REPORT 2021

Akzo Nobel Pakistan Limited

Grow & Deliver strategy on track

Our commitment to future generations: People. Planet. Paint.

Pushing boundaries with innovations in paint and coatings

Resilience and Winning Together in extraordinary times

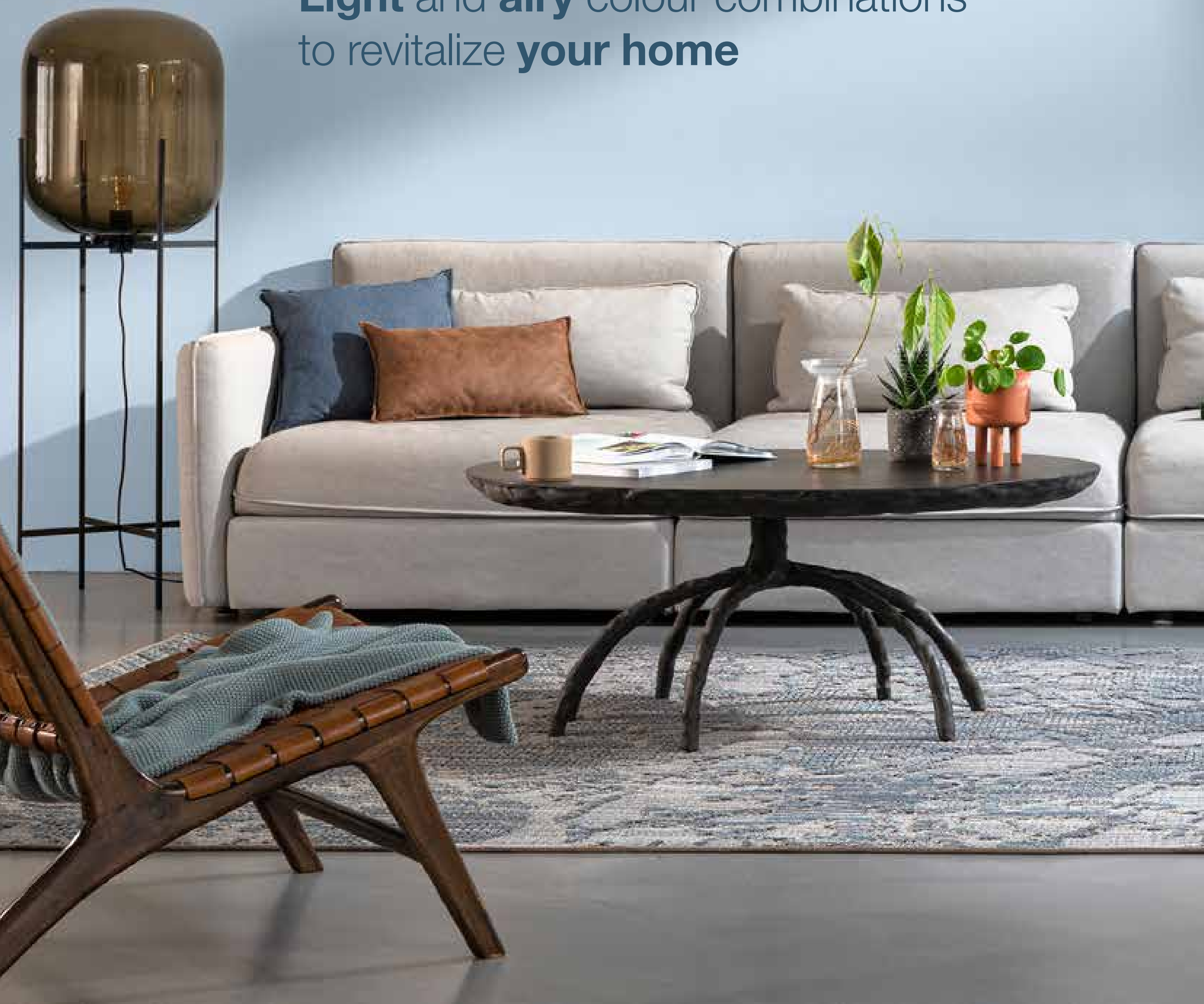
AkzoNobel

AkzoNobel proudly presents
The Color of the Year 2022

BRIGHT SKIES ™

A BREATH OF FRESH AIR

Light and **airy** colour combinations
to revitalize **your home**




AkzoNobel
ICI
Dulux
let's colour

Voyage of discovery

The Polar Pod is the brainchild of French explorer and environmentalist Jean-Louis Etienne, who will lead a pioneering expedition to study the Antarctic Circumpolar Current, which has a major influence on the Earth's climate.

As the exclusive paints and coatings partner, AkzoNobel will support the 1,000-ton platform for the next five years, from project construction through to the completion of its three-year mission, which is expected to start in December 2023.

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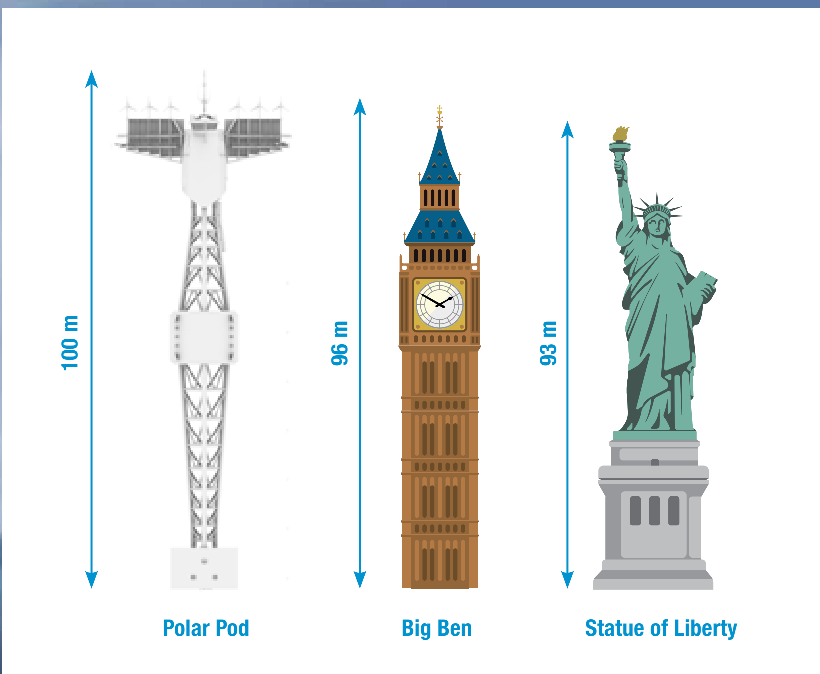

Standing 100 meters high, the Polar Pod won't be motorized, so it will be zero emission, silently driven by the circumpolar current as it crosses the Indian, Pacific and Atlantic Oceans.

It will be supported by a dedicated offshore supply vessel, Perseverance, which will be protected by our products.

Everything we do starts with People. Planet. Paint.

Transforming our world

We're in a unique position to show how passionately we care about society, the world we live in and making new discoveries. By using our pioneering spirit and centuries of paints and coatings expertise, we can deliver the sustainable and innovative solutions that our customers, communities – and the planet – are increasingly relying on.

That's why everything we do starts with People. Planet. Paint. It's all about making a difference, both big and small. So the things our products can do may surprise you, whether they're applied to boats, buildings, cars, planes, phones, walls or wood.

And we never stand still. Because there are industries to reinvent, environments to care for and horizons to expand. As global pioneers, it's in our nature to keep learning, keep discovering and keep innovating.

A commitment to the future

www.akzonobel.com

AkzoNobel has a long and proud heritage. A history of making things happen. We're always evolving, embracing new ideas. Yet some things never change. Like being an employer of choice. A responsible global citizen. A pioneer. They're the foundations of what we stand for – with People. Planet. Paint. as our beating heart.

People. Planet. Paint. is also our commitment to future generations. A promise that we'll keep innovating to address key global issues. If we can, we'll find a way.

We have the courage and the belief. That's why we've set ourselves science-based sustainability targets. It's about making a genuine and lasting difference and remaining at the forefront of our industry.

2021 sustainability highlights

SBTi approval for carbon reduction target

In September, our commitment to setting science-based sustainability targets was officially validated by the Science Based Targets initiative (SBTi). We're the first paint and coatings company to have targets approved.

The commitment we've made covers the full value chain and is aligned with the Paris Agreement – which aims to limit global warming and ensure that global temperature doesn't exceed 1.5° above pre-industrial levels.

We set the carbon reduction target for our own operations in early 2020 – we've targeted a 50% reduction by 2030 – and remain well on track, having reduced our footprint by 21% in 2021.

Membership of Responsible Mica Initiative formalized

Towards the end of the year, we formalized our partnership with the Responsible Mica Initiative, having been one of the founders when it was launched in 2017.

Dawn of a new generation

We launched an exciting new initiative in 2021 with the introduction of our NextGen Sustainability Council.

Royal recognition for our sustainability leadership

AkzoNobel was the only paint and coatings company to receive the Terra Carta Seal - a major new sustainability award presented by His Royal Highness The Prince of Wales at the COP 26 summit held in Glasgow, Scotland

100% renewable electricity in Europe in 2022

Our ambition to transition to 100% renewable electricity by 2030 is progressing well, with our operations in Europe having fully switched over by January 2022.

Our approach to sustainable business

Sustainability is part of our DNA. It's a daily priority for all our employees and is integrated into everything we do.

Our holistic, dynamic approach ensures that we continue to make progress as the sustainability leader in our industry. To help us maintain and build on that position, we're always innovating; always advancing and delivering fact-based results. Collaboration is also essential if we're to achieve our ambitions, so we engage and proactively team up with stakeholders to identify opportunities and create shared value.

Our approach to sustainable business is an integral part of our commitment to People. Planet. Paint. And it's about much more than doing business sustainably. People. Planet. Paint. touches everything we do. It's a promise that we'll keep innovating to address key global issues.

Here's how each element of People. Planet. Paint. is designed to contribute in its own way:

People.
Planet.
Paint.

PEOPLE We care about people and communities, a passion that's reflected in our commitment to safety, integrity and sustainability.

PLANET We challenge ourselves and our partners every day to be better global citizens and protect the future of our planet.

PAINT We keep pushing boundaries to develop pioneering paint solutions that make a world of difference.

Our ambitions

PEOPLE

Top quartile in organizational health score by 2025

>30% female executives by 2025

- 35,000 community members trained 2020-2025
- 1,000 AkzoNobel Cares projects 2020-2025

Progress by end of 2021
- 72 in organizational health score (vs 75 top quartile)
- 22% female executives
- 13,862 community members trained
- 352 AkzoNobel Cares projects

PLANET

Moving towards **zero waste** by 2030

50% less carbon emissions in the full value chain by 2030*

- 100% renewable electricity by 2030
- 30% energy reduction by 2030*
- 100% of water intensive sites reusing water

Progress by end of 2021
- 21% carbon reduction in our own operations*
- 59% circular waste
- 45% renewable electricity use
- 1% energy reduction*
- 30% of water intensive sites reusing water

* Versus 2018 baseline.

PAINT

>50% revenue from sustainable solutions by 2030

- 50% recycled content to be used in its plastic packaging by Deco Europe by 2025

Progress by end of 2021
- 39% of revenue from sustainable solutions

Sustainability key drivers

The sustainability benefits we bring to our own operations and our customers are grouped into six drivers.

- People and communities
- Health and well-being
- Reduced carbon and energy
- Less waste
- Reduce, reuse and renew
- Longer-lasting performance

United Nations SDGs

Our approach to sustainability is designed to contribute to the global agenda represented by the UN Sustainable Development Goals. We continue to focus on those SDGs where we can have the biggest impact.

Corporate Social Responsibility in Pakistan

As a company, AkzoNobel believes that the Sustainable Development Goals (SDGs) developed by the United Nations are a blueprint for achieving a better and more sustainable future for all.

Our Corporate social responsibility commitment focusses on creating social value in the communities where we operate.

We aim to bring color not only to the walls but to people's lives as well by re-energizing our communities and doing our part to give Pakistan a better tomorrow. Since our early days, our several community development initiatives serve to improve the social conditions of our country and give back to the people, who in turn, breathe life into the community we call home.

As always, our employees actively volunteer personal time and effort along with the beneficiaries and the people directly affected in the areas selected for uplifting.

Keeping in focus the UN's SDGs, AkzoNobel Pakistan initiated several sustainability initiatives, the highlights of which are as follows:

SOS Village Pakistan and AkzoNobel partner to strengthen youth employability with the power of paint:

Armed with the power of paint, AkzoNobel together with SOS Children's Villages joined hands to support young people in Pakistan who are at risk of or have lost parental care, to help improve their chances of being employable.

The partnership is aimed at providing training and mentorships through internship opportunities to youth in order to help them transition successfully into respectable jobs, with the greater goal of improving their chances of becoming independent adults who take responsibility not just for themselves but for the communities around them.

Whilst aiming to tackle the youth unemployment in the country through this partnership, AkzoNobel has **donated 15,000 Euros** to be used for repairs and for uplifting the living space of vulnerable families from the SOS Children Village Lahore.

AkzoNobel has **donated approximately 1,693 litres** of paint for the renovation of SOS Children's Villages Pakistan to help create a happy and safe space where resident children and their families can flourish.

Akzo Nobel partners with Akhuwat to promote education amongst the underprivileged members of society:

AkzoNobel provided the not-for-profit organization with **3,400 litres of paint, worth € 14,500 for the upcoming Akhuwat University** which is under construction.

The no-fee residential university aims to provide quality education to underprivileged youth who are financially unable to afford education and enable a circle of reciprocity in society by instilling the values of hard work and the importance of giving back to society.

Akhuwat is a non-profit organization working in Pakistan for the uplifting of community by using interest-free microfinance for poverty alleviation. Akhuwat provides interest free loans for starting small businesses and has diversified into the education sector to elevate the underprivileged youth standing in society by making education accessible for all.

Transforming Dher Pindi to the Rainbow Village of Pakistan

You only get one chance to make a great first impression. That is why AkzoNobel Pakistan decided to add a splash of paint to the first thing visitors of Lahore see once they leave the airport – the Dher Pindi neighborhood.

By transforming the almost one-kilometer village wall with bright rainbow hues, we've helped residents rekindle affection for their home while hoping to inspire visitors to fall in love with this city as well.

As per the local government's request for a cheerful new look, we selected seven colors of the rainbow for the makeover. As a result, the local media and residents are now referring to the Dher Pindi neighborhood as the "Rainbow Village".

Under our Let's Colour project, we provided 1,280 liters of colorful paint from the Dulux range to give a fresh look to the Dher Pindi neighborhood. Working together with the local government and people residing in the area AkzoNobel Pakistan **gave new life to the 30 houses and 40 shops within the 39,000 square feet area.**

THE NEXT PHASE OF OUR TRANSFORMATION

Grow & Deliver

Ambitions for 2021-2023*

- Revenue growth at least in line with our relevant markets
- ROS◊ (return on sales) improvement of an average 50 basis points per year
- Adjusted EBITDA of €2 billion for 2023

◊ ROS is calculated as adjusted operating income (operating income excluding identified items) as a percentage of revenue from third parties.

AkzoNobel is a truly global, high-performing paints and coatings company with a proud heritage which can be traced back to 1792. Our world class portfolio of established brands is trusted by customers around the world and we continue to be guided by a strong set of core values – safety, integrity and sustainability. In fact, our People. Planet. Paint. approach to sustainable business has now become the overarching mantra for everything we do.

Our Grow & Deliver strategy balances growth with further profitability improvement, building on the strong foundation we now have in place. Ultimately, our goal is to be the frontrunner – both in terms of size and performance – among leading players in the industry.

Our fundamentals remain the same: passion for paint, precise processes, powerful performance, proud people; while key behaviors guide our ways of working: be customer focused, execute with discipline, deliver on commitments, take ownership.

Growth drivers

We're well placed in the approximately €140 billion paints and coatings industry. Our balanced geographic presence and strong portfolio of brands – with leading positions in most market segments – offers multiple opportunities for growth.

We have a significant presence in the higher-growth South Asia Pacific region, where we generate around 12% of total revenue. We're the leader in the fast-growing and sustainable powder coatings market, which currently accounts for 14% of our revenue. Other market segments and regions also offer exciting growth opportunities, such as packaging coatings – being driven by a shift away from single use plastics to metal cans – along with aerospace coatings, yacht coatings and our Decorative Paints business in South America.

Strategic mandates – per market segment and region – are used to provide clear direction for each of our businesses, including relative priorities for growth and profitability improvement. Market segments and regions representing around one third of our total revenue have clear growth mandates. For example, we're growing our Decorative Paints business in China by leveraging our premium Dulux brand to serve customers in a greater number of cities with more innovative and sustainable solutions.

With stakeholders increasingly demanding more sustainable solutions, we're well placed to capitalize on this trend by leveraging our widely recognized leadership position when it comes to sustainability. Sustainable solutions already account for 39% of revenue and we have a target to increase this to more than 50% by 2030. We're creating a more efficient company while lowering our carbon footprint and are proud to have set science-based carbon reduction targets for our full value chain – a truly fact-based approach.

* AkzoNobel uses Alternative Performance Measures (APM) adjustments to the IFRS measures to provide supplementary information on the reporting of the underlying developments of the business. APM include, but are not limited to, adjusted operating income, (adjusted) EBITDA, adjusted earnings per share, ROS and ROI. A reconciliation of the alternative performance measures to the most directly comparable IFRS measures can be found in Note 4 of the Consolidated financial statements.

Passion for paint	Precise processes	Powerful performance	Proud people
Be customer focused	Execute with discipline	Deliver on commitments	Take ownership

Dulux Assurance launched:
The ultimate Dulux Ka Waada of quality

AkzoNobel believes that quality is about delivering on the high expectations of our consumers consistently. According to research done by Dulux, when it comes to choosing a brand of paint, expertise and high quality are the key priorities for consumers. As pioneering experts in the paint industry, we're confident that the extensive research and development that goes into each can of Dulux will speak for itself.

So, to further strengthen consumer trust and confidence, AkzoNobel launched Dulux Assurance program. It's a-first-of-its-kind quality promise to Dulux consumers of the Perfect Colour, Uniform Finish and the Coverage stated, or else a free replacement Δ.

Innovation is therefore fundamental to our success. For us, this means going beyond when it comes to providing customers with products and services, as well as understanding and anticipating their changing needs and expectations. Revenue from new product introductions was around 20% during the past five years. Our industry-leading Paint the Future collaborative innovation ecosystem is just one example of how our pioneering spirit is helping us to continue pushing boundaries.

We have a strong balance sheet and clear capital allocation priorities, providing a solid platform for adding to organic growth – in a disciplined way – with targeted acquisitions, which are both value-creating and aligned with our strategic mandates. In 2021, we completed the acquisition of Titan decorative paints in Spain, while New Nautical Coatings was added to our presence in yacht coatings, and we announced the acquisition of Grupo Orbis, to expand our presence in South America.

Delivering performance improvement

To help drive our Grow & Deliver strategy, we're evolving our operating model, moving from functional excellence in silos to driving cross-functional collaboration, with an emphasis on end-to-end processes and becoming even more customer focused.

Strong margin management is particularly important when facing significant raw material cost inflation. We're building on our experiences from 2017-2018, with faster and even more robust pricing initiatives for 2021-2022 and setting ourselves up to deal with future cycles. We're building product management capabilities, which are necessary to deliver the products our customers desire and win in the market – at the most competitive cost, with less complexity and increased collaboration with our suppliers.

Creating a world class supply chain requires more efficiency and effectiveness – built on strong planning processes – in order to meet customer needs with superior service levels. Meanwhile, our manufacturing network will be optimized via three supply models: simple and efficient, managed complexity, agile and adaptive.

We're also continuing with several initiatives, for example integrating our systems and applications, designed to deliver seamless business services that are effective and cost competitive, allowing for greater focus on what matters most.

* Profit = adjusted EBITDA
ΔTerms and Conditions apply. Applicable on Select products only. For more details, visit www.dulux.com.pk.

Board of Directors

OSCAR WEZENBEEK	Chairman
MUBBASHER OMAR	Chief Executive
HARRIS MAHMOOD	Executive

Share Transfer Committee

MUBBASHER OMAR	Chief Executive
HARRIS MAHMOOD	Chief Financial Officer

Chief Financial Officer
HARRIS MAHMOOD

Bankers
CITIBANK N.A.
DEUTSCHE BANK LIMITED A.G
HABIB METROPOLITAN BANK LIMITED
HABIB BANK LIMITED
FAYSAL BANK LIMITED

External Auditor
BDO EBRAHIM & CO.
2ND FLOOR, BLOCK-C
LAKSON SQUARE BUILDING NO. 1,
SARWAR SHAHEED ROAD
KARACHI-74200.

Registered Office
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Tel: (042) 111-551-111
Fax: (042) 35835011
www.akzonobel.pk

Executive Management Team

MUBBASHER OMAR	Chief Executive
HARRIS MAHMOOD	Chief Executive
FAROOQ AYUB KHAN	Operation Manager
ABDUL REHMAN SHABBIR	Head of Brand & Customer Marketing Decorative Paints
SYEDA INSIA BATOOL SHAH	Country HR Manager
WAQAS MIR	National Sales Manager Decorative Paints

Shares Registrar
FAMCO Associates (Pvt)
Ltd, 8-F, Nursery, Block 6,
P.E.C.H.S. Shahrah-e-Faisal,
Karachi – 74000
Tel: (021) 34380101-5
Fax: (021) 34380106

Regional Offices

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Technology Park, Street-8,
Sharah-e-Faisal, Karachi
Tel: (021) 32781441-6

E-Square Service Apartments, Civic
Center, Block G,
Office No. 7(AkzoNobel), Bahria
Town Islamabad,
Tel: (051)4447968

The Board of Directors are elected or appointed as representatives of the stockholders to establish corporate management related policies and to make decisions on major company issues.

Oscar Wezenbeek
(Chairman)

Oscar Wezenbeek is currently the Managing Director for AkzoNobel Decorative Paints in South East and South Asia (SESA). Over the course of his 28-year career with AkzoNobel, he has successfully led various portfolios in the coatings and automobile departments. In his previous role, Oscar managed the global Marine, Protective and Yacht Coatings business. He has had a proven track record in driving growth in market share and profitability, including sales when he was the Sales & Marketing Director of West Europe in the Powder Coatings business. With a key interest in Sustainability, Oscar is actively involved in the ADB DutchCham Sustainable Business Committee.

Oscar went through an Advanced Management Program at INSEAD in 2006 and Global Executive Leadership Program at Yale School of Management in 2016. He graduated from Technical University Eindhoven with a Master's in Business Engineering and Management Sciences in 1988. Oscar was born in the Netherlands, and in addition to speaking English and Dutch, he is also fluent in Spanish, Swedish, German, and French.

Mubbasher Omar
(Chief Executive)

Mubbasher Omar joined Akzo Nobel Pakistan Limited as the Chief Executive in August 2020 and was subsequently appointed on the Board of Directors. Being a seasoned commercial professional, he comes with 25+ years of diverse experience of working at senior roles with reputed market leading organizations such as Shell Pakistan Limited, Indus Motor Company Limited and Regus Pakistan Limited.

At AkzoNobel, Mubbasher is entrusted to lead the company's growth agenda, develop and retain world class talent, increase market presence and enhance customer satisfaction through consistent delivery of high-quality products and product innovation. He holds a degree of 'Master of Business Administration' (MBA) from Lahore University of Management Sciences (LUMS) and has also done 'Master of Public Administration' (MPA) from University of Punjab.

Harris Mahmood
(Executive Director
and Chief Financial Officer)

Harris Mahmood was appointed to the Board of Directors of Akzo Nobel Pakistan Limited in January of 2015 and is also the Chief Financial Officer (CFO). He has been associated with ICI Pakistan and later Akzo Nobel Pakistan Limited for around 15 years in various roles looking after Finance and Internal Audit.

Harris joined ICI Pakistan Limited in 2006 as Internal Audit Manager at the head office and subsequently worked in business finance functions at Polyester Fibers and Paints before joining the Chemicals and Soda Ash businesses as Finance Manager. In March of 2013, he joined Akzo Nobel Pakistan Limited as Finance Manager and took over as CFO in January 2015.

He received his schooling from Aitchison College, Lahore, became an Associate Chartered Accountant from Institute of Charted Accountants of Pakistan in 2005, and in 2016 was enrolled as a Fellow member by the Institute of Chartered Accountants of Pakistan. He completed his article ship from A F Ferguson & Company (member firm of PWC) and has attended several management development programs including the Advanced Financial Management Program at AkzoNobel in 2011.

OUR EXECUTIVE MANAGEMENT TEAM

Mubbasher Omar
Chief Executive
Mubbasher Omar joined Akzo Nobel Pakistan Limited as the Chief Executive in August 2020 and was subsequently appointed on the Board of Directors. Being a seasoned commercial professional, he comes with 25+ years of diverse experience of working at senior roles with reputed market leading organisations such as Shell Pakistan Limited, Indus Motor Company Limited and Regus Pakistan Limited. At AkzoNobel, Mubbasher is entrusted to lead the company's growth agenda, develop and retain world class talent, increase market presence and enhance customer satisfaction through consistent delivery of high quality products and product innovation. He holds a degree of 'Master of Business Administration' (MBA) from Lahore University of Management Sciences (LUMS) and has also done 'Master of Public Administration' (MPA) from University of Punjab.

Harris Mahmood
Chief Financial Officer
Harris Mahmood joined ICI Pakistan Limited in 2006 as Internal Audit Manager at the head office and subsequently worked in business finance functions at Polyester Fibers and Paints before joining Chemicals and Soda Ash businesses as Finance Manager. In March 2013, he joined AkzoNobel Pakistan as Finance Manager and took over as CFO of the company in January 2015. Harris received his schooling from Aitchison College, Lahore and is a fellow member of the Institute of Chartered Accountants of Pakistan since 2016. He completed his articleship from A.F. Ferguson & Co. (member firm of PWC) and has attended several management development programs including the Advanced Financial Management Program at AkzoNobel in 2011.

Abdul Rehman Shabbir
Head of Brand and Customer Marketing,
Decorative Paints
Abdul Rehman Shabbir is the Head of Brand and Customer Marketing, Decorative Paints. He joined AkzoNobel as management trainee in June 2012. Over the course of his career, he has done multiple roles across sales and marketing demonstrating high performance levels and playing an instrumental role in helping the paints business deliver its short to long term goals. He holds a bachelors' degree in Accounting & Finance from Lahore University of Management Sciences (LUMS)".

Syeda Insia Batool Shah
Country HR Manager
Insia Shah was appointed Country HR Manager with 17 years of prior experience in multiple industries including banking, engineering and consultancy within several areas of HR such as learning and development, change management and talent management. She has previously worked for Akzo Nobel ICI Pakistan from 2008-2009 as a corporate training and development manager. She holds a Master's degree in HR management from University of Punjab.

Waqas Mir
National Sales Manager Decorative Paints
Waqas Mir is the National Sales Manager, Decorative Paints. He joined AkzoNobel as National Sales Manager, Decorative Paints in January 2020. Previously, he worked as National Sales Manager for ICI Chemicals. Waqas brings with him more than ten years of experience in multiple industries including Oil and Gas, Chemicals and FMCG. Waqas holds a Master's degree in business administration from Lahore School of Economics.

Farooq Ayub Khan
Operations Manager
Farooq Ayub Khan is the Operations Manager for the Paints and Coatings site in Lahore. He joined AkzoNobel Pakistan as an Engineering Manager in 2015 and since then has led the team in successfully achieving various mile-stones in re-structuring, process safety and lean manufacturing and sustainability. Prior to AkzoNobel, Farooq worked at Pakistan Tobacco Company in various functions across the supply chain as the Production Manager, Engineering Manager and Secondary Logistics Manager. Farooq has done his Bachelor's in mechanical engineering from Ghulam Ishaq Khan Institute of Engineering Sciences & Technology. He is married and has three children.

Rizwan Afzal
Operations Manager
Rizwan Afzal is the Project Leader for Akzo Nobel Pakistan Ltd and currently responsible for setting up a new Paints & Coatings factory in Pakistan. He has been associated with ICI Pakistan and later Akzo Nobel Pakistan Limited for around 28 years in various roles looking after engineering, manufacturing, supply chain and projects. Rizwan joined ICI Pakistan Limited in 1992 and has worked in Polyester Fibers, Soda Ash and Paints businesses. He has done his Bachelor's in electrical engineering from University of Engineering & Technology.

(left to right)
Waqas Mir, Farooq Ayub Khan, Syeda Insia Batool Shah, Mubbasher Omar, Harris Mahmood, Abdul Rehman Shabbir and Rizwan Afzal

Report of the Directors

For the year ended December 31, 2021

The Directors of the Company are pleased to present the Annual Report along with the audited financial statements for the year ended December 31, 2021

Financial and Business Performance

Year 2021 kicked off with uncertainty amid COVID-19 virus pandemic which affected the world starting 2020. In Pakistan, the government continued to take measures and imposed micro lockdowns during the 4th and 5th wave. The vaccination process started in the country from February 2021 onwards, with over 90 million people fully vaccinated so far by the end of the year.

The economy struggled as COVID restrictions eased, triggered by leading to global supply chain disruption, and resulting in massive increase of commodity prices. Oil prices increased to over $80 a barrel ion Nov'21 from $50 a barrel in Jan'21. The inflation in the country rose from 8% in Dec'20 to 13% in Dec'21. The currency depreciated 10% against USD.

Company performance was also challenged by COVID-19 lockdowns and increasing raw material prices. However, the management was proactive in taking mitigating actions by timely taking price increases and brand promotions initiatives. We also launched Dulux Assurance media campaign to reenforce brand image and quality.

Despite the economic challenges in the country, your company showed growth over 2020 as well as 2019. Revenue increased by 39% over previous year and 17% over 2019. However, due to cost push in raw material prices, gross profit increased by 30% only vs 2020. The profit after tax increased by 32 % vs 2020 and 13% over 2019.

Financial Performance

PKR million

	2021	2020	2019	Increase / Decrease 2020	Increase / Decrease 2019
Turnover	9,940	7,133	8,492	39.4%	17.1%
Net sales	6,313	4,485	5,612	40.8%	12.5%
Cost of Sales	4,329	2,960	3,579	46.3%	21.0%
Gross profit	1,984	1,525	2,033	30.1%	(2.4)%
Operating profit	846	538	749	57.1%	13.0%
Profit after taxation	619	469	549	32.2%	12.8%
Earnings/share – Rs	13.31	10.09	11.82	32.2%	12.6%

Health, Safety and Environment

The Company demonstrated its strong commitment to HSE with only one reportable injury during the year 2021. We continued to drive the implementation of our HSE&S on the 6 pillars: Health, People, Process, Product Safety, Environment & Security to achieve leading levels. COVID-19 pandemic continued to pose a threat in this year to not only operations of the company but also to the people working for the company.

The company was able to actively implement COVID-19 prevention protocols as defined by the local authorities and best practices followed by Akzo Nobel worldwide. This approach not only resulted in continuity of critical operations during pandemic but also ensured curtailing the spread through company operations.

Future Outlook

Despite economic revival in the aftermath of pandemic, rising commodity prices and political instability poses threat to the economic recovery and may hinder growth. The company will focus on leveraging its renewed "go to market" strategy to ensure growth target is achieved whilst keeping cost under control.

The board of directors approved to set up a new green-field integrated paint and coatings manufacturing plant at Allama Iqbal Industrial City, Faisalabad. The construction of the new factory is AkzoNobel's true vote of confidence in the Pakistan market. Particularly so, as this project will be the Biggest Investment of AkzoNobel in Pakistan till date.

With the new manufacturing facility at Faisalabad – which is a key industrial hub, AkzoNobel Pakistan will be in a much stronger position to serve its diversified industrial customer base today and expand to meet the growing market demand in future too.

Corporate Social Responsibility

AkzoNobel Pakistan continued its Let's Colour partnership with SOS Villages Pakistan in 2021. Under this partnership umbrella, a combination of enabling initiatives were taken in coordination with the SOS villages over a span of one year. This included donation of 1,693 liters of paint to SOS Villages across Pakistan, mentorship and internship sessions for the youth and Annual Donation of 15,000 Euros.

The Company also partnered with Akhuwat, an NGO working to uplift the marginalized community of Pakistan through microfinancing and providing free education to youth. To further the aim of helping underprivileged youth and poverty alleviation through education, AkzoNobel Pakistan donated 3,400 liters of paint to Akhuwat University which is under construction.

Board, Committee and Attendance

During the year, 6 (six) Board of Directors, 1 (one) Audit Committee and 1 (one) HR & Remuneration Committee meetings were held. Attendance by each Director/CFO/Company Secretary was as follows:

	Name of Directors	Board of Directors Attendance	Audit Committee Attendance	HR & Remuneration Committee Attendance
1	**Mr. Mueen Afzal***	**1**	**1**	**1**
2	**Mr. Frederic Moreux***	**-**	**-**	**-**
3	**Ms. Ayesha Hamid***	**1**	**1**	**-**
4	**Mr. Mubbasher Omar** Chief Executive Officer	**6**	**-**	**1**
5	**Mr. Harris Mahmood** Chief Financial Officer / Acting Chief Executive Officer	**6**	**1**	**1**
6	**Mr. Oscar Wezenbeek**	**6**	**-**	**1**
7	**Mr. Sebastian Tan***	**1**	**1**	**-**
8	**Ms. Naima Ahmed** Company Secretary	**6**	**-**	**-**
9	**Mr. Muhammad Ali Murtaza*** Secretary Audit Committee	**-**	**1**	**-**
10	**Ms. Syeda Insia Batool Shah** Secretary HR & R Committee	**-**	**-**	**1**

*** left in 2021 | ** Joined in 2021**

During the year, 4 members left the board of directors. We thank Mr Mueen Afzal, Mr Frederic Moreux. Ms Ayesha Hamid and Mr Sebastian Tan for their services during the year. We also would like to welcome Mr Oscar Wezenbeek as the new Chairman of the Company during the year.

Share buy-back process

ICI Omicron B.V. offered to buy back shares from minority shareholders during the post delisting buy back period with initial deadline on June 18, 2021. The buy-back period has been further extended till June 18, 2022 to facilitate minority shareholders. During the year, ICI Omicron B.V bought back over 430,000 shares, increasing the percentage of holding from 97.01% to 97.95%.

Pattern of Shareholding

A statement showing the pattern of shareholding in the Company along with additional information as at December 31, 2021 appears on page numbers F57 to F58.

Oscar Wezenbeek
Chairman

Mubbasher Omar
Chief Executive

Akzo Nobel Pakistan Limited
Financial Statements

BDO

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AKZO NOBEL PAKISTAN LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of AKZONOBEL PAKISTAN LIMITED (the Company), which comprise the statement of financial position as at December 31, 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity 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, 2021 and of the profit and other comprehensive income, its cash flows and the changes in equity 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.

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.

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 cash flows and the statement of changes in equity 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) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Imran.

Other Matter

The financial statements of the Company for the year ended December 31, 2020 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated March 10, 2021.

BDO Ebrahim &Co.

Lahore
Date: 24 February 2022

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

Amounts in Rs '000

	Note	2021	2020
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	6.1	**1,000,000**	1,000,000
Issued, subscribed and paid-up capital	6.2	**464,433**	464,433
Reserves	7	**3,387,126**	2,717,197
Surplus on revaluation of property, plant and equipment	8	**3,511,505**	3,616,596
		7,363,064	6,798,226
NON-CURRENT LIABILITIES			
Deferred liabilities	9	**61,793**	68,885
Lease liabilities against right-of-use assets	10	**4,371**	12,307
		66,164	81,192
CURRENT LIABILITIES			
Trade and other payables	11	**1,833,224**	1,613,983
Contract liabilities	12	**10,001**	72,726
Current portion of lease liabilities against right-of-use assets	10	**7,936**	6,343
Unpaid dividend		**3,188**	3,188
Unclaimed dividend		**27,832**	28,374
		1,882,181	1,724,614
CONTINGENCIES AND COMMITMENTS	13	-	-
		9,311,409	8,604,032

Mubbasher Omar
Chief Executive

Harris Mahmood
Director & Chief Financial Officer

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

Amounts in Rs '000

	Note	2021	2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	**4,211,690**	4,468,125
Right-of-use assets	16	**13,926**	21,549
Intangible assets	17	**29,273**	35,520
Long term loans	18	**84,249**	78,325
Long term deposits and prepayments	19	**6,756**	5,214
Deferred tax asset - net	20	**65,882**	38,487
		4,411,776	4,647,220
CURRENT ASSETS			
Stores and spares	21	**31,903**	27,625
Stock in trade	22	**1,249,692**	824,484
Trade debts	23	**878,691**	762,032
Loans and advances	24	**52,490**	54,139
Trade deposits and short term prepayments	25	**8,603**	4,931
Other receivables	26	**41,605**	48,503
Income tax receivable	26	**309**	61,810
Interest accrued		**-**	3,927
Cash and bank balances	28	**2,456,779**	2,169,361
		4,720,072	3,956,812
NON-CURRENT ASSETS HELD FOR SALE			
Freehold land	29	**179,561**	-
TOTAL ASSETS		**9,311,409**	8,604,032

The annexed notes 1 to 57 form an integral part of these financial statements.

Mubbasher Omar
Chief Executive

Harris Mahmood
Director & Chief Financial Officer

STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2021

Amounts in Rs '000

	Note	2021	2020
Revenue	30	**9,940,166**	7,133,049
Sales tax and discounts	30	**(3,627,020)**	(2,648,073)
Net revenue		**6,313,146**	4,484,976
Cost of sales	31	**(4,329,248)**	(2,960,470)
Gross profit		**1,983,898**	1,524,506
Selling and distribution expenses	32	**(814,463)**	(714,999)
Administrative and general expenses	33	**(321,161)**	(271,105)
Net impairment losses on financial assets	34	**(2,557)**	-
Operating profit		**845,717**	538,402
Finance cost	35	**(22,389)**	(2,407)
Other charges	36	**(110,229)**	(93,572)
Other income	37	**172,128**	222,474
Profit before taxation		**885,227**	664,897
Taxation	38	**(265,825)**	(196,234)
Profit for the year		**619,402**	468,663
Earnings per share - Basic and diluted (Rupees)	42	**13.34**	10.09

The annexed notes 1 to 57 form an integral part of these financial statements.

Mubbasher Omar
Chief Executive

Harris Mahmood
Director & Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021

Amounts in Rs '000

	Note	2021	2020
Profit for the year		**619,402**	468,663
Other comprehensive income			
Items that may not be reclassified subsequently to the profit or loss			
Remeasurement of defined benefit liability	9.3	**(5,810)**	19,826
Related tax impact		**1,685**	(5,750)
		(4,125)	14,076
Items that may be reclassified subsequently to the profit or loss			
Reversal of revaluation surplus of non-current asset held for sale - freehold land	14.1	**(50,439)**	-
Related tax impact		**-**	-
	20	**(50,439)**	-
Total comprehensive income for the year		**564,838**	482,739

The annexed notes 1 to 57 form an integral part of these financial statements.

Mubbasher Omar
Chief Executive

Harris Mahmood
Director & Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

Amounts in Rs '000

	Note	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserve	Surplus on revaluation of property, plant and equipment	Total
			Share premium	Capital receipts	Unappropriated profit		
Balance as at January 01, 2020		464,433	156,006	196	2,284,913	3,688,599	6,594,147
Total comprehensive income for the year							
Profit for the year		-	-	-	468,663	-	468,663
Other comprehensive income		-	-	-	14,076	-	14,076
		-	-	-	482,739	-	482,739
Incremental depreciation charge during the year - net of deferred tax		-	-	-	69,538	(69,538)	-
Transfer of revaluation surplus relating to assets disposed off - net of deferred tax		-	-	-	2,465	(2,465)	-
Transactions with owners recognized directly in equity							
Final dividend for the year ended December 31, 2019 @ Rs. 6.00 per share		-	-	-	(278,660)	-	(278,660)
Balance as at December 31, 2020		**464,433**	**156,006**	**196**	**2,560,995**	**3,616,596**	**6,798,226**
Total comprehensive income for the year							
Profit for the year		-	-	-	619,402	-	619,402
Other comprehensive income		-	-	-	(4,125)	(50,439)	(54,564)
		-	-	-	615,277	(50,439)	564,838
Incremental depreciation charge during the year - net of deferred tax		-	-	-	54,652	(54,652)	-
Transfer of revaluation surplus relating to assets disposed off - net of deferred tax		-	-	-	-	-	-
Balance as at December 31, 2021		**464,433**	**156,006**	**196**	**3,230,924**	**3,511,505**	**7,363,064**

The annexed notes 1 to 57 form an integral part of these financial statements.

Mubbasher Omar
Chief Executive

Harris Mahmood
Director & Chief Financial Officer

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

Amounts in Rs '000

	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flows from operating activities before working capital changes	39	**1,009,183**	755,434
(Increase) / decrease in current assets:			
Stores and spares		**(4,278)**	(1,328)
Stock-in-trade		**(442,444)**	(155,093)
Trade debts		**(116,659)**	93,376
Loans and advances		**1,649**	23,671
Trade deposits and short term prepayments		**(3,672)**	(1,991)
Other receivables		**6,898**	5,309
		(558,506)	(36,056)
(Decrease) / increase in current liabilities:			
Trade and other payables, excluding employee benefits		**182,112**	(33,169)
Contract liabilities		**(62,725)**	18,687
Net cash generated from operations		**570,064**	704,896
Increase in long term loans		**(5,924)**	(18,451)
Increase in long term deposits and prepayments		**(1,542)**	(991)
Employee benefits paid		**(34,158)**	(32,722)
Taxes paid		**(229,558)**	(201,674)
Interest paid		**(1,351)**	(2,032)
Net cash generated from operating activities		**297,531**	449,026
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital expenditure		**(137,391)**	(132,717)
Addition to intangible assets		**(1,160)**	-
Proceeds from disposal of property, plant and equipment		**4,741**	21,152
Interest received		**130,582**	118,610
Net cash (used in) / generated from investing activities		**(3,228)**	7,045
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(542)**	(277,081)
Payment principal portion of lease liability against right-of-use assets		**(6,343)**	(7,170)
Net cash used in financing activities		**(6,885)**	(284,251)
Net increase in cash and cash equivalents		**287,418**	171,820
Cash and cash equivalents at the beginning of the year		**2,169,361**	1,997,541
Cash and cash equivalents at the end of the year	28	**2,456,779**	2,169,361

The annexed notes 1 to 57 form an integral part of these financial statements.

Mubbasher Omar
Chief Executive

Harris Mahmood
Director & Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

Akzo Nobel Pakistan Limited ("the Company") is a public limited Company registered under the Companies Ordinance, 1984 (now Companies Act, 2017). The Company is primarily involved in the manufacturing and sale of paints and coatings. The Company is a subsidiary of ICI Omicron B.V. which is a wholly owned subsidiary of Akzo Nobel N.V.

The Company was listed on the Pakistan Stock Exchange (PSX) up to August 9, 2020, and with effect from August 10, 2020 is an unlisted public limited Company.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at 346, Ferozepur Road, Lahore. The manufacturing facility/factory of the Company is also located at the same address.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

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

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

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain classes of property, plant and equipment (i.e. freehold land, buildings on freehold land and plant and machinery) that are stated at revalued amounts, certain foreign currency translation adjustments and defined benefit asset / liability at fair value of plan asset less present value of defined benefit obligation.

3.3 Critical accounting estimates and judgements

The Company's significant accounting policies are stated in note 5. Not all of these significant policies require the management to make difficult, subjective or complex judgements or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgement of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates.

The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to these financial statements are as follows:

a) Defined benefit obligations

Certain actuarial assumptions have been adopted as disclosed in note 9.11 to these financial statements for present value of defined benefit obligations and fair value of plan assets. Any changes in these assumptions in future years might affect gains and losses in those years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

b) Property, plant and equipment and Intangible assets

The estimates for revalued amounts, if any, of different classes of property, plant and equipment, are based on valuations performed by an external professional valuation expert after every five years or earlier if necessary and on recommendations of technical teams of the Company. The said recommendations also include estimates with respect to residual values and useful lives of property, plant and equipment and intangible assets. Further, the Company reviews the value of the assets for possible impairment on an annual basis. The future cash flows used in the impairment testing of assets is based on management's best estimates which may change in future periods. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment and intangible assets with a corresponding effect on the depreciation / amortization charge and impairment.

c) Provision for taxation

The Company takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Company's views differ from the view taken by income tax department at the assessment stage and where the Company considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

The tax period of the Company is the same as its accounting year. The income tax assessments of the Company up to and including tax year 2021 have been completed under the provisions of section 120 of the Income Tax Ordinance, 2001 except for the cases as mentioned in note 13.1.1 to 13.1.8.

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and tax credits to the extent that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. The recoverability of deferred tax assets are analyzed at each reporting period end and adjusted if considered necessary with a corresponding effect on deferred tax charge/income for the period.

d) Stock-in-trade and stores and spares

The net realizable value of stock-in-trade and stores and spares are assessed for any diminution in their respective values. Any change in the estimates in future years might affect the carrying amounts of stock-in-trade and stores and spares with the corresponding effect of the impairment. Net realizable value is determined with respect to estimated selling price less estimated expenditure to make the sale.

e) Impairment of trade debts and contract assets

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debts and contract assets.

The expected loss rates are based on the payment profiles of sales over a period of time before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

f) Provision for discounts

The Company offers various forms of discounts to its customers based on approved promotion schemes. In this regard, the Company maintains a provision for discounts based on the sales that satisfy the promotion criteria at the reporting date. Adjustment of the same is made upon claim by the respective customers. Charges and reversal thereof are recognized in the statement of profit or loss account.

g) Lease term of right-of-use asset and lease liability

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

3.4 Functional and presentation currency

These financial statements are presented in Pak Rupees which is also the Company's functional currency.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2021

The following standards, amendments and interpretations are effective for the year ended December 31, 2021. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 16 'Leases' - Covid-19 related rent concessions	June 01, 2020
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021

Certain annual improvements have also been made to a number of IFRSs.

4.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IFRS 16 'Leases' - Extended practical relief regarding Covid-19 related rent concessions	April 01, 2021
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023

	Effective date (annual periods beginning on or after)
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 First time adoption of International Financial Reporting Standards

IFRS 17 Insurance Contracts

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

5 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented in these financial statements.

5.1 Stores and spares

Stores and spares are stated at the lower of cost and net realizable value. Cost is determined using weighted average method. Items in transit are valued at a cost, comprising invoice value plus other charges invoiced there on up to the reporting date.

5.2 Stock-in-trade

Stock-in-trade is valued at lower of weighted average cost and estimated net realizable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials	Weighted average cost.
Work-in-process and finished goods	Cost of direct materials, labour and appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less net estimated costs of completion and estimated costs necessary to make the sale.

Stock-in-transit is valued at a cost, comprising invoice value plus other charges invoiced thereon.

5.3 Property, plant and equipment

Property, plant and equipment (except freehold land, buildings on freehold land and plant and machinery) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at revalued amount, buildings on freehold land and plant and machinery are stated at revalued amounts less accumulated depreciation and accumulated impairment losses, if any. Cost of certain property, plant and equipment comprises historical cost, exchange differences recognized, cost of exchange risk cover in respect of foreign currency loans obtained, if any, for the acquisition of property, plant and equipment up to the commencement of commercial production and borrowing cost.

Depreciation charge is based on the straight-line method whereby the cost or revalued amount of an asset is written off to the statement of profit and loss account over its estimated useful life after taking into account the residual value, if material. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month preceding the disposal. The rate of depreciation is specified in note 14 to these financial statements.

The residual value, depreciation method and the useful lives of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

Surplus on revaluation of property, plant and equipment is credited to the surplus on revaluation account. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of property, plant and equipment (net of deferred tax) is transferred directly to unappropriated profit, in the statement of changes in equity.

Maintenance and normal repairs are charged to the statement of profit or loss as and when incurred. Subsequent improvements to the assets are capitalized when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably. Assets replaced, if any, are derecognized.

Gains and losses on disposal of assets are taken to the statement of profit or loss, and the related surplus/deficit on revaluation of property, plant and equipment is transferred directly to retained earnings (unappropriated profits) through the statement of changes in equity.

Capital work-in-progress is stated at cost less any identified impairment loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

5.4 Intangible assets

Intangible assets with a finite useful life, such as certain software, licenses (including software licenses, etc.) and property rights, are capitalized initially at cost and subsequently stated at cost less accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in the statement of profit or loss account as incurred.

Amortization is based on the cost of an asset less its residual value, if any. Amortization is recognized in the statement of profit and loss account on a straight-line basis over the estimated useful lives of intangible assets. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate. The rate of amortization is specified in note 17 to these financial statements.

5.5 Financial instruments

5.5.1 Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- at fair value through profit or loss (“FVPL”),

- at fair value through other comprehensive income (“FVOCI”), or

- at amortised cost.

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics.

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

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

Recognition and derecognition

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

Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are Solely Payment of Principal and Interest (SPPI).

a) Debt instruments

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

i) At amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the statement of profit or loss and presented in other income/(other charges), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit and loss account, if significant. The Company measures its trade debts and other receivables at amortised cost because it meets the criteria of the SPPI test.

ii) At FVOCI

Assets that are held for both collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit or loss and recognised in other income/(other charges). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/(other charges).

iii) At FVPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in statement of profit or loss and presented net within other income/(other charges) in the period in which it arises.

b) Equity instruments

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

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

5.6 Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts the Company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance to be recognised from initial recognition of the receivables while general 3-stage approach for loans, deposits, other receivables and bank balances i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

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

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;

- actual or expected significant changes in the operating results of the debtor;

- significant increase in credit risk on other financial instruments of the same debtor; and

- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

Irrespective of the above analysis, in case of trade debts, the Company considers that default has occurred when a debt is more than 360 days past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;

- a breach of contract, such as a default or past due event;

- The lender(s) of The borrower, for economic or contractual reasons relating to The borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or

- The disappearance of an active market for that financial asset because of financial difficulties.

The Company recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; and

- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade debts with individually significant balance are separately assessed for ECL measurement. All other receivables are grouped and assessed collectively based on shared credit risk characteristics and the days past due. The expected credit losses on these financial assets are estimated using a provision matrix approach based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the nature of financial instruments; past-due status; nature, size and industry of debtors; and external credit ratings where available. The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Company recognizes an impairment gain or loss in the statement of profit and loss account for financial assets with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position. The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

5.7 Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and de-recognized when the obligation specified in the contract is discharged, cancelled or expired. The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss account.

All financial liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial liabilities are subsequently measured at FVPL or at amortised cost, as the case may be. Financial liabilities are measured at amortised cost, unless they are required to be measured at FVPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVPL. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. Where management has opted to recognise a financial liability at FVPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVPL.

5.8 Derivative financial instruments

Derivative financial instruments are recognized at fair value on the statement of financial position. Fair values are derived from market prices and quotes from dealers and brokers, or are estimated using observable market inputs. When determining fair values, credit risk for our contract party, as well as for the Company, is taken into account. Changes in the fair value are recognized in the statement of profit and loss account, unless cash flow hedge accounting or net investment hedge accounting is applied. In those cases, the effective part of the fair value changes is deferred in the statement of other comprehensive income and released to the related specific lines in the statement of profit and loss account, or the statement of financial position at the same time as the hedged item.

5.9 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents are stated at cost and comprise of cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash which are subject to insignificant risk of changes in values. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purpose.

5.10 Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

5.11 Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the higher 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. 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").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the profit and loss account.

Impairment loss recognized in prior periods is 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 that are used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5.12 Share capital (ordinary shares)

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

5.13 Staff retirement benefits

The Company's retirement benefit plans comprise of provident funds, pensions, gratuity schemes and a medical scheme for eligible retired employees.

5.14 Defined benefit plans

The Company operates a funded pension scheme and a funded gratuity scheme for management staff. The pension and gratuity schemes are salary schemes providing pension and lump sums, respectively. Pension and gratuity schemes for management staff are invested through two approved trust funds. The Company also operates gratuity scheme for non-management staff and the pensioners' medical scheme which are unfunded. The pension and gratuity plans are final salary plans. The pensioners' medical plan reimburses actual medical expenses to pensioners as per entitlement. The Company recognizes expense in accordance with IAS 19 "Employee Benefits".

All past service costs are recognized at earlier of when the amendment or curtailment occurs and when the Company has recognized related restructuring or termination benefits.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in the statement of profit or loss account.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the statement of profit and loss account. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

5.15 Defined contribution plans

The Company operates two registered contributory provident funds for its permanent staff and a registered defined contribution superannuation fund for its management staff, who have either opted for this fund by July 31, 2004 or have joined the Company after April 30, 2004. The said funds were transferred from ICI Pakistan Limited pursuant to the Scheme of demerger in 2011. In addition to this, the Company also provides group insurance to all its employees.

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

5.16 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

5.17 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5.18 Revenue recognition

Revenue from contract with customers primarily includes sale of paints and coatings. Revenue is recognized when performance obligations are satisfied by transferring control of a good or service to a customer, either at a point in time or over time of an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is recognised in accordance with the aforementioned principle by applying the following steps:

i) Identify the contract with a customer.

ii) Identify the performance obligation in the contract.

iii) Determine the transaction price of the contract.

iv) Allocate the transaction price to each of the separate performance obligations in the contract.

v) Recognise the revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers. Any bundled goods or services that are distinct are separately recognized, and any discounts or rebates on the contract price are generally allocated to the separate elements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

a) Sale of goods

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the customer (i.e. after obtaining customer acknowledgment at the time of delivery of goods). Although the transfer of risks and rewards is not the only criterion to be considered to determine whether control over the goods has transferred, it is in most situations considered to be the main indicator of the customer's ability to direct the use of and obtain the benefits from the asset and largely also coincides with the physical transfer of the goods and the obligation of the customer to pay. In case of expected returns, no revenue is recognized for such products.

Variable considerations, including among others rebates and discounts are accrued for as performance obligations are satisfied and revenue is recognized. Variable considerations are only recognized when it is highly probable that it is not subject to significant reversal.

Revenue is measured at the fair value of the consideration received or receivable for the goods sold, net of returns, discounts and sales tax.

b) Equipment provided to customers

The Company at times also provides tinting machines to its customers at the start of a paint delivery contract.

Under IFRS 15, the delivery of such assets qualifies as a separate performance obligation. Revenue can only be recognized at the moment of transfer of such assets, when there is an agreed sales price or when there is a binding take-or-pay commitment for a minimum quantity of paint to be acquired by the customer.

c) Other

- Profit on short-term bank deposits is accounted for on a time-apportioned basis using the effective interest rate method.

- Financial income on funds invested, mark-up / interest income on lendings made by the Company and amortization gains on interest free loans given to staff is accounted for using the effective interest rate method.

5.19 Financial expenses

Financial expenses are recognized using the effective interest rate method and comprise of mark-up / interest expense on borrowings, along with amortization losses on interest free loans given to staff.

5.20 Operating lease / Ijarah contracts

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an underlying asset i.e. retained by the lessor, are classified as operating leases. Payments made under operating leases / ijarah contracts (net of any incentives received from the lessor) are charged to the statement of profit and loss account on a straight-line basis over the period of the lease.

5.21 Borrowing cost

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

5.22 Foreign currency translation

Transactions denominated in foreign currencies are translated into Pak Rupees, at the foreign exchange rates prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the foreign exchange rates at the reporting date. Exchange differences i.e. gains / losses, are taken to the statement of profit and loss account.

5.23 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss account, except to the extent that it relates to items recognized directly in other comprehensive income or below equity, in which case it is recognized in other comprehensive income or below equity respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

a) Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted or substantially enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

b) Deferred

Deferred tax is accounted for using the statement of financial position liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in these financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits shall be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

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

The Company recognizes a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Further, the Company recognizes deferred tax asset / liability on deficit / surplus on revaluation of property, plant and equipment which is adjusted against the related deficit / surplus.

5.24 Earnings per share

The Company presents basic and diluted Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

5.25 Dividend and other appropriations

Dividend is recognized as a liability in the period in which it is declared and approved. Appropriations of profit are reflected in the statement of changes in equity in the period in which such appropriations are approved.

5.26 Related party transactions

Transactions with related parties are carried out on mutually agreed terms and conditions.

5.27 Leases

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment testing at each reporting date.

Lease liabilities

At the commencement date of the lease, the Company recognizes 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.

NOTES TO THE FINANCIAL STATEMENTS
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Amounts in Rs '000

To calculate the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. 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.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of its assets (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 recognized as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

6 SHARE CAPITAL

6.1 Authorized share capital

2021	2020		**2021**	2020
(Number of shares)				
100,000,000	100,000,000	Ordinary shares of Rs. 10/- each	**1,000,000**	1,000,000

6.2 Issued, subscribed and paid-up capital

2021	2020		**2021**	2020
(Number of shares)				
46,443,320	46,443,320	Ordinary shares of Rs. 10/- each issued as fully paid shares for consideration other than cash	**464,433**	464,433

6.3 ICI Omicron B.V. (which is a wholly owned subsidiary of Akzo Nobel N.V.) holds 45,491,286 (2020: 44,940,074) ordinary shares of Rs. 10/- each representing 97.95% (2020: 97.01%) of the share capital of the Company.

During the previous year ICI Omicron B.V. initiated the process of buying the shares from the market to comply with requirements of delisting regulations. After the requisite shareholding was purchased by ICI Omicron B.V. and in accordance with the notice: PSX(N-866) dated July 29, 2020 from Pakistan Stock Exchange (PSX), the Company has been delisted from PSX with effect from August 10, 2020.

ICI Omicron B.V. offered to buy back shares from minority shareholders during the post delisting buy back period with initial deadline on June 18, 2021. However, the buy back period has been further extended till June 18, 2022 to facilitate minority shareholders.

6.4 There is no shareholder agreement for voting rights, board selection, rights of first refusal and block voting.

7 RESERVES

	Note	**2021**	2020
Capital reserves			
- Share premium	7.1	**156,006**	156,006
- Capital receipts	7.2	**196**	196
		156,202	156,202
Revenue reserve			
- Unappropriated profit		**3,230,924**	2,560,995
		3,387,126	2,717,197

7.1 This amount has been allocated and transferred to the Company pursuant to the Scheme of demerger. This reserve can be utilized by the Company only for the purposes specified in section 81(2) of the Companies Act, 2017.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Amounts in Rs '000

7.2 Capital receipts represent the amount received from various Akzo Nobel companies overseas for the purchase of property, plant and equipment. The remitting companies have no claim to their repayments. The amount has been allocated and transferred to the Company pursuant to the Scheme of demerger.

8 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

This represents surplus arising on revaluation of freehold land, buildings on freehold land and plant and machinery.

	2021	2020
Balance at beginning of the year	**3,616,596**	3,688,599
Transferred to unappropriated profit in respect of incremental depreciation during the year - net of deferred tax	**(54,652)**	(69,538)
Transfer of revaluation surplus relating to assets disposed off - net of deferred tax	**-**	(2,465)
Reversal of revaluation surplus of non-current asset held for sale	**(50,439)**	-
Balance at end of the year	**3,511,505**	3,616,596

9 DEFERRED LIABILITIES

9.1 The amounts recognized in the statement of financial position are:

Non-current liabilities

Unfunded - recognized in deferred liability

- Gratuity fund - non-management	**11,525**	10,879
- Post retirement medical benefits	**50,268**	58,006
	61,793	68,885

Current liabilities

Funded - payable to employee retirement benefit fund:

- Pension fund - management	**82,642**	77,790
- Gratuity fund - management	**29,137**	19,853
	111,779	97,643
	173,572	166,528

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

Amounts in Rs '000

	2021					2020				
	Funded			Unfunded	Total	Funded			Unfunded	Total
	Pension	Gratuity	Subtotal			Pension	Gratuity	Subtotal		
9.2 The amounts recognized in the profit and loss account against defined benefit schemes are as follows:										
Current service cost	**5,001**	**12,323**	**17,324**	**1,744**	**19,068**	4,314	13,503	17,817	1,779	19,596
Contribution by associates	-	-	-	-	-	-	-	-	-	-
Interest cost	**22,164**	**16,215**	**38,379**	**6,558**	**44,937**	23,852	19,837	43,689	7,951	51,640
Expected return on plan assets	**(15,297)**	**(15,001)**	**(30,298)**	-	**(30,298)**	(16,109)	(15,814)	(31,923)	-	(31,923)
Net charge for the year	**11,868**	**13,537**	**25,405**	**8,302**	**33,707**	12,057	17,526	29,583	9,730	39,313
9.3 Included in other comprehensive income:										
Actuarial (loss) / gain on remeasurement of plan obligation from:										
- Change in demographic assumptions	-	-	-	-	-	(20,353)	(110)	(20,463)	(1,713)	(22,176)
- Change in financial assumptions	**(297)**	**48**	**(249)**	**(269)**	**(518)**	(89)	(144)	233	580	347
- Experience adjustments	**4,136**	**2,513**	**6,649**	**12,720**	**19,369**	11,419	21,578	32,997	7,765	40,762
Return on plan assets, excluding interest income	**(11,548)**	**(13,113)**	**(24,661)**	-	**(24,661)**	716	177	893	-	893
Net (loss) / gain for the year	**(7,709)**	**(10,552)**	**(18,261)**	**12,451**	**(5,810)**	(8,307)	21,501	13,194	6,632	19,826
9.4 Movement in the net liability recognized in the statement of financial position are as follows:										
Balance at beginning of the year	**77,790**	**19,853**	**97,643**	**68,885**	**166,528**	70,561	42,664	113,225	66,538	179,763
Net charge for the year	**11,868**	**13,537**	**25,405**	**8,302**	**33,707**	12,057	17,526	29,583	9,730	39,313
Contributions / payments during the year	**(14,725)**	**(14,805)**	**(29,530)**	**(2,943)**	**(32,473)**	(13,135)	(18,836)	(31,971)	(751)	(32,722)
Actuarial loss charged to / (gain) recognized in other comprehensive income	**7,709**	**10,552**	**18,261**	**(12,451)**	**5,810**	8,307	(21,501)	(13,194)	(6,632)	(19,826)
Balance at end of the year	**82,642**	**29,137**	**111,779**	**61,793**	**173,572**	77,790	19,853	97,643	68,885	166,528
9.5 The amounts recognized in the statement of financial position are as follows:										
Fair value of plan assets	**(145,662)**	**(160,023)**	**(305,685)**	-	**(305,685)**	(152,824)	(155,444)	(308,268)	-	(308,268)
Present value of defined benefit obligation	**228,304**	**189,160**	**417,464**	**61,793**	**479,257**	230,614	175,297	405,911	68,885	474,796
Liability recognized	**82,642**	**29,137**	**111,779**	**61,793**	**173,572**	77,790	19,853	97,643	68,885	166,528
9.6 Movement in the present value of defined benefit obligation:										
Balance at beginning of the year	**230,614**	**175,297**	**405,911**	**68,885**	**474,796**	200,272	169,207	369,479	66,538	436,017
Current service cost	**5,001**	**12,323**	**17,324**	**1,744**	**19,068**	4,314	13,503	17,817	1,779	19,596
Interest cost	**22,164**	**16,215**	**38,379**	**6,558**	**44,937**	23,852	19,837	43,689	7,951	51,640
Benefits paid	**(25,636)**	**(12,114)**	**(37,750)**	**(2,943)**	**(40,693)**	(6,847)	(5,926)	(12,773)	(751)	(13,524)
Actuarial (gain) / loss on remeasurement of plan obligation	**(3,839)**	**(2,561)**	**(6,400)**	**(12,451)**	**(18,851)**	9,023	(21,324)	(12,301)	(6,632)	(18,933)
Balance at end of the year	**228,304**	**189,160**	**417,464**	**61,793**	**479,257**	230,614	175,297	405,911	68,885	474,796
9.7 Movement in the fair value of plan assets:										
Balance at beginning of the year	**152,824**	**155,444**	**308,268**	-	**308,268**	129,711	126,543	256,254	-	256,254
Expected return	**15,297**	**15,001**	**30,298**	-	**30,298**	16,109	15,814	31,923	-	31,923
Contributions by the Company	**14,725**	**14,805**	**29,530**	-	**29,530**	13,135	18,836	31,971	-	31,971
Contributions by associates	-	-	-	-	-	-	-	-	-	-
Benefits paid	**(25,636)**	**(12,114)**	**(37,750)**	-	**(37,750)**	(6,847)	(5,926)	(12,773)	-	(12,773)
Return on plan assets, excluding interest income	**(11,548)**	**(13,113)**	**(24,661)**	-	**(24,661)**	716	177	893	-	893
Balance at end of the year	**145,662**	**160,023**	**305,685**	-	**305,685**	152,824	155,444	308,268	-	308,268
9.8 Plan assets comprise:										
Government bonds	**103,160**	**103,588**	**206,748**	-	**206,748**	94,901	97,775	192,676	-	192,676
Corporate bonds	**2,952**	**2,952**	**5,904**	-	**5,904**	5,061	3,615	8,676	-	8,676
Mutual funds – debt	**32,144**	**45,006**	**77,150**	-	**77,150**	41,641	40,366	82,007	-	82,007
Equity instruments	**5,634**	**3,484**	**9,118**	-	**9,118**	3,456	4,067	7,523	-	7,523
Cash	**1,772**	**4,993**	**6,765**	-	**6,765**	7,765	9,621	17,386	-	17,386
	145,662	**160,023**	**305,685**	-	**305,685**	152,824	155,444	308,268	-	308,268

9.9 The expected charge in statement of profit or loss pertaining to pension fund, gratuity fund and unfunded schemes for the year ending December 31, 2022 is Rs. 11.86 million, Rs. 13.53 million and Rs. 8.3 million, respectively.

9.10 Government bonds, mutual funds and shares are valued at quoted market prices and are level 1. Cash includes notional accrual of interest and is therefore level 2. Corporate bonds are valued at market prices and are level 2. The funds do not have any investment in the securities issued by the Company or any associated companies. The Gratuity Fund and Pension Fund are invested through approved trust funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

9.11 The principal actuarial assumptions at the reporting date were as follows:

	2021	2020
Discount rate	**10.5%**	9.75%
Expected return on plan assets	**10.5%**	9.75%
Future salary increases - Management staff	**11.0%**	10.25%
Future salary increases - Non-management staff	**8.25%**	7.50%
Future pension increases	**6.0%**	5.25%
Medical cost trend	**5.25%**	4.50%

As at December 31, 2021, the weighted average duration of the defined benefit obligation was 8.5 years (2020: 9.1 years).

Plan duration of defined benefit obligation:

Pension	**7.1 years**	7.2 years
Gratuity - Management staff	**8.5 years**	9.5 years
Gratuity - Non-management staff	**3.9 years**	4.7 years
Pensioners' medical plan	**15.9 years**	16.2 years

9.12 The plans expose the Company to the actuarial risks such as:

Salary risks

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Mortality / withdrawal risks

The risks that the actual mortality / withdrawal experiences are different. The effect depends upon beneficiaries' service / age distribution and the benefit.

Investment risks

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 of trustees of funds.

9.13 In case of the funded plans, it is ensured that the long-term investments are in line with the obligation under the retirement benefit plan. Duration and the expected yield of the investments are matched with the expected cash outflows arising from the retirement benefit plan obligations. The process used to manage its risks has not been changed from previous periods. Investments are well diversified and composition of the plan assets is disclosed in note 9.8 to the financial statements.

9.14 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the reporting date. Expected return on equity investments reflect long term real rates of return experienced in the market.

9.15 Normal retirement age is 60 years for non-management staff. Normal retirement age for management staff depends on date of joining. If joining date is before February 1988, normal retirement age is 58 years for men and 55 years for women. If joining date falls between February 1, 1988 and February 24, 2013, it is 60 years extendable to 62 years by the mutual consent of employee and Company. If joining date is February 25, 2013 or later, normal retirement age is 62 years.

Currently the Company has the following plans:

a) Pension

Pension scheme entitles the members to pension, subject to the conditions laid down in the rules, on reaching the normal retirement age, disability, early retirement or death in which case the surviving spouse and the children under the age of 25 shall be entitled.

Retirement benefit is a pension of 1.25% of final gross salary for each year of service less actuarial equivalent of any gratuity, if service is at least 10 years. Members may commute up to one-half of pension and the trustees may commute the balance.

The Trustees increase pensions in payment on an ad-hoc basis to provide some relief against inflation. The plan guarantees a minimum annual increase of 6%.

NOTES TO THE FINANCIAL STATEMENTS
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b) Gratuity

Gratuity scheme entitles the members to gratuity on resignation, termination, retirement, early retirement, retrenchment, death and dismissal based on the Company's Service Rules. The Company maintains a separate gratuity fund for management and non-management staff.

Gratuity is based on the last month's basic salary for each year of service.

c) Pensioners' medical plan

The pensioners' medical plan reimburses medical expense to retirees, their wives and widows and widows of management staff employees who died in service. Benefits are limited to a maximum amount depending on grade at retirement.

9.16 The Pension and Gratuity management plans are fully funded. The funds are legally separate from the Company and are recognized by the Commissioner of Income Tax under Income Tax Rules, 2002. Members do not contribute to the pension and gratuity funds. The Company contributes at rates advised by the actuary. The contributions are equal to current service cost with adjustment for any deficit. If there is a surplus, the Company takes a contribution holiday.

9.17 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Impact on defined benefit obligation		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
Discount rate	0.50%	(17,204)	18,550
Salary growth rate	0.50%	9,688	(9,197)
Pension growth rate	0.50%	5,280	(4,902)
Medical cost trend rate	0.50%	3,871	(3,498)

If life expectancy increases by 1 year, the obligation increases by Rs. 9.35 million.

The impact of changes in financial assumptions has been determined by revaluation of the obligations on different sets of assumptions. The impact of increase in longevity has been calculated on the aggregate for each class of employees.

9.18 The Company contributed Rs. 23.49 million (2020: Rs. 21.29 million) and Rs. 10.17 million (2020: Rs. 9.12 million) to the provident fund and the defined contribution superannuation fund respectively during the year.

9.19 Investments out of fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

	2021	2020
10 LEASE LIABILITIES AGAINST RIGHT-OF-USE ASSETS		
Lease liabilities against right-of-use assets at year end	**12,307**	18,650
Less: current portion of lease liabilities against right-of-use assets	**(7,936)**	(6,343)
Non current lease liabilities against right-of-use assets	**4,371**	12,307

10.1 Commitments in relations to leases recognised under IFRS 16 against right-of-use assets are payable as follows:

	2021	2020
Payable not later than one year	**7,936**	8,180
Payable later than one year but not later than five years	**5,276**	13,212
	13,212	21,392
Future finance cost	**(905)**	(2,742)
Total lease liabilities against right-of-use assets	**12,307**	18,650

NOTES TO THE FINANCIAL STATEMENTS
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		Note	2021	2020
11	**TRADE AND OTHER PAYABLES**			
	Creditors:			
	- Related parties	11.1	**385,545**	263,390
	- Others		**820,479**	799,105
			1,206,024	1,062,495
	Royalty and technical service fee	11.2	**206,255**	166,209
	Accrued liabilities		**160,769**	156,214
	Sales tax, excise and custom duties		**24,857**	44,661
	Workers' Profit Participation Fund	11.3	**45,612**	34,204
	Workers' Welfare Fund	11.4	**8,317**	6,274
	Payable for capital expenditure		**-**	941
	Withholding tax payable to Government		**11,429**	12,845
	Payable to employee retirement benefit funds	9.1	**111,779**	97,643
	Security deposits	11.5	**56,564**	29,905
	Others		**1,618**	2,592
			627,200	551,488
			1,833,224	1,613,983

11.1 This includes balances due to following related parties:

	2021	2020
Akzo Nobel Car Refinishes B.V	**3,655**	5,580
Akzo Nobel N.V.	**237,788**	187,375
ICI Omicron B.V.	**4,370**	4,370
Pinturas Inca SA	**70,421**	12,756
AkzoNobel Packaging Coatings	**1,394**	3,256
International Paint Netherlands	**4,531**	6,228
AkzoNobel Saudi Arabia	**10,803**	893
AkzoNobel UAE Paints LLC	**139**	-
AkzoNobel Paints Vietnam	**482**	-
AkzoNobel Paints Malaysia	**2,471**	-
International Paints Singapore	**2,206**	-
AkzoNobel Singapore Pte Ltd	**41,609**	39,182
International Paints Indonesia	**3,717**	-
AkzoNobel Decorative Coatings	**1,959**	3,750
	385,545	263,390

11.2 Royalty and technical service fee

This includes royalty and technical service fee payable to the following related parties:

	2021	2020
Akzo Nobel Coatings International B.V.	**191,722**	160,521
	191,722	160,521

11.3 Workers' Profit Participation Fund

	2021	2020
Balance at beginning of the year	**34,204**	40,517
Allocation for the year	**46,590**	34,994
Interest on funds	**923**	231
Payments made to the fund during the year	**(36,105)**	(41,538)
Balance at end of the year	**45,612**	34,204

11.4 Workers' Welfare Fund

	2021	2020
Balance at beginning of the year	**6,274**	4,815
Allocation for the year	**20,430**	14,580
Payments made during the year	**(18,387)**	(13,121)
Balance at end of the year	**8,317**	6,274

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11.5 These represent security deposits received from customers. These are repayable on cancellation of distribution contracts with customers and cannot be utilized for the purpose of the business. These have been kept in separate bank account in accordance with the requirements of the section 217 of the Companies Act, 2017.

12 CONTRACT LIABILITIES

Advances received from customer are recognised as revenue when performance obligation in accordance with the policy as described in note 5.18 is satisfied. Following is a movement in the balance with respect to contract liabilities during the year:

	2021	2020
Balance at beginning of the year	**72,726**	54,039
Advances received during the year	**176,837**	292,178
Revenue recognised during the year	**(239,562)**	(273,491)
Balance at end of the year	**10,001**	72,726

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

Claims against the Company not acknowledged as debts are as follows:

13.1.1 For the tax year 2012, the Additional Commissioner Inland Revenue (Audit) ['ACIR'], Zone-II, Large Taxpayers Unit, Lahore through order dated January 31, 2014 raised additional tax demand of Rs. 89.49 million. The tax demand pertains to disallowance of deductions from income for technical fee, advertisement and publicity, bad debts written off and stock-in-trade written off. Further, there was disagreement over the tax treatment of certain matters including calculation of Workers' Welfare Fund, claim for tax credit and apportionment of other income.

The Company filed an appeal before Commissioner Inland Revenue (Appeals) ['CIR (A)'] against the aforesaid order, which was disposed through the appellate order dated May 5, 2014 wherein the CIR (A) remanded majority of the issues back to the assessing officer. The remaining issues of 'apportionment of other income' and 'disallowance of tax credit' have been contested by the Company with the Appellate Tribunal Inland Revenue ('ATIR') whereas the tax department has also contested the issue of 'Workers Welfare Fund' and 'amortization of advertisement expense' with the ATIR. The Additional Commissioner Inland Revenue (Audit) ['ACIR'], Zone-II, Large Taxpayers Unit, Lahore, through notice dated June 8, 2015 initiated the proceedings under section 124 of the Ordinance and confronted the issues remanded by the CIR (A) to the Company, which have been duly replied to. However, the respective order had not been finalized. Some issues were also remanded back to the assessing officer who passed the appeal effect order dated June 30, 2015 and created a demand of Rs. 5.6 million which was adjusted against the refunds of Tax Year 2014.

Appeal had been filed against the appeal effect order before CIR(A) who confirmed the demand of Rs. 5.6 million. The Company has preferred appeal before ATIR which is pending adjudication. The Company in consultation with their tax advisor, is of the view that these tax matters will eventually be decided in favor of the Company; therefore no provision has been made in these financial statements.

13.1.2 For the tax year 2013, the ACIR through assessment order dated April 30, 2014 passed under section 122(5A) of the Income Tax Ordinance, amended the taxable income of the Company and raised additional tax demand of Rs. 15.53 million. The tax demand pertains to disallowance of deductions from income for bad debts written off, exchange losses, write-off of property, plant and equipment, advertisement and publicity expenses. Further, there was disagreement over the tax treatment of certain matters including calculation of Workers' Welfare Fund and claim for tax credit.

The Company filed an appeal before the CIR (A), which was disposed through the appellate order dated October 27, 2014 wherein the CIR (A) decided some of the issues in favour of the Company. The remaining issues have been contested by the Company with the ATIR. The department has also filed an appeal with the ATIR on the issues decided in favour of the Company. The Company had partially paid the demand raised through the amendment order and as a consequence of the aforementioned appellate order, an amount of Rs. 4.6 million becomes refundable if the appeal effect is given by the department. The management, in consultation with their tax advisor, is of the view that these tax matters will eventually be decided in favor of the Company; therefore no provision has been made in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
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13.1.3 For the tax year 2014, the CIR through assessment orders dated March 1, 2018 passed under section 122(5A) of the Income Tax Ordinance, amended the taxable income of the Company and raised additional tax demands of Rs. 747.48 million. The tax demands mainly pertain to disallowance of advertisement and publicity; discounts and commission; service expenses due to non-deduction of withholding tax and expenses on account of gratuity, provident and pension funds. The Company had filed appeals before the CIR (A) who annulled the impugned demand and remanded back the case to the assessing officer with directions of re-examination. The management, in consultation with their tax advisor, is of the view that these tax matters will eventually be decided in favor of the Company; therefore no provision has been made in these financial statements.

13.1.4 For the tax year 2016, the CIR through assessment orders dated March 31, 2018 passed under section 122(5A) of the Income Tax Ordinance, amended the taxable income of the Company and raised additional tax demands of Rs. 454.48 million, respectively. The tax demands mainly pertain to disallowance of advertisement and publicity; discounts and commission; and expenses on account of gratuity, provident and pension funds. The Company has filed appeals before the CIR (A), which are currently pending adjudication. The management, in consultation with their tax advisor, is of the view that these tax matters will eventually be decided in favor of the Company; therefore no provision has been made in these financial statements.

13.1.5 For the tax year 2019, the ACIR through assessment orders dated December 02, 2020 passed under section 122(5A) of the Income Tax Ordinance, amended the taxable income of the Company and raised additional tax demands of Rs. 355.56 million. The tax demands mainly pertain to disallowance of royalty and technical fee expense; initial allowance and depreciation on fixed assets, discounts and commission; advertisement and publicity fee expenses; tax credit under section 65(B) and expenses on account of stocks written off. The Company has filed appeals before the CIR(A), which are currently pending adjudication. The management, in consultation with their tax advisor, is of the view that these tax matters will eventually be decided in favor of the Company; therefore no provision has been made in these financial statements.

13.1.6 The Income Tax Department, during the last reporting period, passed an order under section 161/205 of the Income Tax Ordinance, 2001, creating a demand of Rs. 102.3 million on account of non-deduction/withholding of tax on payments under various heads. The matter was appealed by the Company before the CIR(A) who annulled the impugned demand and remanded back the case to the assessing officer with directions of re-examination. The management, in consultation with their tax advisor, is of the view that all withholding tax deductions have been made and the tax matter will eventually be decided in favor of the Company; therefore no provision has been made in these financial statements.

13.1.7 A show cause notice for alleged contravention of Section 36-A of the Central Excise Act, 1944 was served upon the Company on December 21, 2000 by the Collector of Sales Tax & Central Excise, Lahore. The Company contested the matter before the Collector of Customs, Central Excise & Sales Tax (Adjudication) who issued an order on April 21, 2001 in favour of the show cause notice. The Company was thereby ordered to pay an amount of Rs. 40.61 million. The Company preferred an appeal before the Customs, Excise & Sales Tax Appellate Tribunal which was accepted in total through order dated March 29, 2002.

An appeal has been filed by the Collector of Sales Tax & Central Excise, Lahore before the Honourable Lahore High Court, Lahore. The appeal is pending adjudication. The management, in consultation with their tax advisor, is of the view that these tax matters will eventually be decided in favor of the Company; therefore no provision has been made in these financial statements.

13.1.8 The department issued Order dated December 29, 2017 creating a demand of Rs. 13.18 million in respect of sales tax for the period from July 2013 to June 2014. The order was challenged before CIR(A) who, vide his order dated April 30, 2018, gave partial relief to the Company and confirmed the impugned demand amounting to Rs. 7.87 million. The Company preferred an appeal before the ATIR against the decision of CIR(A), which upheld the order of CIR(A) vide its order dated September 09, 2019. Being aggrieved, the Company has filed reference before the Honorable Lahore High Court against the decision of ATIR, which is yet to be fixed for hearing.

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		2021	2020
13.2	**Commitments**		
13.2.1	Commitments in respect of capital expenditure	**3,619,091**	-

13.2.2 The commitments of future payments with respect to leases and Ijarah financing contracts in the year in which these payments shall become due are as follows:

Year	2021	2020
2021	**23,647**	30,706
2022	**20,338**	27,066
2023	**17,760**	16,944
2024	**10,983**	10,167
2025	**1,059**	788
	73,787	85,671
Payable not later than one year	**13,541**	30,706
Payable later than one year but not later than five years	**60,246**	54,965
	73,787	85,671

Contracts under Ijarah agreements have been accounted for under IFAS-2, and accordingly classified as operating leases.

13.2.3 Commitments in respect of outstanding letters of credit and outstanding letter of guarantee at the reporting date have been disclosed in note 28.3 of these financial statements.

13.2.4 The Company has a commitment in respect of indemnity agreement signed with ICI Pakistan Limited to cover the possible outcome of the tax issues of ICI Pakistan Limited prior to demerger up to the extent of Rs. 1,583 million (2020: Rs. 1,583 million).

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		Note	2021	2020
14	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets	14.1	**4,064,259**	4,329,251
	Capital work-in-progress	15	**147,431**	138,874
			4,211,690	4,468,125

14.1 Operating fixed assets

The following is the statement of property, plant and equipment:

	Freehold land	Buildings on freehold land	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total
Net carrying value basis							
Year ended December 31, 2021							
Opening Net Book Value (NBV)	**3,541,300**	**128,931**	**644,763**	**13,476**	**607**	**174**	**4,329,251**
Additions (at cost)	**-**	**29,490**	**94,207**	**3,859**	**-**	**338**	**127,894**
Disposals and write offs (at NBV)	**-**	**-**	**(2)**	**(133)**	**-**	**-**	**(135)**
Depreciation charge for the year	**-**	**(24,479)**	**(121,206)**	**(6,285)**	**(607)**	**(174)**	**(152,751)**
Impairment charged during the year	**(10,000)**	**-**	**-**	**-**	**-**	**-**	**(10,000)**
Reversal of revaluation surplus of non-current asset held for sale	**(50,439)**	**-**	**-**	**-**	**-**	**-**	**(50,439)**
Transfer to non-current asset held for sale	**(179,561)**	**-**	**-**	**-**	**-**	**-**	**(179,561)**
Closing net book value	**3,301,300**	**133,942**	**617,762**	**10,917**	**-**	**338**	**4,064,259**
Gross carrying value basis							
As at December 31, 2021							
Cost / revalued amount	**3,336,300**	**191,203**	**868,806**	**124,294**	**21,236**	**2,619**	**4,544,458**
Accumulated depreciation and impairment losses	**(35,000)**	**(57,261)**	**(251,044)**	**(113,377)**	**(21,236)**	**(2,281)**	**(480,199)**
Net book value (NBV)	**3,301,300**	**133,942**	**617,762**	**10,917**	**-**	**338**	**4,064,259**
Net carrying value basis							
Year ended December 31, 2020							
Opening net book value (NBV)	3,566,300	159,305	680,000	19,627	2,271	654	4,428,157
Additions (at cost)	-	4,166	104,373	253	925	-	109,717
Disposals and write offs (at NBV)	-	(1,758)	(4,861)	(156)	-	-	(6,775)
Adjustments during the year	-	-	(4,911)	-	-	-	(4,911)
Depreciation charge for the year	-	(32,782)	(129,838)	(6,248)	(2,589)	(480)	(171,937)
Impairment charged during the year	(25,000)	-	-	-	-	-	(25,000)
Closing net book value	3,541,300	128,931	644,763	13,476	607	174	4,329,251
Gross carrying value basis							
Year ended December 31, 2020							
Cost / revalued amount	3,566,300	161,713	774,601	120,568	21,236	2,281	4,646,699
Accumulated depreciation and impairment losses	(25,000)	(32,782)	(129,838)	(107,092)	(20,629)	(2,107)	(317,448)
Net book value (NBV)	3,541,300	128,931	644,763	13,476	607	174	4,329,251
Depreciation rate (% per annum)	-	4 - 20	5 - 33.33	10 - 33.33	10 - 33.33	25 - 33.3	

14.2 The aggregate book value of assets disposed by the Company during the current year and prior year does not exceed five million rupees.

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		Note	2021	2020
14.3	The depreciation charge for the year has been allocated as follows:			
	Cost of sales	31	**101,877**	119,154
	Selling and distribution expenses	32	**36,627**	34,863
	Administrative and general expenses	33	**14,247**	17,920
			152,751	171,937

Depreciation for the year includes incremental depreciation due to revaluation, amounting to Rs. 76.97 million (2020: Rs. 98.00 million).

14.4 Plant and machinery include POST tinting machines having a net book value of Rs. 193.66 million which are located at the premises of the customers. These machines are placed at dealer shops as per agreed terms. However, the ownership rights remain with the company.

14.5 Impairment recognized by the Company, being the difference between the recoverable value and cost of land located at Rachna Industrial Park, Sheikhupura, Pakistan. The land was previously purchased by the Company for future capacity expansion. However, due to delayed development in the industrial park / zone the Company has not been able to initiate the project. As the terms of sale back have been finalized, accordingly the land has been classified as "Non-current asset held for sale" in these financial statements as disclosed under note 29.

14.6 Subsequent to transfer of property, plant and equipment (along with net revaluation surplus of Rs. 526.56 million) from ICI Pakistan Limited on the effective date (July 01, 2011) of the Scheme of demerger, specific classes of property, plant and equipment (i.e. freehold land, buildings on freehold land and plant and machinery) of the Company were revalued by an independent valuation expert during 2011 which resulted into a revaluation surplus of Rs. 371.02 million. According to Company's policy to revalue property, plant and equipment i.e. after every five year or earlier if fair value of the same is determined to differ materially from its carrying amount at the reporting date, specific classes of operating assets (freehold land, buildings on freehold land and plant and machinery) of the Company were revalued by an independent valuation expert which resulted in a surplus of Rs. 587.92 million during August 2016 and Rs. 2,553.94 million during January 2020 respectively. Valuations for buildings on freehold land and plant and machinery are based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking account of the age, conditions and obsolescence. Land was valued on the basis of fair market value. The fair value measurement of the assets are categorized as Level 3.

14.7 Had there been no revaluation, the net book value of specific classes of property, plant and equipment would have amounted to:

	2021	2020
Freehold land	**6,259**	195,819
Buildings on freehold land	**57,723**	33,904
Plant and machinery	**385,897**	361,961
	449,879	591,684

14.8 The forced sale value of revalued property plant and machinery as per latest available revaluation reports are as follows;

Particulars	Date of inspection	Revaluation report dates	Forced Sales Value
Freehold land			
-346 Ferozpur Road, Lahore, Pakistan	December 12, 2019	January 20, 2020	2,561,132
-Port Qasim, Karachi, Pakistan	December 24, 2019	January 20, 2020	80,365
			2,641,497
Buildings on freehold land			
-346 Ferozpur Road, Lahore, Pakistan	December 12, 2019	January 20, 2020	119,848
-Port Qasim, Karachi, Pakistan	December 24, 2019	January 20, 2020	7,635
			127,483
Plant and machinery	December 12, 2019	January 20, 2020	544,020
			3,313,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Amounts in Rs '000

14.9 Fair value measurement of freehold land, building and plant and machinery are based on the valuations carried out by an independent valuer M/s. Joseph Lobo (Private) Limited as at December 31, 2020 on the basis of market value.

		Note	2021	2020
15	**CAPITAL WORK-IN-PROGRESS**			
	This comprises of:			
	Civil works and buildings		**13,305**	23,116
	Plant and machinery		**88,921**	107,732
	Equipment		**9,549**	8,026
	Advance - freehold land	15.2	**35,656**	-
			147,431	138,874

15.1 Movement of carrying amount

Year ended December 31, 2021	Advance freehold land	Buildings	Plant and machinery	Equipment	Total
Opening balance	**-**	**23,116**	**107,732**	**8,026**	**138,874**
Additions (at cost)	**35,656**	**13,305**	**47,091**	**6,521**	**102,573**
Transferred to operating fixed assets	**-**	**(23,116)**	**(65,902)**	**(4,998)**	**(94,016)**
Closing balance	**35,656**	**13,305**	**88,921**	**9,549**	**147,431**
Year ended December 31, 2020					
Opening balance	-	9,565	100,101	7,899	117,565
Additions (at cost)	-	23,116	99,698	8,209	131,023
Transferred to operating fixed assets	-	(9,565)	(92,067)	(8,082)	(109,714)
Closing balance	-	23,116	107,732	8,026	138,874

15.2 This represents an advances amounting to Rs. 35.656 million (2020: Nil) against freehold land to Faisalabad Industrial Estate Development and Management Company (FIEDMC) to establish a plant at Allama Iqbal Industrial City. The total area of land is 25 acres. The FIEDMC has allotted the provisional allotment letter to the Company and transferred the possession of land to the Company for setting up a plant on this freehold land.

		Note	2021	2020
16	**RIGHT-OF-USE ASSETS**			
	Building			
	Year ended December 31, Net carrying value basis			
	Opening net book value (January 01,)		**21,549**	28,200
	Additions during the year		**-**	6,949
	Depreciation charge	32 & 33	**(7,623)**	(13,600)
	Closing net book value		**13,926**	21,549
	Gross carrying value basis			
	Cost		**61,072**	61,072
	Accumulated depreciation		**(47,146)**	(39,523)
	Closing net book value		**13,926**	21,549
	Depreciation rate % per annum		**20%**	20%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Amounts in Rs '000

		Note	2021	2020
17	**Intangible assets**			
	Cost			
	Balance as at Jan 01,		**37,000**	-
	Additions for the year		**1,160**	37,000
	Balance as at Dec 31,		**38,160**	37,000
	Amortization			
	Balance as at Jan 01,		**(1,480)**	-
	Charge for the year		**(7,407)**	(1,480)
	Balance as at Dec 31,		**(8,887)**	(1,480)
	Carrying value		**29,273**	35,520
	Amortization rate % per annum		**20%**	20%
18	**Long term loans**			
	Secured - considered good			
	- Executives	18.1	**28,068**	33,440
	- Other employees		**88,760**	68,400
			116,828	101,840
	Less: Receivable within one year	24	**(32,579)**	(23,515)
			84,249	78,325
18.1	Reconciliation of the carrying amount of loans to executives:			
	Balance at beginning of the year		**33,440**	20,824
	Disbursements - gross		**14,006**	14,877
	Repayments / adjustments		**(19,378)**	(2,261)
	Balance at end of the year		**28,068**	33,440

18.2 Loans to employees are provided for purchase of motorcycle, motor car and construction of house. Vehicle loans are secured against registration documents of vehicles and house building loans are secured against provident fund, gratuity, pension or any other dues payable to the employees.

18.3 Loans for purchase of motor cars and house building are repayable between two to ten years. These loans are interest-free and granted to the employees including executives of the Company in accordance with their terms of employment. The Company is entitled to recover from the employee's salary and other dues in case of default.

18.4 The maximum aggregate gross amount of long term loans due from the executives at the end of any month during the year was Rs. 31.654 million (2020: Rs. 44.169 million).

		2021	2020
19	**LONG TERM DEPOSITS AND PREPAYMENTS**		
	Deposits	**3,426**	4,752
	Prepayments	**3,330**	462
		6,756	5,214
20	**DEFERRED TAX ASSET - NET**		
20.1	The balance comprises of the following temporary differences:		
	Deductible temporary differences		
	Provisions	**153,354**	145,445
	Property, plant and equipment	**4,686**	3,048
	Lease liabilities against right-of-use assets	**3,369**	5,052
	Remeasurement of defined benefit liability	**1,685**	-
		163,094	153,545
	Taxable temporary differences		
	Property, plant and equipment	**(93,400)**	(109,221)
	Right-of-use assets	**(3,812)**	(5,837)
		(97,212)	(115,058)
	Net deferred tax asset	**65,882**	38,487

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Amounts in Rs ‘000

		Note	2021	2020
20.2	**Changes in deductible temporary differences**			
	Opening balance Charge		**153,545**	168,371
	(credit) during the year			
	-statement of profit or loss account		**7,864**	(14,826)
	-statement of other comprehensive income		**1,685**	-
	Closing balance		**163,094**	153,545
20.3	**Changes in taxable temporary differences**			
	Opening balance		**115,058**	150,663
	(Credited) during the year in			
	-statement of profit or loss account		**(17,846)**	(35,605)
			97,212	115,058
21	**STORES AND SPARES**			
	Stores		**11,206**	5,605
	Spares		**20,778**	22,101
			31,984	27,706
	Less: Provision for slow moving and obsolete stores and spares - net	21.1	**(81)**	(81)
			31,903	27,625
21.1	**Provision for slow moving and obsolete stores and spares**			
	Balance at beginning of the year		**81**	81
	Provision charged during the year		**-**	-
	Stores written-off against provision		**-**	-
	Balance at end of the year		**81**	81

21.2 Stores and spares do not include any item that has been purchased for the purpose of capital expenditure.

		Note	2021	2020
22	**STOCK IN TRADE**			
	Raw materials:			
	- in hand		**470,656**	385,515
	- in transit		**159,734**	139,750
			630,390	525,265
	Work-in-process		**20,993**	11,990
	Finished goods		**567,409**	299,345
	Goods purchased for resale		**111,400**	66,858
			1,330,192	903,458
	Provision for slow moving and obsolete stock in trade:			
	- Raw material		**(21,235)**	(32,875)
	- Finished goods		**(59,265)**	(46,099)
		22.1	**(80,500)**	(78,974)
			1,249,692	824,484

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Amounts in Rs '000

		Note	2021	2020
22.1	**Provision for slow moving and obsolete stock-in-trade**			
	Balance at beginning of the year		**78,974**	76,266
	Provision charged during the year	32	**17,236**	14,200
	Provision reversed during the year		**(10,549)**	-
			6,687	14,200
	Stock written-off against provision		**(5,161)**	(11,271)
	Balance at end of the year		**80,500**	78,974

22.2 Out of the total carrying value of inventory Rs. 3.7 million (2020: Rs. 3.4 million) is measured at net realizable value. As at December 31, 2021 stock has been written down by Rs. 2.1 million (2020: Rs. 2.4 million) to arrive at its net realizable value.

23 TRADE DEBTS

	Note	2021	2020
Considered good			
- Secured	23.1	**210,956**	142,393
- Unsecured		**1,086,759**	986,873
		1,297,715	1,129,266
Considered doubtful		**60,570**	90,685
		1,358,285	1,219,951
Less: allowances and provisions			
- allowances for impairment of trade debts	23.5	**(60,570)**	(90,685)
- provision for discounts	23.6	**(419,024)**	(367,234)
		(479,594)	(457,919)
		878,691	762,032

23.1 These trade debts are secured against letters of credit, bank guarantees and security deposits.

23.2 Trade debts include balances due from the following related party:

	Note	2021	2020
Akzo Nobel UAE Paints L.L.C	23.3	**33**	33
		33	33

23.3 Ageing analysis of amounts due from related parties, included in trade debts, are as follows:

	2021	2020
Neither past due nor impaired (1 - 30 days)	**-**	-
Past due but not impaired (31 - 90 days)	**-**	-
Past due but not impaired (91 - 120 days)	**-**	-
Past due but not impaired (More than 120 days)	**33**	33
As at December 31	**33**	33

23.4 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs. 33 thousand (2020: Rs. 33 thousand).

23.5 Provision for doubtful debts

	2021	2020
Balance at beginning of the year	**90,685**	172,068
Adjustment on account of:		
Charge / (reversal)	**2,557**	(25,389)
Debts written-off against allowance	**(32,672)**	(55,994)
Net adjustment	**(30,115)**	(81,383)
Balance at end of the year	**60,570**	90,685

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Amounts in Rs '000

		Note	2021	2020
23.6	**Provision for discounts**			
	Balance at beginning of the year		**367,234**	339,287
	Charge for the year - net		**749,687**	637,251
	Discounts paid during the year		**(697,897)**	(609,304)
	Balance at end of the year		**419,024**	367,234
24	**LOANS AND ADVANCES**			
	Secured - considered good			
	Current portion of long term loans to:			
	- Executives		**7,440**	8,081
	- Other employees		**25,139**	15,434
		18	**32,579**	23,515
	Unsecured - considered good			
	Advances to contractors and suppliers		**19,911**	30,624
			52,490	54,139
25	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**			
	Trade deposits		**5,717**	-
	Short term prepayments		**2,886**	4,931
			8,603	4,931
26	**OTHER RECEIVABLES**			
	Unsecured - considered good			
	Due from related parties	26.1	**35,109**	40,069
	Others		**6,496**	8,434
			41,605	48,503
26.1	These represent receivable from following related parties:			
	Akzo Nobel UAE Paints L.L.C		**1,946**	-
	Akzo Nobel N.V.		**4,294**	15,952
	Akzo Nobel Netherland B.V.		**4,406**	1,322
	Akzo Nobel ME Coatings FZE		**1,638**	4,062
	Akzo Nobel Saudi Arabia		**2,140**	987
	Akzo Nobel Paints Singapore Pte Limited		**10,303**	11,639
	Akzo Nobel (China) Investment Co. Limited		**1,802**	3,044
	Akzo Nobel Paints Vietnam Limited		**-**	805
	Akzo Nobel Coating Vietnam Limited		**790**	-
	Marshall Boya Ve Vernik Sanayi		**1,086**	1,118
	Akzo Nobel Car Refinishes PO		**4,485**	-
	AkzoNobel Oman SAOC		**2,219**	1,140
			35,109	40,069

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Amounts in Rs '000

		Note	2021	2020
26.2	Ageing analysis of amounts due from related parties, included in other receivables, are as follows:			
	Neither past due nor impaired (1 - 30 days)		**10,584**	33,267
	Past due but not impaired (31 - 90 days)		**10,829**	3,739
	Past due and not impaired (91 - 120 days)		**-**	-
	Past due and not impaired (More than 120 days)		**13,696**	3,063
	As at December 31, 2021		**35,109**	40,069

26.3 The minimum and maximum aggregate amount of other receivable from related parties at the end of any month during the year was Rs. 12.098 million and Rs. 37.02 million (2020: Rs. 21.89 million and Rs. 43.65 million).

27 INCOME TAX RECEIVABLE

	Note	2021	2020
Opening balance		**61,810**	82,901
Addition: advance tax		**230,034**	196,107
Refund/adjustment		**-**	(183)
Provision for the year	38	**(291,535)**	(217,015)
Closing balance		**309**	61,810

28 CASH AND BANK BALANCES

	Note	2021	2020
Cash in hand		**2,414**	4,960
Cash at bank - current accounts		**522,049**	271,690
Cash at bank - saving accounts	28.1	**1,892,316**	62,711
Short term deposits	28.2	**40,000**	1,830,000
		2,456,779	2,169,361

NOTES TO THE FINANCIAL STATEMENTS
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Amounts in Rs '000

	Note	2021	2020

28.1 Cash and bank balances include cheques in hand amounting to Rs. 7.827 million (2020: Rs. 8.4 million) and US Dollars amounting to US$ 0 (2020: US$ 332).

28.2 This represents Term Deposit Receipt placed with commercial bank, having maturity period of 32 days (2020: range between 29 to 33 days). The mark-up on this deposit is 6.25 % (2020: range between 6.25% to 6.50%) per annum.

28.3 Particulars of credit facilities available to the Company

2021

Bank	Nature of facility	Mark up rate / Commission	Frequency of mark-up / commission payment	Facility expiry date	Facility limit	Facility utilized at year end
Deutsche Bank	**Bank Guarantee**	**1 Month KIBOR + 1%**	**Quarterly**	**N/A**	**35,000**	**2,774**
Deutsche Bank	**Letters of Credit (LC)**	**0.10%**	**Upon LC issuance**	**N/A**	**280,000**	**67,538**
Deutsche Bank	**Short-term running finance**	**0.20%**	**Calendar quarter basis**	**N/A**	**35,000**	**-**

2020

Bank	Nature of facility	Mark up rate / Commission	Frequency of mark-up / commission payment	Facility expiry date	Facility limit	Facility utilized at year end
Deutsche Bank	Bank Guarantee	1 Month KIBOR + 1%	Quarterly	N/A	35,000	4,957
Deutsche Bank	Letters of Credit (LC)	0.10%	Upon LC issuance	N/A	280,000	35,644
Deutsche Bank	Short-term running finance	0.20%	Calendar quarter basis	N/A	35,000	-

28.4 The abovementioned facilities are secured by parental guarantee from Akzo Nobel N.V. along with first pari passu hypothecation charge over the current assets amounting to Rs. 210 million (2020: Rs. 210 million), demand promissory note and counter guarantee / indemnity duly signed and stamped by the Company.

28.5 Cash and bank balances represents the cash and cash equivalents for the purpose of cash flow statement.

29 NON-CURRENT ASSETS HELD FOR SALE

	Note	2021	2020
Freehold land	29.1	**179,561**	-

29.1 This represents freehold land purchased from National Industrial Parks Development & Management Company on June 19, 2017 located at Rachna Industrial Park, Sheikhupura. However, due to non-development of Industrial Park, the Company has not been able to initiate the project. Therefore, the Company has negotiated the matter with the National Industrial Parks Development & Management Company (NIP) for the sale back of its land. As per letter dated June 07, 2021, the NIP has agreed to buy back its land in accordance with clause 12 of the Sale Purchase Agreement. Consequently, a firm purchase commitment in this regard with National Industrial Parks Development & Management has been agreed. Accordingly, the land has been classified as "Asset held for sale" in these financial statements. As NIP has the exclusive legal right to buy back the plot, and it has been made based on the Company's request therefore, title transfer related expenses will be bone by the Company. Therefore, land has been stated at fair value less cost to sell, approximately.

NOTES TO THE FINANCIAL STATEMENTS
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Amounts in Rs '000

		Note	2021	2020
30	**REVENUE**			
	Export sales		**4,481**	-
	Local sales		**9,935,685**	7,133,049
			9,940,166	7,133,049
	Less:			
	Sales tax		**1,459,952**	1,038,836
	Discounts		**2,167,068**	1,609,237
			3,627,020	2,648,073
			6,313,146	4,484,976
31	**COST OF SALES**			
	Raw and packing materials consumed	31.1	**4,000,492**	2,401,398
	Salaries, wages and benefits	31.2 & 47	**136,565**	130,840
	Fuel and power expenses		**38,292**	30,287
	Stores and spares consumed		**14,671**	14,250
	Insurance expenses		**213**	510
	Repairs and maintenance expenses		**14,290**	15,766
	Royalties and technical assistance	31.3	**235,406**	168,281
	Depreciation	14.3	**101,877**	119,154
	Communication, printing and stationery expenses		**700**	911
	Contractual services expenses		**56,653**	47,135
	Security, safety, health and environment expenses		**12,645**	12,562
	Provision for obsolete stocks - raw material		**-**	6,243
	Other expenses		**12,520**	8,891
			623,832	554,830
	Opening work-in-process		**11,990**	11,336
	Closing work-in-process	22	**(20,993)**	(11,990)
	Cost of goods manufactured		**4,615,321**	2,955,574
	Opening finished goods		**320,104**	261,995
	Finished goods purchased		**13,368**	63,005
	Closing finished goods		**(619,545)**	(320,104)
			4,329,248	2,960,470
31.1	**Raw and packing materials consumed**			
	Opening stock		**492,390**	410,260
	Add: Purchases		**4,117,257**	2,483,528
	Less: Closing stock		**(609,155)**	(492,390)
			4,000,492	2,401,398

31.2 Salaries, wages and benefits include Rs. 5.59 million (2020: Rs. 4.25 million) in respect of provident fund contribution, Rs. 2.26 million (2020: Rs. 6.84 million) in respect of pensions, Rs. 4.92 million (2020: Rs. 8.76 million) in respect of gratuity and Rs. Nil (2020: Rs. 1.62 million) in respect of pensioners' medical plan.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

Amounts in Rs '000

		Note	2021	2020

31.3 Royalties and technical assistance includes expenses against royalties and technical services obtained from the related parties; Akzo Nobel Coatings International B.V. Rs. 202.34 million (2020: Rs. 162.63 million).

31.4 Details of royalties and technical assistance paid to companies / entities / individuals during the year are as follows:

Name	Registered address	Relationship with Company
Akzo Nobel Coatings International B.V.	Velperweg 76 Arnhem, Netherlands	Associate
Nihon Parkerizing Co. Ltd	1-15-1, Nihonbashi, Chuo-ku, Tokyo, Japan	N/A

32 SELLING AND DISTRIBUTION EXPENSES

	Note	2021	2020
Salaries and benefits	32.1 & 47	**280,156**	250,098
Advertising and publicity expenses		**209,390**	164,041
Outward freight and handling		**105,224**	104,144
Fuel and power		**3,728**	4,138
Rent, rates and taxes		**12,441**	17,262
Repairs and maintenance		**5,178**	2,226
Depreciation	14.3	**36,627**	34,863
Depreciation on right-of-use assets	16	**1,390**	7,367
Travelling expenses		**17,390**	18,091
Communication, printing and stationery expenses		**11,152**	5,234
Contractual services		**65,348**	58,289
Security, safety, health and environment		**6,337**	6,260
Provision for obsolete stocks - finished goods		**17,236**	7,957
Other expenses		**42,866**	35,029
		814,463	714,999

32.1 Salaries, wages and benefits include Rs. 10.69 million (2020: Rs. 11.86 million) in respect of provident fund contribution, Rs. 3.85 million (2020: Rs. 6.91 million) in respect of pensions, Rs. 5.76 million (2020: Rs. 8.83 million) in respect of gratuity and Rs. Nil (2020: Rs. 2.94 million) in respect of pensioners' medical plan.

33 ADMINISTRATIVE AND GENERAL EXPENSES

	Note	2021	2020
Salaries and benefits	33.1 & 47	**139,038**	128,393
Fuel and power		**3,497**	7,103
Rent, rates and taxes		**1,271**	3,795
Insurance		**9,716**	7,875
Repairs and maintenance		**7,195**	6,905
Depreciation	14.3	**14,247**	17,920
Depreciation on right-of-use assets	16	**6,233**	6,233
Amortization		**7,407**	1,480
Travelling expenses		**428**	871
Communication, printing and stationery expenses		**1,167**	1,214
Auditors' remuneration	33.2	**2,164**	2,518
IT services		**85,328**	55,262
Contractual services		**15,275**	11,138
Other expenses		**28,195**	20,398
		321,161	271,105

33.1 Salaries, wages and benefits include Rs. 5.71 million (2020: Rs. 5.18 million) in respect of provident fund contribution, Rs. 14.79 million (2020: Rs. 5.52 million) in respect of pensions, Rs. 4.18 million (2020: Rs. 5.42 million) in respect of gratuity and Rs. 6.98 million (2020: Rs. 3.60 million) in respect of pensioners' medical plan.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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		Note	2021	2020
33.2	**Auditors' remuneration**			
	Statutory audit		**1,392**	1,484
	Half yearly review		**-**	364
	Other assurances and certifications		**-**	381
	Taxation services		**476**	-
	Out of pocket expenses		**296**	289
			2,164	2,518
34	**NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS**			
	The reconciliation of loss allowance is as follows:			
	Balance at beginning of the year		**90,685**	172,068
	Movement in net allowance during the year:			
	Charge / (reversal)		**2,557**	(25,389)
	Debts written-off against allowance		**(32,672)**	(55,994)
			(30,115)	(81,383)
	Balance at end of the year		**60,570**	90,685

34.1 The impairment of trade debts is based on the expected credit losses model following the simplified approach under IFRS 9.

		Note	2021	2020
35	**FINANCE COST**			
	Amortization of loans to staff		**19,971**	-
	Interest on Workers' Profit Participation Fund	11.3	**923**	231
	Bank charges		**144**	144
	Interest expense on right-of-use assets		**1,351**	2,032
			22,389	2,407
36	**OTHER CHARGES**			
	Workers' Profit Participation Fund	11.3	**46,590**	34,994
	Workers' Welfare Fund	11.4	**20,430**	14,580
	Exchange loss		**33,209**	18,998
	Impairment of property, plant and equipment	14.5	**10,000**	25,000
			110,229	93,572
37	**OTHER INCOME**			
	Income from financial assets			
	Profit on short-term and call deposits		**126,655**	117,530
	Amortization gain on staff loans		**-**	12,290
	Reversal in loss allowance for impairment of trade debts	34	**-**	25,389
	Income from non-financial assets			
	Scrap sales		**29,554**	14,161
	Provisions no longer required written back		**10,624**	38,727
	Miscellaneous income		**689**	-
	Profit on disposal of property, plant and equipment		**4,606**	14,377
			172,128	222,474

NOTES TO THE FINANCIAL STATEMENTS
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		Note	2021	2020
38	**TAXATION**			
	Current year		**290,350**	207,515
	Prior year		**1,185**	9,499
	Deferred	20	**(25,710)**	(20,780)
			265,825	196,234
38.1	**Tax charge reconciliation**			
	Profit before taxation		**885,227**	664,897
	Tax using domestic rates		**256,716**	192,820
	Effect of prior year charge		**1,185**	9,499
	Others		**7,924**	(6,085)
	Net tax charged		**265,825**	196,234
	Average effective tax rate		**30.03%**	29.51%

38.2 As at December 31, 2021, as per the treatments adopted in tax returns filed that are based on the applicable tax laws and decisions of appellate authorities on similar matters, the provision in accounts for income tax is sufficient as there are strong grounds that the said treatments are likely to be accepted by the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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		Note	2021	2020
39	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Profit before taxation		**885,227**	664,897
	Adjustments for:			
	Depreciation on property, plant and equipment	14.3	**152,751**	171,937
	Amortization on intangible assets	17	**7,407**	1,480
	Depreciation on right-of-use assets	16	**7,623**	13,600
	Gain on disposal of property, plant and equipment	37	**(4,606)**	(14,377)
	Provision for employee benefits obligation	9.2	**33,707**	39,313
	Net impairment (reversals)/ losses on financial assets	34	**2,557**	(25,389)
	Impairment of property, plant and equipment	36	**10,000**	25,000
	Reversal of provision no longer required	37	**(10,624)**	(38,727)
	Provision for slow moving and obsolete stock	32	**17,236**	14,200
	Interest income	37	**(126,655)**	(117,530)
	Interest expense on right-of-use assets	35	**1,351**	2,032
	Exchange loss	36	**33,209**	18,998
			123,956	90,537
	Net cash flows from operating activities before working capital changes		**1,009,183**	755,434

40 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of the parent Company (ICI Omicron B.V.), the ultimate parent Company (Akzo Nobel N.V.), related group companies, staff retirement funds, companies where Directors also hold directorship, Directors and key management personnel of the Company, and their close family members. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

		2021	2020
Associated companies	Purchase of goods, materials and services	**330,387**	220,673
	Sale of goods and services	**4,481**	-
	Reimbursement of expenses	**50,929**	69,466
	Royalty paid	**191,722**	169,015
	IT services	**85,328**	55,262
Retirement benefit plan	Contributions made to retirement funds / plans	**92,832**	87,844
Key management personnel	Remuneration of key management personnel	**62,432**	67,161
	Sale of goods and services	**498**	531

40.1 The above transactions with related parties are carried out on mutually agreed terms and conditions.

40.2 Following are the details of related parties incorporated within / outside Pakistan with whom the Company had entered into transactions or had agreements and / or arrangements in place during the financial year:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Basis of association	Name of the related party	Country of incorporation	Aggregate % of shareholding*
Outside Pakistan:			
Parent company	ICI Omicron B.V.	Netherlands	97.95%
Group / associated company	Akzonobel Car Refinishes B.V.	Netherlands	-
	Akzonobel N.V	Netherlands	-
	AkzoNobel Saudi Arabia Ltd.	Saudi Arabia	-
	International Paints	Netherlands	-
	Pinturas Inca SA	Uruguay	-
	ICI Swire Paints (Shanghai) Limited	China	-
	Akzo Nobel Coatings Int. B.V	Netherlands	-
	Akzo Nobel Middle East FZE	UAE	-
	Akzo Nobel (China) Investment Co. Ltd	China	-
	Akzo Nobel Netherland B.V.	Netherlands	-
	Akzo Nobel Packaging Coatings Limited	United Kingdom	-
	International Paint (Nederland) B.V.	Netherlands	-
	International Farbenwerke GmbH	Germany	-
	Akzo Nobel Decorative Coatings	Netherlands	-
	Akzo Nobel Car Refinishes SL	Spain	-
	Akzo Nobel UAE Paints L.L.C	UAE	-
	Akzo Nobel ME Coatings FZE	UAE	-
	Marshall Boya Ve Vernik Sanayi	Turkey	-
	Akzo Nobel paints Malaysia	Thailand	-
	International paint Singapore	Singapore	-
	International paint Indonesia	Indonesia	-
Associated company / common directorship	Akzo Nobel Paints Singapore Pte Limited	Singapore	-
	Akzo Nobel Paints Vietnam Limited	Vietnam	-
Within Pakistan:			
Retirement benefit plan	Akzo Nobel Pakistan Limited Management Staff Provident Fund		-
	Akzo Nobel Pakistan Limited Management Staff Gratuity Fund		-
	Akzo Nobel Pakistan Limited Management Staff Defined Contribution Superannuation Fund		-
	Akzo Nobel Pakistan Limited Provident Fund		-

40.3 This represents aggregate % of shareholding, including shareholding through other companies or entities.

40.4 The closing balances have been disclosed under the relevant notes of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Amounts in Rs '000

41 RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for establishment and over sight of the Company's risk management framework. The Executive Management Team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the Audit Committee. Risk management systems are reviewed regularly by the Executive Management Team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

	Note	2021	2020
42 EARNINGS PER SHARE			
Basic earnings per share			
Profit for the year (after tax)		**619,402**	468,663
		(Number of shares)	
Weighted average number of ordinary shares		**46,443,320**	46,443,320
		(Rupees)	
Earnings per share		**13.34**	10.09

42.1 Diluted earnings per share

There is no dilutive effect as the Company does not have any convertible instruments in issue as at December 31, 2021 and December 31, 2020, which would have any effect on the earnings per share if the option to convert was exercised.

43 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. 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 Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

There were no financial instruments held by the Company which are measured at fair value as of December 31, 2021 and December 31, 2020.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Amounts in Rs '000

44 FINANCIAL INSTRUMENTS BY CATEGORY

	Note	Carrying amount			Fair value			
On-Balance sheet financial instruments		Amortised cost	Other (FVPL / FVOCI)	Total	Level 1	Level 2	Level 3	Total
As at December 31, 2021								
Financial Assets at FV or amortised cost								
Long term loans	18	**84,249**	-	**84,249**	-	-	-	-
Long term deposits	19	**3,426**	-	**3,426**	-	-	-	-
Trade debts	23	**878,691**	-	**878,691**	-	-	-	-
Loans and advances	24	**32,579**	-	**32,579**	-	-	-	-
Short term trade deposits	25	**5,717**	-	**5,717**	-	-	-	-
Other receivables	26	**41,605**	-	**41,605**	-	-	-	-
Interest accrued		-	-	-	-	-	-	-
Cash and bank balances	28	**2,454,365**	-	**2,454,365**	-	-	-	-
		3,500,632	-	**3,500,632**	-	-	-	-
Financial liabilities at FV or amortised cost								
Deferred liabilities	9	**61,793**	-	**61,793**	-	-	-	-
Lease liabilities	10	**12,307**	-	**12,307**	-	-	-	-
Trade and other payables	11	**1,821,795**	-	**1,821,795**	-	-	-	-
Unpaid dividend		**3,188**	-	**3,188**	-	-	-	-
Unclaimed dividend		**27,832**	-	**27,832**	-	-	-	-
		1,926,915	-	**1,926,915**	-	-	-	-
On-Balance sheet financial instruments								
As at December 31, 2020								
Financial Assets at FV or amortised cost								
Long term loans	18	78,325	-	78,325	-	-	-	-
Long term deposits	19	4,752	-	4,752	-	-	-	-
Trade debts	23	762,032	-	762,032	-	-	-	-
Loans and advances	24	23,515	-	23,515	-	-	-	-
Short term trade deposits	25	-	-	-	-	-	-	-
Other receivables	26	48,503	-	48,503	-	-	-	-
Interest accrued		3,927	-	3,927	-	-	-	-
Cash and bank balances	28	2,164,401	-	2,164,401	-	-	-	-
		3,085,455	-	3,085,455	-	-	-	-
Financial liabilities at FV or amortised cost								
Deferred liabilities	9	68,885	-	68,885	-	-	-	-
Lease liabilities	10	18,650	-	18,650	-	-	-	-
Trade and other payables	11	1,516,340	-	1,516,340	-	-	-	-
Unpaid dividend		3,188	-	3,188	-	-	-	-
Unclaimed dividend		28,374	-	28,374	-	-	-	-
		1,635,437	-	1,635,437	-	-	-	-

44.1 The Company has valued free hold land, building and plant and machinery at fair value and classified under property, plant and equipment and investment property. The carrying value and level of fair value of these non - financial assets have been disclosed in the relevant note to the financial statements.

44.2 Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Amounts in Rs '000

45 FINANCIAL INSTRUMENTS

Financial risk management

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly.

45.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted, without taking into account the fair value of any collateral. The Company does not have significant exposure to any individual counter party. To reduce exposure to credit risk, the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by way of inland letters of credit, cash security deposit and bank guarantees.

a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	Note	2021	2020
Long term loans	18	**84,249**	78,325
Long term deposits	19	**3,426**	4,752
Trade debts	23	**878,691**	762,032
Loans and advances	24	**32,579**	23,515
Trade deposits	25	**5,717**	-
Other receivables	26	**41,605**	48,503
Interest accrued		**-**	3,927
Bank balances and short term deposits	28	**2,454,365**	2,164,401
		3,500,632	3,085,455
Secured			
Long term loans	18	**84,249**	78,325
Trade debts	23	**210,956**	142,393
Loans and advances	24	**32,579**	23,515
		327,784	244,233
Unsecured		**3,172,848**	2,841,222
		3,500,632	3,085,455

Movement / reconciliation of loss allowances for trade debts has been detailed in note 33 to these financial statements.

b) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty.

NOTES TO THE FINANCIAL STATEMENTS
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Amounts in Rs '000

		Note	2021	2020
c)	**Bank balances and accrued interest on short term deposits**			
	Bank balances and short term deposits		**2,454,365**	2,164,401
	Interest accrued		**-**	3,927
			2,454,365	2,168,328

The Company's exposure to credit risk against balances with various commercial banks is as follows:

	Credit Ratings Short	Credit Ratings Long	Rating Agency	2021	2020
Habib Bank Limited	A-1+	AAA	JCR-VIS	**174,817**	100,817
Citi Bank N.A.	P-1	Aa3	Moody's	**1,874,593**	1,053,733
Deutsche Bank A.G.	A-2	BBB+	S&P	**377,123**	985,404
Faysal Bank Limited	A-1+	AA	JCR-VIS	**28,578**	28,374
				2,455,111	2,168,328

d) Trade debts

The trade debts as at the reporting date are classified in Pak Rupees. The aging of trade debts which are past due at the reporting date is as follows:

	2021	2020
Neither past due nor impaired	**1,060,895**	981,286
Past due		
1 - 30 days	**138,291**	68,782
31 - 90 days	**56,120**	36,617
91 - 120 days	**23,122**	9,930
More than 120 days	**79,857**	123,336
	297,390	238,665
	1,358,285	1,219,951
Allowance for impairment of trade debts	**(60,570)**	(90,685)
Provision for discounts	**(419,024)**	(367,234)
	878,691	762,032

The above mentioned ageing includes outstanding balances of related parties as disclosed in note 23.2 to these financial statements.

The maximum exposure to credit risk for past due not impaired at the reporting date by type of counter party is:

	2021	2020
Distributors / wholesale customers	**3,855**	34,730
Retail customers	**120,222**	119,238
End-user customers	**99,800**	84,697
	223,877	238,665
Allowance for impairment of trade debts	**(60,570)**	(90,685)
	163,307	147,980

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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e) **Loss allowance for trade debts**

The Company determines the loss allowances for trade debts based on the following ageing under the expected credit loss model:

	2021					
	Neither past due nor impaired	**Past but not impaired (1 - 30 days)**	**Past but not impaired (31 - 90 days)**	**Past and impaired (91 - 120 days)**	**Past and impaired (More than 120 days)**	**As at December 31, 2020**
Expected credit loss rate (%)	**0.19%**	**0.08%**	**2.02%**	**5.98%**	**34.14%**	
Gross carrying value of trade debts (Rs.)	**1,060,895**	**138,291**	**56,120**	**23,122**	**79,857**	**1,358,285**
General allowance (Rs.)	**2,016**	**111**	**1,134**	**1,383**	**27,263**	**31,907**
Specific allowance (Rs.)	**-**	**-**	**-**	**-**	**28,663**	**28,663**
Loss allowance (Rs.)	**2,016**	**111**	**1,134**	**1,383**	**27,263**	**60,570**

	2020					
	Neither past due nor impaired	**Past but not impaired (1 - 30 days)**	**Past but not impaired (31 - 90 days)**	**Past and impaired (91 - 120 days)**	**Past and impaired (More than 120 days)**	**As at December 31, 2020**
Expected credit loss rate (%)	0.19%	0.08%	2.02%	5.98%	34.14%	
Gross carrying value of trade debts (Rs.)	981,286	68,782	36,617	9,930	123,336	1,219,951
General allowance (Rs.)	1,871	55	740	594	42,101	45,361
Specific allowance (Rs.)	-	-	-	-	45,324	45,324
Loss allowance (Rs.)	1,871	55	740	594	87,425	90,685

f) **Other financial assets**

The remaining financial assets mainly pertain to balances due from related parties, employees or are otherwise secured. These are expected to be recovered in due course and based on past experience the credit risk related to these financial assets is not material.

g) **Concentration risk**

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial assets is broadly diversified and all other transactions are entered into with credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

	Note	**2021**	2020
Textile		**529**	1,055
Paper and board		**183**	225
Chemicals		**1,393**	1,734
Pharmaceuticals		**74**	336
Construction		**49,314**	47,093
Transport		**40,598**	18,870
Dealers		**1,278,479**	1,017,093
Banks		**2,454,365**	2,168,328
Employees		**354**	101,840
Others		**154,937**	186,800
		3,980,226	3,543,374
Allowance for impairment of trade debts		**(60,570)**	(90,685)
Provision for discounts		**(419,024)**	(367,234)
		(479,594)	(457,919)
		3,500,632	3,085,455

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45.2 **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is not materially exposed to liquidity risk as substantially all obligations / commitments of the Company are short term in nature and are restricted to the extent of available liquidity. In addition, the Company has obtained running finance facilities from Deutsche Bank A.G. to meet any deficit, if required, to meet the short term liquidity commitments.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the maturity date. The following are contractual maturities of financial liabilities at the reporting dates:

	2021			
	Carrying amount	**Contractual**	**Up to one year**	**More than one year**
Non-derivative financial liabilities				
Deferred liabilities	**61,793**	**61,793**	**-**	**61,793**
Lease liabilities	**12,307**	**12,307**	**7,936**	**4,371**
Trade and other payables	**1,821,795**	**1,821,795**	**1,821,795**	**-**
Unpaid dividend	**3,188**	**3,188**	**3,188**	**-**
Unclaimed dividend	**27,832**	**27,832**	**27,832**	**-**
	1,926,915	**1,926,915**	**1,860,751**	**66,164**

	2020			
	Carrying amount	**Contractual**	**Up to one year**	**More than one year**
Non-derivative financial liabilities				
Deferred liabilities	68,885	68,885	-	68,885
Lease liabilities	18,650	18,650	6,343	12,307
Trade and other payables	1,516,340	1,516,340	1,516,340	-
Unpaid dividend	3,188	3,188	3,188	-
Unclaimed dividend	28,374	28,374	28,374	-
	1,635,437	1,635,437	1,554,245	81,192

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

45.3 **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 of interest rate risk, currency risk and other price risk.

a) **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 changes in market interest rates. At the reporting date the interest rate profile of Company's interest-bearing financial instruments were:

		Effective rate		Carrying amount	
	Note	**2021**	2020	**2021**	2020
Fixed rate instruments					
Financial assets					
Short term deposits	28.2	**6.25%**	6.25% to 6.50%	**40,000**	1,830,000

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Sensitivity analysis for fixed rate instruments

The Company does not account for the fixed rate financial assets at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect statement of profit or loss.

b) Foreign currency risk

Foreign currency (FCY) 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. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. The Company is exposed to foreign currency risk on sales and purchases, which are entered in a currency other than Pak Rupees. To hedge this risk, the Company has entered into forward foreign exchange contracts in accordance with instructions of State Bank of Pakistan and the Company's treasury policy. The policy allows the Company to take currency exposure within predefined limits while open exposures are rigorously monitored.

i) Significant exchange rates applied during the year were as follows:

	Average rate for the year		Spot rate as at December 31	
	2021	2020	**2021**	2020
	Rupee per FCY			
AED	**46.01**	42.84	**48.51**	43.51
SAR	**45.02**	41.94	**47.44**	42.60
JPY	**1.56**	1.49	**1.56**	1.55
SGD	**126.25**	118.02	**131.50**	121.00
EUR	**199.25**	185.11	**201.86**	196.64
USD	**169.00**	157.34	**178.17**	159.83
GBP	**228.71**	210.95	**238.96**	218.45

ii) The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities as given below:-

					2021			
	Note	**AED**	**SAR**	**SGD**	**EUR**	**USD**	**GBP**	**Total**
Financial assets								
Due from related parties	23.2	**-**	**-**	**-**	**24,118**	**10,991**	**-**	**35,109**
Cash and bank balances	28.1	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		-	**-**	**-**	**24,118**	**10,991**	**-**	**35,109**
Financial liabilities								
Trade and other payables		**-**	**-**	**-**	**18,529**	**14,643**	**4,287**	**37,459**
Due to related parties	11.1	**139**	**1,162**	**44,013**	**39,095**	**93,996**	**2,331**	**180,736**
		139	**1,162**	**44,013**	**57,624**	**108,639**	**6,618**	**218,195**
		(139)	**(1,162)**	**(44,013)**	**(33,506)**	**(97,648)**	**(6,618)**	**(183,086)**

					2020			
	Note	AED	JPY	SGD	EUR	USD	GBP	Total
Financial assets								
Due from related parties	23.2	-	-	-	29,306	9,624	-	38,930
Cash and bank balances	28.1	-	-	-	-	53	-	53
		-	-	-	29,306	9,677	-	38,983
Financial liabilities								
Trade and other payables		-	13,955	4,101	24,796	121,427	4,391	168,670
Due to related parties	11.1	-	-	39,182	45,799	22,791	4,092	111,864
		-	13,955	43,283	70,595	144,218	8,483	280,534
		-	(13,955)	(43,283)	(41,289)	(134,541)	(8,483)	(241,551)

NOTES TO THE FINANCIAL STATEMENTS
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iii) Sensitivity analysis

Every 1% increase or decrease in exchange rate, with all other variables held constant, will increase or decrease profit after tax for the year by Rs.2.182 million (2020: Rs. 1.72 million). The weakening of the Pak Rupees against foreign currencies would have had an equal but opposite impact on the post tax profit. The sensitivity analysis prepared is not necessarily indicative of the effects on profit / (loss) for the year and assets / liabilities of the Company.

45.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Company. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

46 CAPITAL RISK MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also monitor the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

The Company's objectives when managing capital are:

(i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

(ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company has no borrowing as at the balance sheet date, therefore, quantitative data has not been disclosed. The share capital has been disclosed in the relevant note to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Amounts in Rs '000

47 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

The aggregate amounts in these financial statements during the year for remuneration, including certain benefits, to the Chief Executive, Executive Director, Non-Executive Directors and Executives of the Company are as follows:

	Chief Executive		Directors		Executives	
	2021	2020	**2021**	2020	**2021**	2020
Fee - note 47.4	**-**	-	**765**	3,275	**-**	-
Managerial remuneration	**13,488**	11,153	**12,358**	10,047	**185,753**	134,864
Bonus and sales incentives - note 47.2	**1,850**	3,530	**3,610**	2,002	**20,830**	10,418
Contribution to retirement benefits	**3,199**	2,400	**2,938**	3,185	**42,291**	42,666
Group insurance	**63**	47	**39**	28	**1,142**	971
Rent and house maintenance	**700**	1,296	**1,400**	3,400	**31399**	44,819
Utilities	**-**	252	**126**	756	**2,687**	11,115
Medical expenses	**140**	589	**379**	37	**12,801**	8,040
	19,440	19,267	**21,615**	22,730	**296,903**	252,893
Number of person(s)	**1**	2	**6**	6	**67**	58

47.1 The Chairman of board of directors and executive directors hold 30 and 20 shares of the company respectively.

47.2 Out of the bonus and sales incentives recognized for 2021, payment of Rs.1.85 million (2020: Rs.3.53 million) and Rs. 24.44 million (2020: Rs.12.42 million) were made to Chief Executive and Executives respectively. During the year an amount of Rs.61.16 million (2020: Rs. 35.74 million) on account of bonus and sales incentives to management employees has been recognized as expense in the current year. This is payable in the year 2022 after verification of achievement against target.

47.3 The Chief Executive, one Director and certain Executives are provided with free use of Company maintained cars in accordance with their entitlement.

47.4 Fee represents payments made to the Chairman and an Independent Director for attending board and other meetings. The total Non-Executive Directors of the Company as at December 31, 2021 are 1 (December 31, 2020: 5).

47.5 During the year three directors have completed their terms and on the reporting date there were three directors.

48 EMPLOYEE PROVIDENT FUND

The Company has maintained an employee provident fund trust and investments out of provident fund have been made in accordance with the provisions of section 218 of the Act and the conditions specified thereunder. Details regarding investments of the provident fund trust are as follows:

	2021	2020
Size of the fund - fund assets	**207,941**	231,774

Break-up of investments made by the fund are as follows:

	2021 (Un-audited)			2020 (Audited)		
	Cost	**Fair Value**	**Percentage**	Cost	Fair Value	Percentage
Government securities	**90,726**	**90,775**	**39.14%**	109,449	109,449	47.22%
Listed securities	**54,075**	**55,956**	**23.33%**	58,108	59,206	25.54%
	144,801	**146,731**		167,557	168,655	

48.1 The Company has maintained an employee provident fund trust and investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

49 PLANT CAPACITY AND ANNUAL PRODUCTION

	2021	2020
Annual production - litres in thousend	**19,471**	15,973

The capacity of the plant is indeterminable because this is a multi-product plant involving varying processes of manufacturing.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

Amounts in Rs '000

		Note	2021	2020
50	**NUMBER OF EMPLOYEES**			
	Number of employees as at December 31,			
	Head office		**140**	154
	Factory workers		**47**	50
	Average number of employees during the year			
	Head office		**147**	162
	Factory workers		**49**	49

50.1 The number of employees mentioned above does not include third party contractual employees.

51 IJARAH RENTALS

The Company is engaged in a shariah compliant arrangement with Orix Modaraba and Meezan Bank in respect of vehicles under operating lease / Ijarah contracts. Rentals in respect of aforementioned contracts included in financial statements are as under:

Description	Note	2021	2020
Cost of sales	31	**4,409**	4,138
Selling and distribution expenses	32	**13,298**	11,693
Administrative and general expenses	33	**4,471**	5,306

Disclosures other than above are not applicable to the Company.

52 NON-ADJUSTING EVENT AFTER REPORTING DATE

No significant event has occurred subsequent to December 31, 2021 other than those mentioned elsewhere in these financial statements.

53 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

53.1 All significant transactions and events that have affected the Company's financial position and performance during the period have been adequately disclosed in the notes to these financial statements except as follows:

53.2 The Company has entered into an EPC contract with Descon Engineering Limited to establish a plant at Allama Iqbal Industrial City Special Economic Zone developed by Faisalabad Industrial Estate Development Management Company. The Company has paid an advance amounting to Rs. 1,264.00 million subsequent to the reporting period.

54 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. In the first few months of 2020 the virus had spread globally, and its negative impact had gained momentum. The management considers presently this outbreak does not have any impact on the amounts being reported in the Company's statement of financial position as at December 31, 2021. Further, inlight of ongoing COVID-19 pandemic, the Company has reviewed its exposure to business risks and has not identified any significant impact on the Company's operations or decline in revenue during the period ended December 31, 2021.

While this is still an evolving situation as at the time of issuing these financial statements yet, to date the operations of the Company have continued uninterrupted during this pandemic, future effects cannot be predicted. The management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

Amounts in Rs '000

55 DATE OF AUTHORIZATION

These financial statements were authorized for issue in the meeting of the Board of Directors held on February 24, 2022.

56 CORRESPONDING FIGURES

Corresponding figures where necessary, have been rearranged for the purpose of comparison. However no significant rearrangement or reclassification has been made during the year ended December 31, 2021.

57 GENERAL

Figures in these financial statements have been rounded off to the nearest thousand rupees unless stated otherwise.

Mubbasher Omar
Chief Executive

Harris Mahmood
Director & Chief Financial Officer

AKZO NOBEL PAKISTAN LIMITED
PATTERN OF SHAREHOLDING
AS AT DECEMBER 31, 2021

NO OF SHAREHOLDERS	NO. OF SHARESHOLDINGS		Total Shares
	FROM	TO	
6,179	1	100	156,186
1,169	101	500	242,800
173	501	1,000	126,223
114	1,001	5,000	232,698
10	5,001	10,000	76,180
3	10,001	15,000	32,700
2	20,001	25,000	46,574
1	35,001	40,000	38,673
1	40,001	45,480,000	45,491,286
7,652			**46,443,320**

AKZO NOBEL PAKISTAN LIMITED
CATEGORIES OF SHAREHOLDING
AS AT DECEMBER 31, 2021

Sr No.	Shareholders Category	No. of Shareholder	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children (to be confirm by Company)	3	70	0.00
2	Associated Companies, Undertakings and related Parties (to be confirm by Company)	1	45,491,286	97.95
3	NIT and ICP	-	-	-
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	16	8,358	0.02
5	Insurance Companies	6	441	0.00
6	Modarabas and Mutual Funds	6	273	0.00
7	Share holders holding 10%	1	45,491,286	97.95
8	General Public : a. Local b .Foreign	 7,545 -	 914,540 -	 1.97 -
9	Others	75	28,352	0.06
	Total (excluding : share holders holding 10%)	**7,625**	**46,443,320**	**100.00**

Akzo Nobel Pakistan Limited

NOTICE OF 11th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 11th Annual General Meeting of Akzo Nobel Pakistan Limited (the “Company”) will be held on 19th April 2022, at 10:30 a.m. virtually due to Pandemic of COVID 19 to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the 10th Annual General Meeting held on April 20th, 2021.
2. To receive, consider and adopt the audited accounts of Akzo Nobel Pakistan Limited, for the year ended December 31, 2021, together with the Auditors Report and the Directors Report thereon.
3. To appoint the External Auditors of the Company and to fix their remuneration.
4. Any other business with the permission of

28th March, 2022
Lahore

By Order of the Board

NOTES:

1. Closure of share Transfer Books:

The Share Transfer Books of the Company will remain closed from April 13, 2022 to April 19, 2022 (both days inclusive). Transfers received in order at the office of our Shares Registrar, Messrs. FAMCO Associates (Pvt) Ltd. 8-F, near Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi, by the close of business on April 12, 2022 will be in time to be entitled to participate and vote in the meeting.

2. Participation in the Annual General Meeting:

The members and proxy holders will be able to log-in, to participate and vote in proceedings of AGM, through smart phones or computer devices from any convenient location after completing attendance formalities. Members are requested to forward their name, CNIC (both sides scanned copies), folio / CDC account number, cell phone number and email address. with subject **‘Registration for AKZO’s AGM’** at saimahaq.nawaz@akzonobel.com by the deadline of 15th April 2022. Video link will be shared with only those Members whose emails is received at given email address before 1pm on 15th April 2022.

All Members entitled to attend and vote at the Meeting, are entitled to appoint another person in writing as their proxy to attend and vote on their behalf. A proxy must be a member of the Company. A corporate entity, being a member, may appoint any person, regardless whether they are a member or not, as its proxy. In case of corporate entities, a resolution of the Board of Directors/Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted to the Company along with a completed proxy form.

3. Form of Proxy

In order to be effective, duly completed and signed proxy forms must be received at the Company’s registered office at 346, Ferozepur Road, Lahore at least 48 hours (excluding holidays) before the time of the meeting. Form of Proxy is attached with the AGM Notice and can also be downloaded from the Company’s website: http://www.akzonobel.com Proxy form should be witnessed by two persons whose names, addresses and CNIC Numbers must be mentioned on the form.

4. **Mandatory Notice to Shareholders who have not provided their CNICs**

All shareholders holding physical shares who have not submitted a copy of their valid CNICs, or passport are requested to send attested copies of their valid CNICs or passport along with their folio number to the Company's Shares Registrar. In the absence of a shareholder's valid CNIC or passport number, the Company is constrained to withhold payment of any dividend to such shareholders.

5. **Dispatch of Audited Financial Statements Through CD/DVD/USB/Email**

SECP through its Notification SRO 787(1)2014 & 470(I)/2016, have allowed the circulation of Audited Financial Statements to the Members of the Company through CD / DVD /USB/emails. Therefore, all Members who wish to receive the hard copy of Annual Report are requested to send their addresses. The Company shall provide hard copy of the Audited Financial Statements to its shareholders, on request, free of cost, within seven days of receipt of such request.

6. **Change of Address and Non-Deduction of Zakat Declaration Form:**

Non-CDC shareholders are requested to notify any change in their addresses immediately and if applicable provide their non-deduction of Zakat Declaration Form to the Company's Shares Registrar if not provided earlier. Furthermore, members holding shares in CDC/Participants accounts are also requested to update their addresses and if applicable, to provide their non- deduction of Zakat Declaration Form to CDC or their Participants/Stockbrokers.

7. **Payment of Past E-Dividends**

Shareholders who have not yet submitted their 24 digits International Bank Account Number (IBAN) are requested to fill Electronic Credit Mandate Form available on Company's website and send it duly signed along with a copy of CNIC to the Registrar of the Company. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services. Provision of IBAN and bank account details will enable the Company to make payment of past e-dividends through direct credit to shareholder's bank account.

8. **Guidelines for CDC Account Holders:**

CDC account holders will have to follow the guidelines with respect to attending the Meeting and appointing of Proxies as issued by the Securities Exchange Commission of Pakistan through it Circular 1 of January 26, 2000.

9. **UNCLAIMED DIVIDEND / SHARES U/S 244 OF THE COMPANIES ACT, 2017:**

An updated list for unclaimed dividend/shares of the Company, which have remained unclaimed or unpaid for a period of three years from the date these have become due and payable, is available on the Company's website: http://www.akzonobel.pk/

Claims can be lodged by shareholders on Claim Form as is available on the Company's website. Claim Forms must be submitted to the Company's Share Registrar for receipt of dividend/ shares.

FORM OF PROXY
11th ANNUAL GENERAL MEETING

I/We ____ of ____ being members(s) of Akzo Nobel Pakistan Limited holding _______________ ordinary shares hereby appoint ______________________ or failing him/her______________________________ of ____________________ who is/are also members(s) of Akzo Nobel Pakistan Limited as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 11th Annual General Meeting of the Company to be held virtually, on Tuesday, April 19, 2022, at 10.30 a.m., and at any adjournment thereof.

As witness my/our hand(s) this _________ day of __________ 2022.

Signed in the presence of:

____________________ (Signature of Witness 1) Name of Witness: CNIC No.: Address:	____________________ (Signature of Witness 2) Name of Witness: CNIC No.: Address:	Signature across Revenue Stamp of appropriate value

Signed by

____

Shareholder’s Folio No/CDC Account No

This signature should agree with the specimen registered with the Company

Notes:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, at 346, Ferozepur Road, Lahore, not less than 48 hours before the time of holding the Meeting.

2. No person shall act as proxy unless he himself is a member of the Company, except that a corporation may appoint a person who is not a member.

3. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

4. Any alteration made in this instrument of proxy should be initialed by the person who signs it.

5. In the case of joint holders any one may vote either personally or by proxy but if more than one of such joint holders be present either personally or by proxy that one of the said joint holders whose name stands first on the Register of Members in respect of such share shall alone be entitled to vote.

For CDC Account Holders/Corporate Entities:

In addition to the above the following requirements have to be met:

(i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

(ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

(iii) The proxy shall produce his original CNIC or original passport at the time of the Meeting.

(iv) In case of a corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

AkzoNobel

AFFIX
CORRECT
POSTAGE

Akzo Nobel Pakistan Limited
346, Ferozepur Road
Lahore - 54600
Tel: (042) 111-551-111
Fax: (042) 35835011
www.akzonobel.pk

(۸) سی ڈی سی اکاؤنٹ ہولڈرز کے لئے ہدایات

سی ڈی سی اکاؤنٹ ہولڈرز کو میٹنگ میں شامل ہونے کے لئے یا پراکسیز کی تعیناتی کے لئے ان ہدایات کی تعمیل کرنا ہوگی جو سیکیورٹیز اینڈ ایکسچینج کمشن آف پاکستان نے اپنے سرکلر 1 مورخہ 26 جنوری 2000 کے ذریعے وضع کی ہیں۔

(۹) غیر وصول شدہ ڈیویڈنڈ کی کمپنیز ایکٹ 2017. U/S 244 کے مطابق ترسیل

کمپنی کے غیر دعویٰ شدہ ڈیویڈنڈ/حصص کی ایک تازہ ترین فہرست، جو کہ واجب الادا اور قابل ادائیگی ہونے کی تاریخ سے تین سال کی مدت تک غیر دعویدار یا بلا معاوضہ رہی ہے، کمپنی کی ویب سائٹ www.akzonobel.pk پر دستیاب ہے۔ دعویٰ فارم پر شیئر ہولڈرز درج کر سکتے ہیں جیسا کہ کمپنی کی ویب سائٹ پر دستیاب ہے۔ ڈیویڈنڈ/حصص کی وصولی کے لیے کلیم فارمز کمپنی کے شیئر رجسٹرار کو جمع کرائے جائیں۔

نوٹس:۔

(۱) شیئرٹرانسفربکس کی بندش

کمپنی کی شیئرٹرانسفربکس 13 اپریل 2022ء سے 19 اپریل 2022ء کے دوران بندرہے گی (بشمول دونوں دنوں کے) قوائد کے مطابق کاروبار کے اختتام سے قبل 12 اپریل 2022ء تک شیئرز رجسٹرار میسرز فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، ایف ۔8، نزد ہوٹل فاران نرسری، بلاک ۔6، پی۔ای۔سی۔ایچ۔ایس، شاہراہ فیصل، کراچی میں موصول ہونے والی ٹرانسفرز کو شامل کیا جائے گا تا کہ ان کو میٹنگ میں حصہ لینے اور ووٹ ڈالنے کی اجازت ہو۔

(۲) سالانہ عمومی اجلاس میں شرکت

اراکین اور پراکسی یافتگان میٹنگ میں شرکت کی رسمی کارروائیوں کو مکمل کرنے کے بعد کسی بھی مناسب جگہ سے اپنے اسمارٹ فونز یا کمپیوٹر آلات کے ذریعے اے جی ایم کی کارروائی میں شامل ہونے، حصہ لینے اور ووٹ ڈالنے کے قابل ہوسکیں گے۔ اس مقصد کے لئے 15 اپریل 2022 تک اپنا نام، قومی شناختی کارڈ کی دونوں سائڈز کی اسکین کاپی، فولیونمبر/سی ڈی سی اکاؤنٹ نمبر، موبائل فون نمبر اور ای میل ایڈریس "Registration for AKZO's AGM" کے عنوان کے ساتھ "saimahaq.nawaz@akzonobel.com" پر ای میل کریں۔ ویڈیو لنک صرف وہ ممبران حاصل کر پائیں گے جن کی تمام مطلوبہ تفصیلات دیے گئے ای میل ایڈریس پر 15 اپریل 2022 کو دوپہر 1:00 بجے یا اس سے پہلے موصول ہوں گی۔

تمام ارکان سالانہ عمومی اجلاس میں شرکت اور ووٹ دینے کا حق رکھتے ہیں۔ ایک ممبر جو اجلاس میں شرکت، اظہار خیال اور ووٹ دینے کا حق رکھتا ہے وہ اپنی جانب سے اجلاس میں شرکت، اظہار خیال اور ووٹنگ میں حصہ لینے کیلئے کسی پراکسی کو نامزد کرسکتا ہے۔ پراکسی کے لئے ضروری ہے کہ وہ کمپنی کا رکن ہو۔ ایک کارپوریٹ شناخت، باحیثیت رکن، اس بات قطع نظر کسی بھی شخص کو اپنا پراکسی مقرر کر سکتا ہے چاہے وہ رکن ہے یا نہیں۔ کارپوریٹ شخصیات کی صورت میں بورڈ آف ڈائیریکٹر یا پھر پاور آف اٹارنی کے لئے نامزد پراکسیکیلئے نامزد فارم کے ہمراہ جمع کروائی جاسکتی ہے جس پر نمائندگی کیلئے نامزد کردہ شخص کے دستخط ہوں اور یہ بھی درج ہونا چاہیئے کہ وہ کارپوریٹ شناخت کی طرف سے ووٹنگ میں حصہ لے گا۔

(۳) پراکسی فارم

اجلاس میں شرکت کیلئے ضروری ہے کہ پراکسی فارم مکمل پر کر کے کمپنی کے رجسٹرڈ دفتر 346 فیروز پور روڈ لاہور میں اجلاس کے انعقاد سے 48 گھنٹے قبل (علاوہ تعطیل) وصول ہونا ضروری ہیں۔ پراکسی کیلئے فارم اے جی ایم نوٹس کے ساتھ منسلک ہے علاوہ ازیں کمپنی کی ویب سائٹ www.akzonobel.com سے بھی ڈاؤن لوڈ کیا جاسکتا ہے اس پر دو گواہوں کے دستخط ہونے چاہیئے اور ساتھ ہی ان کا پتہ اور کمپیوٹرائزڈ شناختی کارڈ نمبر بھی درج ہونا چاہیئے۔ جن کے نام پتہ اور سی این آئی سی نمبروں کا ذکر فارمز پر ہونا ضروری ہے۔

(۴) لازمی نوٹس، اُن شیئرز ہولڈرز کیلئے جنہوں نے اپنا شناختی کارڈ فراہم نہیں کیے

تمام شیئرز ہولڈرز جن کے پاس فیزیکل شیئرز موجود ہیں اور جنہوں نے ابھی تک اپنے شناختی کارڈ جمع نہیں کروائے، ان سے درخواست ہے کہ اپنے شناختی کارڈ کی تصدیق شدہ کاپی بمعہ اپنے فولیو نمبر کمپنی کے، شیئرز رجسٹرار کو بھجوادیں۔ شیئرز ہولڈرز کے شناختی کارڈ کی غیر موجودگی کمپنی میں متعلقہ شیئرز ہولڈرز کو ڈیویڈنڈ کی ترسیل روک دے گی۔

(۵) آڈٹ شدہ فنانشل سٹیٹمنٹس کی ترسیل بذریعہ یو ایس بی یا سی ڈی یا ڈی وی ڈی یا ای میل

ایس ای سی پی نے نوٹیفیکیشن 2016/(i) 470 & 2014 (1) 787 SRO کو توسط سے کمپنی کے ممبرز کو سی ڈی یا ڈی وی ڈی یا یو ایس بی یا ای میل کے ذریعہ آڈٹ شدہ سٹیٹمنٹس کی ترسیل کی اجازت دی ہے۔ تاہم ایسے تمام ممبران جو سالانہ رپورٹ کی کتاب کی کاپی وصول کرنا چاہتے ہیں ان سے درخواست ہے کہ اپنے پتے فراہم کردیں۔ کمپنی اس طرح کی درخواست موصول ہونے کے 7 دن کے اندر اپنے حصص یافتگان کو بغیر کسی قیمت کے آڈٹ شدہ فنانشل سٹیٹمنٹس مفت فراہم کردے گی۔

(۶) پتے کی تبدیلی اور زکوٰۃ کی کٹوتی روکنے کا ڈیکلریشن فارم

فزیکل شیئرز ہولڈرز سے درخواست ہے کہ پتے کی تبدیلی کی صورت میں فوراً اطلاع کریں اور (اگر اطلاق ہوتا ہے اور پہلے فراہم نہیں کیا تو) زکوٰۃ کی کٹوتی روکنے کا ڈیکلریشن فارم کمپنی شیئرز رجسٹرار کو بھجوا دیں۔ مزید برآں وہ ممبرز جن کے شیئرز سی ڈی سی/ شراکتی اکاؤنٹس میں ہیں ان سے بھی درخواست ہے کہ اپنے پتے کی درستگی کی تصدیق کے ضمن میں تازہ معلومات فراہم کریں اور (اگر اطلاق ہوتا ہے اور پہلے فراہم نہیں کیا تو) زکوٰۃ کی کٹوتی سے روکنے کا ڈیکلریشن فارم سی ڈی سی یا اپنے شراکت دار / سٹاک بروکرز کو فراہم کریں۔

(۷) ماضی کے منافع کی ادائیگی

فزیکل شیئرز ہولڈرز جنہوں نے ابھی تک اپنے 24 ہندسوں کے بین الاقوامی بینک اکاؤنٹ نمبر (IBAN) جمع نہیں کروایا ہے ان سے درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ پر دستیاب الیکٹرانک کریڈٹ مینڈیٹ فارم پر کریں اور سی این آئی سی کی ایک نقل کیساتھ کمپنی کے رجسٹرار کو ارسال کریں۔ اگر حصص سی ڈی سی میں رکھے ہوئے ہیں تو الیکٹرانک کریڈٹ مینڈٹ فارم براہ راست حصص یافتگان کے بروکر/شریک/سی ڈی سی اکاؤنٹ میں جمع کروانا ہوگا۔ IBAN اور بینک اکاؤنٹ کی تفصیلات کی فراہمی سے کمپنی اس قابل ہوجائے گی کہ حصص یافتگان کے بینک کھاتے میں براہ راست ماضی کے منافع کی ادائیگی کرسکے۔

گیارواں سالانہ اجلاس عام کی اطلاع

مطلع کیا جاتا ہے کہ ایکزونوبل پاکستان لمیٹڈ کا گیارواں سالانہ اجلاس عام کوویڈ19 کی وجہ سے آن لائن (ورچول) مورخہ 19 اپریل 2022ء بوقت صبح 10:30 بجے منعقد ہوگا۔جس میں مندرجہ ذیل امور پر عملدرآمد کیا جائے گا۔

عمومی کاروائی:۔

۱۔ 20 اپریل 2020ء کو منعقدہ دسویں سالانہ عمومی اجلاس کے منٹس کی توثیق۔

۲۔ ایکزونوبل پاکستان لمیٹڈ کے دسمبر 2021ء کو مکمل ہونے والے سال کے موصول شدہ حسابات (اکاؤنٹس) بشمول آڈیٹرز رپورٹ اور ڈائریکٹرز صاحبان کی رپورٹس کی وصولی اور ان پر غوروخوض اور منظوری۔

۳۔ کمپنی کے ایکسٹرنل آڈیٹرز کا تقرر اور ان کے معاوضے کا تعین۔

۴۔ اجازت سے کوئی بھی اور امور۔

بحوالہ آرڈر آف بورڈ

28 مارچ 2022، لاہور

کارپوریٹ سماجی ذمہ داری

کمپنی نے ایس او ایس ویلیج کے ساتھ اپنی Let's Colour شراکت داری برقرار رکھی۔ اس شراکت داری کی چھتری تلے ان تمام منصوبوں کو پایہ تکمیل تک پہنچایا گیا جن کا وعدہ ان کے ساتھ ایک سال میں کیا گیا تھا۔ اس میں پاکستان بھر میں ایس او ایس ویلیج کو عطیہ کیئے گئے ١٦٩٣ لیٹر پینٹ، نوجوانوں کو مینٹر شپ اور انٹرن شپ سیشنز، اور سالانہ عطیہ ١٥٠٠٠ یورو شامل ہیں۔

کمپنی نے ایک این جی او "اخوت" کے ساتھ شراکت داری کی جو پاکستان کی پسماندہ کمیونٹی کو مائیکرو فنانسنگ اور نوجوانوں کو مفت تعلیم فراہم کرنے کے لیے کام کر رہی ہے۔ تعلیم کے ذریعے پسماندہ نوجوانوں کی مدد اور غربت کے خاتمے کے مقصد کو آگے بڑھانے کے لیے، ایکزونوبل پاکستان نے زیر تعمیر اخوت یونیورسٹی کو 3,400 لیٹر پینٹ عطیہ کیا۔

بورڈ کمیٹی حاضری

سال کے دوران 6 بورڈ آف ڈائریکٹرز، 1 آڈٹ کمیٹی اور 1 ایچ آر و معاوضہ کمیٹی کے اجلاس منعقد ہوئے۔ ہر ڈائریکٹر/سی ایف او/کمپنی سیکریٹری کی حاضری مندرجہ ذیل ہے۔

شمار	ڈائریکٹرز کے نام	بورڈ آف ڈائریکٹرز کی حاضری	آڈٹ کمیٹی کی حاضری	ایچ آر اینڈ آر کمیٹی کی حاضری
1	محترم معین افضل*	1	1	1
2	محترم فریڈرک موریکس*	–	–	–
3	محترمہ عائشہ حامد*	1	1	–
4	محترم مبشر عمر چیف ایگزیکٹیو آفیسر	6	–	1
5	محترم حارث محمود چیف فائننشل آفیسر/ ایکٹنگ چیف ایگزیکیٹو آفیسر	6	1	1
6	محترم آسکر ویزن بیک	6	–	1
7	محترم سبسٹین ٹین*	1	1	–
8	محترمہ ناعمہ احمد کمپنی سیکریٹری	6	–	–
9	محترم محمد علی مرتضی* سیکریٹری آڈٹ کمیٹی	–	1	–
10	محترمہ سیدہ انسیاء بتول شاہ سیکریٹری ایچ آر اینڈ آر کمیٹی	–	–	1

* جنہوں نے 2021 میں کمپنی سے لاتعلقی اختیار کر لی ** جنہوں نے کمپنی میں شمولیت اختیار کر لی

سال کے دوران 4 ممبران بورڈ آف ڈائریکٹرز چھوڑ گئے۔ ہم جناب معین افضل، جناب فریڈرک مورکس محترمہ عائشہ حامد اور جناب سبیسٹین ٹین سال کے دوران ان کی خدمات کا شکریہ ادا کرتے ہیں۔
ہم نئے چیئرمین کے طور پر جناب آسکر ویزن بیک کا بھی خیر مقدم کرتے ہیں۔

شیئر واپس لینے کا عمل

آئی سی آئی اومی کرون بی. وی نے ڈی لسٹ کے بعد اپنے اقلیتی شیئر یافتگان سے اپنے حصص واپس لینے کی پیشکش کی۔ ابتدا میں جس کی آخری تاریخ 18 جون 2021 تھی۔ علاوہ ازیں حصص یافتگان کی سہولت کیلئے اس مدت میں مزید 18 جون 2022 تک توسیع عمل میں لائی گئی۔ سال کے دوران آئی سی آئی اومی کرون بی. وی. نے 430000 سے زیادہ شیئر خریدے جس کی وجہ سے ان کے مالکانہ حقوق 97.01% سے بڑھ کر 97.95% ہو گئے۔

شیئر ہولڈنگ کا نمونہ

31 دسمبر 2021 تک کمپنی میں حصص یافتگی اور اضافی معلومات کا مفصل بیان صفحہ نمبر --- پر درج ہے۔

ڈائریکٹرز رپورٹ

برائے تکمیل شدہ سال 31 دسمبر 2021

کمپنی کے ڈائریکٹرز نہایت مسرت سے سالانہ رپورٹ بمعہ آڈٹ شدہ فنانشل سٹیٹمنٹس برائے سال مکمل شدہ 31 دسمبر 2021 پیش کرتے ہیں۔

جائزہ

۲۰۲۱ کا آغاز Covid-19 جس نے ۲۰۲۰ میں پوری دنیا کو متاثر کیا، غیر یقینی کی صورتحال میں ہوا۔ پاکستان میں حکومت نے چوتھی اور پانچویں لہر کے دوران مسلسل اقدامات کیئے اور مائکرو لاک ڈاؤن کا نفاذ کیا۔ فروری ۲۰۲۱ سے ملک بھر میں ویکسی نیشن کا عمل شروع ہوا اور سال کے اختتام تک مکمل ویکسی نیٹڈ لوگوں کی تعداد ۹۰ ملین تک جا پہنچی۔

کوویڈ 19 میں لگائی گئی پابندیوں میں نرمی برتی گئی جس کے باوجود بحالی معیشت کی جدوجہد جاری رہی۔ عالمی سپلائی چین میں خلل آیا اور اس کے نتیجے میں بڑے پیمانے پر اشیاء کی قیمتوں میں اضافہ ہوا۔ تیل کی قیمتیں جنوری ۲۰۲۱ میں ۵۰ ڈالر فی بیرل سے بڑھ کر نومبر ۲۰۲۱ میں ۸۰ ڈالر فی بیرل ہوگئی۔ ملک میں مہنگائی کی شرح دسمبر ۲۰۲۰ میں ۸ فیصد سے بڑھ کر دسمبر ۲۰۲۱ میں ۱۳ فیصد ہوگئی۔ امریکی ڈالر کے مقابلے میں کرنسی کی قدر ۱۰ فیصد تک کمی واقع ہوئی۔

کوویڈ 19 کی وجہ سے کمپنی کی کارکردگی متاثر رہی تاہم ہماری سرگرم انتظامیہ نے بروقت قیمتوں میں اضافے اور برانڈ پرموشن جیسے اقدامات کرکے لاک ڈاؤن اور خام مال کی بڑھتی ہوئی قیمتوں کے اثر کو خاطر خواہ زائل کیا۔ ملک میں معاشی چیلنجوں کے باوجود آپ کی کمپنی نے ۲۰۲۰ کے ساتھ ساتھ ۲۰۱۹ سے بھی بہتر کارکردگی کا مظاہرہ کیا۔ آمدنی میں اضافہ پچھلے سال کے مقابلے میں ۳۹ فیصد جبکہ ۲۰۱۹ کے مقابلے میں ۱۷ فیصد رہا تاہم خام مال کی قیمتوں میں اضافے کی بناء پر مجموعی منافع صرف ۳۰ فیصد کی اضافی شرح پر رہا۔ ٹیکس کے بعد منافع میں ۲۰۲۰ کے مقابلے میں ۳۲ فیصد جبکہ اسی ضمن میں ۲۰۱۹ کے مقابلے میں ۱۳ فیصد اضافہ ہوا۔

مالیاتی کارکردگی

ملین روپے میں	2021	2020	2019	اضافہ / کمی 2020	اضافہ / کمی 2019
ٹرن اوور	9,940	7133	8492	39.4%	17.1%
نیٹ سیلز	6,313	4485	5612	40.8%	12.5%
سیلز کے اخراجات	4,329	2960	3579	46.3%	21.0%
مجموعی منافع	1,984	1525	2033	30.1%	(2.4)%
آپریٹنگ منافع	846	538	749	57.1%	13.0%
ٹیکس کی کٹوتی کے بعد منافع	619	469	549	32.2%	12.8%
فی شیئر کمائی روپوں میں	13.31	10.09	11.82	32.2%	12.6%

صحت حفاظت اور ماحولیات:

کمپنی نے صرف ایک اطلاع دہندگی سے ہونے والی چوٹ کے ساتھ HSE سے اپنی وابستگی کا عملی مظاہرہ کیا۔ کوویڈ سے بچاؤ کیلیئے حکومتی سطح پر بتائے گئے قواعد وضوابط پر بھرپور طریقے سے عمل درآمد یقینی بنایا گیا جس کو ایکزونوبل نے پوری دنیا میں نافذالعمل کیا۔ اس نقطہ نظر کے نتیجے میں نا صرف وبائی امراض کے دوران اہم کاروائیوں کا تسلسل جاری رہا بلکہ کمپنی کے کاموں کے ذریعے وبائی مرض کے پھیلاؤ کو روکنے کو بھی یقینی بنایا گیا۔

مستقبل کا نظریہ

وبائی امراض کے نتیجے میں معاشی بحالی ایک طرف لیکن اشیاء کی قیمتوں میں اضافہ اور سیاسی عدم استحکام پاکستان کے لیئے خطرہ ہے جو اقتصادی بحالی اور ترقی کو روک سکتا ہے۔ کمپنی اس بات کو یقینی بنانے کے لیئے اپنی تجدید شدہ۔ مارکیٹ جاؤ۔ حکمت عملی سے فائدہ اٹھانے پر توجہ دے گی تاکہ اس بات کو یقینی بنایا جائے کہ لاگت بے قابو نا ہو پائے اور ترقی کا ہدف حاصل کیا جائے۔

بورڈ آف ڈائریکٹرز نے علامہ اقبال انڈسٹریل فیصل آباد میں ایک نئے گرین فیلڈ انٹی گریٹڈ پینٹ اور کوٹنگز مینوفیکچرنگ پلانٹ لگانے کی منظوری دے دی ہے۔ نئی فیکٹری کی تعمیر پاکستانی مارکیٹ میں ایکزونوبل پر اعتماد کا سچا ووٹ ہے۔ خاص طور پر جیسا کہ یہ منصوبہ اب تک پاکستان میں ایکزونوبل کی سب سے بڑی سرمایہ کاری ہوگی۔

فیصل آباد جو کہ اہم صنعتی مرکز ہے ایکزونوبل اپنی نئی مینوفیکچرنگ سہولت کے ساتھ اپنے متفرق صنعتی کسٹمر کی خدمت کرنے اور مستقبل میں بڑھتی ہوئی مارکیٹ کی طلب پورا کرنے کیلئے پہلے سے زیادہ مضبوط ہوجائے گا۔

NOTES

We supply the sustainable and innovative paints and coatings that our customers, communities – and the environment – are increasingly relying on. That's why everything we do starts with People. Planet. Paint. Our world class portfolio of brands – including Dulux, International, Sikkens and Interpon – is trusted by customers around the globe. We're active in more than 150 countries and have set our sights on becoming the global industry leader. It's what you'd expect from a pioneering paints company that's committed to science-based targets and is taking genuine action to address globally relevant challenges and protect future generations.

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