152,475</u>	<u>318,664</u>	<u>1,653,580</u>

	Leasehold land	Buildings on leasehold land	Plant and machinery	Furniture and fixtures	Factory and office equipment	Motor vehicles	Total
(Rupees in thousand)							
Year ended December 31, 2022							
<i>Net carrying value basis</i>							
Opening net carrying value	253	477,717	558,245	11,064	161,669	281,003	1,489,951
Additions / transfers from capital work-in-progress	-	15,619	221,247	2,977	57,537	160,922	458,302
Disposals (note 3.1.3)	-	-	(503)	-	(53)	(60,435)	(60,991)
Depreciation charge (note 3.1.2)	(6)	(51,946)	(125,314)	(3,397)	(54,060)	(45,747)	(280,470)
Closing net carrying value	247	441,390	653,675	10,644	165,093	335,743	1,606,792
<i>Gross carrying value basis</i>							
As at December 31, 2022							
Cost	455	1,146,435	3,146,439	70,660	590,305	451,014	5,405,308
Accumulated depreciation	(208)	(705,045)	(2,492,764)	(60,016)	(425,212)	(115,271)	(3,798,516)
	247	441,390	653,675	10,644	165,093	335,743	1,606,792
Depreciation rate per annum (%)	1.23	5	10 to 15	10	10 to 33	20	

3.1.1 Particulars of the immovable assets of the Company are as follows:

Location	Address	Usage of Immovable Property	Covered Area (Sq. Meters)
Karachi	Plot 23, Sector 22 Korangi Industrial Area, Karachi	Head office and Manufacturing Plants	96,155

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

	Note	2023	2022
(Rupees in thousand)			
Cost of sales	25	201,851	182,964
Distribution and marketing costs	25	58,109	59,443
Administrative expenses	25	42,975	38,063
		302,935	280,470

3.1.3 Details of disposal of each operating fixed asset having net book value exceeding Rs. 500,000 are as follows:

Description	Cost	Accumulated depreciation	Net carrying value	Sale proceeds	Gain / (Loss)	Mode of Disposal	Particulars of Buyers
(Rupees in thousand)							
Motor vehicle	2,735	684	2,051	2,051	-	Company Policy	Muhammad Nauman Khan (Employee)
Motor vehicle	1,939	1,163	776	776	-	Company Policy	Rehan Ahmed (Employee)
Motor vehicle	1,745	681	1,064	1,064	-	Company Policy	Zuhair Ashfaq Ansari (Employee)
Motor vehicle	1,476	620	856	856	-	Company Policy	Sajida Iqbal (Employee)
Motor vehicle	1,250	750	500	500	-	Company Policy	Mohsin Raza (Employee)
Motor vehicle	1,250	750	500	500	-	Company Policy	Imran Alam Khan (Employee)
Motor vehicle	1,300	676	624	637	13	Company Policy	Hayat Muhammad (Employee)
Motor vehicle	1,250	750	500	500	-	Company Policy	Atif Hayat (Employee)
Motor vehicle	1,250	750	500	500	-	Company Policy	Abdul Shakoor (Employee)
Motor vehicle	1,780	498	1,282	1,282	-	Company Policy	Shoaib Ahmed Siddiqui (Employee)
Motor vehicle	3,997	919	3,078	3,078	-	Company Policy	Salman Shamim (Employee)
Motor vehicle	2,993	390	2,603	2,602	(1)	Company Policy	Tariq Khurshaidi (Employee)
Motor vehicle	2,657	611	2,046	2,072	26	Company Policy	Shariq Ali (Employee)
Motor vehicle	1,340	657	683	683	-	Company Policy	Umar Akram (Employee)
Motor vehicle	1,340	683	657	657	-	Company Policy	Syed Zeeshan Ali (Employee)
Motor vehicle	2,904	1,452	1,452	1,452	-	Company Policy	Marium Illahi (Employee)
Motor vehicle	2,379	1,213	1,166	1,166	-	Company Policy	Asad Mirza (Employee)
Motor vehicle	4,206	547	3,659	3,659	-	Company Policy	Muhammad Nazir Banduka (Employee)
Motor vehicle	1,745	698	1,047	1,047	-	Company Policy	Muhammad Irfan (Employee)

Description	Cost	Accumulated depreciation	Net carrying value	Sale proceeds	Gain / (Loss)	Mode of Disposal	Particulars of Buyers
Motor vehicle	1,780	534	1,246	1,246	-	Company Policy	Zubair Shahzad (Employee)
Motor vehicle	24,700	9,139	15,561	15,561	-	Company Policy	Asim Jamal (Ex - CEO)
Motor vehicle	1,250	750	500	500	-	Company Policy	M Murtaza (Employee)
Motor vehicle	1,250	750	500	500	-	Company Policy	Mumtaz Qureshi (Employee)
Motor vehicle	1,969	1,181	788	788	-	Company Policy	Anas Siddiqui (Employee)
Motor vehicle	2,804	1,626	1,178	1,178	-	Company Policy	Ghufran Akhtar (Employee)
Motor vehicle	2,009	1,004	1,005	1,005	-	Company Policy	Saba Zubair Abbasi (Employee)
Motor vehicle	1,250	750	500	500	-	Company Policy	Tayyeb Hadi (Employee)
Motor vehicle	1,440	691	749	749	-	Company Policy	Kanwar Kashif Siraj (Employee)
Motor vehicle	1,440	677	763	763	-	Company Policy	Naheed Anwar (Employee)
Motor vehicle	2,379	1,213	1,166	1,166	-	Company Policy	Muhammad Arif Usman (Employee)
Motor vehicle	1,300	754	546	546	-	Company Policy	Rizwan Hussain (Employee)
Motor vehicle	1,745	593	1,152	1,152	-	Company Policy	Adil Zain (Employee)
Motor vehicle	5,820	815	5,005	5,005	-	Company Policy	Syed Muhammad Ali Hasani (Employee)
Motor vehicle	2,304	1,313	991	3,100	2,109	Insurance Claim	IGI General Insurance Limited
Motor vehicle	2,967	593	2,374	2,374	-	Company Policy	Abbas ali Ghumro (Employee)
Motor vehicle	2,967	593	2,374	2,374	-	Company Policy	Naeem Sabir (Employee)
Motor vehicle	2,304	1,382	922	922	-	Company Policy	Ather Hussain (Employee)
Motor vehicle	1,999	1,199	800	800	-	Company Policy	Muhammad Talha Rana (Employee)
Motor vehicle	1,745	838	907	907	-	Company Policy	Usman Ul Haq (Employee)
Motor vehicle	1,745	715	1,030	1,030	-	Company Policy	Nudrat Adil (Employee)
Motor vehicle	1,745	646	1,099	1,099	-	Company Policy	Asim Shahzad (Employee)
Motor vehicle	3,108	1,865	1,243	1,243	-	Company Policy	Muhammad Amjad Javed (Employee)
Motor vehicle	1,745	698	1,047	1,047	-	Company Policy	Mohammad Saeed Zafar (Employee)
	113,301	44,811	68,490	70,637	2,147		
Operating fixed asset having net book value not exceeding Rs.500,000	18,333	17,520	813	4,784	3,971	Various	Various
December 31, 2023	131,634	62,331	69,303	75,421	6,118		
December 31, 2022	160,902	99,911	60,991	70,935	9,944		

3.2 Capital work-in-progress

Note

	2023	2022
	(Rupees in thousand)	
Buildings on leasehold land	-	69,243
Plant and machinery	104,353	165,879
Motor vehicles	19,832	42,346
	<u>124,185</u>	<u>277,468</u>

3.3 Movement in capital work-in-progress is as follows:

Opening balance		277,468	164,206
Additions during the year	3.3.1	200,497	298,926
Transferred to operating fixed assets	3.3.2	(353,780)	(185,664)
Closing balance		<u>124,185</u>	<u>277,468</u>

3.3.1 Represents additions to buildings on leasehold land of Nil (2022: Rs. 39.7 million), plant and machinery of Rs. 104.35 million (2022: Rs. 60.6 million), factory and office equipment of Nil (2022: Rs. 15.8 million) and motor vehicles of Rs. 96.14 million (2022: Rs. 182.8 million).

3.3.2 Represents transfers to buildings on leasehold land of Rs. 69.24 million (2022: Rs. 2.2 million), plant and machinery of Rs.165.88 (2022: Rs. 11.8 million), furniture and fixtures of Nil (2022: Rs. 3.0 million), factory and office equipment of 15.77 million (2022: Rs. 12.4 million) and motor vehicles of Rs. 102.89 million (2022: Rs. 156.2 million).

4 INTANGIBLE ASSETS

Year ended December 31, 2023

Net carrying value basis

Note	Computer software	Software licenses	Total
	(Rupees in thousand)		
	2,330	327	2,657
	5,216	15,771	20,987
4.1	(2,765)	(7,798)	(10,563)
	4,781	8,300	13,081

Gross carrying value basis

	13,458	95,062	108,520
	(8,677)	(86,762)	(95,439)
	4,781	8,300	13,081

Year ended December 31, 2022

Net carrying value basis

	1,541	1,288	2,829
	1,666	-	1,666
4.1	(877)	(961)	(1,838)
	2,330	327	2,657

Gross carrying value basis

	8,242	79,291	87,533
	(5,912)	(78,964)	(84,876)
	2,330	327	2,657

Amortisation rate per annum (%)

	33	33
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4.1 The amortisation charge for the year has been allocated as follows:

	Note	2023	2022
		(Rupees in thousand)	
Cost of sales	25	255	961
Distribution and marketing costs	25	2,765	877
Administrative expenses	25	7,543	-
		10,563	1,838

5 INVESTMENT PROPERTIES

5.1 Particulars of investment properties are as follows:

Note	Leasehold land	Buildings on leasehold land	Total
	(Rupees in thousand)		
Year ended December 31, 2023			
Opening net carrying value	13.55	32,947	32,961
Depreciation charge (note 25)	(0.44)	(1,749)	(1,749)
Closing net carrying value	13.11	31,198	31,212
As at December 31, 2023			
Cost	14	34,988	35,002
Accumulated depreciation	(0.89)	(3,790)	(3,790)
Net carrying value	13.11	31,198	31,212

	Leasehold land	Buildings on leasehold land	Total
	(Rupees in thousand)		
Year ended December 31, 2022			
Opening net carrying value	13.95	34,696	34,710
Depreciation charge (note 25)	(0.40)	(1,749)	(1,749)
Closing net carrying value	13.55	32,947	32,961
As at December 31, 2022			
Cost	14	34,988	35,002
Accumulated depreciation	(0.45)	(2,041)	(2,041)
Net carrying value	13.55	32,947	32,961
Depreciation rate per annum (%)	3.13	5	
5.2 Amounts recognised in profit or loss	Note	2023	2022
		(Rupees in thousand)	
Rental income derived from investment properties		74,640	67,347
Direct operating expenses (including repairs and maintenance) relating to investment properties	25	(15,019)	(12,142)
Profit arising from investment properties carried at cost	27	59,621	55,205
5.3	As at December 31, 2023, the fair value and forced sales value of leasehold land amounts to Rs. 750 million (2022: Rs. 526.7 million) and Rs. 564.5 million (2022: Rs. 418.6 million), respectively, and of buildings on leasehold land amounts to Rs. 52.3 million (2022: Rs. 48.2 million) and Rs. 39.04 million (2022: Rs. 38.6 million), respectively, which are based on valuations performed by an accredited independent valuer.		
5.4	The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.		
6 LONG-TERM LOANS - considered good, unsecured	Note	2023	2022
		(Rupees in thousand)	
Loans to employees	6.1	6,446	5,740
Less: Current maturity	11	(2,300)	(2,117)
		4,146	3,623
6.1 Reconciliation of carrying amount of long-term loans to employees:			
Opening balance		5,740	4,435
Disbursements		3,495	3,560
Repayments		(2,789)	(2,255)
Closing balance	6.2	6,446	5,740
6.2	Represents loans for the purchase of motor cars, motorcycles and capital goods, in accordance with the Company's policy. Loans for the purchase of motor cars and motorcycles are interest free, whereas loans for purchase of capital goods carry interest at the rate of 9% (2022: 9%) per annum. These are repayable within five years in equal monthly instalments, except for loans for purchase of capital goods which are repayable over a period of three years.		
7 DEFERRED TAX ASSET - NET	Note	2023	2022
		(Rupees in thousand)	
Taxable temporary differences arising in respect of:			
- Accelerated tax depreciation		(79,674)	(67,589)
- Defined benefit plans		(4,811)	-
Deductible temporary differences arising in respect of:			
- Allowance for expected credit loss		154,386	115,141
- Defined benefit plans		-	1,612
- Provision against stores & spares and stock-in-trade		102,205	86,510
- Others		39,797	11,720
		296,388	214,983
	7.1	211,903	147,394

7.1 Includes Rs. 6.5 million (2022: Rs. 21.5 million) recognised in other comprehensive income relating to actuarial gain / loss on defined benefit plans. All other movements for deferred tax income / expense have been recognised in profit or loss.

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

8 STORES AND SPARES

Note	2023	2022
	(Rupees in thousand)	
	45,671	43,663
	42,801	45,138
	88,472	88,801
25	(763)	(763)
	<u>87,709</u>	<u>88,038</u>

9 STOCK-IN-TRADE - net

Raw and packing material			
In hand	9.2	2,000,372	1,492,608
In transit		312,670	317,729
		<u>2,313,042</u>	<u>1,810,337</u>
Provision against raw and packing material	9.1	(57,430)	(103,521)
		<u>2,255,612</u>	<u>1,706,816</u>
Work-in-process		99,848	120,918
Finished goods			
In hand	9.2	1,706,331	2,637,692
In transit		245,936	256,436
		<u>1,952,267</u>	<u>2,894,128</u>
Provision against finished goods	9.3	(212,887)	(171,169)
		<u>1,739,380</u>	<u>2,722,959</u>
	9.4	<u>4,094,840</u>	<u>4,550,693</u>

9.1 Movement of provision against raw and packing material is as follows:

Opening balance		103,521	134,457
Charge for the year		31,245	61,476
Reversal for the year		(60,456)	(20,285)
Net (reversal) / charge for the year	25	(29,211)	41,191
Write-off during the year		(16,880)	(72,127)
Closing balance		<u>57,430</u>	<u>103,521</u>

9.2 Includes write down of raw and packaging material costing Rs. 27.1 million (2022: Nil) to their net realizable value of Rs. 23.2 million. Also includes finished goods costing Rs. 379.4 million (2022: Rs. 182.3 million) carried at their net realizable value of Rs. 328 million (2022: Rs. 157.3 million).

9.3 Movement of provision against finished goods is as follows:

Note	2023	2022
	(Rupees in thousand)	
	171,169	108,146
	127,433	108,457
	(7,966)	(8,386)
25	119,467	100,071
	(77,749)	(37,048)
	<u>212,887</u>	<u>171,169</u>

9.4	Details of stock-in-trade (net of provision) held with third party is as follows:	Note	2023	2022
			(Rupees in thousand)	
	Stancos (Private) Limited		80,976	67,763

10 TRADE DEBTS - net, unsecured

Considered good		572,014	857,348
Considered doubtful		254,213	190,803
		826,227	1,048,151
Allowance for expected credit loss	10.1	(254,213)	(190,803)
		572,014	857,348

10.1 Movement of allowance for expected credit loss is as follows:

Opening balance		190,803	136,631
Charge for the year	26	63,410	54,172
		254,213	190,803

11 LOANS AND ADVANCES - unsecured, considered good

Loans

Current maturity of long-term loans to employees	6	2,300	2,117
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Advances

Executives		6,182	2,400
Contractors and suppliers	11.1	91,280	215,787
		97,462	218,187
		99,762	220,304

11.1 Represents advance payments made to contractors and suppliers against goods and services to be received in future.

12 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

	Note	2023	2022
		(Rupees in thousand)	
Trade deposits - unsecured			
Considered good		125,423	145,831
Considered doubtful		155,263	171,668
		280,686	317,499
Allowance for expected credit loss	12.1	(155,263)	(171,668)
		125,423	145,831
Margin against letters of credit	12.2	288,084	2,330,192
Short-term prepayments		37,936	23,785
		451,443	2,499,808

12.1 Movement of allowance for expected credit loss is as follows:

Opening balance		171,668	29,151
(Reversal) / Charge for the year	26	(16,405)	142,517
Closing balance		155,263	171,668

12.2 Last year, the State Bank of Pakistan (SBP) instructed banks, to obtain 100 percent cash margin on the import of items through BPRD Circular Letter No. 9, of 2022. However, this condition of 100 percent margin was relaxed by the SBP through BPRD Circular Letter No. 6, of 2023.

13 OTHER RECEIVABLES - net

	Note	2023	2022
(Rupees in thousand)			
Considered good - unsecured			
Due from - related parties	13.1	-	35,226
Due from - others		35,240	9,084
Due from - employees' gratuity fund	20.1	25,522	-
Due from - employees' pension fund	20.1	-	22,580
Sales tax receivable on goods		4,721	418,676
		<u>65,483</u>	<u>485,566</u>
Considered doubtful - unsecured			
Sales tax refundable		5,918	5,918
Provision against sales tax refundable		(5,918)	(5,918)
		-	-
Due from related parties		-	4,149
Allowance for expected credit loss	13.3	-	(4,149)
		-	-
		<u>65,483</u>	<u>485,566</u>

13.1 The aging analysis of receivable from related parties is as follows:

	Neither past due nor impaired	Past due over 181 days	Total
(Rupees in thousand)			
December 31, 2022			
Sanofi-Aventis Groupe, France	-	4,149	4,149
Sanofi Foreign Participation B.V.	35,226	-	35,226
	<u>35,226</u>	<u>4,149</u>	<u>39,375</u>
Allowance for expected credit loss	-	(4,149)	(4,149)
Net receivable from related parties	<u>35,226</u>	<u>-</u>	<u>35,226</u>

13.2 The maximum aggregate amount outstanding from related parties at any time during the year by reference to month end balances is as follows:

	Note	2023	2022
(Rupees in thousand)			
Sanofi Foreign Participation B.V.		-	35,226
Sanofi-Aventis Groupe, France		-	4,149
			<u>4,149</u>

13.3 Movement of allowance for expected credit loss is as follows:

	Note	2023	2022
Opening balance		4,149	3,322
Charge for the year	26	-	827
Write-off during the year		(4,149)	-
Closing balance		<u>-</u>	<u>4,149</u>

14 SHORT-TERM INVESTMENTS

At fair value through profit or loss

	2023		2022	
	Number of units	Rupees in '000	Number of units	Rupees in '000
Investment in mutual funds:				
Bank Al Habib Money Market Fund	8,867,360	887,680	-	-
NBP Income Fund - Cash Plan II	91,725	919	-	-
MCB Pakistan Cash Management Fund	9,557	483	-	-
	<u>8,968,642</u>	<u>889,082</u>	<u>-</u>	<u>-</u>

15 CASH AND BANK BALANCES

	Note	2023	2022
		(Rupees in thousand)	
Cash in hand		47	46
Cash at banks			
In current accounts - local currency		79,757	197,257
In current accounts - foreign currency		13,928	23,520
		93,685	220,777
In savings accounts - local currency	15.1	23,641	12,373
	15.2	<u>117,373</u>	<u>233,196</u>

15.1 These carry mark-up at rates ranging from 14.50% to 20.75% (2022: 15.50%) per annum.

15.2 Represents bank balances with conventional banks.

16 SHARE CAPITAL

2023		2022	2023		2022
No. of shares			(Rupees in thousand)		
10,000,000	10,000,000	Authorized share capital			
		Ordinary shares of Rs. 10/- each	100,000	100,000	
		Issued, subscribed and paid up capital			
		Ordinary shares of Rs. 10/- each			
2,757,783	2,757,783	Issued for cash	27,578	27,578	
3,359,477	3,359,477	Issued as fully paid bonus shares	33,595	33,595	
687,500	687,500	Issued against plant and equipment	6,875	6,875	
140,000	140,000	Issued against loan	1,400	1,400	
		Issued pursuant to merger with Rhone Poulenc Rorer Pakistan (Private) Limited	27,000	27,000	
<u>2,700,000</u>	<u>2,700,000</u>		<u>96,448</u>	<u>96,448</u>	
<u>9,644,760</u>	<u>9,644,760</u>				

16.1 As of reporting date, Packages Limited holds 3,960,919 ordinary shares of the Company representing 41.07% of shareholding (2022: Sanofi Foreign Participations B.V. held 5,099,469 ordinary shares representing 52.87% of shareholding).

16.2 Voting rights, board selection, rights of first refusal, block voting and other shareholders' rights are in proportion to their shareholding.

17 RESERVES

	Note	2023	2022
(Rupees in thousand)			
Capital reserves			
Long-term liabilities forgone		5,935	5,935
Difference of share capital under scheme of arrangement for amalgamation		18,000	18,000
Share-based payments reserve	17.1	375,210	366,704
		399,145	390,639
Revenue reserves			
General reserve		3,535,538	3,535,538
Unappropriated profits		1,440,307	1,007,067
		4,975,845	4,542,605
		5,374,990	4,933,244

17.1 On completion of the acquisition transaction, as explained in note 1.2, the restricted share-based compensation plan awarded to the Company's employees stands cancelled and the related expense has been recognised in these financial statements.

18 LONG-TERM FINANCING

	2023	2022
(Rupees in thousand)		
Opening balance	41,053	199,230
Accretion of interest	-	9,012
Repayment	(41,053)	(167,189)
	-	41,053
Less: Current maturity	-	(41,053)
Closing balance	-	-

18.1 Represents long-term loan obtained under refinance scheme from the State Bank of Pakistan for payment of wages and salaries to workers and employees having a limit of Rs. 350 million. The loan was repayable within a period of 2.5 years and carried mark-up rate of 1.5% per annum. The carrying value of loan is increased by the amount of interest accredited during the year using effective interest rate, with a corresponding effect on interest expense charged in profit or loss. During the year, the loan was repaid in full.

19 DEFERRED LIABILITIES

	Note	2023	2022
(Rupees in thousand)			
Deferred capital grant	19.1	9,000	18,000

19.1 Movement of deferred liabilities is as follows:

	Note	Government grant	Deferred capital grant	Total
(Rupees in thousand)				
December 31, 2023				
Opening balance		-	18,000	18,000
Released to the profit or loss	27	-	(9,000)	(9,000)
Closing balance		-	9,000	9,000
Current		-	9,000	9,000
December 31, 2022				
Opening balance		6,274	27,000	33,274
Released to the profit or loss	27	(6,274)	(9,000)	(15,274)
Closing balance		-	18,000	18,000
Current		-	9,000	9,000
Non-current		-	9,000	9,000
		-	18,000	18,000

20 DEFINED BENEFIT PLANS

20.1 Actuarial valuation of the Gratuity Fund was carried out as at December 31, 2023. The present value of defined benefit obligation has been calculated using the projected unit credit method. The details of the actuarial valuation are as follows:

Statement of financial position reconciliation as at December 31 is as follows:	Pension Fund		Gratuity Fund	
	2023	2022	2023	2022
	(Rupees in thousand)		(Rupees in thousand)	
Fair value of plan assets	-	29,315	656,152	609,262
Present value of defined benefit obligation	-	(6,735)	(630,630)	(642,106)
Net asset / (liability) in statement of financial position	-	22,580	25,522	(32,844)
Movement in net asset / (liability) is as follows:				
Opening balance	22,580	(438,997)	(32,844)	16,889
Charge for the year	-	(134,850)	(57,431)	(32,416)
Employer contribution	-	595,709	38,747	44,883
Payments	(22,580)	-	-	-
Employees transferred (from) / to group companies	-	-	(1,900)	-
Actuarial gain / (loss) recognised in other comprehensive income	-	718	78,950	(62,200)
Closing balance	-	22,580	25,522	(32,844)
Expense recognised in statement of profit or loss is as follows:				
Current service cost	-	53,157	55,593	36,998
Interest cost	-	84,278	85,322	68,127
Expected return on plan assets	-	(116,812)	(83,484)	(72,709)
Curtailment and settlement	-	114,227	-	-
	-	134,850	57,431	32,416
Actual return on plan assets	-	126,583	113,906	(555)
Movement in the defined benefit obligation				
Opening balance	6,735	1,401,982	642,106	590,015
Current service cost	-	53,157	55,593	36,998
Interest cost	-	84,278	85,322	68,127
Benefits paid	(6,735)	(1,599,294)	(105,763)	(41,970)
Curtailment and settlement	-	57,559	-	-
Employees transferred from group companies	-	-	1,900	-
Actuarial (gain) / loss	-	9,053	(48,528)	(11,064)
Closing balance	-	6,735	630,630	642,106
Movement in fair value of plan assets				
Opening balance	29,315	962,985	609,262	606,904
Expected return on plan assets	-	116,812	83,484	72,709
Employer contributions	-	595,709	38,747	44,883
Benefits paid	(29,315)	(1,599,294)	(105,763)	(41,970)
Curtailment	-	(56,668)	-	-
Actuarial (loss) / gain	-	9,771	30,422	(73,264)
Closing balance	-	29,315	656,152	609,262
Actuarial (gain) / loss arising from				
Changes in financial assumptions	-	-	(101,698)	(18,141)
Experience adjustments	-	(718)	22,748	80,341
	-	(718)	(78,950)	62,200

Key actuarial assumptions used are as follows	Pension Fund		Gratuity Fund	
	2023	2022	2023	2022
Discount factor used	-	12.25%	15.50%	14.50%
Expected rate of return per annum on plan assets	-	12.25%	15.50%	14.50%
Long term salary increase rate per annum	-	12.25%	14.50%	14.50%

Estimates of future salary increase takes into account inflation, seniority and promotion. Having regard to the actual salary increase rate of current year and the future expectation of the Company, the management's actuary has assumed that the short-term salary increase rate to be used is 12% (2022: 10.25%) per annum and for long term 14.50% (2022: 14.50%) per annum compounded.

	Pension Fund		Gratuity Fund	
	2023	2022	2023	2022
Weighted average duration (years)	-	14.48	5.13	7.99

The effective duration of the future cash flows was calculated based on the yields available on government bonds at the end of the reporting period.

	Pension Fund		Gratuity Fund	
	2023	2022	2023	2022
Retirement age (years)	-	60 years	60 years	60 years
Withdrawal rate	-	Moderate	Moderate	Moderate
Mortality rate	SLIC 2001 - 2005		SLIC 2001 - 2005	

2023		2022	
Rs in '000	%	Rs in '000	%

Sensitivity analysis for Gratuity Fund

Current liability as at the reporting date	630,630		642,106	
Following shall be the PV under various sensitivities:				
+1% / +0.5% Discount rate	600,613	-4.76%	594,220	-7.46%
-1% / -0.5% Discount rate	663,752	5.25%	696,707	8.50%
+1% / +0.5% Salary increase rate	665,757	5.57%	699,464	8.93%
-1% / -0.5% Salary increase rate	598,290	-5.13%	591,029	-7.95%
+10% / +5% Withdrawal rates	630,919	0.05%	641,539	-0.09%
-10% / -5% Withdrawal rates	630,268	-0.06%	642,685	0.09%
1 / 0.5 year mortality age set back	630,573	-0.01%	642,153	0.01%
1 / 0.5 year mortality age set forward	630,688	0.01%	642,060	-0.01%

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the year end. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

Maturity profile	Gratuity Fund	
	2023	2022
	(Rupees in thousand)	
Year 1	88,188	60,652
Year 2	105,025	27,725
Year 3	84,645	69,962
Year 4	99,674	51,071
Year 5	77,391	140,996
Year 6 to Year 10	494,040	488,463
Year 11 and above	1,136,778	2,714,993

Plan assets comprise of:	2023		2022	
	Rs in '000	%	Rs in '000	%
Funded Pension Plan				
Cash and cash equivalents	-	-	29,315	100%
Funded gratuity plan				
Equity	136,908	20.86%	81,280	13.34%
Cash and cash equivalents	81,678	12.45%	129,722	21.30%
Debt	437,566	66.69%	398,260	65.36%
	656,152	100%	609,262	100%

20.1.1 Risks associated with defined benefit plan

Longevity Risks:

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Salary Increase Risk:

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Withdrawal Risk:

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

Investment Risk:

The risk of the investment underperforming and not being sufficient to meet the liabilities. This is managed by formulating an investment policy and guidelines based on which investments are made after obtaining approval from trustees of the gratuity fund.

20.1.2 The expected return on plan assets is based on the market expectations and depends upon the asset portfolio of the plan at the beginning of the period.

20.1.3 The Company contributes to the Gratuity Fund on the advice of the funds' actuary. The contributions are equal to the current service cost with adjustment for any deficit. If there is a surplus, the Company takes a contribution holiday, accordingly, there is no impact of asset ceiling in these financial statements. Based on the actuarial advice, the amount of expected contribution to Gratuity Fund for the year 2024 is Rs. 36.662 million.

21 TRADE AND OTHER PAYABLES

	Note	2023	2022
(Rupees in thousand)			
Trade creditors			
Related parties		5,041	2,207,657
Other trade creditors		1,835,906	825,486
		1,840,947	3,033,143
Other payables			
Accrued liabilities		1,307,062	1,477,507
Refund liabilities		83,556	31,400
Infrastructure Development Cess	23.1.1	728,223	589,833
Workers' Profit Participation Fund	21.1	48,911	43,253
Workers' Welfare Fund		85,372	96,813
Central Research Fund		9,866	7,868
Compensated absences		122,434	116,938
Security deposits	21.2	15,576	15,576
Contractors' retention money		8,846	8,223
Sales tax payable		21,884	14,532
		2,431,730	2,401,943
		4,272,677	5,435,086

21.1 Movement of Workers' Profits Participation Fund (the Fund) is as follows:

	Note	2023	2022
(Rupees in thousand)			
Opening balance		43,253	79,487
Allocation for the year	26	48,911	38,766
		92,164	118,253
Amount paid to the Fund		(43,253)	(75,000)
Closing balance		48,911	43,253

21.2 Represent unutilised security deposits received from various vendors / contractors, kept in a separate bank account.

22 BANK OVERDRAFT

The total running finance facilities available from various commercial banks under mark-up arrangements aggregates to Rs. 2,450 million (2022: Rs. 3,500 million) which remains fully unutilised as at December 31, 2023 (2022: unutilised Rs. 2,608 million). These facilities are secured against first registered joint pari passu charge over current assets of the Company, inclusive but not limited to stock-in-trade and book debts of the Company. These facilities carry mark-up rates ranging between KIBOR + 0.10% to 0.40% (2022: KIBOR + 0.10% to 0.50%) per annum and will expire latest by May 31, 2024.

23 CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

23.1.1 The Government of Sindh through Sindh Finance Act, 1994 imposed infrastructure fee for development and maintenance of infrastructure on goods entering or leaving the Province of Sindh through air or sea at prescribed rates. Several companies contested the imposition of this infrastructure fee in High Court of Sindh (HCS). Through the interim order passed on May 31, 2011, the HCS had ordered that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure fee should be paid in cash and a bank guarantee for the remaining amount should be submitted until the final order is passed. Subsequently, the Company started to deposit cash and bank guarantees on import of goods and also started recognising accrual for the unpaid amount for which bank guarantee was submitted. On June 04, 2021, the HCS dismissed appeals filed by

the petitioners and ordered that the Sindh Finance Act, 2017 is a valid law with the competence of provincial legislature and all bank guarantees previously furnished by the petitioners against the HCS's interim order dated May 31, 2011 shall be en-cashed and paid to the department.

The Company, in consultation with its lawyer, filed an appeal before the Supreme Court of Pakistan (SCP) against the HCS's order dated June 04, 2021 jointly with other petitioners. SCP provided leave to appeal against the orders of HCS vide CP No. 4913/2021 dated September 01, 2021 with the directions that till the further order of SCP, the operations of impugned judgment of the HCS dated June 04, 2021 and recovery of the impugned levy shall remain suspended. The petitioners were ordered to submit fresh bank guarantees equivalent to the amount of levy for all future consignments of imported goods. Based on the advice of the legal advisor, the Company has recognised provision against the fee payable (note 21).

- 23.1.2** The Deputy Commissioner Inland Revenue (DCIR), initiated monitoring proceedings u/s 156/161 of Income Tax Ordinance, 2001 (the Ordinance) for Tax Year 2009 vide letter dated November 12, 2010. The Company filed constitutional petition before the HCS who remanded back the matter vide order dated December 24, 2012. After disposal of constitutional petition, the proceedings were reinitiated by DCIR vide his letter dated December 26, 2012 requiring the Company to explain its position on advertisement and sales promotion expenses amounting to Rs. 203.963 million.

In the order dated April 29, 2013, issued under section 161/205 of the Ordinance, the DCIR had imposed tax under section 161 of the Ordinance amounting to Rs. 11.663 million for non deduction of tax under section 156 of the Ordinance from certain payments under the head 'Advertisement and Sales Promotion'.

The Company filed constitutional petition before the HCS who restrained the tax department from any coercive recovery measure in respect of the impugned demand till disposal of the petition. The department, however, later adjusted this outstanding demand without issuance of any recovery notice to the Company, against refunds pertaining to Tax Year 2012. The HCS dismissed the petition on May 25, 2013 and directed the petitioner to pursue departmental hierarchy.

The Company then filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the impugned order. The CIR(A) disposed-off the appeal vide order dated August 25, 2015 remanding back the matter to the department. The Company filed an appeal against the CIR(A)'s order before the Appellate Tribunal Inland Revenue (ATIR) dated October 05, 2015. The ATIR passed an order on December 24, 2021 against the Company and dismissed the appeal. The Company filed a reference before the HCS in March 2022, hearing of which is still pending.

The Company also filed a rectification application before the ATIR who allowed the application vide order dated July 29, 2022 and remanded back the matter to the tax officer. The remand back proceedings are still pending.

- 23.1.3** The Company's case was selected in the Parametric balloting done for selection of cases for audit for the Tax Year 2011 on February 25, 2013 by the Federal Board of Revenue (FBR) under section 214C of the Ordinance. The Company filed a representation against the said selection before the review panel of the FBR in terms of circular dated February 25, 2013. Without prejudice to the representation against the audit selection, the Company made complete compliance to the Information Document Request (IDR) notice dated April 04, 2013. Later, the DCIR issued the show cause notice under section 122(9) of the Ordinance to which the Company made compliance. However, the DCIR issued amended order dated June 17, 2014 and made additions of Rs. 124.115 million on various expenses. The Company filed an appeal against the DCIR order before the CIR-A, who vide order dated September 10, 2015 had disposed-off the appeal but upheld additions of sundry promotional expenses of Rs. 36.973 million. Accordingly, the Company filed appeal before the ATIR which maintained the disallowance of Rs. 36.973 million vide order dated July 14, 2021. The Company filed a constitutional petition against the ATIR order and rectification application was also filed with the ATIR by the Company dated September 06, 2021.

The ATIR passed order in favor of the Company and allowed the aforementioned expenses through order dated November 29, 2021. Further, the department's appeal for Tax Year 2011 challenging

Commissioner Appeal's verdict to delete the disallowances at Rs. 87.142 million has been dismissed by the ATIR vide order dated July 06, 2022. The Department has filed an appeal before the HCS against the ATIR order, hearing of which is still pending.

- 23.1.4** The DCIR, amended the deemed assessment vide order dated December 28, 2017, for Tax Year 2014 increasing the tax liability by Rs. 275.6 million due to disallowance of certain expenses, hence, adjusting the tax refundable as assessed by the Company in the tax return. The Company was required to pay an amount of Rs.110.6 million being the short payment on account of reassessed tax liability. The Company paid the said amount under protest and filed an appeal with the CIR(A) against the said order. The CIR(A) decided on the above issue against the Company vide order dated May 6, 2019. The Company filed an appeal dated through July 12, 2019 thereagainst with the ATIR, which is pending to be heard.
- 23.1.5** The DCIR, initiated audit proceedings under section 177 read with 214C and clause 72B of Part-IV of Second Schedule of the Ordinance for Tax Year 2016 by issuing a notice dated March 06, 2019 which was responded by the Company on April 09, 2019. Upon completion of the proceedings under section 177(6) of the Ordinance, notice u/s 122(9) of the Ordinance was issued by the DCIR on May 06, 2022 against which the Company filed a constitutional petition before the HCS, which has granted an interim stay order to the Company dated May 24, 2022 and has restrained the tax department from finalizing the proceedings.
- 23.1.6** The DCIR, issued a notice dated March 06, 2019 under section 177 read with 214C and clause 72B of part IV of Second Schedule of the Ordinance for Tax Year 2017 in lieu of exemption granted to the Company for collection of tax at import stage. The Company had initially responded to the notice through various letters that the subject audit proceedings were time barred and hence without jurisdiction. Instead of replying to these jurisdictional objections, the DCIR again issued a notice dated October 13, 2022. The Company again responded to the notice on legal grounds on November 7, 2022. The DCIR issued notice dated November 22, 2022 under section 122(9) of the Ordinance, against the Company. The Company then filed a constitutional petition before the HCS which restrained the tax department from proceeding further on the notice till disposal of petition. The petition is pending before the HCS.
- 23.1.7** The DCIR, issued a notice dated March 06, 2019 under section 177 read with 214C and clause 72B of part IV of Second Schedule of the Ordinance for Tax Year 2018 in lieu of exemption granted to the Company for collection of tax at import stage. The Company had initially responded to the notice through various letters that the subject audit proceedings were time barred and hence without jurisdiction. Instead of replying to these jurisdictional objections, the DCIR again issued a notice dated February 16, 2023 for Tax Year 2018. The Company then filed a suit on legal grounds before the HCS which issued favorable order on March 30, 2023 and restrained the tax department from proceeding further on the notices till disposal of the case.
- 23.1.8** The Federal Government, vide Finance Act, 2022, imposed super tax levy under section 4C of the Ordinance for the Tax Year 2022 and onwards. The Company had filed a civil petition in the HCS primarily challenging the retrospective application of the levy for Tax Year 2022. The HCS vide order dated September 30, 2022 issued an injunction order allowing the Company to file the return without paying the super tax. The HCS passed a favorable order dated December 22, 2022 in this case. The Federal Board of Revenue filed an appeal in the SCP against the order passed by the HCS which is pending adjudication. The SCP in its interim order, directed companies to deposit super tax levy to the extent of 4% of the taxable amount and submit security of remaining 6% of the taxable amount for the Tax Year 2022. The Company has complied with the interim directives of the SCP.

The DCIR, issued a notice dated March 8, 2023 to provide a further explanation regarding the recovery of super tax under section 4C of the Ordinance for Tax Year 2022 to which the Company had responded that the amount has been deposited in compliance with the SCP directives. The DCIR passed an unfavorable order thereagainst creating an additional demand of Rs. 6 million. The Company filed an appeal before the CIR(A) against the DCIR order along with rectification application with DCIR for correction in the order. The CIR(A) vide its order dated July 27, 2023 upheld the impugned order of the DCIR and ordered him to dispose-off the rectification application accordingly. The Company has filed an appeal before the ATIR against the CIR(A) order, the hearing of which is pending.

23.1.9 The Federal Government, vide Finance Act, 2023, increased the rates of super tax levy under section 4C of the Ordinance for Tax Year 2023 and onwards. The Company filed a writ petition in the Islamabad High Court (IHC) against the retrospective increase of the rates of super tax for Tax Year 2023. IHC, in its interim order, has allowed the petition and granted a stay in favor of the Company and restrained the tax department from recovery of the super tax in excess of rate prescribed before the disputed amendment. The matter is currently under appeal before the IHC.

The Company, based on advice from its tax and legal advisors, is confident for favourable outcomes on the above-mentioned matters disclosed in notes 23.1.1 to 23.1.9. Hence, no provision has been recognised in these financial statements in respect of these orders, except for matters mentioned in notes 23.1.1, 23.1.8 and 23.1.9, for which the provision has been recognised as an abundant caution based on prudence.

23.2 Commitments

Note	2023	2022
	(Rupees in thousand)	
Commitments for capital expenditure	324,317	119,048
Outstanding letters of credit	568,377	304,305
Outstanding bank guarantees	845,428	616,261
Outstanding bank contracts	3,017,725	2,594,854

23.2.1 Total available facilities for letters of credit and bank guarantees amounts to Rs. 3,210 million and Rs. 894 million (2022: Rs. 2,150 million and Rs. 804 million), respectively.

23.2.2 Future minimum rentals receivable under non-cancellable operating leases for investment properties as at the reporting dates are as follows:

Note	2023	2022
	(Rupees in thousand)	
Within one year	64,391	55,941
After one year but not more than three years	-	58,134
	64,391	114,075

24 REVENUE - NET

Gross Sales

Local	22,833,524	19,318,072
Export	793,039	1,105,560
	23,626,563	20,423,632

Toll manufacturing	125,690	197,812
	23,752,253	20,621,444

Less:

Discounts	(1,860,715)	(1,799,883)
Returns	(272,903)	(126,445)
Sales tax	(249,686)	(135,232)
	(2,383,304)	(2,061,560)

24.1	21,368,949	18,559,884
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24.1 Includes contract liabilities of Rs. 153.57 million (2022: Rs. 57.30 million) realized during the year.

	Cost of sales		Distribution and marketing costs		Administrative expenses		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in thousand)							
Raw and packing material consumed	7,589,107	7,055,692	-	-	-	-	7,589,107	7,055,692
Raw and packing material written-off	7,271	4,192	-	-	-	-	7,271	4,192
Provision/(Reversal of provision) against stores and spares & raw and packing material (note 8 and 9.1)	(29,211)	41,954	-	-	-	-	(29,211)	41,954
Stores and spares consumed	66,669	55,084	-	-	-	-	66,669	55,084
Stationery and supplies consumed	12,305	12,809	12,082	9,159	8,871	5,200	33,258	27,168
Staff costs (note 25.1)	888,370	835,685	1,213,894	1,284,991	472,105	527,273	2,574,369	2,647,949
Fuel and power	588,703	496,407	4,359	3,489	49,083	33,971	642,145	533,867
Rent, rates and taxes	52,761	45,819	20,248	13,135	-	-	73,009	58,954
Insurance	22,237	11,154	50,442	13,202	3,197	3,902	75,876	28,258
Repairs and maintenance	218,141	309,940	20,148	22,632	13,768	14,931	252,057	347,503
Depreciation of operating fixed assets (note 3.1.2)	201,851	182,964	58,109	59,443	42,975	38,063	302,935	280,470
Amortisation of intangible assets (note 4.1)	255	961	2,765	877	7,543	-	10,563	1,838
Depreciation of investment properties (note 5.1)	-	-	-	-	1,749	1,749	1,749	1,749
Depreciation on right-of-use assets	-	-	-	-	-	1,878	-	1,878
Travelling and conveyance	67,227	77,336	250,962	289,316	42,097	47,281	360,286	413,933
Handling, freight and transportation	-	-	303,052	252,487	-	-	303,052	252,487
Communication	71,775	60,230	32,949	20,942	10,599	11,138	115,323	92,310
Security and maintenance	46,694	47,056	10,979	11,073	17,913	14,200	75,586	72,329
Publication and subscription	184	22	9,285	6,814	8,444	7,166	17,913	14,002
Electronic and print media	-	-	41,331	91,749	-	-	41,331	91,749
Conferences and exhibitions	-	-	161,248	178,093	-	-	161,248	178,093
Market research	-	-	71,905	56,996	-	-	71,905	56,996
Clinical trials	-	-	19	1,928	-	-	19	1,928
Patient care	-	-	50,780	36,953	-	-	50,780	36,953
Samples	-	-	10,512	7,219	-	-	10,512	7,219
Sales promotion	-	-	100,826	101,360	-	-	100,826	101,360
Sales commission	-	-	192,293	135,072	-	-	192,293	135,072
Software license / maintenance fee	180	579	2,447	1,540	133,572	42,829	136,199	44,948
Other expenses	24,574	14,869	20,712	13,742	7,654	2,916	52,940	31,527
	9,829,093	9,252,753	2,641,347	2,612,212	819,570	752,497	13,290,010	12,617,462
Recovery of expenses (note 5.2)	(15,019)	(12,142)	-	-	-	-	(15,019)	(12,142)
	9,814,074	9,240,611	2,641,347	2,612,212	819,570	752,497	13,274,991	12,605,320
Opening work-in-process	120,918	160,160						
Closing work-in-process	(99,848)	(120,918)						
Cost of goods manufactured	9,835,144	9,279,853						
Opening stock of finished goods	2,894,128	2,349,967						
Finished goods purchased	4,877,921	4,850,932						
Cost of samples included under distribution and marketing costs	(10,512)	(7,219)						
Finished goods written-off	78,625	9,489						
Provision against finished goods (note 9.3)	119,467	100,071						
Closing stock of finished goods	(1,952,267)	(2,894,128)						
	15,842,506	13,688,965						

25.1 Staff costs

Salaries, wages and other benefits	840,956	767,918	1,124,813	1,152,110	426,696	477,445	2,392,465	2,397,473
Training expenses	189	53	359	1,206	273	306	821	1,565
Defined benefit plans (note 20.1)	13,537	44,973	28,070	93,541	15,824	28,752	57,431	167,266
Defined contribution plans (note 25.2)	31,873	19,428	57,754	32,382	25,519	13,098	115,146	64,908
Share-based payments	1,815	3,313	2,898	5,752	3,793	7,672	8,506	16,737
	888,370	835,685	1,213,894	1,284,991	472,105	527,273	2,574,369	2,647,949

25.2 Investments out of provident fund have been made in collective investment schemes, listed equity and listed debt securities in accordance with the provisions of section 218 of the Act and the conditions specified thereunder.

26 OTHER EXPENSES

	Note	2023	2022
		(Rupees in thousand)	
Auditors' remuneration	26.1	5,834	4,212
Workers' Profit Participation Fund	21.1	48,911	38,766
Workers' Welfare Fund		22,235	13,241
Central Research Fund		9,866	7,839
Allowance for expected credit loss	10.1, 12.1 & 13.3	47,005	197,516
Legal and consultancy		123,389	74,894
Exchange loss - net	26.2	1,103,990	575,701
		1,361,230	912,169

26.1 Auditors' remuneration

Fee for:

- Statutory audit
- Review of half yearly financial statements
- Audit of special purpose financial statements
- Review of compliance with Code of Corporate Governance
- Other certifications
- Out-of-pocket expenses

	2023	2022
	(Rupees in thousand)	
	2,045	1,822
	475	432
	1,000	-
	180	178
	1,500	1,499
	634	281
	<u>5,834</u>	<u>4,212</u>

26.2 This is net-off exchange gain on other receivables, bank balances and import payables amounting to Rs. 122.04 million (2022: Rs. 86.11 million).

27 OTHER INCOME

Income from financial assets

Markup on

- savings bank accounts
- bank placements
- Dividened income from mutual funds
- Liabilities no longer payable written back

Income from non-financial assets

- Rental income from investment properties - net
- Insurance claim
- Deferred income on capital grant
- Deferred income on Government grant
- Gain on disposal of operating fixed assets - net
- Scrap sales
- Reversal of provision against stamp duty

Note	2023	2022
	(Rupees in thousand)	
	54,508	1,379
	26,368	-
	27,390	-
	-	92,858
	<u>108,266</u>	<u>94,237</u>
	59,621	55,205
	62,100	-
	9,000	9,000
	-	6,274
	6,118	9,944
	41,471	5,191
	100,000	-
	<u>278,310</u>	<u>85,614</u>
	<u>386,576</u>	<u>179,851</u>

27.1 This includes income derived from savings bank account maintained with conventional banks.

27.2 This includes mark-up income at rates ranging from 19.5% to 19.76% per annum on bank placements, with conventional banks.

27.3 These represent dividend income earned from investments in conventional mutual funds.

27.4 During the year, the Company has reversed provision recognised in prior years against stamp duty, upon payment of the demand raised by the relevant authorities amounting to Rs. 29.20 million.

28 FINANCE COSTS

Mark-up on

- long-term financing
- short-term borrowings and bank overdraft
- lease liabilities
- Bank charges

Note	2023	2022
	(Rupees in thousand)	
	-	2,738
	76,838	20,487
	-	13
	97,935	26,587
	<u>174,773</u>	<u>49,825</u>

28.1 This represents interest on short-term finance facilities obtained from conventional banks.

29 TAXATION

	2023	2022
	(Rupees in thousand)	
Current - for the year	574,832	432,961
- for prior years	51,486	56,911
	626,318	489,872
Deferred	(71,026)	67,412
	555,292	557,284

29.1 Relationship between tax expense and accounting profit

Profit before taxation	916,099	724,067
Tax calculated at the rate of 29% (2022: 29%)	265,669	209,979
Effect of:		
- prior year charge	51,486	56,911
- super tax	98,671	29,452
- change in tax rate	(32,601)	(17,866)
- income subject to lower tax rate	172,987	267,740
- others	(920)	11,068
	555,292	557,284

30 EARNINGS PER SHARE - basic and diluted

Profit for the year	360,807	166,783
	(Number of Shares)	
Weighted average number of ordinary shares	9,644,760	9,644,760
	(Rupees)	
Earnings per share - basic and diluted	37.41	17.29

30.1 There is no dilutive effect on the basic earnings per share of the Company.

31 CASH AND CASH EQUIVALENTS

	Note	2023	2022
		(Rupees in thousand)	
Cash and bank balances	15	117,373	233,196
Bank overdraft	22	-	(891,655)
Short-term borrowings		-	(700,000)
		117,373	(1,358,459)

32 TRANSACTIONS WITH RELATED PARTIES

32.1 The related parties of the Company comprise of group companies, associated undertakings, employees' retirement funds and key management personnel. All transactions with related parties are executed into at agreed terms duly approved by the Board of Directors of the Company. Transactions with related parties, other than those disclosed elsewhere in these financial statements, are as follows:

	2023				2022					
	Parent Company (note 1.2)	Former Parent and Group Companies (note 1.2)	Associated undertakings	Employees' retirement funds	Total	Parent Company	Ultimate Parent and group companies	Associated undertakings	Employees' retirement funds	Total
(Rupees in thousand)										
Sales	-	-	6,089	-	6,089	-	-	-	-	-
Purchase of goods	-	3,086,631	88,110	-	3,174,741	-	6,590,354	26,369	-	6,616,723
Services received	19,686	-	-	-	19,686	-	69,216	-	-	69,216
Insurance claim received	-	-	62,100	-	62,100	-	-	-	-	-
Insurance premium	-	-	83,149	-	83,149	-	-	20,304	-	20,304
Subscription fee paid	-	-	50	-	50	-	-	50	-	50
Others	-	-	-	22,580	22,580	-	360	5,929	-	6,289
Dividend paid	-	-	-	-	-	152,984	-	59,486	-	212,470
Contribution paid:										
- Provident fund	-	-	-	68,688	68,688	-	-	-	64,908	64,908
- Gratuity fund	-	-	-	38,747	38,747	-	-	-	44,883	44,883
- Pension fund	-	-	-	-	-	-	-	-	595,709	595,709

32.2 Following are the related parties with whom the Company had entered into transactions or had arrangements / agreements in place:

Name of the Company	Country of Incorporation	Basis of Association	Direct Shareholding
Packages Limited	Pakistan	Parent Company (note1.2)	41.07%
Sanofi Foreign Participations B.V.	Netherlands	Former Parent Company (note1.2)	-
Sanofi-Aventis Groupe France	France	Former Ultimate Parent Company (note1.2)	-
Sanofi Pastuer SA France	France	Former Group Company (note1.2)	-
Sanofi-Aventis Singapore Pte Limited	Singapore	Former Group Company (note1.2)	-
Sanofi Pasteur Inc.	USA	Former Group Company (note1.2)	-
Sanofi Chimie	France	Former Group Company (note1.2)	-
Sanofi US Services Inc.	USA	Former Group Company (note1.2)	-
IGI Investments (Private) Limited	Pakistan	Common Directorship/Shareholding	24.97%
AGT Holding (Private) Limited	Pakistan	Common Directorship/Shareholding	2.07%
Ali Gohar & Company (Private Limited)	Pakistan	Common Directorship/Shareholding	0.53%
Packages Converters Limited	Pakistan	Common Directorship	-
IGI General Insurance Limited	Pakistan	Common Directorship	-
Pak-France Business Alliance	Pakistan	Common Directorship	-
Mr. Asim Jamal (note 33.6)	-	Former Chief Executive Officer	-
Mr. Sajjad Itikhar (note 33.6)	-	Chief Executive Officer	-
Mr. Yasser Pirmuhammad	-	Chief Financial Officer	-
Syed Babar Ali	-	Director / Chairman	0.00%
Syed Hyder Ali	-	Director	3.32%
Mr. Arshad Ali Gohar	-	Director	13.89%
Mr. Imtiaz Ahmed Husain Laliwala	-	Director	-
Syed Anis Ahmad Shah	-	Director	-
Mr. Muhammad Salman Burney	-	Director	-
Ms. Saadia Naveed	-	Director	-
Ms. Iqra Sajjad	-	Director	-
Mr. Rehmatullah Khan Wazir	-	Former Director	-
Mr. Shahid Zaki	-	Former Director	-
Ms. Naira Adamyan	-	Former Director	-
Mr. Hermes Martet	-	Former Director	-
Mr. Marc-Antoine Lucchini	-	Former Director	-
The Sanofi-Aventis Pakistan Employees' Gratuity Fund	-	Retirement benefit fund	-
The Sanofi-Aventis Pakistan Employees' Provident Fund	-	Retirement benefit fund	-
The Sanofi-Aventis Pakistan Senior Executives' Pension Fund	-	Retirement benefit fund	-

33 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, DIRECTORS AND OTHER EXECUTIVES

	Chief Executive Officer		Director / Chief Financial Officer		Other Executive		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in thousand)							
Managerial remuneration	33,400	24,645	3,796	10,582	559,842	397,181	597,038	432,408
Bonus	9,343	12,352	1,596	2,672	195,989	100,166	206,928	115,190
Retirement benefits	3,798	4,634	727	2,002	84,293	55,683	88,818	62,319
Rent, utilities and others	7,493	13,456	2,088	5,771	264,308	183,639	273,889	202,866
Medical expenses	1,191	1,029	43	229	27,816	14,573	29,050	15,831
	55,225	56,116	8,250	21,256	1,132,248	751,242	1,195,723	828,614
Number of persons, including those who worked part of the year	2	1	1	1	291	127	294	129

- 33.1** In addition, Chief Executive Officer, Director and certain Executives are also provided with the use of Company maintained cars.
- 33.2** Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly and include Chief Executive Officer, Chief Financial Officer and other Directors.
- 33.3** Director fee to non-executive directors and independent directors amounts to Rs. 8 million (2022: Rs. 6.4 million).
- 33.4** Benefits available to the Chief Executive Officer, Director and certain Executives recognised by the Company on account of share-based compensation plans aggregated to Rs. 3.8 million (2022: Rs. 6.9 million), Rs. 0.3 million (2022: Rs. 0.6 million) and Rs. 4.4 million (2022: Rs. 9.2 million), respectively.
- 33.5** As per requirement of the Act, executive means an employee, other than the Chief Executive Officer and Directors, whose basic salary exceeds Rs. 1,200,000 in a financial year.
- 33.6** During the year, Mr. Asim Jamal resigned as the Chief Executive Officer of the Company, and was replaced by Mr. Sajjad Iftikhar effective from July 1, 2023.

34 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

34.1 Financial assets

	Note	Interest Rate	Maturity up to one year	Maturity after one year	Total
			(Rupees in thousand)		
As at December 31, 2023					
Financial assets at amortised cost					
Interest-bearing:					
Loans to employees	6	9%	2	-	2
Cash and bank balances	15	14.50% - 20.75%	23,641	-	23,641
Total interest-bearing financial assets			23,643	-	23,643
Non interest-bearing:					
Loans to employees	6		2,298	4,146	6,444
Long-term deposits			-	15,983	15,983
Trade debts	10		572,014	-	572,014
Trade deposits	12		413,507	-	413,507
Advances	11		6,182	-	6,182
Other receivables	13		35,240	-	35,240
Cash and bank balances	15		93,732	-	93,732
			1,122,973	20,129	1,143,102
Financial assets at fair value through profit or loss					
Non Interest-bearing:					
Short term investments	14		889,082	-	889,082
Total non interest-bearing financial assets			2,012,055	20,129	2,032,184

			Maturity up to one year	Maturity after one year	Total
			(Rupees in thousand)		
As at December 31, 2022					
Financial assets at amortised cost					
Interest-bearing:					
Loans to employees	6	9%	29	-	29
Cash and bank balances	15	15.5%	12,373	-	12,373
Total interest-bearing financial assets			12,402	-	12,402
Non interest-bearing:					
Loans to employees	6		2,088	3,623	5,711
Long-term deposits			-	15,983	15,983
Trade debts	10		857,348	-	857,348
Trade deposits	12		2,476,023	-	2,476,023
Advances	11		2,400	-	2,400
Other receivables	13		44,310	-	44,310
Cash and bank balances	15		220,823	-	220,823
Total non interest-bearing financial assets			3,602,992	19,606	3,622,598
34.2 Financial liabilities					
			Maturity up to one year	Maturity after one year	Total
			(Rupees in thousand)		
As at December 31, 2023					
Non interest-bearing financial liabilities at amortised cost					
Trade and other payables	21		3,378,421	-	3,378,421
Accrued mark-up			2,034	-	2,034
Total non interest-bearing financial liabilities			3,380,455	-	3,380,455
As at December 31, 2022					
Interest-bearing financial liabilities at amortised cost					
Long-term financing		1.5%	41,053	-	41,053
Short-term borrowings		KIBOR minus 0.05% - KIBOR plus 0.02%	700,000	-	700,000
Bank overdraft	22	KIBOR plus 0.1% - 0.4%	891,655	-	891,655
Total interest-bearing financial liabilities			1,632,708	-	1,632,708
Non interest-bearing financial liabilities at amortised cost					
Trade and other payables	21		4,682,787	-	4,682,787
Accrued mark-up			17,440	-	17,440
Total non interest-bearing financial liabilities			4,700,227	-	4,700,227

34.3 Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprise of trade and other payables, bank overdraft and short-term borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade debts, trade deposits and other receivables that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company's overall risk management program focuses on minimizing potential adverse effects on the Company's financial performance. The overall risk management of the Company is carried out by the Company's senior management team under policies approved by the Board of Directors. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

34.3.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk, such as equity price risk. The objective of market risk management is to manage and control market risk exposures within an acceptable range, and the management manages these risks as explained in the following paragraphs.

34.3.1.1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk due to transactions denominated in foreign currencies primarily relating to its operating activities. When the management expects future depreciation of reporting currency, the Company manages its foreign currency risk in accordance with the Company's treasury policy.

Exposure to foreign currency risk

	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	JPY in '000		Euro in '000		USD in '000		GBP in '000		CHF in '000	
Other receivables	-	-	36	151	-	10	-	-	-	-
Bank balances	-	-	-	-	49	104	-	-	-	-
Trade and other payables	-	(950)	(3,774)	(9,123)	(792)	(764)	-	(2)	(109)	(33)
	-	(950)	(3,738)	(8,972)	(743)	(650)	-	(2)	(109)	(33)

Significant exchange rates applied during the year were as follows:

	Average rate		Spot rate	
	2023	2022	2023	2022
	(Rupees in thousand)			
JPY	2.00	1.55	1.65	1.71
EUR	303.65	214.53	309.00	242.33
USD	280.28	204.51	281.50	226.90
GBP	348.71	251.50	358.00	273.23
CHF	312.27	213.92	308.00	245.78

Sensitivity analysis

The following is the demonstration of the sensitivity to a reasonably possible change in exchange rate of all major currencies applied to assets and liabilities as at December 31, 2023 represented in foreign currencies, with all other variables held constant, of the Company's profit before tax.

		2023	2022
Change in exchange rate	±	10%	10%
Effect on profit before tax (Rs.000's)	±	139,777	233,194

34.3.1.2 Interest rate risk

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of change

in market interest rate relates primarily to the Company's liability against borrowings with floating interest rates. The Company manages its net working capital by keeping it at an optimum level to ensure minimal utilization of running finance facilities.

Interest rate profile of financial instruments

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

	2023	2022
	(Rupees in thousand)	
Financial assets		
Loans to employees	2	29
Cash and bank balances	23,641	12,373
	23,643	12,402
Financial liabilities		
Long-term financing	-	41,053
Short-term borrowings	-	700,000
Bank overdraft	-	891,655
	-	1,632,708

Sensitivity analysis

A change of 100 basis points (1%) in interest rate at the reporting date would have changed Company's profit before tax for the year by the amounts shown below, with all other variables held constant.

		2023	2022
Change in interest rate	±	1%	1%
Effect on profit before tax (Rs.000's)	±	236	16,203

34.3.1.3 Price risk

Price risk is the risk of loss arising from movements in prices of investments. The Company is only exposed to price risk on its investments in mutual funds.

34.3.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economical, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk of the Company arises principally from the trade debts, loans and advances, trade deposits, other receivables, short term investments and balances with banks. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk on trade debts, the Company has developed a formal approval process, whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and records an allowance for expected credit loss. The credit risk on liquid funds such as balances with banks and short term investments is limited because the counter parties are banks and asset management companies with reasonably high credit ratings.

Exposure to credit risk

The Company's maximum exposure to credit risk at the date is as follows:

	Note	2023	2022
(Rupees in thousand)			
Financial assets at amortised cost			
Loans to employees	6	6,446	5,740
Long-term deposits		15,983	15,983
Trade debts	10	572,014	857,348
Trade deposits	12	413,507	2,476,023
Advances	11	6,182	2,400
Others receivables	13	35,240	44,310
Bank balances	15	117,326	233,150
		<u>1,166,698</u>	<u>3,634,954</u>
Financial assets at fair value through profit or loss			
Short term investments		889,082	-

Quality of financial assets

The credit quality of financial assets can be assessed by reference to external credit ratings or default history of counter parties as disclosed in notes 34.3.2.1 and 34.3.2.2 of these financial statements.

34.3.2.1 Trade debts

Customer credit risk is managed subject to the Company's established policies, procedures and controls relating to customer credit risk management.

The aging of trade debts and analysis of expected credit loss rate is as follows:

Days	< 90	91-180	181 - 270	271 - 365	> 365	Total
(Rupees in thousand)						
December 31, 2023						
Expected credit loss rate	9.13%	15.62%	31.88%	45.90%	89.99%	30.77%
Expected credit loss	43,895	13,041	10,251	20,751	166,275	254,213
Estimated total gross carrying amount at default	480,578	83,515	32,154	45,206	184,774	826,227
December 31, 2022						
Expected credit loss rate	0.94%	5.92%	8.91%	77.54%	100.00%	18.20%
Expected credit loss	6,402	7,713	5,621	11,916	159,151	190,803
Estimated total gross carrying amount at default	680,339	130,186	63,107	15,368	159,151	1,048,151

34.3.2.2 Cash at banks

The carrying values of bank balances are analysed as follows:

Credit ratings:

	2023	2022
(Rupees in thousand)		
A1+	79,426	208,845
P-1	-	785
A-2	37,900	23,520
	<u>117,326</u>	<u>233,150</u>

Short-term investments

The carrying values of short-term investment are analysed as follows:

Credit ratings:

AM1	1,402	-
AM2+	887,680	-
	<u>889,082</u>	<u>-</u>

The Company has placed its funds with banks and asset management companies having short-term ratings by PACRA / JCR-VIS / S&P as shown above.

34.4 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company maintains flexibility in funding by maintaining availability under control committed credit lines.

The table below summarizes the maturity profile of the Company's financial liabilities, carried at amortised cost, as at reporting date.

	Carrying amount	Less than 12 months
(Rupees in thousand)		
December 31, 2023		
Trade and other payables	3,378,421	3,378,421
Accrued mark-up	2,034	2,034
	3,380,455	3,380,455
December 31, 2022		
Long-term financing	41,053	41,053
Trade and other payables	4,682,787	4,682,787
Accrued mark-up	17,440	17,440
Short-term borrowings	700,000	700,000
Bank overdraft	891,655	891,655
	6,332,935	6,332,935

34.5 Fair value measurement

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 fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The different levels of fair valuation method have been defined as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data.

The carrying value of all financial assets and liabilities reflected in these financial statements approximate their fair values. The fair values of Company's investment in mutual funds amounting to Rs. 889 million (2022: Nil) is determined under Level 2 valuation method.

As of reporting date, the Company's investments properties are carried at cost. The fair values of these properties as disclosed in note 5.3 have been determined under level 3 with reference to market-based evidence after making adjustments for size, location, time, amenities and other relevant factors by comparing the subject asset with identical or similar assets for which price information is available. Valuation techniques used to derive the fair values of the investment properties have been summarised in the table below:

Class of investment property	Fair value December 31, 2023	Fair value December 31, 2022	Valuation technique	Key unobservable inputs	Rate December 31, 2023	Rate December 31, 2022
	(Rupees in thousand)				(Rupees in thousand)	
Leasehold land	750,000	526,706	Market comparable approach	Price per square meter	151,210	106,191
Buildings on leasehold land	52,325	48,166			19,698	18,132
	<u>802,325</u>	<u>574,872</u>				

Increases (decreases) in the price per sqm in isolation would result in a higher / (lower) fair value. Sensitivity analysis of change in key input is as follows:

	Sensitivity used	Effect on fair values	
		Leasehold land	Buildings on leasehold
(Rupees in thousand)			
2023	Increase of 10%	<u>75,000</u>	<u>5,233</u>
2022	Increase of 10%	<u>52,671</u>	<u>4,817</u>

35 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may regulate the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors its capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total bank borrowings less cash and bank balances. Total capital is calculated as equity, as reported in the statement of financial position plus net debt.

The gearing ratio was as follows:	Note	2023	2022
		(Rupees in thousand)	
Bank overdraft	22	-	891,655
Short term-borrowings		-	700,000
Current maturity of long-term financing	18	-	41,053
Less: Cash and bank balances	15	(117,373)	(233,196)
Net debt		(117,373)	1,399,512
Total capital	16 & 17	5,471,438	5,029,692
		<u>5,354,065</u>	<u>6,429,204</u>
Gearing ratio [Net debt / (Net debt + Total capital)]		-	22%

36 ENTITY WIDE INFORMATION

36.1 The Company constitutes a single reportable segment since the Executive Management monitors the operating results of the entire Company for the purpose of making decisions about resource allocation and performance assessment. Information about geographical areas of the Company are as follows:

**Sales to external customers, net of returns,
discounts and sales tax**

Pakistan
Afghanistan

2023	2022
(Rupees in thousand)	
20,658,321	17,663,570
710,628	896,314
<u>21,368,949</u>	<u>18,559,884</u>

36.2 There were three major customers of the Company who contributed 12%, 12% and 11% (December 31, 2022: 11%, 10% and 9%) respectively, of the Company's net sales. All the sales of the Company relate to pharmaceutical and related products and are earned from single shariah compliant reportable segment. All non-current assets of the Company as at December 31, 2023 and 2022 are located in Pakistan.

37 CAPACITY AND PRODUCTION

The capacity and production of the Company's manufacturing facility is not determinable as it is a multiproduct plant facility involving varying processes of manufacture.

38 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on February 22, 2024 by the Board of Directors of the Company.

38.1 Events After Reporting Date

The Board of Directors has proposed a final cash dividend for the year ended December 31, 2023 of Rs. 30.00 per share (2022: Nil), amounting to Rs 289.343 million (2022: Nil) in its meeting held on February 22, 2024 for the approval of the members at the annual general meeting to be held on April 08, 2024.

The Board of Directors has approved transfer of Rs. 2,000 million (2022: Nil) from General Reserves to Capital Reserve, being a reserve not regarded free for distribution by way of dividend, in its meeting held on February 22, 2024 for the purpose as the Board may decide from time to time.

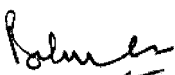
The financial statements for the year ended December 31, 2023 do not include the effect of this appropriation which will be accounted for in the financial statements for the year ending December 31, 2024.

39 GENERAL

39.1 Total number of employees as at December 31, 2023 was 734 (2022: 744) and average number of employees during the year was 741 (2022: 746).

39.2 Figures presented in these financial statements have been rounded off to the nearest thousand Pakistan Rupees, unless otherwise stated.

39.3 Corresponding figures have been rearranged and reclassified, wherever considered necessary, for better presentation. However, there has been no material reclassification to report.


Syed Babar Ali
Chairman


Sajjad Iftikhar
Chief Executive Officer


Yasser Pirmuhammad
Chief Financial Officer

Shareholders' Information

Registered Office

Plot 23, Sector 22, Korangi Industrial Area,
Karachi-74900, Pakistan
PABX: (021) 35060221-35
Fax: (021) 35060358

Share Registrar

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

Ownership

On December 31, 2023, there were 928 members on the Company's ordinary share register.

Dividend Payment

The Board of Directors of the Company has recommended a 300% (Rs. 30 per share) final cash dividend for the year ended 2023. The proposal shall be placed before the shareholders of the company in the Annual General Meeting for their consideration and approval on Monday, April 08, 2024. 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 Monday, April 01, 2024, and shall be subject to the Zakat and tax deductions as per applicable laws.

Financial Calendar

First quarter ended March 31, 2023	Approved and announced on	May 30, 2023
Half year ended June 30, 2023	Approved and announced on	August 25, 2023
Third quarter ended September 30, 2023	Approved on	October 21, 2023
	announced on	October 23, 2023
Year ended December 31, 2023	Approved and announced on	February 22, 2024
Extra Ordinary General Meeting	Held on	September 05, 2023
56th Annual General Meeting	To Be Held on	April 08, 2024

Listing on Stock Exchange

The equity shares of Hoechst Pakistan Limited (the "Company") are listed on the Pakistan Stock Exchange Limited (PSX).

Stock Code

The trading symbol for dealing in equity shares of Hoechst Pakistan Limited at the PSX is 'HPL'.

Share Registrar

The shares department of the Company is operated by FAMCO Share Registration Services (Pvt.) Limited and serves around 928 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 a 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

Syed Muhammad Taha Naqvi

PABX: (021) 35060221-35
Fax: (021) 35060358
Email: company.secretary@hoechst.com.pk

Mr. Salman Rauf

Tel: (021) 34380101-5, (021) 34384621-3
Fax: (021) 34380106
Email: info.shares@famcosrs.com

Service Standards

Hoechst Pakistan Limited (formerly Sanofi-aventis Pakistan Limited) has always endeavored to provide its investors and shareholders with prompt services. Listed below are various services and the maximum time limits set for their execution, subject to receipt of the complete set of required documents:

	For requests received through post or over the counter
Transfer of shares	15 days after receipt
Transmission of shares	15 days after receipt
Issue of duplicate share certificates	30 days after receipt
Updating of IBAN	2 working days after receipt
Change of address	2 days after receipt

Well qualified personnel of Share Registrar have been entrusted with the responsibility of ensuring that services are rendered within the set time limits.

Statutory Compliance

During the year, the Company has complied with all applicable provisions, filed all returns/forms and furnished all the relevant and prescribed information.

Dematerialization of Shares

The equity shares of the Company are under the dematerialization category. As of date, 97.31% 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-EntryForm (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

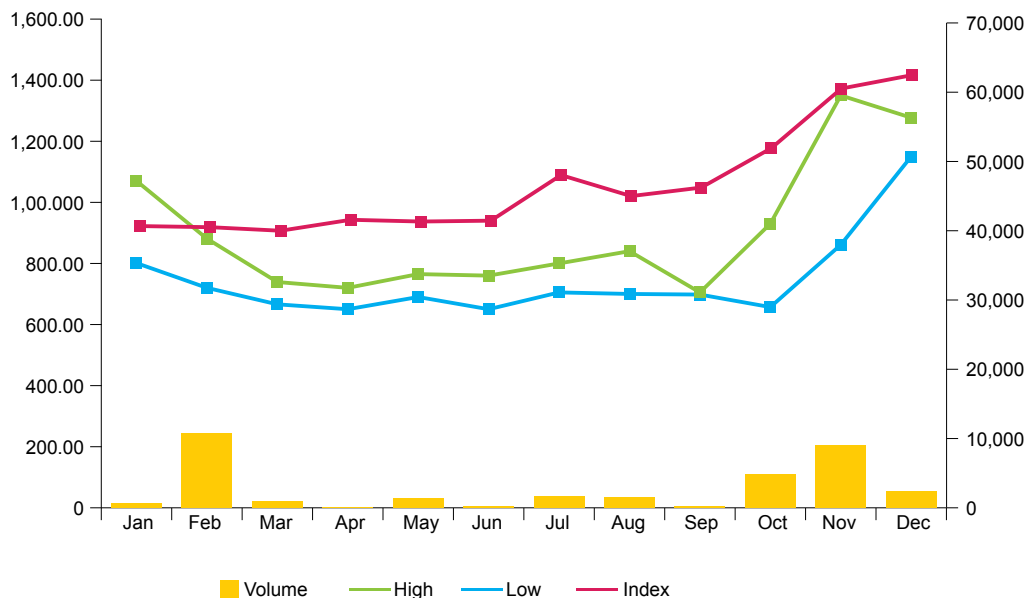
No case has ever been filed by shareholders against the Company.

Share Price/Volume

The monthly high and low prices and the volume of shares traded on the Pakistan Stock Exchange during the financial year 2023 are as under:

Share Price Movement

Month	Share Price on the PSX (Rs.)		Volume of Shares Traded	PSX 100-Index
	Highest	Lowest		Close
January	1,070.00	801.00	1,420	40,673.06
February	881.00	720.00	24,300	40,510.37
March	739.99	666.47	2,040	40,000.83
April	720.00	650.00	260	41,580.85
May	765.00	690.00	3,020	41,330.56
June	760.00	650.00	540	41,452.68
July	800.00	705.10	3,650	48,034.59
August	839.99	700.10	3,300	45,002.41
September	705.00	698.00	650	46,232.59
October	929.99	657.00	11,000	51,920.27
November	1,350.00	861.00	20,400	60,531.27
December	1,277.00	1,150.00	5,250	62,451.04



Pattern of Shareholding

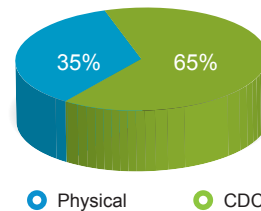
AS AT DECEMBER 31, 2023

Shareholding		Number of shareholders	Total shares held
From	To		
1	100	517	18,429
101	500	280	83,490
501	1,000	61	46,413
1,001	5,000	50	83,257
5,001	10,000	4	29,264
15,001	20,000	2	35,028
20,001	25,000	3	68,387
30,001	35,000	1	32,195
50,001	55,000	1	51,442
60,001	65,000	1	63,777
140,001	145,000	1	143,464
200,001	205,000	1	200,011
255,001	260,000	1	255,700
300,001	305,000	1	302,871
520,001	525,000	1	523,000
1,335,001	1,340,000	1	1,340,000
2,405,001	2,410,000	1	2,408,171
3,955,001	3,960,000	1	3,959,861
		928	9,644,760

Shareholding Position / IBAN

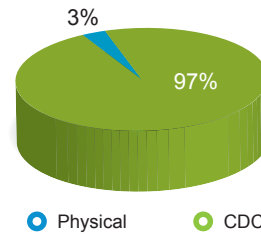
Total Number of Shareholders as on December 31, 2023

Physical	CDC	Total
327	601	928



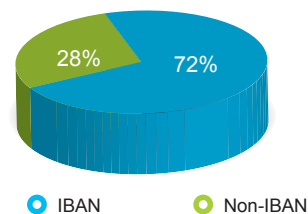
Total Number of shares as on December 31, 2023

Physical	CDC	Total
259,023	9,385,737	9,644,760



Number of IBAN updated as on December 31, 2023

IBAN	Non-IBAN	Total
666	262	928



Categories of Shareholding

AS AT DECEMBER 31, 2023

S.No.	Shareholders' category	Number of shareholders	No. of shares	%
1	Directors, Chief Executive Officer, and their spouse and minor children	5	1,682,575	17.45
2	Associated Companies, Undertakings and related Parties	7	7,207,320	74.73
3	NIT and ICP			
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	2	169	0.00
5	Insurance Companies			
6	Modarabas and Mutual Funds	2	24,769	0.26
7	Share holders holding 10%	4	7,709,090	79.93
8	General Public :			
	a. local	887	274,296	2.84
	b .Foreign	-	-	0.00
9	Others	25	455,631	4.72
	Total (excluding : share holders holding 10%)	928	9,644,760	100.00

Category Details of Shareholding

AS AT DECEMBER 31, 2023

Shareholders' category	Number of shareholders	Number of shares held
i) Directors, Chief Executive Officer, and their spouse and minor children		
Syed Babar Ali	1	100
Mrs. Perwin Babar Ali	1	22,690
Syed Hyder Ali	2	319,785
Mr. Arshad Ali Gohar	1	1,340,000
Total:	5	1,682,575
ii) Associated Companies, Undertakings and related Parties		
Packages Limited	2	3,960,919
IGI Investments (Pvt.) Limited	1	2,408,171
Nera Pharma (SMC-Private) Limited	1	523,000
AGT Holdings (Private) Limited	1	200,011
Ali Gohar & Co. (Pvt) Ltd.	1	51,442
Babar Ali Foundation	1	63,777
Total:	7	7,207,320
iii) Banks, Development Financial Institutions, Non Banking Financial Institutions		
1 National Bank Of Pakistan	1	129
2 MCB Bank Limited - Treasury	1	40
Total:	2	169
iv) Modarabas and Mutual Funds		
1 B.R.R. Guardian Limited	1	50
2 CDC - Trustee National Investment (Unit) Trust	1	24,719
Total:	2	24,769
v) Share holders holding 10% or more		
Packages Limited	2	3,960,919
IGI Investments (Pvt.) Limited	1	2,408,171
Mr. Arshad Ali Gohar	1	1,340,000
Total:	4	7,709,090

Notice of Annual General Meeting

Notice is hereby given that the 56th Annual General Meeting (AGM) of Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited) will be held on Monday, April 8th, 2024 at 09:30 A.M at the Auditorium of The Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi and virtually through video conference facility to transact the following business:

ORDINARY BUSINESS

- 1) To confirm the minutes of the last Extraordinary General Meeting of the Company held on September 05, 2023.
- 2) To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2023 together with the Chairman's Review, Directors' and Auditors' Reports thereon.
- 3) To consider and approve the Final Cash Dividend at the rate of Rs. 30.00 (300%) per ordinary share of Rs. 10/- as recommended by the Board of Directors for the year ended December 31, 2023.
- 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.

SPECIAL BUSINESS

- 5) To consider and approve to circulate the annual balance sheet and profit and loss account, auditor's report and directors report, chairman's review report, etc. (collectively "Annual Audited Financial Statements") of the Company to the members through QR enabled code and weblink mentioned in the notices of general meetings to Members dispatched at their registered addresses as allowed by the Securities and Exchange Commission of Pakistan under SRO 389 (I)/2023 dated March 21, 2023.

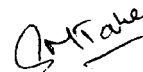
(Attached to this Notice is a Statement of Material Facts covering the above-mentioned special business, as required under Section 134(3) of the Companies Act, 2017.)

ANY OTHER BUSINESS

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

Karachi
March 18, 2024

By Order of the Board



Syed Muhammad Taha Naqvi
Company Secretary

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@hoechst.com.pk mentioning their name, folio number, email address by the close of business hours on April 04, 2024. The log-in credentials and link to participate in the AGM would be provided to the registered shareholders via response email.

As always, Hoechst Pakistan 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:

Closure of Share Transfer Books and Appointment of Proxies

1. The Share Transfer Books of the Company will be closed from Tuesday, April 02, 2024 to Monday, April 08, 2024 (both days inclusive). Transfers received at the office of the Company's Share Registrar, M/s FAMCO Share Registration Services (Pvt.) Limited, 8-F, Near Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi at the close of business on Monday, April 01, 2024 or updated on Central Depository System as per CDC regulations, will be treated in time for the purpose 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 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). 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 January 26, 2000 issued by the Securities and Exchange Commission of Pakistan ("SECP"). Proxy form is also available on the Company's website at www.hoechst.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:

Company Name	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 01, 2024; 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 the 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 01, 2024.
- 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 Share Registrar Service Pvt. Ltd. or email at info.shares@famcosrs.com at the latest by April 01, 2024. Member may send a declaration using a standard format as placed on Registrar and Company's websites as mentioned below:
www.famcosrs.com
www.hoechst.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.

For the convenience of shareholders e-Dividend Mandate Form is available on the Company's website i.e. www.hoechst.com.pk

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 Share Registrar Service (Pvt.) Limited, 8-F, Near Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrāh-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 scripless 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 be 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. Those shareholders, who have not claimed their dividend amounts as yet, are hereby requested to ensure that their claims for unclaimed dividend amounts and/or shares certificate are lodged promptly to the Company's Share Registrar, M/s FAMCO Share Registration Services (Pvt.) Limited, 8-F, Near Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrāh-e-Faisal, Karachi.

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.

Availability of Annual Audited Financial Statements

In accordance with the provision of Section 223 of the Companies Act, 2017, the audited financial statements of the Company for the year ended December 31, 2023, are available on the Company's website i.e. www.hoechst.com.pk.

The Annual Report shall be circulated via email to those shareholders whose email addresses are present in the records/ database of the Share Registrar.

Postal Ballot/E-Voting

In accordance with the Companies (Postal Ballot) Regulations, 2018, for any 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.

Statement of Material Facts under Section 134(3) of the Companies Act, 2017 (the Act)

Item No. 5 of the Notice

Transmission of Annual Audited Accounts through QR enabled code and weblink

The Securities and Exchange Commission of Pakistan ("SECP") through its SRO 389 (I)/2023 dated March 21, 2023 has allowed companies to circulate the annual balance sheet and profit and loss account, auditor's report and directors report, chairman's review report, etc. (collectively "Annual Audited Financial Statements"), to its members through QR enabled code, subject to the approval of the shareholders in general meeting.

The notice of meeting shall be dispatched to members as per requirements of the Act, on their registered address, containing the QR code and the weblink address to view and download the annual audited financial statements together with the reports and documents required to be annexed thereto under the Act.

For the purpose aforesaid, it is proposed to consider and if thought fit, to pass the following resolution as an ordinary resolution, with or without modifications, to obtain approval of the shareholders for the transmission of the Annual Audited Accounts and accompanying reports, through QR enabled code and weblink:

"RESOLVED THAT the approval of the shareholders of the Company be and is hereby accorded for the transmission of the annual balance sheet and profit and loss account, auditor's report and directors report, chairman's review report, etc. (collectively "Annual Audited Financial Statements") through QR enabled code and weblink provided in the notices of general meetings to Members dispatched at their registered addresses as allowed by the Securities and Exchange Commission of Pakistan under SRO 389 (I)/2023 dated March 21, 2023."

The Company shall also circulate the annual audited financial statements through email in case email address has been provided by the member to the Company and the consent of member to receive the copies through email is not required.

The Company shall, however, supply hard copies of the aforesaid documents to the shareholders on demand, at their registered addresses, free of cost, within one week, if a request has been made by the member on the standard request form available on the website of the Company.

The Directors are not interested, directly or indirectly, in the above special business, except to the extent of their shareholdings in the Company.

The Company Secretary
Hoechst Pakistan Limited
(formerly Sanofi Aventis Pakistan Limited)
Plot 23, Sector 22, Korangi
Industrial Area, Karachi-74900

Form of Proxy

56th Annual General Meeting

I/We _____
of _____ being member(s) of
Hoechst Pakistan 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 Fifty-Sixth Annual General Meeting of the Company to be held on Monday, the 08th day
of April 2024, at 9:30 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 _____ 2024.

1. Witness

Signature:

Name: _____

Address: _____

CNIC or _____

Passport No. _____

Signature

Please affix
Rupees five
revenue
stamp

(Signature should agree
with the specimen signature
registered with the Company)

2. Witness

Signature:

Name: _____

Address: _____

CNIC or _____

Passport No. _____

Note:

Proxies must be received by the Company not less than 48 hours before the meeting. A proxy need not be a member of the Company.

CDC Shareholders and their Proxies are requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

تشکیل نیابت داری

56واں سالانہ اجلاس عام

دی کمپنی سیکریٹری

ہکسٹ پاکستان لمیٹڈ

(سابق سنوفی-اویٹنس پاکستان لمیٹڈ)

پلاٹ 23، سکٹر 22، کورنگی

انڈسٹریل ایریا، کراچ۔ 74900

میں/ہم ----- بابت ----- بحیثیت ممبر (ممبران) برائے ہکسٹ پاکستان لمیٹڈ اور ہولڈز

بابت ----- عمومی شیئرجسٹر فولیو نمبر ----- اور/یا سی ڈی سی پارٹیشننگ ----- اور

سیکریشن نمبر ----- بذریعہ ہذا ----- بابت یا ان کی عدم حاضری پر ----- کو

اپنا/ہمارا پراکسی مقرر کر رہا ہوں/کر رہے ہیں جو کمپنی کے 56ویں سالانہ اجلاس عام بروز پیر 08 اپریل 2024 بوقت 9:30 بجے صبح بمقام دی انسٹی ٹیوٹ آف 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 شکرکت کرنے اور ووٹ دینے کے لئے بطور نیابت داری شریک ہوں گے۔

دستخط مورخہ ----- 2024

1. گواہ:

دستخط:-----

نام:-----

پتہ:-----

سی این آئی سی نمبر -----

پاسپورٹ نمبر -----

2. گواہ:

دستخط:-----

نام:-----

پتہ:-----

سی این آئی سی نمبر -----

پاسپورٹ نمبر -----

نوٹ:

پراکسیز کے مؤثر ہونے کے لئے لازم ہے کہ وہ اجلاس سے 48 گھنٹے قبل کمپنی کو موصول ہوں۔ نیابت دار کا کمپنی کارکن ہونا ضروری نہیں ہے۔ سی ڈی سی کے حصص یافتگان اور ان کے نمائندوں سے التماس ہے کہ وہ اپنے کمپیوٹرائزڈ شناختی کارڈ نمبر یا پاسپورٹ کی تصدیق کاپی پراکسی فارم کے ساتھ کمپنی میں جمع کرائیں۔

ریونیو ٹکٹ چسپاں کریں۔

(دستخط کمپنی میں پہلے سے
موجود نمونہ کے مطابق ہونے
چاہئے)

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 its shareholders only through electronic mode directly into the bank account designated by the entitled shareholders.

In order to receive your dividends directly in your Bank account, please complete the particulars as mentioned below and return this letter duly signed along with a copy of your Computerized/Smart National Identity Card (CNIC/SNIC) to the Share Registrar of the Company M/s FAMCO Share Registrtrion Services (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 Hoechst Pakistan Limited (formerly Sanofi Aventis Pakistan Limited)

Syed Muhammad Taha Naqvi

Company Secretary

SHAREHOLDER'S SECTION:

I hereby communicate to receive my future dividends directly in my Bank account as detailed below:

Name of shareholder :

Folio 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 to the best of my knowledge and I shall keep the Company/broker (participant)/CDC informed in case of any change in the said particulars in future.

Shareholder's Signature

CNIC 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 on the basis of the 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 کر کے اپنے کمپیوٹرائزڈ/اسمارٹ شناختی کارڈ کی کاپی کے ہمراہ کمپنی کے رجسٹرار میسرز فیمکو شیئر رجسٹریشن (پرائیوٹ) لمیٹڈ، 8 ایف، نزد پوٹل فاران، نرسری، بلاک-6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی کو جمع کرا دیں۔

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 (پارٹنیشن) سی ڈی سی کو جمع کرا دیں۔

آپ کے مخلص
بکسٹ پاکستان لمیٹڈ

سید محمد طہ نقوی
کمپنی سیکریٹری

شیئر ہولڈرز پر 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 پی 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 میر جانب سے فراہم کردہ مذکورہ بالا کوائف دردت اور میری معلومات کے عین مطابق ہیں اور میں آئندہ ان کوائف میں کسی بھی تبدیلی کی صورت میں کمپنی/پارٹنیشن/سی ڈی سی انویسٹ/اکاؤنٹ سروسز کو مطلع کرتا رہوں گا۔

کمپیوٹرائزڈ/اسمارٹ شناختی کارڈ نمبر (کاپی منسلک)

شیئر ہولڈر کے دستخط

نوٹ:

- برائے مہربانی اپنا مکمل آئی بی اے این اپنی متعلقہ برانچ سے چیک کرنے کے بعد فراہم کریں تاکہ الیکٹرونک کریڈٹ براہ راست آپ کے بینک اکاؤنٹ میں ممکن ہو سکے۔
- نقد منافع منقسمہ کی ادائیگی صرف نینک اکاؤنٹ نمبر پر عمل میں لائی جائے گی۔ کمپنی آپ کی ہدایات کے مطابق اکاؤنٹ نمبر پر انحصار کانے کا استحقاق رکھتی ہے۔ کمپنی ایسے کسی بھی نقصان، ضیاع، مالی ذمے داری یا دعویٰ کے لئے بلواسطہ قطعی ذمے دار نہ ہوگی جو کسی غلطی، تاخیر ایسی کسی کالی 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 کو اختیار نہ ہو۔

Request Form for Transmission of Annual Report and Notices

The Registrar

FAMCO Share Registrtrion Services (Pvt.) Limited,
8-F, Near Hotel Faran Block-6, Nursery,
P.E.C.H.S. Shahrah-e-Faisa, Karachi-74000

Dear Sir,

I hereby request you to send me the Annual Report of Hoechst Pakistan Limited for the year ended December 31, 2023 and all notices under the Companies Act, 2017 at my postal / email address give 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 نوٹسز

دی شیئر رجسٹرار
فیمکو شیئر رجسٹریشن (پرائیوٹ) لمیٹڈ
ایف-8، نزد بوٹل فاران، نرسری، بلاک-6
پی ای سی ایچ ایس، شاہراہ فیصل
کراچی کو جمع کرا دیں۔

عزیز محترم

میں بذریعہ ہذا آپ سے درخواست کرتی/کرتا ہوں کہ بکسٹ پاکستان لمیٹڈ کی سالانہ رپورٹ اور نوٹسز برائے 2023 کمپنیز ایکٹ 2017 کے تحت میرے درج ذیل ڈاک/ای میل ایڈریس پر ارسال کئے جائیں۔

(شیئر ہولڈرز 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 کر لیا جائے میں کمپنی اور اس کے شیئر رجسٹرار کو اپنے ایڈریس میں کسی بھی تبدیلی کے بارے میں فوری طور پر اطلاع کر دوں 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۔

ڈاک اور / یا ای میل پتے میں تبدیلی

مطبوعہ حصص (physical shares) رکھنے والے حصص یافتگان سے درخواست کی جاتی ہے کہ وہ اپنے ڈاک اور / یا ای میل پتوں میں تبدیلی کے بارے میں فوری طور پر شیئر رجسٹرار کو تحریری طور پر مطلع کریں جبکہ سی ڈی سی اکاؤنٹ ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے سی ڈی سی پارٹنر / سی ڈی سی انویسٹر اکاؤنٹ سروسز کے ساتھ اپنے پتے اپ ڈیٹ کریں۔

غیر دعویٰ شدہ منافع منقسم / حصص

کمپنیز ایکٹ 2017 کی دفعہ 244 کے تحت کمپنی کو اپنے غیر دعویٰ شدہ منافع کا دعویٰ کرنے کے لیے حصص یافتگان سے رابطہ کرنا ہوتا ہے۔ جن حصص یافتگان نے ابھی تک اپنے منافع منقسم کی رقم کا دعویٰ نہیں کیا ہے، اُن سے درخواست کی جاتی ہے کہ وہ اس بات کو یقینی بنائیں کہ غیر دعویٰ شدہ منافع منقسم کی رقم اور / یا حصص کی تصدیق شدہ زمرے کے لیے اُن کے دعویٰ کو فوری طور پر کمپنی کے شیئر رجسٹرار، میسرز فیمکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ، -8 ایف، ہوٹل فاران، نرسری، بلاک 6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی، کے پاس جمع کرادیا جائے۔

سی ڈی سی اکاؤنٹ میں مطبوعہ حصص جمع کروانا

کمپنیز ایکٹ 2017ء کی شق 72 کے تحت، ہر موجودہ لسٹڈ کمپنی پر لازم ہو ہے کہ وہ اپنے مطبوعہ حصص کو بک انٹری فارم (Book-Entry form) کی صورت میں اُس طریقے کے مطابق تبدیل کرے جیسا کہ ایس ای سی پی کی طرف سے مقرر کیا گیا ہے۔ مطبوعہ حصص رکھنے والے حصص یافتگان کی حوصلہ افزائی کی جاتی ہے کہ وہ کسی بھی بروکر کے ساتھ سی ڈی سی ذیلی اکاؤنٹ یا سی ڈی سی کے ساتھ براہ راست انویسٹر اکاؤنٹ کھولیں تاکہ اپنے مطبوعہ حصص کو غیر مطبوعہ (scripless) صورت میں رکھ سکیں۔ یہ کئی طریقوں سے فائدہ مند ہے جس میں حصص کی محفوظ تحویل اور حصص یافتہ کی مرضی کے مطابق فروخت شامل ہیں کیونکہ پاکستان اسٹاک ایکسچینج کے موجودہ ضوابط کے مطابق مطبوعہ حصص کی تجارت کی اجازت نہیں ہے۔

سالانہ آڈٹ شدہ مالی گوشواروں کی دستیابی

کمپنیز ایکٹ 2017ء کی شق 223 کے تحت مؤرخہ 31 دسمبر 2023ء کو ختم ہونے والے مالی سال کے لیے کمپنی کے آڈٹ شدہ مالی گوشوارے کمپنی کی ویب سائٹ (www.hoechst.com.pk) پر بھی دستیاب ہیں۔

سالانہ رپورٹ، صرف اُن حصص یافتگان کو، ای میل کے ذریعے فراہم کی جائے گی جن کے ای میل پتے شیئر رجسٹرار کے ریکارڈ / ڈیٹا بیس میں موجود ہیں۔

پوسٹل بیلٹ / ای ووٹنگ

کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018ء کے مطابق اور کمپنیز ایکٹ 2017ء کی شق 143 اور 144 کے تقاضوں کے تحت مطابق ایجنڈے میں شامل کسی بھی آئٹم کے لیے مجموعی طور پر 10 فیصد یا اُس سے زیادہ حصص رکھنے والے ارکان کو پوسٹل بیلٹ یعنی ڈاک کے ذریعے بیلٹ یا ای ووٹنگ کے ذریعے، مذکورہ ضوابط میں درج شرائط کے تحت اپنا حق رائے دہی استعمال کرنے کی اجازت ہوگی۔

کمپنیز ایکٹ 2017 (دی ایکٹ) کے سیکشن (3) 134 کے تحت ضروری حقائق کا بیان

نوٹس کا آئٹم نمبر 5

سالانہ آڈٹ شدہ اکاؤنٹس کی کیو آر (QR) پرمبنی کوڈ او ویب لنک کے ذریعے ترسیل:

سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان ("ایس ای سی پی") نے اپنے ایس آر او ایف 389(1)/2023 مورخہ 21 مارچ، 2023 کے ذریعے کمپنیز کو اجازت دی ہے کہ وہ سالانہ بیلنس شیٹ اور نفع نقصان کا اکاؤنٹ، آڈیٹور کی رپورٹ اور ڈائریکٹر کی رپورٹ، چیئرمین کی جائز رپورٹ وغیرہ (مجموعی طور پر "سالانہ آڈٹ شدہ مالیاتی گوشوارے") اپنے ممبرز کو بذریعہ کیو آر (QR) پرمبنی کوڈ کے ذریعے پہنچادیں جو اجلاس عام میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

اجلاس کی اطلاع، ایکٹ کے مطابق ممبرز کو ان کے رجسٹرڈ پتوں پر ارسال کی جائے جس میں کیو آر (QR) کوڈ اور ویب لنک کا پتہ ہو تاکہ وہ سالانہ آڈٹ شدہ مالیاتی گوشوارے مع رپورٹس اور ایکٹ کے تحت منسلک دستاویزات ملاحظہ اور ڈاؤن لوڈ کر سکیں۔

مذکورہ مقصد کے لئے تجویز کیا جاتا ہے کہ سالانہ آڈٹ شدہ اکاؤنٹس اور منسلک رپورٹس کی کیو آر (QR) پرمبنی کوڈ اور ویب لنک کے ذریعے ترسیل کے بارے میں درج ذیل قرارداد پر غور کیا جائے اور اگر درست سمجھا جائے تو بطور عمومی قرارداد، ترمیم کے ساتھ یا بلا ترمیم شیئر ہولڈرز کی منظوری حاصل کی جائے:

طے پایا کہ سالانہ بیلنس شیٹ اور نفع و نقصان اکاؤنٹ، آڈیٹور کی رپورٹ اور ڈائریکٹر کی رپورٹ، چیئرمین کی جائز رپورٹ وغیرہ (مجموعی طور پر "سالانہ آڈٹ شدہ مالیاتی گوشوارے") کی بذریعہ کیو آر (QR) پرمبنی کوڈ ترسیل کے لئے کمپنی کے شیئر ہولڈرز کی منظوری دی جاتی ہے جو سالانہ اجلاس میں ممبرز کو ان کے رجسٹرڈ پتوں پر بھیج دئے گئے ہیں جیسا کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے ایس آر او ایف 389(1)/2023 مورخہ 21 مارچ، 2023 کے ذریعے کمپنیز کو اجازت دی ہے۔

کمپنی سالانہ آڈٹ شدہ مالیاتی گوشوارے ای میل کے پتے پر، بشرطیکہ ممبر نے کمپنی کو فراہم کیا ہوا اور ای میل کے ذریعے کاپیاں وصول کرنے کے لئے ممبر کی رضامندی حاصل کرنا ضروری نہیں۔

تاہم کمپنی شیئر ہولڈرز کے طلب کرنے پر مذکورہ دستاویزات کی بارڈ کاپی ان کے رجسٹرڈ پتے پر بلا معاوضہ ایک ہفتہ کے اندر بھجوا دے گی بشرطیکہ ممبر نے مقررہ درخواست فارم پر اس کے لئے درخواست کی ہو جو کمپنی کی ویب سائٹ پر دستیاب ہے۔

ڈائریکٹرز درج بالا خصوصی کارروائی میں کوئی دلچسپی نہیں رکھتے سوائے اس کے کہ کمپنی میں ان کی شیئر ہولڈنگ ہے۔

منافع منقسم کی صورت میں ہونے والی آمدنی پر نظر ثانی شدہ ود ہولڈنگ ٹیکس

انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے تحت اور فنانس ایکٹ 2020 کی پیروی میں ڈیویڈنڈ کی آمدنی سے، ایکٹیویٹیکس پیئر لسٹ (اے ٹی ایل) میں شامل یا نہ شامل ہونے والے افراد کے لئے لاگو قوانین کے مطابق ود ہولڈنگ ٹیکس کی کٹوتی کی جائے گی۔ فیڈرل بورڈ آف ریونیو (ایف بی آر) کی جانب سے وصول ہونے والی وضاحت کے مطابق ود ہولڈنگ ٹیکس کا تعین پرنسپل شیئر ہولڈرز اور جوائنٹ اکاؤنٹ کی صورت میں جوائنٹ ہولڈرز سے علیحدہ علیحدہ ان کے پاس موجود شیئرز کے تناسب سے ایکٹیو / این 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:

کمپنی کا نام	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 یکم اپریل، 2024ء تک ہمارے شیئر رجسٹرار تک لازماً پہنچ جائیں۔ بصورت دیگر یہ فرض کیا جائے گا کہ مرکزی حصص یافتہ اور مشترکہ حصص یافتگان کے درمیان حصص کی تعداد برابر ہے اور اسی کے مطابق ٹیکس منہا جائے گا۔

ب۔ حصص یافتگان سے درخواست کی جاتی ہے کہ وہ براہ کرم ایف بی آر کی ویب سائٹ (<http://www.fbr.gov.pk>) پر دستیاب ایکٹیو پیئرز لسٹ (اے ٹی ایل) میں اپنا اسٹیٹس چیک کر لیں اور اس بات کو یقینی بنائیں کہ اُن کا شناختی کارڈ / پاسپورٹ نمبر پارٹنریس پیٹ / انویسٹر اکاؤنٹ سروسز یا شیئر رجسٹرار (مطبوعہ حصص یافتگی کی صورت میں) کی جانب سے ریکارڈ پر موجود ہے۔ کارپوریٹ ادارے (غیر انفرادی حصص یافتگان) بھی اس بات کو یقینی بنائیں کہ اُن کے نام اور قومی ٹیکس نمبر (این ٹی این) ایف بی آر کی ویب سائٹ پر موجود اے ٹی ایل میں درج ہیں اور متعلقہ پارٹنریس پیٹ / انویسٹر اکاؤنٹ سروسز میں درج ہیں یا مطبوعہ حصص یافتگی کی صورت میں کمپنی کے شیئر رجسٹرار کے پاس درج ہیں۔

ج۔ منافع منقسم کی صورت میں ہونے والی آمدنی سے ود ہولڈنگ ٹیکس سے استثناء کی اجازت صرف اسی صورت میں دی جائے گی جب یکم اپریل 2024ء تک کمپنی کے شیئر رجسٹرار کو ٹیکس سے استثناء کے مؤثر سرٹیفکیٹ کی نقل دستیاب ہوگی۔

د۔ غیر مقیم حصص یافتگان انکم ٹیکس آرڈیننس 2001ء کی سق 82 کے تحت کمپنی شیئر رجسٹرار میسرز فیمکو شیئر رجسٹرار سروسز پرائیویٹ لمیٹڈ کو منافع منقسم پر ٹیکس کی منہائی کے مقصد کے لیے اپنی رہائشی حیثیت کا تعین کرنے کی غرض سے اپنے مؤثر پاسپورٹ کی نقل کے ساتھ *حلف نامہ کا اعلامیہ (declaration of undertaking) یکم اپریل، 2024ء تک جمع کرا دیں یا info.shares@famcosrs.com پر ای میل کریں۔ ایسے ارکان شیئر رجسٹرار (www.famcosrs.com) اور کمپنی کی ویب سائٹ (www.hoehst.com.pk) پر دستیاب معیاری فارمیٹ کے مطابق ایک اعلامیہ بھیج سکتا ہے۔

سالانہ اجلاس عام کے لیے قانونی ضابطہ اخلاق

ارکان سے درخواست کی جاتی ہے کہ وہ کمپنیز ایکٹ 2017ء کی سق 215 اور کمپنیز (جنرل پروویژنز اینڈ فارمز) ریگولیشنز 2018ء کے ضابطہ 28 کے مطابق سالانہ اجلاس عام کے دوران قانونی ضابطہ اخلاق پر عمل کریں، جس کے تحت حصص یافتگان کو ایسے فیصلوں کے لیے انتظامیہ سے براہ راست رابطہ کرنے یا دباؤ ڈالنے کی اجازت نہیں ہے جو انتظامیہ کے لیے ہموار انداز میں کام کرنے میں رکاوٹیں پیدا کر سکتا ہے۔ جیسا کہ ان شقوق میں ذکر کیا گیا ہے، حصص یافتگان ایسا مواد بھی نہیں لا سکتے جس سے اجلاس کے شرکاء یا اس مقام کو خطرہ لاحق ہو جہاں اجلاس عام منعقد ہو رہا ہے، نہ ہی وہ خود کو سالانہ اجلاس عام کے نوٹس میں شامل ایجنڈا آئٹمز سے منسلک کریں گے اور نہ ہی کسی بھی سیاسی وابستگی کو ظاہر کریں گے۔ مزید برآں کمپنیز ایکٹ 2017ء کی سق 185 کے مطابق کمپنی کو اپنے حصص یافتگان کو کسی بھی میں تحائف تقسیم کرنے کی اجازت نہیں ہے۔

برقی ذرائع سے نقد منافع کی ادائیگی (لازمی)

کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈ) ریگولیشن 2017ء کے مطابق، حصص یافتگان کو مشورہ دیا جاتا ہے کہ وہ اپنا شناختی نمبر / کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) نمبر اور بین الاقوامی بینک اکاؤنٹ نمبر (IBAN) کی تفصیلات، اگر پہلے فراہم نہیں کیں گئیں ہیں تو، ہمارے شیئر رجسٹرار (اگر حصص مطبوعہ صورت میں رکھے گئے ہیں) کو اُن کے مذکورہ پتے پر یا متعلقہ پارٹنریس پیٹ / بروکر (اگر حصص سی ڈی ایس اکاؤنٹ کے ذریعے رکھے گئے ہیں) کو فراہم کریں۔ ان معلومات کی عدم وصولی کی صورت میں کمپنی منافع منقسم کی ادائیگی روکنے پر مجبور ہوگی۔

کمپیوٹرائزڈ قومی شناختی کارڈ اور / یا این ٹی این سرٹیفکیٹ کی نقل جمع کروانا (لازمی)

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی ہدایات، بشمول ایس آر او 1831/1(2012) اور دیگر متعلقہ قواعد کے مطابق برقی ذرائع سے منافع منقسم کی ادائیگی کے لیے، ماسوائے نابالغ افراد اور کارپوریٹ حصص یافتگان کے، تمام حصص یافتگان کو اپنا کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فراہم کرنا ہوگا۔

کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈ) ریگولیشنز 2017ء کے ریگولیشن نمبر 6 اور کمپنیز ایکٹ 2017ء کی دفعہ 243(3) کے مطابق، حصص یافتہ یا مجاز شخص کے CNIC یا NTN کی عدم دستیابی کی صورت میں کمپنی حصص یافتگان کو منافع منقسم کی ادائیگی روکنے پر مجبور ہوگی۔

لہذا، جن انفرادی ارکان نے ابھی تک کمپنی کے شیئر رجسٹرار کے پاس اپنے مؤثر کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل جمع نہیں کرائیں ہیں، اُن سے ایک مرتبہ پھر درخواست کی جاتی ہے کہ وہ جلد از جلد اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی نقول براہ راست کمپنی کے شیئر رجسٹرار میسرز فیمکو شیئر رجسٹرار سروسز (پرائیویٹ) لمیٹڈ، ایف، متصل ہوٹل فاران، نسری، بلاک 6، پی ای سی ایچ ایس، شارع فیصل، کراچی کے پاس جمع کرا دیں۔ کارپوریٹ اداروں سے درخواست کی جاتی ہے کہ وہ بھی اپنے مجاز نمائندوں کے کمپیوٹرائزڈ قومی شناختی کارڈ کی نقول کے ساتھ اپنا نیشنل ٹیکس نمبر (این ٹی این) اور فولیو نمبر فراہم کریں۔

زکوٰۃ کی کٹوتی

زکوٰۃ کی لازمی کٹوتی سے استثناء کا دعویٰ کرنے والے حصص یافتگان سے درخواست کی جاتی ہے کہ وہ مبلغ 50/- روپے کے این جے ایس پی پر زکوٰۃ ڈیکلیریشن فارم "50CZ" کی نوٹائزڈ (notarized) نقل شیئر رجسٹرار کے پاس جمع کرا دیں۔ اگر حصص غیر مطبوعہ دستاویز (scripless) کی صورت میں رکھے جاتے ہیں تو زکوٰۃ ڈیکلیریشن فارم (50CZ-) کو حصص یافتہ کے سی ڈی سی اکاؤنٹ میں اُس کے پارٹنریس پیٹ / انویسٹر اکاؤنٹ سروسز کے ذریعے اپ لوڈ کیا جانا چاہئے۔ مزید برآں، غیر مسلم حصص یافتگان کو کمپنی کی ویب سائٹ پر دستیاب فارمیٹ میں کمپنی کے شیئر رجسٹرار کے ساتھ معاہدہ کرنا ہوگا اگر حصص مطبوعہ سرٹیفکیٹ کی صورت میں رکھے گئے ہیں یا سی ڈی سی پارٹنر / انویسٹر اکاؤنٹ سروسز کے ساتھ غیر مطبوعہ صورت میں (scripless) شکل میں ہیں۔ زکوٰۃ کی کٹوتی سے اُس وقت تک استثناء نہیں دیا جائے گا جب تک مذکورہ دستاویزات پر لحاظ سے دستیاب نہ ہوں۔

سالانہ اجلاس عام کی اطلاع

بذریعہ ہذا مطلع کیا جاتا ہے کہ ہکسٹ پاکستان لمیٹڈ (سابقہ سنوفی ایونٹس پاکستان لمیٹڈ) 56ک واں سالانہ اجلاس عام بتاریخ 8 اپریل 2024ء بروز پیر صبح 9:30 بجے دی انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان، چارٹرڈ اکاؤنٹنٹس ایونیو، کلفٹن، کراچی کے آڈیٹوریم میں درج ذیل امور کی انجام دہی کے لئے منعقد ہوگا جس میں شرکت کے لیے ورچوئل ویڈیو کانفرنس کی سہولت بھی فراہم کی جائے گی

عمومی امور

- (1) کمپنی کے آخری غیر معمولی اجلاس عام منعقدہ 05 ستمبر، 2023ء کی کارروائی کی تصدیق کرنا۔
- (2) مؤرخہ 31 دسمبر، 2023ء کو ختم ہونے والے مالی سال کے لئے کمپنی کے آڈٹ شدہ مالی گوشواروں اور اُن کے ساتھ چیئرمین کا جائزہ، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کو وصول کرنا، غور کرنا اور اختیار کرنا۔
- (3) مؤرخہ 31 دسمبر، 2023ء کو ختم ہونے والے مالی سال کے لئے بورڈ آف ڈائریکٹرز کی سفارش کے مطابق 10/- روپے مالیت والے عمومی حصص پر 30.00 روپے فی حصص (یعنی 300 فیصد) کی شرح سے حتمی نقد منافع کی ادائیگی پر غور کرنا اور اُس کی منظوری دینا۔
- (4) آئندہ برس کے لئے کمپنی کے بیرونی آڈیٹرز کی تقرری کرنا اور اُن کامشاہرہ طے کرنا۔ موجودہ آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس) نے اہلیت کی بنیاد پر آڈیٹرز کے طور پر دوبارہ تقرری کے لیے رضامندی ظاہر کی ہے اور بورڈ آف ڈائریکٹرز نے اُن کی تقرری کی سفارش کی ہے۔

خصوصی امور

- 5- سالانہ بیلنس شیٹ اور نفع ونقصان اکائونٹ، آڈیٹرز کی رپورٹ اور ڈائریکٹرز کی رپورٹ، چیئرمین کی جائزہ رپورٹ وغیرہ (مجموعی "سالانہ آڈٹ شدہ مالیاتی حسابات") اجلاس عام کے نوٹسز میں درج کیو آر این ایبل کوڈ اور ویب لنک کے ذریعے ممبران کو ان کے رجسٹرڈ پتوں پر بھیجنے کے لئے عمومی قرارداد کے ذریعے شیئر ہولڈرز کی منظوری حاصل کرنا، جس کی اجازت سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ایس آر او 389(1)/2023 مؤرخہ 21 مارچ 2023 میں دی ہے۔

(اس نوٹس کے ساتھ مذکورہ بالا خصوصی امور سے متعلق ضروری حقائق کا بیان منسلک ہے جیسا کہ کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت ضروری ہے)

دیگر امور

- (6) چیئر کی اجازت سے دیگر کسی معاملے پر غور کرنا اور اُس کی منظوری دینا۔

بحکم بورڈ
محمد طہ نقوی
کمپنی سیکریٹری

کراچی
بتاریخ 18 مارچ، 2024ء

ویڈیو کانفرنسنگ کی سہولت کے ذریعے سالانہ اجلاس عام کی کارروائی میں شرکت

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) نے وقتاً فوقتاً جاری کردہ اپنے سرکلرز کے ذریعے لسٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ ذاتی طور پر شرکت کی ضروریات کے علاوہ بھی ورچوئل طور پر عام اجلاس منعقد کریں۔ کمپنی کی جانب سے سالانہ اجلاس عام میں حصص یافتگان کی شرکت کو آسان بنانے کے لئے مندرجہ ذیل انتظامات کیے گئے ہیں:

سالانہ اجلاس عام میں ورچوئل ذرائع سے شرکت کے خواہشمند حصص یافتگان سے درخواست کی جاتی ہے کہ وہ بتاریخ 04 اپریل، 2024ء کو کاروباری اوقات کے اختتام تک اپنے نام، فولیو نمبر، ای میل پتے پر مشتمل اپنی تفصیلات سے مقررہ پتے shares.desk@hoechst.com.pk پر بھیج کر خود کو رجسٹر کروا لیں۔ لاگ ان کے کوائف اور سالانہ اجلاس عام میں شرکت کا لنک رجسٹر شدہ حصص یافتگان کو جوابی ای میل کے ذریعے فراہم کیا جائے گا۔

ہمیشہ کی طرح ہکسٹ پاکستان لمیٹڈ اپنے حصص یافتگان، ملازمین، ڈائریکٹرز اور عوام کے تحفظ کو یقینی بناتے ہوئے، اجلاس منعقد کرنے کے لیے تمام قابل اطلاق قوانین کی تعمیل کی جائے گی۔

نوٹ:

- 1- کمپنی کے حصص کی منتقلی کی کتب منگل، 02 اپریل، 2024ء سے پیر، 08 اپریل، 2024 (دونوں دن شامل ہیں) بند رہیں گی۔ یکم اپریل 2024ء کو کاروباری دن کے اختتام تک کمپنی کے شیئر رجسٹرار، فیمکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ، -18 ایف، متصل ہوٹل فاران، نرسری، بلاک 6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی کو موصول ہونے والی منتقلی کی درخواستیں یا سی ڈی سی کے قواعد کے مطابق سینٹرل ڈپازٹری سسٹم پر اپ ڈیٹ کیں گئیں درخواستیں، منتقلی کے مقصد کی غرض سے بروقت تصور کی جائیں گی۔
- 2- اجلاس میں شرکت کرنے اور ووٹ دینے کا حق رکھنے والا/والی رکن اپنی جانب سے اجلاس میں شرکت کرنے، رائے دینے اور ووٹ دینے کے لیے کسی دوسرے شخص کو اپنا نمائندہ مقرر کرسکتا/سکتی ہے۔ نمائندے کی تقرری کی دستاویزات، اجلاس شروع ہونے کے وقت سے کم از کم 48 گھنٹے پہلے، کمپنی کے رجسٹرڈ دفتر میں جمع کرانا ضروری ہے۔
- 3- مطبوعہ حصص (physical shares) رکھنے والے حصص یافتگان کے لئے لازمی ہے کہ وہ اپنے ہمراہ اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ لے کر آئیں جبکہ نمائندے کے طور پر شرکت کرنے والے شخص کے لئے لازمی ہے کہ وہ اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ کے علاوہ حصص یافتہ/یافتگان کے کمپیوٹرائزڈ قومی شناختی کارڈ (ز) کی نقل/نقل بھی لے کر آئیں۔ حصص یافتگان/نمائندگان کو اصل کمپیوٹرائزڈ قومی شناختی کارڈ کے بغیر سالانہ اجلاس عام کے لیے حصص یافتگان/ارکان کے رجسٹر میں دستخط کرنے اور شرکت کرنے کی اجازت نہیں ہوگی۔
- 4- سی ڈی سی کھاتا داروں/ذیلی کھاتا داروں کو، جن کی رجسٹریشن کی تفصیلات Share Book Details Report میں دستیاب ہیں، سالانہ اجلاس عام میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ پیش کرنے کی ضرورت ہوگی تاکہ شناخت کو آسان بنایا جاسکے۔ ایسے کھاتا داروں اور ذیلی کھاتا داروں کو اپنی متعلقہ پارٹنرشیپشن آئی ڈی نمبر (Participation I.D. No.) بھی لانا چاہئے جبکہ نمائندہ ہونے کی صورت میں اپنے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی لازماً منسلک کرنا چاہیے۔ کارپوریٹ ارکان کے نمائندے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("ایس ای سی پی") کے جاری کردہ سرکلر نمبر 1 مورخہ 26 جنوری 2000 کے تحت بورڈ کی منظور کردہ قرارداد/مختارنامہ اور/یا ایسی تمام دستاویزات کی تصدیق شدہ نقل لے کر آئیں جو اس مقصد کے لیے ضروری ہیں۔ پراکسی فارم کمپنی کی ویب سائٹ www.hoechst.com.pk پر بھی دستیاب ہے

ڈیوڈنڈ

معاشی طیران پذیری کے ساتھ روپے کی قدر میں مسلسل کمی اور اس کے نتیجے میں افراط زر کے کمپنی کے مارجنز اور لیکویڈٹی پر منفی اثرات مرتب کئے ہیں۔ تاہم بورڈ آف ڈائریکٹرز نے سال مختتمہ 31 دسمبر 2023 کے لئے 30.00 حتمی ڈیوڈنڈ کی سفارش کی ہے۔

مستقبل کا منظر نامہ

آنے والے سال کو مدنظر رکھتے ہوئے، ہم استعداد میں اضافہ کا عمل جاری رکھیں گے اور اپنی حکمت عملی کے امور کا جائزہ لیں گے کہ ان کو یقینی طور پر مناسب ترین ہوں اور مقامی و عالمی منڈی کی بدلتی ہوئی صورتحال سے ہم آہنگ ہوں۔ آپ کی کمپنی صارفین کو اعلیٰ و معیاری دواؤں کی ترسیل پر توجہ مرکوز رکھتی ہے اور اس کے ساتھ ساتھ جدت، بہتر استعداد، مناسب لاگت کے اقدامات کے ذریعے منافع کو بڑھانے اور شیئر ہولڈرز کی آمدنی میں کو زیادہ سے زیادہ کرنے کے بھرپور کاوشیں کرتی ہے۔


کمپنی کو افراط زر کی بنا پر لاگت میں اضافے اور روپے کی قدر میں کمی سے دوہرے چیلنجز کا سامنا ہے۔ پالیسی ریٹ میں مسلسل اضافہ کاروباری لاگ میں مزید اضافہ کا سبب ہوگا نیز میکرو اکنامک اشاریے کے چیلنجز کمپنی کے کاروباری عمل پر منفی اثر ڈالیں گے۔ تاہم، ہم پراعتماد ہیں کہ موثر مینیجمنٹ اور لیڈرشپ کے ساتھ کمپنی ان چیلنجز سے کامیابی کے ساتھ نکل سکتی ہے۔

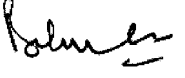
اگے بڑھتے ہوئے، ہم پرامید ہیں کہ ڈرگ ریگولیٹری اتھارٹی آف پاکستان (ڈی آر اے پی) حکومت کے ساتھ مل کر ضروری اقدامات اٹھائیں گے جن میں قیمتوں کے جائزے، صنعت کو درپیش مارجن میں کمی کا حل شامل ہیں۔ ہم صنعت کو آگے بڑھانے کے لئے نئی راہیں دریافت کرنے میں ریگولیٹرز اور حکومت کے ساتھ مل کر کام کرنے کے لئے پر عزم اور تیار ہیں۔

اعتراف

بورڈ شیئر ہولڈرز کے آنے والے سالانہ اجلاس عام میں سال 2023 میں کمپنی کی کارکردگی کے بارے میں گفت و شنید کرے گی اور شیئر ہولڈرز کے بورڈ پر بھروسے اور اعتماد کے لئے شکرگزار ہے۔ بورڈ اپنے تمام شیئر ہولڈرز کے مسلسل تعاون اور کمپنی پر اعتماد اور تعاون کرنے پر ان کا ممنون ہے۔ بورڈ خصوصی طور پر پرعزم ملازمین کی تندہی اور پرخلاص کاوشوں پر بھی خراج تحسین پیش کرتا ہے جو کمپنی کو ترقی کی راہ پر گامزن رکھنے کا سبب ہے۔

بحکم بورڈ


سجاد افتخار
چیف ایگزیکٹو آفیسر


سید بابر علی
چیئرمین

کراچی

22 فروری 2024

اس کے علاوہ بورڈ نے چیئر مین اور نان ایگزیکٹو ڈائریکٹرز کو ایک فیس کی ادائیگی کی منظوری دی ہے جو وہ اپنی معمول کی ڈیوٹی کے علاوہ انتظامیہ کو رہنمائی اور مشاورت فراہم کرنے کے لئے دی جاتی ہے۔ ڈائریکٹرز کو اد ا کی جانے والی فیس کی تفصیلات مالیاتی اسٹیٹمنٹ کے نوٹ 33 میں درج ہیں۔

آڈٹ کمیٹی

بورڈ آڈٹ کمیٹی درج ذیل ممبران پر مشتمل ہے:

- ★ امتیاز احمد حسین لالی والا
- ★ سید انیس احمد شاہ
- ★ سعیدہ نوید
- ★ محمد سلمان برنی
- چیئرمین۔ (خود مختار ڈائریکٹر)
- ممبر (خود مختار ڈائریکٹر)
- ممبر (خود مختار ڈائریکٹر)
- ممبر (نان ایگزیکٹو ڈائریکٹر)

انسانی وسائل اور معاوضہ کمیٹی

انسانی وسائل اور معاوضہ کمیٹی درج ذیل ممبران پر مشتمل ہے:

- ★ سعیدہ نوید
- ★ سید حیدر علی
- ★ ارشد علی گوہر
- ★ امتیاز احمد حسین لالی والا
- ★ محمد سلمان برنی
- چیئر پرسن (خود مختار ڈائریکٹر)
- ممبر (نان ایگزیکٹو ڈائریکٹر)
- ممبر (نان ایگزیکٹو ڈائریکٹر)
- ممبر (خود مختار ڈائریکٹر)
- ممبر (نان ایگزیکٹو ڈائریکٹر)

شیئر ہولڈنگ کا طرز

کمپنیز ایکٹ 2017 کے سیکشن 227 کے تحت شیئر ہولڈنگ کا طرز مع شیئر ہولڈرز کی کیٹگری بمطابق 31 دسمبر 2023 سالانہ رپورٹ کے صفحہ 92 پر درج ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور انہوں نے خود کو دوبارہ تقرر کے لئے پیش کیا ہے۔ انہوں نے انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (آئی سی اے پی) کی جانب سے تسلی بخش ریٹنگ حاصل کرنے کے ساتھ ساتھ انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (آئی ایف اے سی) کے ضابطہ اخلاق کی تعمیل کی تصدیق کی ہے جو کہ آئی سی اے پی کا معیار ہے۔

آڈٹ کمیٹی کی تجویز پر بورڈ آف ڈائریکٹرز نے ان کی 31 دسمبر 2023 کو ختم ہونے والے سال کے لئے کمپنی کے آڈیٹرز کے طور پر دوبارہ تقرری کی سفارش کی ہے جو کہ باہمی متفقہ فیس پر ہوگی۔

اجتماعی سماجی ذمہ داری

کمپنی کی ملک میں لوگوں کی زندگی کو بہتر سے بہتر بنانے کے لئے کمیونٹیز کے ساتھ تعاون اور شراکت کی ایک طویل تاریخ ہے۔ کمپنی تسلیم کرتی ہے کہ اجتماعی سماجی ذمہ داری (سی ایس آر) کے اقدامات کمیونٹیز پر مثبت اثرات مرتب کرتے ہیں۔

پورے سال کے دوران میں سی ایس آر کی سرگرمیوں کی تفصیلات سالانہ رپورٹ کے سی ایس آر سیکشن میں دی گئی ہیں۔

صحت، تحفظ اور ماحولیات

کمپنی صحت، تحفظ اور ماحولیات (ایچ ایس ای) کے اعلیٰ ترین معیار کو برقرار رکھنے کے لئے پر عزم ہے۔ کمپنی ایس ایچ سی کے بہترین معمولات پر عمل درآمد کو یقینی بناتی ہے، اس کے لئے باقاعده عیادت کے ساتھ تربیتی پروگرام جاری کئے جاتے ہیں اور کمپنی کے اندر اور باہر خطرات اور خدشات کی نشاندہی اور ان کے خاتمے پر بھرپور توجہ دی جاتی ہے۔ سال کے دوران میں اٹھائے گئے چند اقدامات میں شمسی توانائی کے استعمال کا آغاز، ویئر ہاؤس میں پیلس کی حفاظت کے لئے پلاسٹک کی بجائے دوبارہ قابل استعمال پیلس کا استعمال، ہنگامی صورتحال میں بچ نکلنے کی مشقیں، ملازمین کا سالانہ طبی معائنہ اور اپنی حفاظت کی مشقیں شامل ہیں۔

کمپنی نے 4-13 ملین محفوظ گھنٹے کا ریکارڈ حاصل کیا یعنی 2023 تک کسی وقت بھی کسی کو بھی کوئی ضرر (ایل ٹی آئی) نہیں پہنچا۔

اجتماعی اور مالیاتی رپورٹنگ فریم ورک

- کمپنی کی انتظامیہ جانب سے تیار کردہ مالی گوشواروں میں کمپنی کے معاملات، آپریشنز کے نتائج، نقد رقوم کے بہاؤ اور ایکویٹی میں تبدیلی کو درست اور شفاف طور پر پیش کیا گیا ہے۔
- کمپنی کے کھاتے کی کتابوں کو مناسب طریقے سے رکھا گیا ہے۔
- مالیاتی اسٹیٹمنٹ اور اکاؤنٹنگ کے تخمینے کی تیاری میں درست اکاؤنٹ پالیسی لاگو کی گئی ہیں اور اکاؤنٹس کی پالیسیز موزوں اور محتاط فیصلوں پر مبنی ہیں
- مالیاتی اسٹیٹمنٹس، پاکستان میں لاگو انٹرنیشنل فنانشیل رپورٹنگ اسٹینڈرڈز کی بنیاد پر تیار کئے گئے ہیں۔
- اندرونی کنٹرول کا نظام اپنی ساخت میں مستحکم ہے اور موثر طور پر نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔
- کاروبار کو موجودہ صورتحال جاری رکھنے میں کمپنی کی صلاحیت پر کوئی شک و شبہ نہیں ہے۔
- لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 میں درج تفصیل کے مطابق کارپوریٹ گورننس کے بہترین معمولات سے کوئی مادی اعراض نہیں کیا گیا ہے۔
- گزشتہ سال کے کمپنی کے کاروباری عمل کے نتائج میں ہونے والی نمایاں تبدیلیوں کی تفصیلات مع ان کی وجوہات سالانہ رپورٹ میں درج ہیں۔
- گزشتہ چھ سال کا کلیدی آپریننگ اور فنانشل ڈیٹا صفحہ 23 تا 31 پر درج ہے۔
- پراویڈنٹ اور گریجویٹ فنڈز کی سرمایہ کاری کی قدر مطابق 31 دسمبر 2023 غیر آڈٹ شدہ

اکاؤنٹس پرمینی ہے جو درج ذیل ہے:

روپے '000 میں

تفصیلات

پراویڈنٹ فنڈ

652,114

گریجویٹ فنڈ

656,152

- واجب الادا ڈیویڈنڈ، قانونی چارجز اور ٹیکسز، اگر کوئی ہیں، مالیاتی اسٹیٹمنٹس میں ظاہر کئے گئے ہیں۔

متعلقہ پارٹی سے لین دین

کمپنی ایکٹ 2017 کے سیکشن 208، کمپنیز (ریگولیشنز) پارٹی ٹرانزیکشن ایند مینٹنس آف ریگولیشنز (ریکارڈز) 2018 کے مطابق، کمپنی نے:

- متعلقہ پارٹی کے ساتھ لین دین کی ایک پالیسی تیار کی ہے، جس کی بورڈ نے باقاعدہ منظوری دی ہے۔
- متعلقہ پارٹی کے ساتھ لین دین کے لئے شرائط کو "آرمز لینتھ ٹرانزیکشن" کا عنوان دیا گیا ہے۔
- متعلقہ پارٹی کے ساتھ لین دین کی منظوری کے لئے درکار مختصر معلومات کو بورڈ پیپرز میں ظاہر کیا گیا ہے اور اس کو سرکولٹ کیا گیا ہے۔

سال 2023 میں کئے گئے تمام متعلقہ پارٹیز کے لین دین کو جائزہ اور منظوری کے لئے آڈٹ کمیٹی اور بورڈ کے سامنے پیش کیا گیا۔ آڈٹ کمیٹی نے ان لین دین کا باقاعدہ جائزہ لیا اور بورڈ نے متعلقہ اجلاس میں اس کی منظوری دی۔ یہ تمام لین دین 'آرمز لینتھ کی بنیاد' پر کی گئیں جو بورڈ کی منظور کردہ ٹرانسفر پرائسنگ پالیسی کے مطابق ہے۔ کمپنی نے ایسی تمام لین دین کا ریکارڈ مع شرائط و ضوابط محفوظ رکھا ہے۔ مزید تفصیلات کے لئے برائے مہربانی مالیاتی اسٹیٹمنٹس کا نوٹ 33 ملاحظہ فرمائیں۔

اخلاقیات اور تعمیل

تعمیل ہماری کمپنی کے کاروباری عمل کا لازمی حصہ ہے جو ہمارے ضابطہء اخلاق میں شامل ہے۔ ضابطہ کو تمام ملازمین تک پہنچایا جاتا ہے اور یہ اردو اور انگریزی دونوں زبانوں میں دستیاب ہے۔

اخلاقی اصولوں کی ٹریننگ اور تعمیل کے تمام ملازمین کے لئے لازمی ہے جبکہ ملازمین کی خاص کیئرنگ کو اضافی خصوصی ٹریننگ بھی دی جاتی ہے۔

بورڈ آف ڈائریکٹرز کی تشکیل

بورڈ میں 9 ڈائریکٹرز (بشمول 2 خواتین ڈائریکٹرز)، 3 خود مختار ڈائریکٹرز، 5 نان ایگزیکٹو اور ایک ایگزیکٹو ڈائریکٹر پر مشتمل ہے۔

نام	تعداد	کینگری
جناب امتیاز احمد حسین لالی والا سید انیس احمد شاہ	2	خود مختار ڈائریکٹر (مرد)
محترمہ سعدیہ نوید	1	خود مختار ڈائریکٹر (خاتون)
سید بابر علی سید حیدر علی جناب ارشد علی گوہر جناب محمد سلمان برنی	4	نان ایگزیکٹو ڈائریکٹر (مرد)
محترمہ اقرا سجاد	1	نان ایگزیکٹو ڈائریکٹر (خاتون)
جناب سجاد افتخار	1	ایگزیکٹو ڈائریکٹر (سی ای او)

سال 2023 کے دوران میں بورڈ آف ڈائریکٹرز کے 7 اجلاس ہوئے۔ ان میں ہر ڈائریکٹر کی حاضری کی تعداد درج ذیل ہے

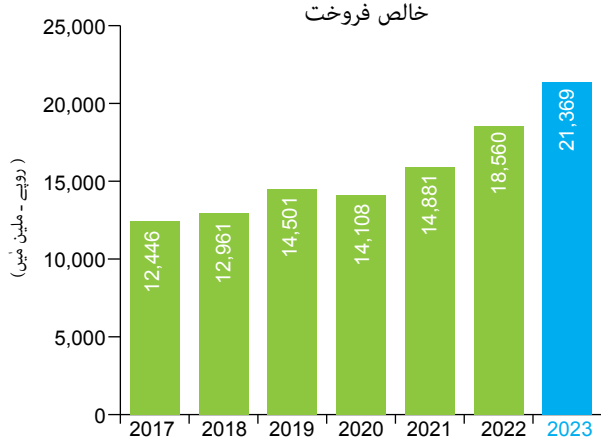
ممبر شمار	ڈائریکٹرز کے نام	اجلاسوں کی تعداد جن میں شرکت کی گئی
6	سید بابر علی	6
7	سید حیدر علی	7
7	ارشد علی گوہر	7
7	امتیاز احمد لالی والا	7
6	سید انیس احمد شاہ (28 اپریل 2023 کو تقرر ہوا)	6
5	محمد سلمان برنی (25 مئی 2023 کو منتخب ہوئے)	5
4	سعدیہ نوید (25 مئی 2023 کو منتخب ہوئیں)	4
6	سجاد افتخار (28 اپریل 2023 کو تقرر ہوا)	6
2	اقرا سجاد (27 ستمبر 2023 کو تقرر ہوا)	2
3	عاصم جمال (30 جون 2023 کو مستعفی ہوئے)	3
1	یاسر پیر محمد (25 مئی 2023 کو ریٹائر ہوئے)	1
1	مارک ایٹوائن لیوشینی (28 اپریل 2023 کو مستعفی ہوئے)	1
1	برمٹ مارٹیٹ (28 اپریل 2023 کو مستعفی ہوئے)	1
1	ناثرہ ایڈمانٹ (28 اپریل 2023 کو مستعفی ہوئے)	1
-	رحمت اللہ خان وزیر (28 اپریل 2023 کو مستعفی ہوئے)	-

جو ڈائریکٹرز اجلاس میں شرکت نہیں کر سکے ان کو غیر حاضری کی رخصت دی گئی۔

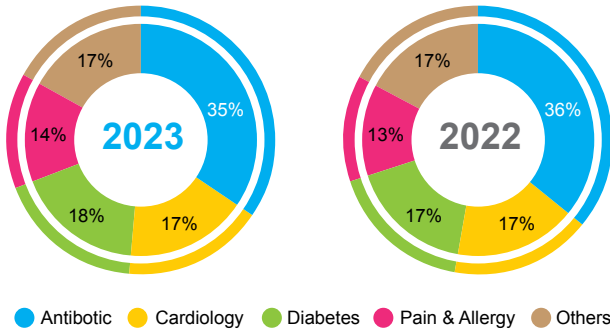
ڈائریکٹرز کا مشاہرہ

کمپنی نان ایگزیکٹو ڈائریکٹرز اور خود مختار ڈائریکٹرز کو بورڈ اجلاس اور بورڈ کمیٹیوں کے اجلاس میں شرکت کے لئے معیاری فیس ادا کرتی ہے۔ بورڈ کی تعین کردہ فیس مارکیٹ کے معمولات کے مطابق ہوتی ہے اور کسی لحاظ سے بھی اس سطح کی نہیں ہوتی جو ان کی خود مختاری پر سمجھوتہ نہ سمجھا جائے۔

حصص داروں کے لئے ڈائریکٹرز کی رپورٹ



مختلف شعبوں میں بحالی کے عمل میں فروخت کا حصہ درج ذیل کے مطابق رہا۔



داخلی آڈٹ اور کنٹرولز

کمپنی کے پاس ایک موثر داخلی آڈٹ اینڈ کنٹرول کا نظام موجود ہے جو موجود اور موثر داخلی کنٹرول کے بارے میں بورڈ کو آزادانہ طور پر یقین دہانی کرواتا ہے۔ کمپنی کے رسک گورننس فریم ورک پر عمل درآمد کے سلسلے میں، آڈٹ کمیٹی سالانہ داخلی آڈٹ پلان کی منظوری دیتی ہے جس کے ذریعے داخلی آڈٹ کے عمل کے موثر اور آزادانہ ہونے کو یقینی بنایا جاتا ہے۔ ڈائریکٹرز کو بھروسہ ہے کہ داخلی کنٹرول کا نظام ڈڈزائن کے اعتبار سے مضبوط ہے اور اس کو موثر طور پر نافذ کیا گیا ہے اور پورے سال اس کی نگرانی کی جاتی ہے۔

رسک مینیجمنٹ

کمپنی کو کئی قانونی، ضابطوں سے متعلق اور آپریشنل رست کا سامنا رہتا ہے۔ اس میں داخلی کنٹرولز اینڈ رسک مینیجمنٹ فریم ورک موجود ہے جو اس بات کو یقینی بناتا ہے کہ رسک کے خاتمے کے پلان موجود ہیں اور موثر طور پر کام کر رہے ہیں۔ کوئی بڑا مسئلہ ہو تو اعلیٰ انتظامیہ اور بورڈ کو اس کے بارے میں آگاہ کیا جاتا ہے۔

حکمت عملی سے متعلق خدشات کے لئے بورڈ آف ڈائریکٹرز قائدانہ ٹیم کی مدد سے کارروائی کرتا ہے جبکہ آپریشنز سے متعلق خدشات کے لئے قائدانہ ٹیم انتظامات کرتی ہے۔ بعض اہم شعبہ جات، جو کمپنی کے فارماسیوٹیکل ادارہ ہونے کی حیثیت سے اس کے پیداواری عمل پر اثر انداز ہوسکتے ہیں، درج ذیل ہیں:

- فارماسیوٹیکل پروڈکٹس کی قیمتیں
- کرنسی کی قدر میں کمی
- جعلی پروڈکٹس
- سپلائی چین میں حائل رکاوٹیں
- اداروں کی جانب سے وصولی میں تاخیر
- پروڈکٹ کے واجبات کے دعوے

ہمارے لوگ اور ثقافت

ہمارے لوگوں کی صلاحیتیں اور جذبے ہماری سب سے بڑی قوت ہیں۔ ہمارے لوگ مریضوں کو بہترین حل پیش کرنے کے لئے پرعزم ہیں۔ ہم دیکھ بھال، احترام، دیانتداری، ہمت اور بااختیار ہونے کے کلچر کو فروغ دینے پر یقین رکھتے ہیں جو ہمارے گروپ کے اقدار سے ہم آہنگ ہے۔ ہم کام کے ایک زیادہ متنوع اور خصوصی ماحول کی تخلیق کو جاری رکھنا چاہتے ہیں جہاں لوگ اور کمپنی دونوں اعلیٰ حیثیت کے حامل ہوں۔

بورڈ آف ڈائریکٹرز ہمسرت بکسٹ پاکستان لمیٹڈ (سابقہ سنوفی - ایونٹس پاکستان لمیٹڈ) ("کمپنی") کی سالانہ رپورٹ مع کمپنی کے آڈٹ شدہ مالیاتی اسٹیٹمنٹس برائے سال مختتمہ 31 دسمبر 2023 پیش کرتا ہے۔ ڈائریکٹرز رپورٹ کمپنیز ایکٹ 2017 کے سیکشن 227 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق تیار کی گئی ہے۔

آپ کی کمپنی پاکستان کی ایک مستحکم بیلنٹ کبڑ کمپنی ہے جو مریضوں کی ضروریات پر توجہ مرکوز رکھتے ہوئے فارماسیوٹیکل اور ویکسینز کی تیاری، فروغ اور فروخت کے کاروبار میں مصروف ہے۔

انتظامیہ کی تبدیلی اور کنٹرول

سال کے دوران میں پیکیجزمیٹڈ کی سربراہی میں انویسٹرکنسورشیم (پیکیجزمیٹڈ، آئی جی آئی انویسٹمنٹس (پرائیویٹ) لمیٹڈ اور ارشد علی گوہر گروپ سے ملحق اداروں پرمشتمل) نے 28 اپریل 2023 کو سنوفی فارن پارٹنیشنز بی وی ان دی کمپنی کے پاس موجود کل % 87-52 شیئرز خرید لئے جو دونوں پارٹنرز کے درمیان 29 اپریل 2022 کو طے ہونے والے شیئر پرچیز ایگریمنٹ کی شرائط کے مطابق حاصل کئے گئے۔ اس سے قبل پیکیجزمیٹڈ نے لاگو ٹیک اور قوانین کے مطابق 23 اگست 2022 کو لازمی ٹینڈر آفر کے نتیجے میں کمپنی میں 6.07% شیئر ہولڈنگ کی خریداری بھی کی۔ اس کے مطابق پیکیجزمیٹڈ کمپنی میں 41.07% شیئر ہولڈنگ کی بنائ پر سرپرست کمپنی بن گئی ہے۔

قابل اطلاق کارپوریٹ منظورویوں کی تکمیل کے بعد، 27 ستمبر 2023 سے کمپنی کا نام سنوفی ایونٹس پاکستان لمیٹڈ سے بدل کر بکسٹ پاکستان لمیٹڈ ہو گیا ہے اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے نام کی تبدیلی پر سرٹیفکیٹ آف انکارپوریشن جاری کر دیا اور اب کمپنی ڈرگ ریگولٹری اتھارٹی آف پاکستان سے نام کی تبدیلی کے لئے اقدامات اٹھا رہی ہے۔ نام کی اس تبدیلی سے کمپنی کے کاروبار کے بنیادی عمل پر کوئی اثر نہیں پڑے گا۔ نئے نام کے ساتھ کمپنی کی وہ مضبوط روایات شامل ہیں جس کے نقوش پاکستان میں نہایت نمایاں ہیں۔

کارکردگی کا جائزہ

کمپنی نے سال 2023 کے دوران میں 21,369 ملین روپے کی خالص فروخت کی جو گزشتہ سال کے مقابلے میں نمایاں طور پر 15% زیادہ ہے جس سے مریضوں میں کمپنی کی پروڈکٹس کے استعمال میں خاصی بہتری کا اظہار ہوتا ہے۔ ہماری امتیازی پروڈکٹ فلیچل نے سال 2023 میں 5 بلین پاکستانی روپے کی حد عبور کر لی ہے۔ کمپنی نے معاشی چیلنجز بشمول کرنسی کی قیمت میں خاطر خواہ کمی، بلند تر شرح سود اور نمایاں ترین افراط زر کے باوجود مجموعی مارجن 26% برقرار رکھا۔ یہ پروڈکٹ مارجنز آپریشنل استعداد میں اضافے اور مستعد میٹریل سورشنگ کے ذریعے قائم رکھا گیا۔

زرمبادلہ کی کرنسی کے خالص نقصان کے واجبات 1,104 ملین پاکستانی روپے رہے۔ (2022: 576 ملین پاکستانی روپے)۔ زرمبادلہ کا یہ نقصان بنیادی طور پر ملکی کرنسی کے یوایس ڈالر اور یورو کے مقابلے میں قدر کی نمایاں کمی ہونا تھی۔

سال مختتمہ 31 دسمبر 2023 کے لئے بعد از ٹیکس منافع 361 ملین پاکستانی روپے رہا جبکہ 2022 بعد از ٹیکس منافع 167 ملین روپے تھا۔ اس کامیابی کی وجہ آپریشنز کی لاگت کے کنٹرول پر بھرپور توجہ اور مستعد جاری سرمایہ کاری اور ٹریڈری مینیجمنٹ تھی جس کے باعث کمپنی کو 1,104 ملین پاکستانی روپے کے زرمبادلہ کے خالص نقصان کا ازالہ کرنے میں مدد ملی۔ (2022: 576 ملین پاکستانی روپے)۔

بنیادی مالیاتی جھلکیاں - مکمل سال 2023

	2022	2023
(روپے - ملین میں)		
خالص فروخت	18,560	21,369
مجموعی منافع	4,871	5,526
مجموعی منافع %	26%	26%
آپریٹنگ منافع	774	1,091
آپریٹنگ منافع %	4.2%	5.1%
مالیاتی لاگت	(50)	(175)
بعد از ٹیکس منافع	167	361
فی شیئر آمدنی (روپے میں)	17.29	37.41

چیئرمین کی جائزہ رپورٹ

ایک اور مالی سال کے اختتام کے قریب مجھے یہ اعزاز حاصل ہے کہ میں ایک بار پھر آپ سے مخاطب ہوں۔ یہ کمپنی کے لئے ایک بڑے واقعہ کا سال تھا کہ پیکیجز لمیٹڈ، آئی جی آئی انویسٹمنٹ (پرائیویٹ) لمیٹڈ اور ارشد علی گوپر گروپ کے ملحقہ اداروں پر مبنی کنسورشیم نے اپریل 2023 میں سنوفی فارن پارٹنریسی پیشن بی وی سے بڑی تعداد میں کمپنی کے شیئرز خرید لئے۔ ستمبر 2023 میں کمپنی کا نام بھی تبدیل کر کے ہکسٹ پاکستان لمیٹڈ رکھ دیا گیا اور پروڈکٹس کی رجسٹریشن کے لئے ضابطے کے ضروری اقدامات کر رہی ہے۔ کمپنی نے دسمبر 2023 میں اپنے کاروباری کی تاریخ میں ایک نئے سفر کا آغاز کر دیا ہے اور ایک نئی کارپوریٹ ویب سائٹ اور لوگو بھی متعارف کروادیا ہے۔ یہ نئی پیش رفت سے کمپنی کے کاروبار کی بنیادی حیثیت پر کوئی اثر نہیں پڑے گا اور صارفین کو معیاری دوائیں فراہم کرنے کے عہد پر عمل جاری رہے گا۔

ہکسٹ میں ہم اپنی دیانتداری، خیال رکھنے، قیادت کرنے، احترام اور جرات اور مریضوں کی زندگیوں کو بہتر بنانے کے عزم کی بنیادی اقدار کے ساتھ کام کر رہے ہیں۔ کمپنی اپنے پروڈکٹ پورٹ فولیو کو مزید تقویت دینے کے لئے کوشاں ہے جب کہ اپنی کوالٹی کے معیارات اور اخلاقی معمولات کو برقرار رکھیں گے۔

کمپنی نے معمولی دوہندسی ٹاپ لائن کا 15% اضافہ حاصل کر لیا ہے جس سے پتہ چلتا ہے کہ معاشی چیلنجز کے ساتھ کرنسی کی قدر میں کمی، افراط زر، سود کی زیادہ لاگت اور فارما کے خصوصی پرائس کنٹرول کے چیلنجز کے باوجود کمپنی مریضوں تک رسائی میں اضافہ کے عزم پر کاربند ہے۔ آپ کی کمپنی کی انتظامیہ نے بنیادی نتائج کے حصول کے لئے لاگت پر سخت کنٹرول کا نفاذ کیا ہے۔

آپ کی کمپنی اپنی لچک اور عزم کے ذریعے ان چیلنجز کو مستقل بنیادوں پر قابو پانے میں کوشاں ہے تاکہ کاروبار کے تسلسل اور پروڈکٹس کی دستیابی کو یقینی بنایا جائے اور سخت کے چیلنجز میں الجھے لوگوں کو تحفظ اور مدد فراہم کی جاسکے۔

مالیاتی کارکردگی کا جائزہ

کمپنی نے 2023 میں 21.369 ملین روپے کی خالص فروخت حاصل کی جو گزشتہ سال کی فروخت کے مقابلے میں 15% زیادہ ہے اور اس کے ساتھ افراط زر اور کرنسی کے دباؤ کو ایک حر تک برقرار رکھتے ہوئے مستعد وسائل اور آپریشنل استعداد کے ذریعے 26% مجموعی منافع کا مارجن حاصل کیا۔

کمپنی نے سال 2023 میں 361 ملین روپے کا بعد از ٹیکس خالص منافع حاصل کیا جب کہ گزشتہ سال 167 ملین روپے حاصل ہوا تھا اور اس کی وجہ آپریٹنگ کی لاگت پر سخت کنٹرول اور مستعد جاری سرمایہ اور ٹریژری مینیجمنٹ تھی۔

بورڈ کے کام اور فیصلہ سازی

شیئر ہولڈرز کے نمائندہ ہونے کی حیثیت سے بورڈ کا کام گورننس اور نگرانی ہے۔ اس چیلنج والے سال میں، بورڈ نے میری قیادت میں انتظامیہ سے قربت کے ساتھ کام کیا اور اس بات کو یقینی بنایا کہ تمام قانونی اور ضوابط کی شرائط پر عمل درآمد کیا جارہا ہے، حکمت عملی کو جاری چیلنجز کی مطابقت سے تشکیل دیا جارہا ہے اور حکمت عملی کے اہداف کو حاصل کرنے کے لئے ضروری ہدایات فراہم کی جارہی ہیں۔

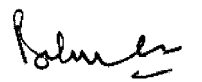
بورڈ کی سالانہ کارکردگی کی جانچ

سال کے دوران میں بورڈ نے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 پر یقینی عمل درآمد کے لئے اپنی کوششوں کو جاری رکھا اور ایک عزم اور بہترین کارپوریٹ گورننس کی پیروی اور دانشمندانہ فارما کے معمولات کا کلچر پروان چڑھایا۔ بورڈ نے سال مختتمہ 31 دسمبر 2023 کے لئے اپنی سالانہ خود جانچ کا عمل مکمل کیا۔

سال کے لئے بورڈ کی مجموعی کارکردگی تسلی بخش تھی۔

اعتراف

میں اپنے تمام شیئر ہولڈرز، صارفین اور بینکرز کے ہم پر بھروسہ رکھنے اور چیلنج والے عرصے میں تعاون کرنے پر شکریہ ادا کرتا ہوں۔ میں بورڈ ممبرز، سی ای او اور تمام ملازمین کے قابل قدر تعاون اور کمپنی سے آپ کے لگاؤ کے لئے شکر گزار ہوں۔



سید بابر علی

کراچی 22 فروری، 2024



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