AkzoNobel

REPORT 2024

Akzo Nobel Pakistan Limited

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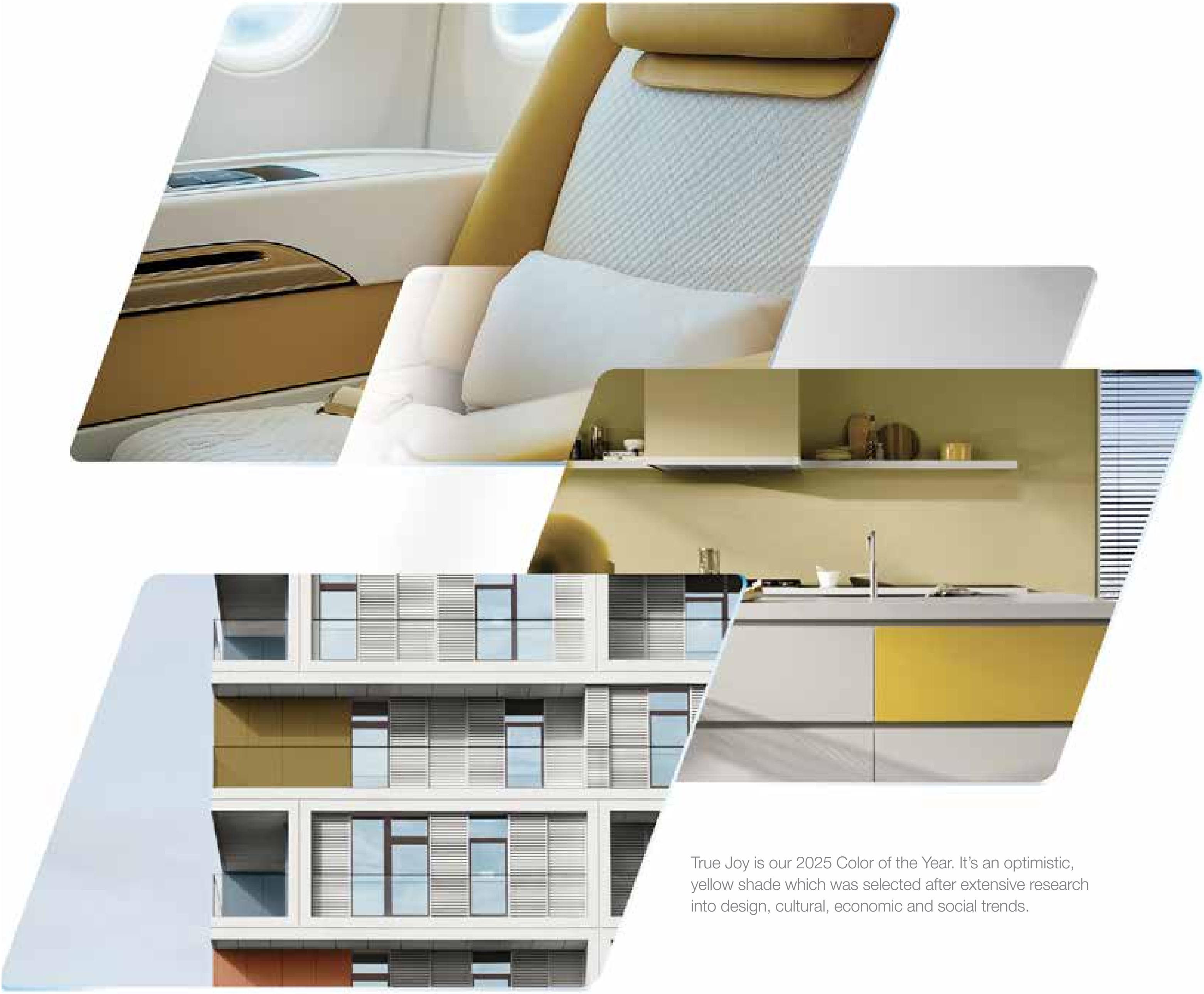

True Joy is our 2025 Color of the Year. It's an optimistic, yellow shade which was selected after extensive research into design, cultural, economic and social trends.

On the cover:
We partnered with the Lahore Development Authority to revitalize the Shaukat Khanum Flyover, fostering a more vibrant and uplifting urban landscape for thousands of daily commuters in Lahore. Over 1,300 liters of Dulux Weathershield range now uplifts the area's visual appeal, provides weather-resistant protection for longer, while also helping reduce maintenance costs – a true reflection of AkzoNobel's role in furthering a more sustainable built environment in Pakistan.

ABOUT AKZONOBEL

Let's paint the future together

As experts in making paints and coatings, chances are you're only ever a few meters away from one of our products.

Active in over 150 countries, we've set our sights on becoming the global industry leader. It's what you'd expect from one of the world's most sustainable paints companies, which has been inventing the future since 1792.

Our world class portfolio of brands – including Dulux, International, Sikkens and Interpon – is trusted by customers around the globe. Helping us to color people's lives and protect what matters most.

From deep beneath the ocean, to homes, cities, transport and even outer space, our products and technologies are exploring new frontiers. Because every surface is an opportunity.

Let's paint the future together.

STRATEGY

At AkzoNobel, we operate a global portfolio of Paints and Coatings businesses. Our strategic approach is therefore focused on the specific requirements of different markets and customers, which results in distinct and effective strategies to outperform in the areas where we're active.

We've established the following overarching strategic pillars across our portfolio of businesses:

- Sustainability-driven innovation
- Growth in focus segments and markets
- Industrial excellence and simplifying our execution model

These pillars provide the foundation for our sustainable long-term value creation moving forward and are described in more detail as under.

Sustainability-driven innovation

We're committed to capturing the opportunities that sustainability presents as a catalyst for innovation. We recognize that sustainability is driving changes in our industry and believe this aligns with our strengths in innovation and our leadership position in sustainability.

We're developing more sustainable products that differentiate us from competitors, allowing us to gain market share and generate higher margins. We're also focused on accelerating our development efforts and reducing time to market.

During the year, we launched several solutions that demonstrate our focus on driving industry change, especially in our key end-user segments:

- Dulux Professional range of high-performance decorative paints launched to meet needs of large-scale commercial, residential and infrastructure projects. Its primed to deliver better application efficiency, sustainability benefits and more durable protection at optimal costs to project interiors and exteriors. Plans are on track to further expand the Dulux Professional portfolio with the intent to expand play in the professional coatings market.

- As the market leader in retail woodcare, we drove the next wave of innovation and upgradation with our latest launch 'Dulux Woodcare Supreme 2K PU'. This first-of-its-kind premium woodcare offering brings the cutting edge 2K PU technology advantage to Pakistan and delivers on exceptional quality, superior finish and longer-lasting protection.

Growth in focus segments and markets

Our growth strategy focuses on continued investment in growth markets and in segments where we have differentiated positions. To this end, in 2024, we forayed into a new segment with our portfolio of Marine Coatings in Pakistan.

Our anti-corrosive protection, fouling control technologies, passive fire protection and aesthetic solutions are underpinned by unrivalled customer service and in-field support, no matter where our customers find themselves.

As well as complementing our leading positions in the premium segment, we also understand the importance of solid positions in our mid-market segments. This enables us to drive growth, increase scale, achieve higher absolute profit and protect the profitability of our premium offerings. Our approach is tailored to the uniqueness of each segment and focuses on existing AkzoNobel brands, while improving asset utilization of our integrated supply chain.

For instance, in the decorative paints market, two new Dulux Experience Stores redefined paint shopping experience for our premium customers in Islamabad and Lahore in 2024. Designed to be provide a truly interactive and immersive experience; Dulux paint customers in Pakistan can now see our product range, test products first-hand, receive expert advice from in-store consultants and experience the premium quality and innovation that brand Dulux is known for – all under one roof!

While strengthening our premium core, we strengthened our presence in the high-volume mass market segment with Dulux Promise Smart Choice interior and exterior emulsion. This superior quality Dulux paints proposition delivers superior opacity and coverage at unmatched price points.

Industrial excellence and simplifying our execution model

We know there's significant value to be gained through improving our operations.
During 2024, our industrial excellence program gained traction as we continued to progress towards unleashing the full benefits by 2027. The program aims to deliver cost reduction, enhanced efficiency, improved service levels and heightened overall competitiveness.

We're making progress on improving operational efficiency to address supply chain constraints that impacted our ability to meet customer demand. At our Faisalabad site, we have successfully commissioned two 1.7 KL high speed dispensers to boost dispersion capacity and three 2.4 KL fixed mixers to expand our waterborne capacity and improve batch flexibility. This upgrade strengthens our ability to meet the growing customer demand for decorative paints, resulting in higher efficiency, faster lead times, and a 25% improvement in OTIF, ensuring greater operational agility to customize production for mid-size batches and enhance customer satisfaction.

Incremental to the industrial excellence program, where we're optimizing our manufacturing site, we're also looking to improve our functional organization. To enhance the efficiency of our functions, we're simplifying operations, accelerating decision-making, and fostering a culture of end-to-end accountability and efficient implementation. This is a testament to our organization's continued agility amidst an incrementally tougher market backdrop while aiming to create a seamless experience for both our customers and employees.

PAINTING A MORE SUSTAINABLE FUTURE

Sustainability is at the core of our identity at AkzoNobel. It has been a core value for many years and forms an integral part of our company purpose ‘Paint the Future’.

In 2024, we made progress on our three focus pillars of:

- Producing durable solutions in a more sustainable manner
- Helping our customers become more sustainable
- Empowering our communities and employees

We produce durable solutions in a more sustainable manner.

At AkzoNobel, we’re aware that climate change could affect our operations, our supply chain and our customers. So, we have set a global target of 50% carbon reduction by 2030, on a baseline of 2018. We have made significant progress over the last couple of years resulting in a 38% reduction by the end of 2024.

In Pakistan as well, we’re investing in a more sustainable future. 1,600 solar panels installed at our new Faisalabad site now generate over 630 MWh energy – that’s nearly 32% of the total electricity consumption at our site annually.

Also incorporated into the Faisalabad location is a forest now expanded to cover an area of 16,350 square feet. More than 2,500 native trees and shrubs – planted using the Miyawaki gardening technique – are expected to grow into a flourishing self-sustaining ecosystem over the next two years.

We help our customers to become more sustainable.

As 99% of our carbon footprint is coming from our value chain, we have set the same ambitious target of 50% carbon reduction by 2030 for our full value chain. To make progress we need to collaborate and innovate together with our value chain partners, such as customers and suppliers. Globally, we are currently at 9% reduction versus our 2018 baseline.

Our sustainable solutions, both products (such as Dulux Weathershield range of exterior emulsions, which can reduce surface temperatures by up to 5°C) and services, are helping our customers to become more sustainable.

Another great example in this direction is the AkzoNobel’s proprietary International range of protective coatings which now protect the interior and exterior surfaces of the largest Potable Water Pipeline in Pakistan. Our globally accepted Interseal system is employed here to ensure the highest standards of quality and performance. Funded by the Asian Development Bank (ADB), this initiative is part of the Greater Water Supply Scheme-Mingora Sawat, aimed at enhancing safe drinking water infrastructure in Khyber Pakhtunkhwa cities. Scheduled to be completed by 2026 end by the Khyber Pakhtunkhwa government 2026, the 20 kilometers long pipeline will provide drinking water to Mingora town and its adjacent localities in Swat.

We empower our communities and employees.

We're passionate about using the power of color to help transform people's lives and revitalize living spaces for communities. In 2024, we brought new vibrancy and hope to Mustafabad with our largest ever "Let's Colour" project in Pakistan.

Equally important is our focus on being an outstanding workplace that delivers extraordinary employee experience, helps our people grow, thrive and celebrate who they are. Committed to furthering DE&I and creating an environment where everyone feels values and empowered, the Faisalabad site proudly welcomed female staff for the first time in shop floor. We also launched our new Women Inspired Network (WIN) platform, providing women with a dedicated area for lactation and is a haven to forge new connections. Similarly, in-house sports complexes in Lahore office and Faisalabad site are safeguarding the health and wellbeing of our employees.

The streets of Mustafabad became a kaleidoscope of color after we transformed the town as part of our largest ever "Let's Colour" project in Pakistan.

Helping residents of Mustafabad cope with living in a region that experiences extreme heat, more than 1,000 home exteriors were coated with Dulux Weathershield – which can reduce surface temperatures by up to 5°C. A team of 67 painters, mural artists and AkzoNobel volunteers used more than 8,250 liters of Dulux paint (in 51 different colours) to usher in a world of colour for the 6,000 residents of the town.

COMPANY INFORMATION

Board of Directors

TAN TIAN HOCK SEBASTIAN	Chairman / Non-Executive Director
MUBBASHER OMAR	Chief Executive Officer / Executive Director
JAWAIRIA HASHMI	Chief Financial Officer / Executive Director

Share Transfer Committee

MUBBASHER OMAR	Chief Executive Officer
JAWAIRIA HASHMI	Chief Financial Officer
RABIA BAKHTAWAR PIRZADA	Company Secretary

Chief Financial Officer

JAWAIRIA HASHMI

Company Secretary

RABIA BAKHTAWAR PIRZADA

Bankers

CITIBANK N.A.
DEUTSCHE BANK LIMITED A.G
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
PAKISTAN

Registered Office

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

Production Facility

AkzoNobel Pakistan Limited,
Plot 120 & 121,
Allama Iqbal Industrial City,
Chiniot-Faisalabad Road,
3-km from Sahianwala Interchange,
Tehsil Chak Jhumra, District Faisalabad

Executive Management Team

MUBBASHER OMAR	Chief Executive Officer
JAWAIRIA HASHMI	Chief Financial Officer
FAROOQ AYUB KHAN	ISC manager Pakistan Malaysia Indonesia
SANA SHERAZ	Country HR Manager
ABDUL REHMAN SHABBIR	Head of Brand & Customer Marketing Decorative Paints
MUNEEB KHALID	National Sales Manager-Auto

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

11th Floor, Tower-A
Technology Park, Street-8,
Sharah-e-Faisal, Karachi
Tel: (021) 32781441-6

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

OUR BOARD OF DIRECTORS

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

TAN TIAN HOCK SEBASTIAN
Non-Executive Director / Chairman

Tan Tian Hock Sebastian, Regional Head of Finance at Finance Paints South Asia, was appointed to the Board of Directors of Akzo Nobel Pakistan Limited on January 1, 2024. He is an esteemed member of the Akzo Nobel Pakistan Board of Directors, bringing a wealth of experience and expertise to our organization. His strategic vision, financial acumen, and commitment to excellence have significantly contributed to our success. He graduated with an MBA from Imperial College Business School, University of London, and is a Chartered Accountant from the Institute of Singapore Chartered Association. He is a certified Six Sigma Black Belt for process improvement methodologies. With 18 years at AkzoNobel, he consistently contributes to our growth. Previously, he served as the Head of Pricing and Commercial at Honeywell Aviation, Asia, gaining valuable business acumen. His dedication and vision continue to propel AkzoNobel toward excellence.

MUBBASHER OMAR
Executive Director and Chief Executive Officer

Mubbasher Omar joined Akzo Nobel Pakistan Limited as the Chief Executive Officer in August 2020 and was subsequently appointed to the Board of Directors. Being a seasoned commercial professional, he comes with 30 years of diverse experience working in senior roles with reputed market-leading organizations such as Shell Pakistan Limited, Indus Motor Company Limited, and Regus Pakistan Limited. He has the ability to set strategic agenda, navigate business through challenging environment, manage nuances of large multi-cultural organization and deliver strong results. At AkzoNobel, He 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 obtained a 'Master of Public Administration' (MPA) from the University of Punjab.

JAWAIRIA HASHMI
Executive Director and Chief Financial Officer

Jawairia Hashmi was appointed to the Board of Directors of Akzo Nobel Pakistan Limited in May 2023 and serves as the Chief Financial Officer. She joined AkzoNobel Pakistan as an ACCA trainee in July 2011 and has been associated with the Company since then. Her experience encompasses Financial Reporting, Planning and Analysis, Integrated Supply Chain, and Commercial Controlling. She has been instrumental in driving engagement and collaboration among various finance pillars. She is a qualified ACCA and holds a BSc (Hons) Degree in Applied Accounting from Oxford Brookes University.

OUR EXECUTIVE MANAGEMENT TEAM

1. MUBBASHER OMAR
Chief Executive Officer

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2. JAWAIRIA HASHMI
Chief Financial Officer

Jawairia Hashmi was appointed to the Board of Directors of Akzo Nobel Pakistan Limited in May 2023 and serves as the Chief Financial Officer. She joined AkzoNobel Pakistan as an ACCA trainee in July 2011 and has been associated with the Company since then. Her experience encompasses Financial Reporting, Planning and Analysis, Integrated Supply Chain, and Commercial Controlling. She has been instrumental in driving engagement and collaboration among various finance pillars. She is a qualified ACCA and holds a BSc (Hons) Degree in Applied Accounting from Oxford Brookes University

3. ABDUL REHMAN SHABBIR
Head of Marketing, Pakistan
Regional Marketing Manager Premium and Professional - South Asia

Abdul Rehman Shabbir joined AkzoNobel as a management trainee in June 2012. Over the course of his career, he has demonstrated exceptional performance and versatility, holding various positions in sales and marketing. His contributions have been instrumental in driving the paints business towards achieving its short to long-term objectives. In his current capacity as the Marketing Head for Pakistan, Mr. Shabbir not only oversees operations in the country but also plays a pivotal role in devising regional strategies for premium wall paints and the professional range across South Asia. He holds a bachelor's degree from the Lahore University of Management Sciences (LUMS).

4. FAROOQ AYUB KHAN
ISC Manager - Pakistan, Malaysia and Indonesia

Farooq Ayub Khan serves as the ISC Manager for Pakistan, Malaysia, and Indonesia at the Paints and Coatings site in Faisalabad, and he is a member of the ISC Leadership Team South Asia. He commenced his journey with AkzoNobel Pakistan as an Engineering Manager in 2015, demonstrating adept leadership by achieving significant milestones in restructuring, process safety, lean manufacturing, and sustainability. Progressing through the ranks, he assumed the role of Hub Manager

for Pakistan, Indonesia and Malaysia. He played a pivotal role in the Pakistan ISC Transformation Project, "New Moon," overseeing the seamless transition of the production facility from Lahore to Faisalabad. Prior to his tenure at AkzoNobel, he held various roles at Pakistan Tobacco Company, spanning the supply chain from Production Manager to Engineering Manager and Secondary Logistics Manager. He holds a Bachelor's degree in Mechanical Engineering from Ghulam Ishaq Khan Institute of Engineering Sciences & Technology and enjoys a fulfilling family life with his spouse and three children.

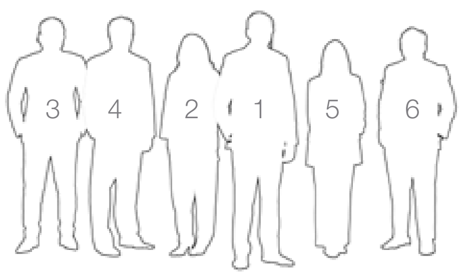
5. SANA SHERAZ
Country HR Manager

Sana Sheraz joined AkzoNobel Pakistan in 2022 as Country HR Manager and is based at Head Office Lahore. Recently, she has taken additional role of Talent and Performance Lead for South Asia. She brings with her 13 years of diverse HR experience across various industries such as Manufacturing, FMCG, Healthcare and the Tech Industry. Sana is a certified HR Professional from the Chartered Institute of Personnel Development (UK) and holds an MSc in Human Resources & Organizational Analysis from Kings College London. Prior to this, she earned her BSc (Hon) in Economics and Finance from Lahore School of Economics. At AkzoNobel Pakistan, her prime role is to bring the HR strategy and targets to life by developing and maintaining HR processes and services in line with Global priorities, partner with local leadership and business management teams to achieve their agenda and build a culture conducive for growth.

6. MUNEEB KHALID
National Sales Manager, ASC Business
Head of Customer Services,
Coatings Business

Muneeb joined AkzoNobel in September 2018 as the National Distribution Deployment Manager within the Paints business. Over two transformative years, he successfully transitioned the route-to-market strategy from a direct to an indirect channel, redefining the business landscape.

In 2021, he embraced a new challenge by leading the ASC Business, officially stepping into the National Sales Manager role in February 2022. Under his leadership, the ASC Business has achieved impressive double-digit growth, driven by strategic expansion both vertically and horizontally, further solidifying AkzoNobel's market position. Additionally, Muneeb heads the Customer Services Department for the Coatings Business, ensuring exceptional customer experience across the board. With 15 years of sales and marketing expertise, Muneeb brings a wealth of experience from leading companies such as Siemens Pakistan, Avanceon, Engro Corp, and Coca-Cola Icecek. His diverse background allows him to integrate best practices and innovative strategies from various industries, giving his business a competitive edge. Academically, Muneeb holds a Bachelor's degree in Electrical Engineering from COMSATS University and an MBA in General Management from LUMS.
Beyond work, he finds joy in spending quality time with his spouse and two kids, balancing his professional ambitions with his personal life with equal passion.



DIRECTORS REPORT

For the year ended December 31, 2024

The Directors of the Company are pleased to present the Annual Report along with the audited financial statements for the year ended December 31, 2024.

Financial and Business Performance

The economic landscape of the country showed signs of stabilization as the newly elected coalition government implemented corrective measures across multiple fronts. The Pakistani Rupee remained relatively stable, appreciating slightly against the Euro from 310.8 to 290.1. Inflation, which had peaked at 29.7% in December 2023, declined significantly to 4.1% by December 2024, easing cost pressures across industries. Additionally, the State Bank of Pakistan reduced the policy rate from 22% in May 2024 to 13% by year-end, improving liquidity conditions and lowering borrowing costs for businesses.

The impact of these economic improvements became more pronounced in the latter part of the year. In the first half of 2024, persistently high inflation, elevated interest rates, and subdued construction activity continued to strain consumer demand, limiting sales growth. However, as inflationary pressures eased and interest rates declined in the second half, business confidence improved. The stabilization of the exchange rate also played a crucial role in controlling the cost of imported raw materials, providing some relief in margin pressures. Despite these positive shifts, the construction sector remained under pressure due to significant tax changes, including higher duties on key materials and a revised tax regime for builders and developers. While the sector began showing early signs of recovery, these tax challenges continued to weigh on construction activity, indirectly impacting demand in the paints and coatings industry.

In 2024, your Company navigated a dynamic business environment, achieving a 3% growth in gross revenue despite facing significant external pressures and operational challenges, demonstrating resilience and strategic adaptability. The first half of the year was defined by persistent inflation (15% until June 2024) and elevated import costs, which disrupted industry dynamics. However, the addition of marine range products to the portfolio played a key role in driving revenue growth.

At the same time, the inaugural year of the new factory in Faisalabad led to increased operational costs, including higher administrative expenses, which impacted profitability. As a result, the Company reported operating loss of PKR 148 million. Additionally, higher financing costs associated with increased capital investment resulted in a net loss of PKR 664 million. However, these investments are strategically aimed at improving future operational efficiency and enhancing market competitiveness, laying the foundation for long-term growth.

In conclusion, 2024 proved to be an unconventional year for the Company, shaped by both external economic pressures and ambitious internal expansion efforts, setting the stage for sustained value creation in the years ahead.

Financial Performance

PKR million

	2024	2023	Increase / Decrease
Turnover	**14,878**	14,376	3.5%
Net sales	**9,103**	9,051	0.6%
Cost of Sales	**-7,206**	-6,835	5.4%
Gross profit	**1,898**	2,216	-14.4%
Operating profit	**-148**	583	-125.3%
Profit after taxation	**-664**	175	-479.6%
Earnings per share – Rs	**-13.77**	3.68	-474.2%

Health, Safety and Environment

The Company demonstrated a strong commitment to HSE and strives to implement six HSE&S pillars, Health, People, Process, Product Safety, Environment, and Security, in both letter and spirit to achieve leading standards. In 2024, the new manufacturing facility in Faisalabad completed its first year without any injuries, showcasing that safety procedures and appliances have been fully implemented at the new site as well.

Future Outlook

With the country's improved economic conditions in 2025, the Company is well-positioned to capitalize on the positive momentum, focusing on expanding its market presence by leveraging lower inflation, stable currency, and increasing consumer confidence. Continued improvements in cost management and streamlined operations will be critical in driving growth and delivering long-term value for stakeholders. The reduction in interest rates is expected to stimulate industrial activity and housing development, which will, in turn, create significant opportunities for growth in the paints and coatings market. Additionally, as the construction and real estate sectors expand, the demand for high-quality paints and coatings is anticipated to rise, opening new avenues for innovation and product development. This growth, combined with the company's commitment to sustainability and eco-friendly solutions, will strengthen its position in a competitive and evolving market.

Corporate Social Responsibility

At AkzoNobel, sustainability is integrated in everything we do. We strive to lead our industry by reducing our impact on the Planet and consistently innovating to deliver the most sustainable Paint and Coatings solutions for our customers. Our Planet sustainability ambitions are aligned with the Paris agreement, which aims to limit global warming. AkzoNobel sponsored the makeover of the Alif Laila Book Bus, attracting more children and families to engage with the mobile library, using vibrant colors to symbolize creativity and create a welcoming environment. AkzoNobel also donated paint to Imkaan Organization to renovate their maternity clinic in Machar Colony, Sindh, providing a brighter and more welcoming environment for patients.

In continuation with our collaboration with SOS Children's Village, AkzoNobel conducted mentorship sessions with female students to inspire them to envision a future of professional success through career guidance.

By fostering quality education (SDG 4), supporting good health and well-being (SDG 3), and promoting sustainable communities (SDG 11), AkzoNobel continues to create a lasting impact. Through our alignment with the United Nations Sustainable Development Goals, we contribute to building better lives and brighter futures for all.

Board, Committee and Attendance

During the year, 4 (four) Board of Directors meetings were held. Attendance by each Director/CFO/Company Secretary was as follows:

	Name of Directors	BOD Attendance
1	**Mubbasher Omar** Chief Executive Officer	4
2	**Oscar Wezenbeek** Chairman	4
3	**Jawairia Hashmi** Chief Financial Officer	4
4	**Rabia Bakhtawar Pirzada** Company Secretary	4

Pattern of Shareholding

A statement showing the pattern of shareholding in the Company along with additional information at December 31, 2024 appears on page numbers F57.

Sebastian Tan
Chairman

Mubbasher Omar

Mubbasher Omar
Chief Executive Officer

Akzo Nobel Pakistan Limited
Financial Statements

AkzoNobel

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

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

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

(d) 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.

BDO Ebrahim & Co.

BOD EBRAHIM & CO.
CHARTERED ACCOUNTANTS

Lahore
Date: 28 March 2025
UDIN: AR202410131PgCN110Qb

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

Amounts in Rs '000

	Note	2024	2023
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	7.1	**1,000,000**	1,000,000
Issued, subscribed and paid-up capital	7.2	**482,481**	482,481
Capital reserves			
Share premium	8	**625,265**	625,265
Capital and other receipts	8	**8,036**	8,036
		633,301	633,301
Advance against issue of right shares	9	**639,728**	-
Revenue reserves			
Unappropriated profit	8	**3,379,866**	3,970,531
Surplus on revaluation of property, plant and equipment	10	**5,592,919**	3,387,216
		10,728,295	8,473,529
NON-CURRENT LIABILITIES			
Deferred liabilities	11	**87,364**	80,261
Long term financing	12	**-**	-
Payable against purchase of land	13	**-**	39,951
Deferred tax liability - net	26	**532,558**	-
Lease liabilities against right-of-use assets	14	**16,788**	23,257
		636,710	143,469
CURRENT LIABILITIES			
Trade and other payables	15	**3,911,754**	4,095,768
Contract liabilities	16	**54,980**	41,045
Current portion of long term liabilities	17	**1,954,740**	1,355,785
Accrued markup	18	**34,306**	43,078
Unpaid dividend		**3,188**	3,188
Unclaimed dividend		**27,813**	26,253
		5,986,781	5,565,117
CONTINGENCIES AND COMMITMENTS	19	-	-
		17,351,786	14,182,115

Mubbasher Omar
Chief Executive

Jawairia Hashmi
Chief Financial Officer

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

Amounts in Rs '000

	Note	2024	2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	20	**11,337,464**	8,646,357
Right-of-use assets	22	**21,348**	28,798
Intangible assets	23	**26,687**	58,691
Long term loans	24	**102,731**	74,549
Long term deposits and prepayments	25	**3,242**	4,850
Deferred tax asset - net	26	**-**	71,104
		11,491,472	8,884,349
CURRENT ASSETS			
Stores and spares	27	**61,159**	54,192
Stock in trade	28	**2,179,150**	2,488,274
Trade debts	29	**1,805,471**	1,362,045
Loans and advances	30	**42,543**	55,447
Trade deposits and short term prepayments	31	**2,459**	2,415
Other receivables	32	**89,256**	76,938
Taxation - net	33	**623,126**	283,571
Cash and bank balances	34	**1,057,150**	974,884
		5,860,314	5,297,766
TOTAL ASSETS		**17,351,786**	14,182,115

The annexed notes from 1 to 63 form an integral part of these financial statements.

Mubbasher Omar
Chief Executive

Jawairia Hashmi
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

	Note	2024	2023
Revenue	35	**14,877,608**	14,375,740
Sales tax and discounts	35	**(5,774,283)**	(5,324,630)
Net revenue		**9,103,325**	9,051,110
Cost of sales	36	**(7,205,775)**	(6,835,393)
Gross profit		**1,897,550**	2,215,717
Selling and distribution expenses	37	**(1,268,833)**	(1,096,465)
Administrative and general expenses	38	**(763,549)**	(509,306)
Net impairment losses on financial assets	39	**(12,821)**	(26,668)
Operating (loss) / profit		**(147,653)**	583,278
Finance cost	40	**(337,605)**	(43,425)
Other charges	41	**(26,501)**	(164,018)
Other income	42	**129,320**	31,355
(Loss) / Profit before levy and taxation		**(382,439)**	407,190
Levy	43	**(111,795)**	(176,627)
(Loss) / Profit before taxation		**(494,234)**	230,563
Taxation	44	**(170,171)**	(55,549)
(Loss) / Profit for the year		**(664,405)**	175,014
(Loss) / Earnings per share - Basic and diluted (Rupees)	48	**(13.77)**	3.68

The annexed notes from 1 to 63 form an integral part of these financial statements.

Mubbasher Omar
Chief Executive

Jawairia Hashmi
Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

	Note	2024	2023
(Loss) Profit for the year		**(664,405)**	175,014
Other comprehensive income			
Items that may not be reclassified subsequently to the profit or loss			
Remeasurement of defined benefit liability	11.3	**44,974**	72,601
Related tax impact		**(13,042)**	(21,054)
Surplus on revaluation of property, plant and machinery	20.1	**2,667,960**	-
Related tax impact		**(420,449)**	-
		2,279,443	51,547
Items that will be reclassified subsequently to the profit or loss		**-**	-
Total comprehensive income for the year		**1,615,039**	226,561

The annexed notes from 1 to 63 form an integral part of these financial statements.

Mubbasher Omar
Chief Executive

Jawairia Hashmi
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

	Note	Issued, subscribed and paid-up capital	Capital reserves		Advance against issue of right shares	Revenue reserve	Surplus on revaluation of property, plant and equipment	Total
			Share premium	Capital and other receipts		Unappropriated profit		
Balance as at January 01, 2023		464,433	156,006	196	-	3,665,683	3,465,503	7,751,821
Total comprehensive income for the year								
Profit for the year		-	-	-	-	175,014	-	175,014
Other comprehensive income		-	-	-	-	51,547	-	51,547
		-	-	-	-	226,561	-	226,561
Incremental depreciation charge during the year - net of deferred tax		-	-	-	-	78,287	(78,287)	-
Transactions with the owners of the Company								
Increase in share capital due to right shares issued during the year	7.5	18,048	-	-	-	-	-	18,048
Increase in share premium due to right shares issued during the year	8.1	-	469,259	-	-	-	-	469,259
Contribution received	8.2	-	-	7,840	-	-	-	7,840
		18,048	469,259	7,840	-	78,287	(78,287)	495,147
Balance as at December 31, 2023		482,481	625,265	8,036	-	3,970,531	3,387,216	8,473,529
Total comprehensive income for the year								
Loss for the year		-	-	-	-	(664,405)	-	(664,405)
Other comprehensive income								
Remeasurement of defined benefit liability		-	-	-	-	31,932	-	31,932
Revaluation surplus on property and plant - net of tax		-	-	-	-	-	2,247,511	2,247,511
		-	-	-	-	(632,473)	2,247,511	1,615,038
Incremental depreciation charge during the year - net of deferred tax		-	-	-	-	41,808	41,808	-
Transactions with the owners of the Company								
Share application money received against right issue		-	-	-	639,728	-	-	639,728
		-	-	-	639,728	41,808	(41,808)	639,728
Balance as at December 31, 2024		482,481	625,265	8,036	639,728	3,379,866	5,592,919	10,728,295

The annexed notes from 1 to 63 form an integral part of these financial statements.

Mubbasher Omar
Chief Executive

Jawairia Hashmi
Chief Financial Officer

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flows from operating activities before working capital changes	45	**372,727**	955,060
(Increase) / decrease in current assets:			
Stores and spares		**(6,967)**	(14,768)
Stock-in-trade		**292,865**	(758,159)
Trade debts		**(456,247)**	(125,041)
Loans and advances		**19,654**	6,031
Trade deposits and short term prepayments		**(44)**	37,549
Other receivables		**20,152**	38,385
		(130,587)	(816,003)
(Decrease) / increase in current liabilities:			
Trade and other payables, excluding employee benefits		**(157,188)**	793,608
Contract liabilities		**13,935**	7,638
Net cash generated from operations		**98,887**	940,303
Employee benefits paid		**(24,314)**	(33,607)
Taxes paid		**(451,350)**	(451,891)
Interest paid		**(333,210)**	(158,897)
Net cash generated from operating activities		**(709,987)**	295,908
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital expenditure		**(383,397)**	(1,830,555)
Addition to intangible assets		**-**	(46,713)
Payments against purchase of land		**(50,469)**	(50,469)
Long term loans		**(5,054)**	2,895
Long term deposits and prepayments		**1,608**	620
Interest received		**-**	17,631
Net cash used in investing activities		**(437,312)**	(1,906,591)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**-**	(392)
Long term loan received		**600,000**	1,000,000
Receipt against right shares issued		**639,728**	487,307
Contribution received		**-**	7,840
Payment principal portion of lease liability against right-of-use assets		**(10,163)**	(9,454)
Net cash generated from financing activities		**1,229,565**	1,485,301
Net decrease in cash and cash equivalents		**82,266**	(125,382)
Cash and cash equivalents at the beginning of the year		**974,884**	1,100,266
Cash and cash equivalents at the end of the year	34	**1,057,150**	974,884

The annexed notes from 1 to 63 form an integral part of these financial statements.

Mubbasher Omar

Mubbasher Omar
Chief Executive

Jawairia Hashmi
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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 located at the Faisalabad Industrial Estate Development and Management Company. The Company has other regional offices at Karachi and Islamabad as well.

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 material accounting policies are stated in note 6. Not all of these material policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgment 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 11.11 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, 2024

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 2023 have been completed under the provisions of section 120 of the Income Tax Ordinance, 2001 except for the cases as mentioned in note 19.1.1 to 19.1.13.

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 measure 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, 2024

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

The following standards, amendments and interpretations are effective for the year ended December 31, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after January 01, 2023. Although the amendments did not result in any changes to accounting policy themselves.

The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose ‘significant accounting policies’ with ‘material accounting policy information’. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

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.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2026
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 'Insurance Contracts'	January 01, 2026

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

5 CHANGE IN ACCOUNTING POLICY AND RECLASSIFICATION

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'.

The Company has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and resulted in the following reclassification of corresponding figures. The effects of reclassification are as follows:

As at December 31, 2024 Effect on statement of profit or loss:	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
Profit before income tax	407,190	(176,627)	230,563
Taxation	(232,176)	(176,627)	(55,549)
Profit after taxation	**175,014**	-	**175,014**

The related changes to the statement of cash flows with respect to the amount of profit before taxation have been made as well. There is no impact on profit after tax and earnings per share, basic and diluted.

6 MATERIAL ACCOUNTING POLICY INFORMATION

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.

6.1 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 thereon up to the reporting date.

6.2 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

6.3 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 oss 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 20 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

Capital work-in-progress are stated at cost less impairment losses, if any, and consists of expenditure incurred, advances made and other costs directly attributable to operating fixed assets in the course of their construction and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant operating fixed assets category as and when assets are available for use intended by the management.

6.4 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 23 to these financial statements.

6.5 Financial instruments

6.5.1 Financial assets

6.5.2 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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:

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 or loss account following the derecognition of the investment. Dividends from such investments continue to be recognised in statement of profit and loss as other income when the Company’s right to receive payments is established.

NOTES TO THE FINANCIAL STATEMENTS
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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.

6.6 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.

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:

NOTES TO THE FINANCIAL STATEMENTS
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- 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.

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.

6.7 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.

6.8 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 or loss account, or the statement of financial position at the same time as the hedged item.

NOTES TO THE FINANCIAL STATEMENTS
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6.9 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.

6.10 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.

6.11 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.

6.12 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.

6.13 Staff retirement benefits

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

6.14 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.

NOTES TO THE FINANCIAL STATEMENTS
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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.

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.

6.15 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.

6.16 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.

6.17 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.

6.18 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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.

(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.

6.19 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.

6.20 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 or loss account on a straight-line basis over the period of the lease.

6.21 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.

6.22 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 or loss account.

6.23 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or 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
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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.

6.24 Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in the statement of profit or loss. Any excess of expected income tax paid or payable for the year under the Ordinance over the amount designated as current income tax for the year, is then recognized as a levy.

6.25 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.

6.26 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.

6.27 Related party transactions

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

6.28 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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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.

6.29 Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

6.30 Contract liabilities

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

7 SHARE CAPITAL

7.1 Authorized share capital

2024	2023		2024	2023
(Number of shares)				
100,000,000	100,000,000	Ordinary shares of Rs. 10/- each	**1,000,000**	1,000,000

7.2 Issued, subscribed and paid-up capital

2024	2023		2024	2023
(Number of shares)				
48,248,163	46,443,320	Ordinary shares of Rs. 10/- each issued as fully paid shares for consideration other than cash	**482,481**	464,433
-	1,804,843	Ordinary shares of Rs. 10/- each issued as fully paid shares for consideration in cash	-	18,048
48,248,163	48,248,163		**482,481**	482,481

7.3 ICI Omicron B.V. (which is a wholly owned subsidiary of Akzo Nobel N.V.) holds 49,764,437 (47,411,395) ordinary shares of Rs. 10/- each representing 99.32% (99.27%) of the share capital of the Company.

In the year 2020 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.

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

7.5 Movement of share capital is as follows:

	Note	2024	2023
Opening balance		**482,481**	464,433
Right shares issued during the year	7.6	-	18,048
Closing balance		**482,481**	482,481

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Amounts in Rs '000

	Note	2024	2023

7.6 The Company has issued right shares, having a face value of Rs. 10, at a price of Rs. 270/- (including premium) per share, as approved by the Board of Directors of the Company vide its resolutions dated March 24, 2023.

7.7 Share issued other than cash represents issuance against assets pursuant to the Scheme of demerger.

8 SHARE PREMIUM

	Note	2024	2023
Capital reserves			
- Share premium	8.1	**625,265**	625,265
- Capital and other receipts	8.2	**8,036**	8,036
		633,301	633,301
Revenue reserve			
- Unappropriated profit		**3,379,867**	3,970,531
		4,013,168	4,603,832

8.1 Movement of share premium is as follows:

	Note	2024	2023
Opening balance	8.1.1	**625,265**	156,006
Right shares issued during the year	7.6	-	469,259
Closing balance		**625,265**	625,265

8.1.1 This includes amount which 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.

8.2 Movement of capital and other receipts is as follows:

	Note	2024	2023
Opening balance	8.2.1	**8,036**	196
Contribution received during the year	8.2.2	-	7,840
Closing balance		**8,036**	8,036

8.2.1 Capital receipts represent the amount received from various overseas Akzo Nobel companies 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.

8.2.2 This represents excess amount paid by parent company to the broker for delisting which has been received by the Company on behalf of parent company and treated as equity contribution and parent company has waived of its rights.

9 ADVANCE AGAINST ISSUE OF RIGHT SHARES

	Note	2024	2023
Share deposit money	9.1	**639,728**	-

9.1 This represents subscription money received against issue of right shares from various shareholders including the parent company. The Company has issued right shares, having a face value of Rs. 10, at a price of Rs. 270/- (including premium) per share, as approved by the Board of Directors of the Company vide its resolutions dated October 24, 2024. The shares have been allotted subsequent to the reporting period.

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Amounts in Rs '000

		Note	2024	2023
10	**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.			
	Balance at beginning of the year		**3,387,216**	3,465,503
	Revaluation during the year - net of deferred tax		**2,247,511**	-
	Transferred to unappropriated profit in respect of incremental depreciation during the year - net of deferred tax		**(41,808)**	(78,287)
	Balance at end of the year		**5,592,919**	3,387,216

10.1 The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

10.2 Freehold land, buildings on freehold land and plant and machinery have been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment of the values as disclosed. The valuations are conducted by an independent valuation expert appointed by the Company. The valuation expert used a market based approach to arrive at the fair value of the Company's land and building. The valuation was determined by reference to current market value of the similar properties / assets. The most significant input into this valuation approach is price per acre for land, price per square foot for buildings and present operational condition and age of plant and machinery respectively. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements. Reconciliation of level three has been disclosed in relevant note and there is no transfer between fair value hierarchy.

11 **DEFERRED LIABILITIES**

11.1 **The amounts recognized in the statement of financial position are:**

	Note	2024	2023
Non-current liabilities			
Unfunded - recognized in deferred liability:			
- Gratuity fund - non-management		**9,019**	12,007
- Post retirement medical benefits		**78,245**	68,254
	11.4	**87,264**	80,261
Current liabilities			
Funded - payable to employee retirement benefit fund:			
- Pension fund - management		**7,167**	19,966
- Gratuity fund - management		**-**	-
		7,167	19,966
		94,531	100,227
Current assets			
Funded - receivable from employee retirement benefit fund:			
- Gratuity fund - management	11.1.1	**(56,921)**	(24,451)

11.1.1 The closing balance of funded - payable to employee retirement benefit fund has resulted into asset and has been shown under other receivables.

NOTES TO THE FINANCIAL STATEMENTS
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Amounts in Rs '000

	2024					2023				
	Funded			Unfunded	Total	Funded			Unfunded	Total
	Pension	Gratuity	Subtotal			Pension	Gratuity	Subtotal		
11.2 The amounts recognized in the profit or loss account against defined benefit schemes are as follows:										
Current service cost	1,649	17,225	18,874	1,828	20,702	5,121	18,398	23,519	1,717	25,236
Contribution by associates	-	-	-	-	-	-	(524)	(524)	-	(524)
Interest cost	30,046	30,418	60,464	12,671	73,135	30,745	23,528	54,273	8,956	63,229
Expected return on plan assets	(27,093)	(35,622)	(62,715)	-	(62,715)	(23,464)	(25,235)	(48,699)	-	(48,699)
Net charge for the year	4,602	12,021	16,623	14,499	31,122	12,402	16,167	28,569	10,673	39,242
11.3 Included in other comprehensive income:										
Actuarial (loss) / gain on remeasurement of plan obligation from:										
- Change in demographic assumptions	2	4,532	4,534	1,288	5,822	-	-	-	-	-
- Change in financial assumptions	(841)	(282)	(1,123)	(372)	(1,495)	14,855	251	15,106	680	15,786
- Experience adjustments	(403)	9,443	9,040	479	9,519	12,856	8,351	21,207	(1,020)	20,187
Return on plan assets, excluding interest income	14,498	16,630	31,128	-	31,128	15,290	21,338	36,628	-	36,628
Net (loss) / gain for the year	13,256	30,323	43,579	1,395	44,974	43,001	29,940	72,941	(340)	72,601
11.4 Movement in the net liability (asset) recognized in the statement of financial position are as follows:										
Balance at beginning of the year	19,966	(24,451)	(4,485)	80,261	75,776	63,643	7,093	70,736	72,005	142,741
Net charge for the year	4,602	12,021	16,623	14,499	31,122	12,402	16,167	28,569	10,673	39,242
Contributions / payments during the year	(4,145)	(14,168)	(18,313)	(6,001)	(24,314)	(13,078)	(17,247)	(30,325)	(2,757)	(33,082)
Contributions by associates	-	-	-	-	-	-	(524)	(524)	-	(524)
Actuarial loss charged to / (gain) recognized in other comprehensive income	(13,256)	(30,323)	(43,579)	(1,395)	(44,974)	(43,001)	(29,940)	(72,941)	340	(72,601)
Balance at end of the year	7,167	(56,921)	(49,754)	87,364	37,610	19,966	(24,451)	(4,485)	80,261	75,776
11.5 The amounts recognized in the statement of financial position are as follows:										
Fair value of plan assets	(152,770)	(243,863)	(396,633)	-	(396,633)	(196,961)	(222,782)	(419,743)	-	(419,743)
Present value of defined benefit obligation	159,937	186,942	346,879	87,364	434,243	216,927	198,331	415,258	80,261	495,519
Liability recognized	7,167	(56,921)	(49,754)	87,364	37,610	19,966	(24,451)	(4,485)	80,261	75,776
11.6 Movement in the present value of defined benefit obligation:										
Balance at beginning of the year	216,927	198,331	415,258	80,261	495,519	244,891	187,046	431,937	72,005	503,942
Current service cost	1,649	17,225	18,874	1,828	20,702	5,121	18,398	23,519	1,717	25,236
Interest cost	30,046	30,418	60,464	12,671	73,135	30,745	23,528	54,273	8,956	63,229
Benefits paid	(89,927)	(45,339)	(135,266)	(6,001)	(141,267)	(36,119)	(22,039)	(58,158)	(2,757)	(60,915)
Actuarial (gain) / loss on remeasurement of plan obligation	1,242	(13,693)	(12,451)	(1,395)	(13,846)	(27,711)	(8,602)	(36,313)	340	(35,973)
Balance at end of the year	159,937	186,942	346,879	87,364	434,243	216,927	198,331	415,258	80,261	495,519
11.7 Movement in the fair value of plan assets:										
Balance at beginning of the year	196,961	222,782	419,743	-	419,743	181,249	179,951	361,200	-	361,200
Expected return	27,093	35,622	62,715	-	62,715	23,464	25,759	49,223	-	49,223
Contributions by the Company	4,145	14,168	18,313	-	18,313	13,076	17,248	30,324	-	30,324
Contributions by associates	-	-	-	-	-	-	524	524	-	524
Benefits paid	(89,927)	(45,339)	(135,266)	-	(135,266)	(36,119)	(22,039)	(58,158)	-	(58,158)
Return on plan assets, excluding interest income	14,498	16,630	31,128	-	31,128	15,290	21,338	36,628	-	36,628
Balance at end of the year	152,770	243,863	396,633	-	396,633	196,961	222,782	419,743	-	419,743
11.8 Plan assets comprise:										
Government bonds	90,138	138,629	228,767	-	228,767	124,007	141,890	265,897	-	265,897
Corporate bonds	7,094	10,894	18,989	-	18,989	5,303	5,303	10,606	-	10,606
Mutual funds – debt	4,816	23,534	28,350	-	28,350	7,813	5,736	13,549	-	13,549
Equity instruments	36,102	68,825	105,927	-	105,927	57,740	67,838	125,578	-	125,578
Cash	10,721	5,472	16,193	-	16,193	2,098	2,015	4,113	-	4,113
	152,771	243,454	396,225	-	396,225	196,961	222,782	419,743	-	419,743

11.9 The expected charge in statement of profit or loss pertaining to pension fund, gratuity fund and unfunded schemes for the year ending December 31, 2025 is Rs. 2.3 million, Rs. 10.01 million and Rs. 11.09 million, respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

11.10 Government bonds, corporate bonds, mutual funds and shares are valued at quoted market prices and are level 1. Cash is also Level 1. The funds do not have any investment in the securities issued by the Company or any associated companies. Pension and Management staff gratuity funds are invested through approved trust funds while non-management staff grtauity is a book reserve plan.

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

	2024	2023
Discount rate	**12.00%**	16.50%
Future salary increases - Management staff	**12.50%**	17.00%
Future salary increases - Non-management staff	**9.75%**	14.25%
Future pension increases	**7.75%**	12.00%
Medical cost trend	**6.75%**	11.00%

As at December 31, 2024, the weighted average duration of the defined benefit obligation was 9.7 years (December 31, 2023: 8.7 years).

Plan duration of defined benefit obligation:

Pension	**8.7 years**	6.6 years
Gratuity - Management staff	**8.6 years**	9.1 years
Gratuity - Non-management staff	**3.9 years**	3.3 years
Pensioners' medical plan	**14.9 years**	15.0 years

11.12 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.

11.13 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 11.8 to the financial statements.

11.14 Normal retirement age is 60 years for Non-Management Staff. Normal retirement age for Management Staff depends on date of joining Management Staff. 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%.

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Amounts in Rs '000

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.

11.16 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.

11.17 **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%	(17,963)	19,349
Salary growth rate	0.50%	8,630	(8,209)
Pension growth rate	0.50%	11,373	(9,935)
Medical cost trend rate	0.50%	5,591	(5,083)

If life expectancy increases by 1 year, the obligation increases by Rs. 8.371million.

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.

11.18 The Company contributed Rs. 26.88 million (2023: Rs. 24.26 million) and Rs. 8.10 million (2023: Rs. 7.97 million) to the provident fund and the defined contribution superannuation fund respectively during the year.

11.19 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.

	Note	2024	2023
12 LONG TERM FINANCING			
Secured:			
Banking Companies			
Citibank N.A			
Opening balance		**1,300,000**	300,000
Addition		**600,000**	1,000,000
Principal	12.1	**1,900,000**	1,300,000
Less: Current portion shown under current liabilities	17	**(1,900,000)**	(1,300,000)
		-	-

12.1 The Company has obtained this loan under long term finance facility from Citibank N.A, Karachi with the limit of Rs. 2,250 million. This finance is secured against SBLC from the parent company covering 100% of the facility amount. Akzo Nobel N.V has issued unconditionally and irrevocably guarantees by way of an own and independent obligation and not as surety or joint and several to and in favour of Citibank Europe Plc, Netherlands Branch for maximum amount of Rs. 2,250 million against term finance facility availed by the Company. The finance is obtained to meet the long term funding requirements of the Company. It carries mark up at the rate 3 months KIBOR plus 0.75% per annum payable quarterly. The loan was payable in lumpsum basis on December 15, 2024. This year, the company has obtained an additional tranche of Rs. 600 million and the loan has been extended till December 15, 2025.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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		Note	2024	2023
13	**PAYABLE AGAINST PURCHASE OF LAND**			
	Balance as at 01 January		**90,420**	128,273
	Unwinding of discount		**8,320**	12,616
	Payment during the year		**(50,469)**	(50,469)
			(42,149)	(37,853)
		13.1	**48,271**	90,420
	Less: current portion of liabilities against purchase of land at year end	17	**(48,271)**	(50,469)
	Non-current liabilities against purchase of land at year end		-	39,951

13.1 The Company has shifted its manufacturing plant from Lahore to Faisalabad. For that purpose, the Company had acquired land of 25 acres amounting to Rs. 237.646 million from Faisalabad Industrial Estate Development and Management Company (FIEDMC). Down payment of Rs. 35.656 million was paid by the Company and the remaining amount of Rs. 201.875 million was to be paid in 16 equal interest free quarterly installments starting from February 2022 and the last installment will be paid in October 2025. The payable has been recognized at amortized cost using effective interest rate of 11.90% per annum.

		Note	2024	2023
14	**LEASE LIABILITIES AGAINST RIGHT-OF-USE ASSETS**			
	Lease liabilities as at January 01,		**28,573**	4,371
	Addition during the year		-	30,301
	Interest expense during the year		**4,847**	3,355
	Payment during the year		**(10,163)**	(9,454)
			23,257	28,573
	Less: Current portion of lease liabilities against right-of-use assets	17	**(6,469)**	(5,316)
	Non-current lease liabilities against right-of-use assets		**16,788**	23,257

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

	2024	2023
Payable not later than one year	**9,920**	10,163
Payable later than one year but not later than five years	**20,042**	29,962
	29,962	40,125
Future finance cost	**(6,705)**	(11,552)
Total lease liabilities against right-of-use assets	**23,257**	28,573

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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		Note	2024	2023
15	**TRADE AND OTHER PAYABLES**			
	Creditors:			
	- Related parties	15.1	1,646,136	1,140,277
	- Others		1,014,008	1,407,059
			2,660,144	2,547,336
	Royalty and technical service fee	15.2	615,626	571,686
	Accrued liabilities		265,320	338,250
	Retention money		166,349	352,645
	Workers' Profit Participation Fund	15.3	-	19,754
	Workers' Welfare Fund	15.4	-	54,176
	Withholding tax payable to Government		67,473	19,134
	Payable to employee retirement benefit funds	11.1	7,167	19,966
	Security deposits	15.5	126,280	155,850
	Sales tax adjustable		544	-
	Others		2,851	16,971
			1,251,610	1,548,432
			3,911,754	4,095,768

		2024	2023
15.1	This includes balances due to following related parties:		
	Akzo Nobel N.V.	764,336	645,134
	ICI Omicron B.V.	-	4,370
	Pinturas Inca SA	132,012	143,682
	International Paint Netherlands	46,227	28,583
	Akzo Nobel Saudi Arabia	-	8,508
	Akzo Nobel UAE Paints LLC	-	757
	Akzo Nobel Paints Vietnam	75,303	2,023
	Akzo Nobel Paints Malaysia	1,604	1,606
	Akzo Nobel Singapore Pte Ltd	254,939	151,407
	Akzo Nobel Decorative Coatings (Malaysia)	6,519	6,528
	Akzo Nobel Industrial Coatings	354,381	113,877
	International Paints LLC	585	-
	Akzo Nobel Paints (Thailand) Limited	9,951	5,516
	PT Akzo Nobel Car Refinishes Indonesia	-	28,006
	International Farg AB	279	280
		1,646,136	1,140,277

		2024	2023
15.2	**Royalty and technical service fee**		
	This includes royalty and technical service fee payable to the following related party:		
	Akzo Nobel Coatings International B.V.	602,007	544,879
15.3	**Workers' Profit Participation Fund**		
	Balance at beginning of the year	19,754	32,169
	Allocation for the year	-	21,892
	Interest on funds	351	335
	Other adjustments	2,138	-
	Payments made to the fund during the year	(22,243)	(34,642)
	Balance at end of the year	-	19,754
15.4	**Workers' Welfare Fund**	54,176	45,419
	Balance at beginning of the year	-	8,757
	Allocation for the year	(15,256)	-
	Adjustment made during the year	(38,920)	-
	Payments made to the fund during the year	-	54,176
	Balance at end of the year		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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15.5 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.

16 CONTRACT LIABILITIES

Advances received from customer are recognised as revenue when performance obligation in accordance with the policy as described in note 6.19 is satisfied. Following is a movement in the balance with respect to contract liabilities during the year:

	Note	2024	2023
Unsecured			
Balance at beginning of the year		**41,045**	33,407
Advances received during the year		**54,980**	41,045
Revenue recognised during the year		**(41,045)**	(33,407)
Balance at end of the year		**54,980**	41,045

16.1 Contract balances primarily comprises of contract liabilities, representing advance consideration received from customers for the purchase of products.

17 CURRENT PORTION OF LONG TERM LIABILITIES

	Note	2024	2023
Current portion of long term financing	12	**1,900,000**	1,300,000
Current portion of payable against purchase of land	13	**48,271**	50,469
Current portion of lease liabilities	14	**6,469**	5,316
		1,954,740	1,355,785

18 ACCRUED MARKUP

	Note	2024	2023
Long term financing			
Mark-up payable	12	**34,306**	43,078

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

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

19.1.1 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.

NOTES TO THE FINANCIAL STATEMENTS
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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.

19.1.2 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.

The Company has paid 12.8 million under protest and 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 case has been decided where most of the points were decided in company's favour.

19.1.3 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 demand of Rs. 747.48 million. The tax demand 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.

19.1.4 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 demand of Rs. 454.48 million, respectively. The tax demand mainly pertain to disallowance of advertisement and publicity; discounts and commission; and expenses on account of gratuity, provident and pension funds. An appeal was filed before the CIR(A) against the order, which has been decided in Company's favor. The department has challenged the matter which is pending for adjudication and the Company is expecting a favourable outcome.

19.1.5 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 demand of Rs. 355.56 million. The tax demand 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), out of which most of the issues were decided in company's favour while some points raised by the department were confirmed having tax demand of Rs. 896,417 against which company filed an appeal with Appellate Tribunal Inland Revenue against the order of CIR(A) which has been heard and the order is still pending. 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.

19.1.6 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.

19.1.7 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

An appeal has been filed by the Collector of Sales Tax & Central Excise, Lahore before the Honorable 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.

19.1.8 The department issued order dated December 29, 2017 creating a demand of Rs. 13.16 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.

19.1.9 The Company's declared taxable income and tax liability for tax year 2020 was amended by the Taxation Officer in March 2022 and raised a further demand of Rs. 743.309 million against the Company. This order was challenged by the Company with the CIR(A), who decided most of the issues in department's favour. The Company has filed appeal with ATIR against the order of CIR(A) which is yet to be fixed for hearing. 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.

19.1.10 The Company's declared taxable income and tax liability for the tax year 2017 was amended by the Taxation Officer in June 2023 and further demand of Rs. 1,748.908 million was raised against the Company. This order was challenged by the Company with the Commissioner Inland Revenue (Appeals) [CIR(A)], who decided most of the issues in company's favor vide order dated September 25, 2023, while some points raised by the department were remanded back and confirmed against the Company. The Company has filed appeal with Appellate Tribunal Inland Revenue (ATIR) against the order of CIR(A) which is pending adjudication. The Company is expecting a favourable outcome.

19.1.11 The Company's declared taxable income and tax liability for the tax year 2018 was amended by the Taxation Officer in June 2024 and further demand of Rs. 2,259.341 million was raised against the Company. The taxpayer Company filed an appeal against the impugned order of the assessing officer before ATIR, which is pending adjudication. Subsequent to the year end, the FBR attached the Company's bank account and withdrew Rs. 303.770 million in lieu of this case. The Company filed an appeal before ATIR against attachment of bank accounts and withdrawal of funds as the Company had obtained stay prior to that and now is hopeful that the decision will be in company's favor.

19.1.12 The Company is currently involved in a legal dispute with a former employee, who has filed a claim for Rs. 150 million, which is pending adjudication before the Honorable Peshawar High Court. Based on legal counsel's assessment, the Company is confident of a favorable outcome in this matter. As of the reporting date, no provision has been made for this claim in the financial statements.

19.1.13 The Company is currently involved in several legal cases across various forums. Due to the nature of these claims, the

Amounts in Rs '000

		Note	2024	2023
19.2	**Commitments**			
19.2.1	Commitments in respect of capital expenditure		-	96,761

19.2.2 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	2024	2023
2024	-	49,891
2025	**29,132**	43,955
2026	**19,438**	38,082
2027	**12,787**	24,421
2028	**1,994**	433
	63,351	156,782
Payable not later than one year	**29,132**	49,891
Payable later than one year but not later than five years	**34,219**	106,891
	63,351	156,782

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

19.2.3 Commitments in respect of outstanding letters of credit and outstanding letter of guarantee at the reporting date have been disclosed in note 34.4 of these financial statements.

19.2.4 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 (2023: Rs. 1,583 million).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

	Note	2024	2023
20 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	20.1	**11,150,655**	7,890,754
Capital work-in-progress	21	**186,809**	755,603
		11,337,464	8,646,357

20.1 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, 2024							
Opening net book value (NBV)	3,500,264	1,474,311	2,868,697	28,095	19,212	175	7,890,754
Additions (at cost)	-	572,715	-	222,604	166,120	235	961,674
Disposals and write offs (at NBV)	-	-	-	-	(7)	-	(7)
Revaluation during the year	1,216,136	52,688	1,297,136	-	-	-	2,565,960
Impairment charged during the year (Note 20.11)	-	(26,494)	-	-	-	-	(26,494)
Depreciation charge for the year	-	(65,887)	(244,843)	(19,103)	(13,052)	(167)	(343,232)
Adjustments during the year (Note 20.5)	-	368,110	(368,110)	-	-	-	-
Closing net book value	4,716,400	2,376,343	3,651,880	231,516	172,273	243	11,150,655
Gross carrying value basis							
Year ENDED DECEMBER 31, 2023							
Cost / revalued amount	4,716,400	2,641,981	4,416,750	382,824	215,101	2,942	12,379,938
Accumulated depreciation	-	(265,638)	(764,910)	(151,308)	(42,828)	(2,699)	(1,227,383)
Net book value (NBV)	4,716,400	2,376,343	3,651,880	231,516	172,273	243	11,150,655
Net carrying value basis							
Year ended December 31, 2023							
Opening net book value (NBV)	3,497,404	104,070	544,473	32,838	24,751	382	4,203,918
Additions (at cost)	2,860	1,457,368	2,478,403	6,482	-	-	3,945,113
Disposals and write offs (at NBV)	-	-	(894)	-	-	-	(894)
Depreciation charge for the year	-	(86,224)	(151,573)	(10,741)	(5,539)	(124)	(254,001)
Adjustments during the year	-	(1,103)	(1,712)	(484)	-	(83)	(3,382)
Closing net book value	3,500,264	1,474,311	2,868,697	28,095	19,212	175	7,890,754
Gross carrying value basis							
Year ended December 31, 2022							
Cost / revalued amount	3,500,264	1,647,468	3,388,784	160,220	48,988	2,707	8,748,411
Accumulated depreciation	-	(173,157)	(520,087)	(132,125)	(29,776)	(2,532)	(857,657)
Net book value (NBV)	3,500,264	1,474,311	2,868,697	28,095	19,212	175	7,890,754
Depreciation rate (% per annum)	-	4 - 20	5 - 33.33	10 - 33.33	10 - 33.33	25 - 33.3	

20.2 'The Company's land, situated at 346 Ferozepur Road, Lahore, with an assessed value of Rs. 4,268 million, is not currently listed under the Company's name in the LDA records. The same is listed in the name of the Company's predecessor in LDA's records. The honourable Sindh High Court has decreed the merger/amalgamation of the Company, pursuant to which the records of LDA ought to be amended accordingly. The Company is in the process of getting amended the records of LDA so as to reflect the Company being the owner of the land in its name. It is however important to note that the Company holds exclusive possession and control rights over the land.

20.3 'During the year assets have been disposed by the Company and the aggregate book value of the assets disposed does not exceed five million rupees.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

		Note	2024	2023
20.4	The depreciation charge for the year has been allocated as follows:			
	Cost of sales	36	**249,085**	186,446
	Selling and distribution expenses	37	**86,616**	52,623
	General and administrative expenses	38	**7,531**	14,932
			343,232	254,001

Depreciation for the year includes incremental depreciation due to revaluation, amounting to Rs. 58.884 million (2023: Rs. 110.263 million).

20.5 During the year, the Company completed the capitalization exercise for the New Moon factory relocation Project. The Company has reclassified an amount of Rs. 369.11 million from plant and machinery to building, which was incorrectly classified under plant and machinery last year based on the estimated capitalization of the project.

20.6 Plant and machinery includes Post mix machines and VR mix machines having a net book value of Rs. 115.24 million and Rs. 9.198 million respectively which are located at the premises of the customers. These assets are placed at dealer shops as per agreed terms however, the ownership rights remain with the company.

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

	2024	2023
Freehold land	**206,086**	9,119
Buildings on freehold land	**2,345,602**	1,476,275
Plant and machinery	**2,190,865**	2,780,023
	4,742,553	4,265,417

20.8 The forced sale value of revalued property plant and machinery as per the latest available revaluation, conducted in December 31 2024, are as follows:

Particulars	Date of inspection	Revaluation report dates	Forced Sales Value
Freehold land			
-346 Ferozepur Road, Lahore, Pakistan	December 2024	February 10, 2025	3,414,720
-Port Qasim, Karachi, Pakistan	December 2024	February 10, 2025	152,000
-FIEDMC , Faisalabad, Pakistan	December 2024	February 8, 2025	208,000
			3,774,720
Buildings on freehold land			
-346 Ferozepur Road, Lahore, Pakistan	December 2024	February 10, 2025	72,145
-Port Qasim, Karachi, Pakistan	December 2024	February 10, 2025	40,392
-FIEDMC , Faisalabad, Pakistan	December 2024	February 8, 2025	1,788,075
			1,901,075
Plant and machinery	December 2024	February 10, 2025	27,497
-Port Qasim, Karachi, Pakistant	December 2024	February 8, 2025	2,618,096
			2,645,593
			8,321,388

20.9 The Company also owns a freehold land located at Faisalabad Industrial Estate Development and Management Company based on provisional allotment letter.

20.10 There is no incremental depreciation recognized on the revaluation surplus for the year, as the revaluation is conducted as of December 31, 2024.

20.11 During the year, the Company revalued its property, plant, and equipment, resulting in an impairment loss on a factory building located in Faisalabad due to current market conditions.

20.12 Land - freehold of the Company is located at Ferozpur road, Lahore, Port Qasim, Karachi and FIEDMC, Faisalabad with an area of 322.71 kanals. Detail of factory building of the Company constructed on this land are as follows:

Particulars	Date of inspection	Covered area Sqft 2024	Covered area Sqft 2023
346 Ferozpur Road, Lahore, Pakistan	Admin building, warehouse, stores, R & D laboratory, water tank and car parking.	**581,036**	581,036
Port Qasim , Karachi, Pakistan	Warehouse, water reservoir, trench cover, office building and boundary wall.	**87,120**	87,120
FIEDMC , Faisalabad, Pakistan	Process hall, APTC plant, scrap yard, charging and services area, chroma scan room, office block, R & D Laboratory, dispensary, prayer room, car parking, workshop, fiber glass shed, boundary wall, machinery foundation and drainage system.	**1,089,000**	1,089,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

		Note	2024	2023
21.0	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, 2024 on the basis of market value.			

21 CAPITAL WORK-IN-PROGRESS

This comprises of:

	Note	2024	2023
Civil works and buildings	21.1	**92,351**	287,714
Plant and machinery	21.1	**94,458**	466,054
Equipment	21.1	**-**	1,835
		186,809	755,603

21.1 Movement of carrying amount

	Civil works and buildings	Plant and machinery	Equipment	Total
Year ENDED DECEMBER 31, 2024				
Opening balance	**287,714**	**466,054**	**1,835**	**755,603**
Additions	**72,345**	**62,372**	**-**	**134,717**
Transferred to operating fixed assets	**(267,708)**	**(433,968)**	**(1,835)**	**(703,511)**
Charged to profit or loss	**-**	**-**	**-**	**-**
Closing balance	**92,351**	**94,458**	**-**	**186,809**
Year ended December 31, 2023				
Opening balance	1,720,279	949,418	-	2,669,697
Additions	44,354	1,969,200	1,835	2,015,389
Transferred to operating fixed assets	(1,476,919)	(2,451,358)	-	(3,928,277)
Charged to profit or loss	-	(1,206)	-	(1,206)
Closing balance	287,714	466,054	1,835	755,603

21.2 Civil works & buildings and plant and machinery includes borrowing cost capitalised during the year amounting to Rs. 0.47 million (2023: Rs. 1.97 million) and Rs. 4.69 million (2023: Rs. 195.25 million), respectively at the rate of ranging from 17.51% to 23.01% (2023: 17.51% to 23.01%) per annum.

21.3 The Company during 2021 entered into an EPC contract with Descon Engineering Limited for the construction of civil work, building and installation/relocation of plant and machinery at Allama Iqbal Industrial City Special Economic Zone.

21.4 During the year, the Company has transferred of New Moon (relocation of factory) project based on completion.

22 RIGHT-OF-USE ASSETS

Building

	Note	2024	2023
Year ended December 31, Net carrying value basis			
Opening net book value (January 01,)		**28,798**	6,303
Additions during the year	22.1	**-**	30,301
Depreciation charge	37	**(7,450)**	(7,806)
Closing net book value		**21,348**	28,798
Gross carrying value basis			
Cost		**91,373**	91,373
Accumulated depreciation		**(70,025)**	(62,575)
Net book value		**21,348**	28,798
Depreciation rate (% per annum)		**20%**	20%

22.1 This represents renewal of rental agreement of five years at Karachi for regional office.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

		Note	2024	2023
23	**INTANGIBLE ASSETS**			
	Cost			
	Balance as at Jan 01,		**84,873**	38,160
	Additions for the year	23.1	-	46,713
	Balance as at Dec 31,		**84,873**	84,873
	Amortization			
	Balance as at Jan 01,		**(26,182)**	(16,519)
	Charge for the year	37 & 38	**(32,004)**	(9,663)
	Balance as at Dec 31,		**(58,186)**	(26,182)
	Carrying value		**26,687**	58,691
	Amortization rate (% per annum)		**20%**	20%
24	**LONG TERM LOANS**			
	Secured - considered good			
	- Executives	24.1	**54,885**	52,827
	- Other employees		**85,615**	52,741
			140,500	105,568
	Less: Receivable within one year	30	**(37,769)**	(31,019)
			102,731	74,549
24.1	Reconciliation of the carrying amount of loans to executives:			
	Balance at beginning of the year		**52,827**	39,805
	Disbursements - gross		**33,898**	53,127
	Repayments / adjustments		**(31,840)**	(40,105)
	Balance at end of the year		**54,885**	52,827

24.2 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.

24.3 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. These loans are recognized at amortized cost using the effective interest rate prevailing at reporting date.

24.4 The maximum aggregate gross amount of long term loans due from the executives at the end of any month during the year was Rs. 93.07 million (2023: Rs. 70.60 million)

		Note	2024	2023
25	**LONG TERM DEPOSITS AND PREPAYMENTS**			
	Deposits	25.1	**3,182**	3,082
	Prepayments		**60**	1,768
			3,242	4,850

25.1 These deposits do not carry any interest or mark-up and are not recoverable within one year. IFRS 9 requires long-term non interest bearing financial assets to be discounted at average borrowing rate of the Company. The impact of discounting is immaterial hence these are not remeasured.

26 **DEFERRED TAX (LIABILITY) / ASSET - NET**

26.1 The balance comprises of the following temporary differences:

	Note	2024	2023
Deductible temporary differences			
Provisions		**155,218**	246,517
Lease liability against right-of-use asset		**6,745**	8,286
Intangibles		**4,070**	-
Remeasurement of defined benefit liability		**(13,042)**	(21,054)
Taxable losses	26.5	**-**	109,689
Minimum turnover tax	26.5	**113,792**	36,540
		266,783	379,978

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

		Note	2024	2023
	Taxable temporary differences			
	Property, plant and equipment		**(793,150)**	(300,523)
	Right-of-use asset		**(6,191)**	(8,351)
			(799,341)	(308,874)
	Net deferred tax (liability) / asset		**(532,558)**	71,104
26.2	**Changes in deductible temporary differences**			
	Opening balance		**379,978**	234,278
	Credit / (charge) during the year			
	-statement of profit or loss account		**(100,153)**	166,754
	-statement of other comprehensive income		**(13,042)**	(21,054)
	Closing balance		**266,783**	379,978
26.3	**Changes in taxable temporary differences**			
	Opening balance		**(308,874)**	(86,571)
	Credit / (charge) during the year			
	-statement of profit or loss account		**(70,018)**	(222,303)
	-statement of other comprehensive income		**(420,449)**	-
	Closing balance		**(799,341)**	(308,874)

26.4 Deferred tax asset on turnover tax has been recognized for the current year based on the assumption, that the commercial production certificate will be issued from the date of commercial production, therefore, the tax provision will be reversed accordingly upon issuance of the certificate by FIEDMC.

26.5 The Company has not recognized deferred tax on taxable losses amounting to Rs. 376.411 million (2023: Rs. 203.198 million) in the financial statements. This is based on the expectation that the Company will qualify for exemption from income tax under Section 126E of the Income Tax Ordinance, 2001, which provides tax exemptions for entities operating in Special Economic Zones (SEZs). Accordingly, no deferred tax asset has been recorded in respect of these items. The Company will continue to assess the applicability of the exemption and recognize deferred tax as appropriate in future periods. Furthermore, the Company is currently in losses and it is uncertain that sufficient taxable profits may also be available to set off these losses in the foreseeable future. Expiry of tax losses is as follows:

		2024	2023
Business losses:	**Available up to:**		
Tax Year 2024	Tax year 2030	**313,189**	313,189
Tax Year 2025	Tax year 2031	**597,287**	-
		910,476	313,189
Minimum tax losses:	**Available up to:**		
Tax Year 2024	Tax year 2027	**112,373**	112,373
Tax Year 2025	Tax year 2028	-	-
		112,373	112,373
Total losses to be carry forward		**1,022,849**	425,562

		Note	2024	2023
27	**STORES AND SPARES**			
	Stores		**14,733**	14,370
	Spares		**46,507**	39,903
			61,240	54,273
	Less: Provision for slow moving and obsolete stores and spares - net	27.1	**(81)**	(81)
			61,159	54,192
27.1	**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

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

27.3 Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase. However, the stores and spares consumption resulting in capital expenditure are capitalized in cost of respective assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

		Note	2024	2023
28	**STOCK IN TRADE**			
	Raw materials:			
	- in hand		**931,904**	1,104,523
	- in transit		**122,661**	375,224
			1,054,565	1,479,747
	Work-in-process		**40,909**	43,711
	Finished goods		**1,106,152**	999,095
	Goods purchased for resale		**29,648**	31,488
			2,231,274	2,554,041
	Provision for slow moving and obsolete stock in trade:			
	- Raw material		**(10,581)**	(23,182)
	- Finished goods		**(41,543)**	(42,585)
		28.1	**(52,124)**	(65,767)
			2,179,150	2,488,274

		Note	2024	2023
28.1	**Provision for slow moving and obsolete stock-in-trade**			
	Balance at beginning of the year		**65,767**	75,861
	Adjustment during the year			
	Provision charged during the year	36 & 37	**16,259**	78,984
	Provision reversed during the year		**(12,930)**	-
			3,329	78,984
	Stock written-off against provision		**(16,972)**	(89,078)
	Balance at end of the year		**52,124**	65,767

		Note	2024	2023
29	**TRADE DEBTS**			
	Considered good			
	- Secured	29.1	**501,556**	476,156
	- Unsecured		**1,733,237**	1,593,144
			2,234,793	2,069,300
	Considered doubtful		**53,709**	76,954
			2,288,502	2,146,254
	Less: allowances and provisions			
	- allowances for impairment of trade debts	29.2	**(53,709)**	(76,954)
	- provision for discounts	29.3	**(429,322)**	(707,255)
			(483,031)	(784,209)
			1,805,471	1,362,045

29.1 These trade debts are secured against bank guarantees and security deposits.

		Note	2024	2023
29.2	**Allowances for impairment of trade debts**			
	Balance at beginning of the year		**76,954**	80,558
	Adjustment on account of:			
	Charge	39	**12,821**	26,668
	Debts written-off against allowance		**(36,066)**	(30,272)
	Net adjustment		**(23,245)**	(3,604)
	Balance at end of the year		**53,709**	76,954

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

		Note	2024	2023
29.3	**Provision for discounts**			
	Balance at beginning of the year		**707,255**	568,095
	Charge for the year - net		**1,937,708**	1,374,746
	Discounts paid during the year		**(2,215,641)**	(1,235,586)
	Balance at end of the year		**429,322**	707,255
30	**LOANS AND ADVANCES**			
	Secured - considered good			
	Current portion of long term loans to:			
	- Executives		**14,983**	16,205
	- Other employees		**22,786**	14,814
		24	**37,769**	31,019
	Unsecured - considered good			
	Advances to contractors and suppliers		**4,774**	24,428
			42,543	55,447
31	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**			
	Trade deposits		**-**	-
	Short term prepayments		**2,459**	2,415
			2,459	2,415
32	**OTHER RECEIVABLES**			
	Unsecured - considered good			
	Due from related parties	32.1	**27,209**	51,081
	Others		**5,126**	1,198
	Sales tax adjustable	32.4	**-**	208
	Receivable from employee retirement benefit funds	11.1.1	**56,921**	24,451
			89,256	76,938
32.1	These represent receivable from following related parties:			
	Akzo Nobel Decorative Coatings		**-**	2,630
	Akzo Nobel N.V.		**8,765**	13,370
	Akzo Nobel Netherland B.V.		**4,344**	4,630
	Akzo Nobel Paints Singapore Pte Limited		**-**	6,178
	Akzo Nobel Coating Vietnam Limited		**1,400**	1,402
	Marshall Boya Ve Vernik Sanayi		**-**	1,946
	Akzo Nobel Car Refinishes PO		**8,359**	9,608
	ICI Omicron B.V.		**-**	2,500
	AkzoNobel Paints Malaysia		**-**	710
	Akzo Nobel Coatings Dongguan Co. Ltd.		**-**	1,675
	Akzo Nobel Performance Coatings Shanghai Co. Ltd.		**-**	1,484
	Akzo Nobel Limited		**-**	1,997
	Akzo Nobel Limited PNG		**4,341**	-
	Akzo Nobel Industrial Coatings		**-**	2,951
		32.1.1	**27,209**	51,081

32.1.1 This represents advance/receivable against goods/services to be purchased from related parties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

		Note	2024	2023
32.2	Ageing analysis of amounts due from related parties, included in other receivables, are as follows:			
	Neither past due nor impaired (1 - 30 days)		-	4,029
	Past due but not impaired (31 - 90 days)		-	4,435
	Past due but not impaired (More than 120 days)		**27,209**	42,617
	As at December 31, 2024		**27,209**	51,081

32.3 The minimum and maximum aggregate amount of other receivable from related parties at the end of any month during the year was Rs. 27.20 million and Rs. 51.08 million (2023: Rs. Rs. 44.51 million and Rs. 58 million).

32.4 This represents sales tax receivable which was claimed/adjusted subsequent to the year end.

		Note	2024	2023
33	**TAXATION - NET**			
	Income tax - net	33.1	**623,126**	283,571
33.1	Opening balance		**283,571**	8,307
	Addition: advance taxes and taxes withheld		**451,350**	451,891
	Provision for the year	44	**(111,795)**	(176,627)
	Closing balance		**623,126**	283,571
34	**CASH AND BANK BALANCES**			
	Cash in hand		**7,375**	17,259
	Cash at bank - current accounts	34.1	**1,000,130**	774,879
	Cash at bank - saving accounts	34.2	**49,645**	97,746
	Short term deposits	34.3	-	85,000
			1,057,150	974,884

34.1 'Cash and bank balances include cheques in hand amounting to Rs. 184.35 million (2023: Rs. 264.99 million) and US Dollars amounting to US$ 1,947.32 million (2023: US$ 0.75).

34.2 These carry mark-up at the rates ranging from 6.82% to 15% per annum.

34.3 This represents Term Deposit Receipts with commercial bank, in prior year having maturity of 32 days along with markup on this deposit @ 19.25% per anum, which matured during the year

34.4 **Particulars of credit facilities available to the Company**

2024

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, AG	Bank Guarantee	0.20% per Qtr.	Quarterly	N/A	35,000	4,416
Deutsche Bank, AG	Letter of credits (LC)	0.30%	Upon LC issuance	N/A	570,000	384,507
Deutsche Bank, AG	Short-term running finance	1 Month KIBOR + 1%	Calendar quarter basis	N/A	35,000	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

2023

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, AG	Bank Guarantee	1 Month KIBOR + 1%	Quarterly	N/A	35,000	416
Deutsche Bank, AG	Letters of Credit (LC)	0.30%	Upon LC issuance	N/A	280,000	277,428
Deutsche Bank, AG	Short-term running finance	0.20%	Calendar quarter basis	N/A	35,000	-

34.5 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 (2022: Rs. 210 million), demand promissory note and counter guarantee / indemnity duly signed and stamped by the Company.

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

Amounts in Rs '000

		Note	2024	2023
35	**REVENUE**			
	Export sales		-	3,352
	Local sales		14,877,606	14,372,388
			14,877,606	14,375,740
	Less:			
	Sales tax		2,269,935	2,176,178
	Discounts		3,504,348	3,148,452
			5,774,283	5,324,630
			9,103,325	9,051,110
35.1	**Timing of revenue recognition - net**			
	Goods and services transferred at a point in time		9,103,325	9,051,110
35.2	**Geographical location**			
	Pakistan		9,103,325	9,047,758
	Malaysia		-	3,352
			9,103,325	9,051,110

Amounts in Rs '000

		Note	2024	2023
36	**COST OF SALES**			
	Raw and packing materials consumed	36.1	**5,906,092**	5,500,960
	Salaries, wages and benefits	36.2 & 52	**242,614**	205,492
	Fuel and power expenses		**86,276**	66,914
	Stores and spares consumed		**30,037**	16,708
	Insurance expenses		**3,564**	16,247
	Repairs and maintenance expenses		**164,092**	19,720
	Royalties and technical assistance	36.3	**364,863**	369,106
	Depreciation	20.4	**249,085**	186,446
	Communication, printing and stationery expenses		**2,229**	1,641
	Contractual services expenses		**121,381**	98,741
	Security, safety, health and environment expenses		**42,694**	18,659
	Provision for obsolete stocks - raw material	28	**-**	52,697
	Other expenses		**55,179**	50,163
			1,362,014	1,102,534
	Opening work-in-process		**43,711**	25,016
	Closing work-in-process	28	**(40,909)**	(43,711)
	Cost of goods manufactured		**7,270,908**	6,584,799
	Opening finished goods		**987,998**	593,651
	Finished goods purchased during the year		**41,126**	644,941
	Closing finished goods	28	**(1,094,257)**	(987,998)
			7,205,775	6,835,393

		Note	2024	2023
36.1	**Raw and packing materials consumed**			
	Opening stock		**1,456,565**	1,190,432
	Add: Purchases		**5,493,511**	5,767,093
	Less: Closing stock	28	**(1,043,984)**	(1,456,565)
			5,906,092	5,500,960

36.2 Salaries, wages and benefits include Rs. 7.22 million (2023: Rs. 7.24 million) in respect of provident fund contribution, Rs. 5.54 million (2023: Rs. 10.71 million) in respect of pensions, Rs. 5.38 million (2023: Rs. 6.67 million) in respect of gratuity and Rs. 3.70 (2023: Rs. 2.96 million) in respect of pensioners' medical plan.

36.3 Royalties and technical assistance includes expenses against royalties and technical services obtained from the related parties; Akzo Nobel Coatings International B.V. Rs. 349.97 million (2023: Rs. 357.51 million).

36.4 Details of royalties and technical assistance paid / payable 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

		Note	2024	2023
37	**SELLING AND DISTRIBUTION EXPENSES**			
	Salaries and benefits	37.1 & 53	**419,226**	347,576
	Advertising and publicity expenses		**260,042**	266,151
	Outward freight and handling		**165,932**	119,539
	Fuel and power		**29,630**	7,760
	Rent, rates and taxes		**13,796**	5,946
	Repairs and maintenance		**25,605**	31,639
	Depreciation	20.4	**86,616**	52,623
	Depreciation on right-of-use assets	22	**7,450**	7,806
	Amortization		**164**	-
	Travelling expenses		**42,672**	35,496
	Communication, printing and stationery expenses		**7,775**	5,145
	Contractual services		**108,182**	84,787
	Security, safety, health and environment		**17,447**	7,052
	Provision for obsolete stocks - finished goods	28	**16,259**	26,287
	Other expenses		**68,035**	98,658
			1,268,833	1,096,465

37.1 Salaries, wages and benefits include Rs. 13.61 million (2023: Rs. 11.63 million) in respect of provident fund contribution, Rs. 4.02 million (2023: Rs. 4 million) in respect of pensions, Rs. 5.11 million (2023: Rs. 6.47 million) in respect of gratuity and Rs. 5.37 million (2023: 3.68) in respect of pensioners' medical plan.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

		Note	2024	2023
38	**ADMINISTRATIVE AND GENERAL EXPENSES**			
	Salaries and benefits	38.1 & 53	**100,368**	126,086
	Global business services cost	38.2	**380,982**	103,886
	Fuel and power		-	31
	Rent, rates and taxes		**24**	155
	Insurance		**10,979**	10,624
	Repairs and maintenance		**104**	24
	Depreciation	20.4	**7,531**	14,932
	Amortization		**31,840**	9,663
	Travelling expenses		**1,572**	229
	Communication, printing and stationery expenses		**6,361**	1,679
	Auditors' remuneration	38.4	**2,878**	2,305
	IT services	38.3	**193,502**	226,139
	Contractual services		**5,717**	1,009
	Other expenses		**21,689**	12,544
			783,549	609,306

38.1 Salaries, wages and benefits include Rs. 6.05 million (2023: Rs. 5.39 million) in respect of provident fund contribution, Rs. 3.15 million (2023: Rs. 5.66 million) in respect of pensions, Rs. 3.40 million (2023: Rs. 3.98 million) in respect of gratuity and Rs. 3.58 million (2023: Rs. 2.26 million) in respect of pensioners' medical plan.

38.2 This represents cost against services received from global business delivery organization with regional hubs serving the business.

38.3 This includes cost against IT services amounting to Rs. 169.94 million (2023: Rs. 193.53 million) received from Akzo Nobel N.V.

38.4 **Auditors' remuneration**

	2024	2023
Statutory audit	**1,895**	1,392
Other assurances and certifications	**158**	137
Taxation services	**523**	480
Out of pocket expenses	**302**	296
	2,878	2,305

		Note	2024	2023
39	**NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS**			
	Impairment loss	29.2	**12,821**	26,668

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

		Note	2024	2023
40	**FINANCE COST**			
	Amortization of loans to staff	24.3	-	23,881
	Interest on Workers' Profit Participation Fund	15.3	**351**	335
	Bank charges		**2,952**	3,238
	Mark-up on long term loan		**321,135**	-
	Interest expense on right-of-use assets		**4,847**	3,355
	Interest expense on payable against land (discount unwinding)		**8,320**	12,616
			337,605	43,425
41	**OTHER CHARGES**			
	Workers' Profit Participation Fund	15.3	-	21,892
	Workers' Welfare Fund	15.4	-	8,757
	Exchange loss		-	132,272
	Loss on assets written off	20.1	**7**	894
	Donations	41.1	-	203
	Impairment loss on buildings	20.1	**26,494**	-
			26,501	164,018

41.1 This represents donations provided by the Company to Akhuwat Foundation in respect of flood relief fund in the year 2023 and none of the directors have any interest in donee.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

		Note	2024	2023
42	**OTHER INCOME**			
	Income from financial assets		**-**	17,631
	Profit on short-term deposits			
	Income from non-financial assets			
	Scrap sales		**17,352**	13,724
	Stock provision reversed	28.1	**12,930**	-
	Interest on loans to staff	24.3	**23,128**	-
	Exchange gain		**12,467**	-
	Trade and other payables written back		**47,570**	-
	Miscellaneous income		**15,873**	-
			129,320	31,355
43	**LEVY**			
	Current			
	Current year minimum tax	43.1	**113,792**	116,765
	Prior year		**(1,997)**	59,862
			111,795	176,627

43.1 This represents Minimum taxes paid under Section 113 of Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21/IAS 37.

		Note	2024	2023
44	**TAXATION**			
	Current year		**-**	-
	Prior year		**-**	-
	Deferred	26.2 & 26.3	**170,171**	55,549
			170,171	55,549

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

45 CASH FLOWS FROM OPERATING ACTIVITIES

(Loss) / profit before levy and taxation		**(382,438)**	407,190
Adjustments for:			
Depreciation on property, plant and equipment	20.4	**343,232**	254,001
Amortization on intangible assets	23	**32,004**	9,663
Depreciation on right-of-use assets	22	**7,450**	7,806
Provision for employee benefits obligation	11.2	**31,122**	39,242
Net impairment losses on financial assets	39	**12,821**	26,668
Interest on loans to staff	42	**(23,128)**	(17,631)
Exchange gain	42	**(12,467)**	-
Provision for slow moving and obsolete stock	37	**16,259**	78,984
Provisions no longer required written back		**(12,930)**	-
Impairment loss on buildings	20	**26,494**	-
Interest expense on lease liability	40	**4,847**	3,355
Interest expense on payable against land	40	**8,320**	12,616
Mark-up on Long term loan	40	**321,135**	-
Loss on assets written off	41	**7**	894
Exchange loss	41	**-**	132,272
		755,166	547,870
Net cash flows from operating activities before working capital changes		**372,727**	955,060

46 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:

Associated and parent companies	Purchase of goods, materials and services	**418,403**	304,470
	Sale of goods and services	**-**	3,352
	Reimbursement of expenses	**28,436**	33,660
	Royalty paid	**240,345**	189,018
	IT services	**169,941**	197,541
	GBS services	**239,982**	103,886
	Commission	**8,657**	-
	Share capital issued (including premium)	**-**	485,950
	Advance against shares issued	**639,170**	-
Retirement benefit plan	Contributions made to retirement funds / plans	**77,054**	93,879
Key management personnel	Remuneration of key management personnel	**77,158**	78,427

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

46.2 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, 2024

Amounts in Rs '000

	2024	2023

Basis of association	Name of the related party	Country of incorporation	Aggregate % of shareholding*
Outside Pakistan: **Parent company**	ICI Omicron B.V.	Netherlands	98.32%
Group / associated company	Akzo Nobel Car Refinishes B.V.	Netherlands	-
	Akzo Nobel N.V.	Netherlands	-
	Akzo Nobel Saudi Arabia Limited	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. Limited.	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	Malaysia	-
	International Paint Singapore	Singapore	-
	International Paint Indonesia	Indonesia	-
	Akzo Nobel Industrial Coatings	United Kingdom	-
	International Paints LLC	USA	-
	Akzo Nobel Paints (Thailand) Limited	Thailand	-
	Akzo Nobel Oman SAOC	Oman	-
	PT ICI Paints 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	Pakistan	-
	Akzo Nobel Pakistan Limited Management Staff Gratuity Fund	Pakistan	-
	Akzo Nobel Pakistan Limited Management Staff Pension Fund	Pakistan	-
	Akzo Nobel Pakistan Limited Management Staff Defined Contribution Superannuation Fund	Pakistan	-
	Akzo Nobel Pakistan Limited Non-Management Staff Provident Fund	Pakistan	-

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

46.4 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, 2024

Amounts in Rs '000

	2024	2023

47 **RISK MANAGEMENT FRAMEWORK**

The Board of Directors has overall responsibility for establishment and oversight 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. 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 Board 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.

48 **(LOSS)/ EARNINGS PER SHARE**

Basic earnings per share

	2024	2023
Profit for the year (after tax)	**(664,405)**	175,014
	(Number of shares)	
Weighted average number of ordinary shares	**48,248,163**	47,496,145
	(Rupees)	
(Loss) / Earnings per share	**(13.77)**	3.68

48.1 EPS of last year has not been restated as the Company believes that there is no bonus element due to the unavailability of fair market value. Exercise price, which is Rs. 270, is considered as a fair value price.

48.2 **Diluted earnings per share**

'There is no dilutive effect as the Company does not have any convertible instruments in issue as at December 31, 2024 and December 31, 2023, which would have any effect on the earnings per share if the option to convert was exercised.

49 **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, 2024 and December 31, 2023.

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, 2024

Amounts in Rs '000

50 FINANCIAL INSTRUMENTS BY CATEGORY

	Note	Carrying amount			Fair value			
		Amortised cost	Other (FVPL / FVOCI)	Total	Level 1	Level 2	Level 3	Total
On-Balance sheet financial instruments								
As at December 31, 2024								
Financial Assets at FV or amortised cost								
Long term loans	24	**102,732**	-	**102,732**	-	-	-	-
Long term deposits	25	**3,182**	-	**3,182**	-	-	-	-
Trade debts	29	**1,805,471**	-	**1,805,471**	-	-	-	-
Loans and advances	30	**37,769**	-	**37,769**	-	-	-	-
Other receivables	32	**89,256**	-	**89,256**	-	-	-	-
Cash and bank balances	34	**1,049,775**	-	**1,049,775**	-	-	-	-
		3,088,185	-	**3,088,185**	-	-	-	-
Financial liabilities at FV or amortised cost								
Long term financing	12	**1,900,000**	-	**1,900,000**	-	-	-	-
Accrued markup	18	**34,306**	-	**34,306**	-	-	-	-
Deferred liabilities	11	**87,364**	-	**87,364**	-	-	-	-
Lease liabilities	13 & 14	**71,528**	-	**71,528**	-	-	-	-
Trade and other payables	15	**3,844,281**	-	**3,844,281**	-	-	-	-
Unpaid dividend		**3,188**	-	**3,188**	-	-	-	-
Unclaimed dividend		**27,813**	-	**27,813**	-	-	-	-
		6,002,786	-	**6,002,786**	-	-	-	-
On-Balance sheet financial instruments								
As at December 31, 2023								
Financial Assets at FV or amortised cost								
Long term loans	24	74,549	-	74,549	-	-	-	-
Long term deposits	25	3,082	-	3,082	-	-	-	-
Trade debts	29	1,362,045	-	1,362,045	-	-	-	-
Loans and advances	30	31,019	-	31,019	-	-	-	-
Other receivables	32	76,938	-	76,938	-	-	-	-
Cash and bank balances	34	957,625	-	957,625	-	-	-	-
		2,505,258	-	2,505,258	-	-	-	-
Financial liabilities at FV or amortised cost								
Long term financing	12	1,300,000	-	1,300,000	-	-	-	-
Accrued markup	18	43,078	-	43,078	-	-	-	-
Deferred liabilities	11	80,261	-	80,261	-	-	-	-
Lease liabilities	11 & 12	118,993	-	118,993	-	-	-	-
Trade and other payables	15	4,076,634	-	4,076,634	-	-	-	-
Unpaid dividend		3,188	-	3,188	-	-	-	-
Unclaimed dividend		26,253	-	26,253	-	-	-	-
		5,648,407	-	5,648,407	-	-	-	-

50.1 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.

50.2 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, 2024

Amounts in Rs '000

	Notes	2024	2023

51 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.

51.1 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:

	Notes	2024	2023
Long term loans	24	**102,731**	74,549
Long term deposits	25	**3,182**	3,082
Trade debts	29	**1,805,471**	1,362,045
Loans and advances	30	**37,769**	31,019
Trade deposits	31	**-**	-
Other receivables	32	**89,256**	76,938
Bank balances and short term deposits	34	**1,049,775**	957,625
		3,088,184	2,505,258
Secured			
Long term loans	24	**102,731**	74,549
Trade debts	29	**501,556**	476,156
Loans and advances	30	**37,769**	31,019
		642,056	581,724
Unsecured		**2,446,128**	1,923,534
		3,088,184	2,505,258

Movement / reconciliation of loss allowances for trade debts has been detailed in note 29.2 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
FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

		Note	2024	2023
c)	**Bank balances and accrued interest on short term deposits**			
	Bank balances and short term deposits		**1,049,775**	957,625

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

	Credit Ratings: Short term	Credit Ratings: Long term	Rating Agency	2024	2023
Habib Bank Limited	A-1+	AAA	JCR-VIS	**497,096**	537,616
Citi Bank N.A.	P-1	Aa3	Moody's	**38,645**	39,070
Deutsche Bank A.G.	A-1+	A+	S&P	**481,376**	350,449
Faysal Bank Limited	A-1+	AA	PACRA	**32,658**	30,490
				1,049,775	957,625

d) **Trade debts**

The Company makes sales against advances as well as on credit terms. In case of credit sales, payment is generally due within 30 to 90 days from the date of delivery of goods. 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:

	2024	2023
Neither past due nor impaired	**2,078,517**	1,888,812
Past due		
1 - 30 days	**71,864**	52,728
31 - 90 days	**36,111**	55,607
91 - 120 days	**8,187**	26,007
More than 120 days	**93,823**	123,100
	209,985	257,442
	2,288,502	2,146,254
Allowance for impairment of trade debts	**(53,709)**	(76,954)
Provision for discounts	**(429,322)**	(707,255)
	1,805,471	1,362,045

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

	2024	2023
Distributors / wholesale customers	**101,560**	49,246
Retail customers	**153,431**	167,198
End-user customers	**24,151**	4,076
	279,142	220,520
Allowance for impairment of trade debts	**(53,709)**	(76,954)
	225,433	143,566

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

	2024	2023

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:

2024

	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, 2024**
Expected credit loss rate (%)	**0.00%**	**4.83%**	**2.25%**	**0.29%**	**10.43%**	
Gross carrying value of						
Trade debts	**2,078,517**	**71,864**	**36,111**	**8,187**	**93,823**	**2,288,502**
General allowance	**-**	**3,470**	**812**	**24**	**9,784**	**14,090**
Specific allowance	**-**	**-**	**-**	**-**	**39,619**	**39,619**
Loss allowance	**-**	**3,470**	**812**	**24**	**49,403**	**53,709**

2023

	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, 2023**
Expected credit loss rate (%)	0.00%	0.24%	0.27%	1.67%	14.25%	
Gross carrying value of						
trade debts	1,888,812	52,728	55,607	26,007	123,100	2,146,254
General allowance	-	125	151	435	17,538	18,249
Specific allowancea	-	-	-	-	58,705	58,705
Loss allowance (Rupees in thousand)	-	125	151	435	76,243	76,954

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.

	2024	2023
Construction	**125,344**	100,598
Transport	**321,957**	256,897
Dealers	**1,567,449**	1,438,889
Banks	**1,049,775**	957,625
Others	**62,844**	40,131
	3,127,369	2,794,140
Allowance for impairment of trade debts	**(53,709)**	(76,954)
Provision for discounts	**(429,322)**	(707,255)
	(483,031)	(784,209)
	2,644,338	2,009,931

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

51.2 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:

	2024			
	Carrying amount	**Contractual**	**Up to one year**	**More than one year**
Non-derivative financial liabilities				
Long term financing	**1,900,000**	**1,900,000**	**1,900,000**	**-**
Accrued markup	**34,306**	**38,889**	**38,889**	
Deferred liabilities	**87,364**	**87,364**	**-**	**87,364**
Lease liabilities	**71,528**	**71,528**	**54,740**	**16,788**
Trade and other payables	**3,844,281**	**3,844,281**	**3,844,281**	**-**
Unpaid dividend	**3,188**	**3,188**	**3,188**	**-**
Unclaimed dividend	**27,813**	**27,813**	**27,813**	**-**
	5,968,480	**5,973,063**	**5,868,911**	**104,152**

	2023			
	Carrying amount	Contractual	Up to one year	More than one year
Non-derivative financial liabilities				
Long term financing	1,300,000	1,300,000	1,300,000	-
Accrued markup	43,078	53,029	53,029	
Deferred liabilities	80,261	80,261	-	80,261
Lease liabilities	118,993	118,993	55,785	63,208
Trade and other payables	4,076,634	4,076,634	4,076,634	-
Unpaid dividend	3,188	3,188	3,188	-
Unclaimed dividend	26,253	26,253	26,253	-
	5,648,407	5,658,358	5,514,889	143,469

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

51.3 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	**2024**	2023	**2024**	2023
Fixed rate instruments					
Financial assets					
Short term deposits		**0.00%**	19.25%	**-**	85,000
Variable rate instruments					
Financial liability					
Long term financing	12	**13.36% - 16.69%**	17.51% - 23.10%	**1,900,000**	1,300,000

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 other than variable instruments which is as follows.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2023.

	Profit Or Loss	
As at December 31, 2024	**100 bp increase**	**100 bp decrease**
Cash flow sensitivity - Variable rate financial liabilities	19,000	(19,000)
As at December 31, 2023		
Cash flow sensitivity - Variable rate financial liabilities	13,000	(13,000)

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.

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

	Average rate for the year		Spot rate as at December 31	
	2024	2023	**2024**	2023
	Rupee per FCY			
AED	**76.29**	69.42	**75.84**	76.74
SAR	**74.65**	67.72	**74.14**	75.16
JPY	**1.89**	1.85	**1.78**	1.99
SGD	**209.20**	190.96	**204.91**	213.48
EUR	**300.79**	276.65	**290.08**	311.50
USD	**280.21**	254.13	**278.55**	281.86
GBP	**354.16**	315.62	**349.71**	358.60

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:-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

	Note	AED	SAR	SGD	EUR	USD	GBP	VND	JPY	THB	Total
					2024						
Financial assets											
Due from related parties	**32**	-	-	-	**25,831**	**1,401**	-	-	-	-	**27,232**
Cash and bank balances	**34.1**	-	-	-	**-**	**542,329**	-	-	-	-	**542,329**
		-	-	-	**25,831**	**543,730**	-	-	-	-	**569,561**
Financial liabilities											
Trade and other payables		-	-	**-**	**-**	**101,212**	-	-	-	**-**	**101,212**
Due to related parties	**15.1**	-	-	**77,113**	**153,597**	**749,884**	-	-	-	**4,018**	**984,612**
		-	-	**77,113**	**153,597**	**851,096**	-	-	-	**4,018**	**1,085,824**
		-	-	**(77,113)**	**(127,766)**	**(307,366)**	-	-	-	**(4,018)**	**(516,263)**

	Note	AED	SAR	SGD	EUR	USD	GBP	VND	JPY	THB	Total
					2023						
Financial assets											
Due from related parties	32	-	-	-	46,763	1,818	-	-	-	-	48,581
Cash and bank balances	34.1	-	-	-	-	208,167	-	-	-	-	208,167
		-	-	-	46,763	209,985	-				256,748
Financial liabilities											
Trade and other payables		-	-	-	-	1,671	-	-	-	-	1,671
Due to related parties	15.1	757	587	109,742	161,587	328,270	-	-	-	4,119	605,062
		757	587	109,742	161,587	329,941	-	-	-	4.119	606,733
		(757)	(587)	(109,742)	(114,824)	(119,956)	-	-	-	(4,119)	(349,985)

iii) **Sensitiviy 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. 5.162 million (2023: Rs. 3.459 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.

51.4 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 behavior. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

	Notes	2024	2023

52 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 monitors capital using a gearing ratio, which is net debt divided by total capital employed. Net debt is calculated as long term financing. Total capital employed signifies equity as shown in statement of financial position plus net debt.

The proportion of debt to equity at the year end was:

	Notes	2024	2023
Long term finances		**1,900,000**	1,300,000
Net debt	12	**1,900,000**	1,300,000
Share capital		**482,481**	482,481
Reserves	7.2	**9,606,087**	7,991,048
Advance against issue of right shares		**639,728**	-
Total equity		**10,728,295**	8,473,529
Total capital employed		**12,628,295**	9,773,529
Gearing Ratio		**15%**	13%

53 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	
	2024	2023	**2024**	2023	**2024**	2023
Meeting fee	**-**	-	**-**	-	**-**	-
Managerial remuneration	**19,176**	17,429	**4,994**	8,220	**274,361**	239,855
Bonus and sales incentives - note 53.2	**2,911**	1,810	**491**	1,328	**18,885**	10,452
Contribution to retirement benefits	**598**	3,506	**2,035**	1,731	**50,797**	48,805
Group insurance	**58**	60	**34**	35	**1,598**	1,285
Rent and house maintenance	**700**	700	**650**	780	**29,410**	28,196
Utilities	**-**	-	**-**	-	**-**	-
Medical expenses	**66**	919	**-**	62	**13,226**	10,394
	23,509	24,424	**8,204**	12,156	**388,277**	338,987
Number of person(s)	**1**	1	**1**	1	**75**	75

53.1 The Chairman and Executive Directors hold 30 and 20 shares each of the Company respectively.

53.2 Out of the bonus and sales incentives recognized for 2023, payment of Rs. 2.91 million (2023: Rs.1.81 million) and Rs. 19.37 million (2023: Rs. 11.78 million) were made to Chief Executive and Executives respectively. During the year an amount of Rs. 50.86 million (2023: Rs. 38.35 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 2025 after verification of achievement against target.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

	Notes	2024	2023

54 **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:

	2024	2023
Size of the fund - fund assets	**287,233**	273,653

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

	2024 (Un-Audited)			2023 (Audited)		
	Cost	**Fair value**	**%**	Cost	Fair value	%
Government securities	**160,394**	**152,749**	**53.18%**	142,000	136,786	49.99%
Listed securities	**42,569**	**79,120**	**27.55%**	49,677	65,168	23.81%
	202,963	**231,869**		191,677	201,954	

54.1 The Comparative figures have been corrected based on audited accounts for the year ended December 31, 2023.

55 **PLANT CAPACITY AND ANNUAL PRODUCTION**

	2024	2023
Annual production - liters in thousands	**15,906**	17,217

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

56 **RECONCILIATION OF MOVEMENT OF LIABILITIES AND EQUITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES**

	Liabilities and equity				
	Transactions with the owners	**Long term Financing**	**Lease liability**	**Dividend**	**Total**
Balance as at January 1, 2024	495,147	1,300,000	28,573	26,253	1,849,973
Interest on unclaimed dividend	-	-	-	1,560	1,560
Borrowings from banking companies	-	600,000	-	-	600,000
Advance against issue of right shares	639,728	-	-	-	639,728
Payment of lease liability	-	-	(10,163)	-	(10,163)
Interest expense on right of use assets	-	-	4,847	-	4,847
Balance as at December 31, 2024	1,134,875	1,900,000	23,257	27,813	3,085,945

56.1 Addition of lease liability and interest expense on right of use of asset represents non cash items.

57 **NUMBER OF EMPLOYEES**

	2024	2023
Number of employees as at December 31,		
Head office	**179**	135
Factory workers	**47**	50
Average number of employees during the year		
Head office	**157**	137
Factory workers	**49**	50

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts in Rs '000

	Notes	**2024**	2023
58 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	Notes	**2024**	2023
Cost of sales	36	**10,881**	8,488
Selling and distribution expenses	37	**35,579**	23,636
Administrative and general expenses	38	**5,804**	6,852

Disclosures other than above are not applicable to the Company.

59 NON-ADJUSTING EVENT AFTER REPORTING DATE

No significant event has occurred subsequent to December 31, 2024 other than those mentioned elsewhere in these financial statements.

60 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

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.

61 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, 2024 except as follows for more appropriate presentation.

Item description	**Note**	**From**	**To**	**Amounts in Rs '000**
Reclassification of income tax	43	Taxation	Levy	176,627

62 DATE OF AUTHORIZATION

These financial statements were authorized for issue in the meeting of the Board of Directors held on March 10, 2025.

63 GENERAL

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

Mubbasher Omar
Chief Executive

Jawairia Hashmi
Chief Financial Officer

AKZO NOBEL PAKISTAN LIMITED
PATTERN OF SHAREHOLDING
AS AT DECEMBER 31, 2024

NO OF SHAREHOLDERS	NO. OF SHARESHOLDINGS		Total Shares
	FROM	TO	
5,995	1	100	145,848
1,062	101	500	228,060
135	501	1,000	95,895
104	1,001	5,000	205,667
8	5,001	10,000	65,895
2	10,001	15,000	22,579
2	20,001	25,000	46,574
1	40,001	45,000	40,504
1	45,001	47,398,000	47,397,141
7,310			**48,248,163**

AKZO NOBEL PAKISTAN LIMITED
CATEGORIES OF SHAREHOLDING
AS AT DECEMBER 31, 2024

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	47,397,141	98.24
3	NIT and ICP	-	-	-
4	Banks, Development Financial Institutions	16	8,724	0.02
5	Insurance Companies	5	805	0.00
6	Modarabas and Mutual Funds	6	273	0.00
7	Share holders holding 10%	1	47,397,141	98.24
8	General Public : a. Local b .Foreign	 7,211 -	 817,649 -	 1.69 -
9	Others	68	23,901	0.05
	Total (excluding : share holders holding 10%)	**7,310**	**48,248,163**	**100.00**

Akzo Nobel Pakistan Limited

AkzoNobel

NOTICE OF 14th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 14th Annual General Meeting (the “Meeting”) of Akzo Nobel Pakistan Limited (the “**Company**”) will be held on 29th April 2025, at 10:30 a.m. Virtually to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the 13th Annual General Meeting held on April 30th, 2024.

2. To receive, consider and adopt the audited accounts of Akzo Nobel Pakistan Limited, for the year ended December 31, 2024, 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 the Chairman.

08 April 2025
Lahore

By Order of the Board

Rabia Bakhtawar Pirzada
Company Secretary

NOTES

1. CLOSURE OF SHARE TRANSFER BOOKS:
The Share Transfer Books of the Company will remain closed from April 23, 2025 to 29 April, 2025 (both days inclusive). Transfers received in order at the office of our Shares Registrar, Messrs. FAMCO Share Registration Services (Pvt) Limited . 8-F, near Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi, by the close of business on April 22, 2025 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 25th April 2025. Video link will be shared with only those Members whose emails is received at given email address before 1300hrs on 25 April, 2025.
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 of 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 to the AGM Notice and can also be downloaded from the Company’s website: http://www.akzonobel.pk 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 Share 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. ELECTRONIC TRANSMISSION OF ANNUAL REPORT 2024

In compliance with section 223(6) of Companies Act 2017, the Company has electronically transmitted the Annual Report 2024 through email to shareholders whose email addresses are available with the Company's Share Registrar, FAMCO Share Registration Services (Pvt) Limited. In those cases, where email addresses are not available with the Company's Share Registrar, printed notice of AGM along-with the QR enabled code/weblink to download the said financial statements have been dispatched. However, the Company will provide hard copies of the Annual Report to any member on their demand, at their registered address, free of cost, within one week of receiving such request.

Further, shareholders are requested to kindly provide their valid email address (along with a copy of valid CNIC) to the Company's Share Registrar, M/s. FAMCO Share Registration Services (Pvt) Limited if the member holds shares in physical form or to the member's respective Participant/ Investor Account Services, if shares are held in book entry form.

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 Share 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.

https://akzonobel.pk/investor-information/anpl-annual-reports/

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 its 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
14th 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 13th Annual General Meeting of the Company to be held virtually, on Tuesday, April 29, 2025, at 10.30 a.m., and at any adjournment thereof.

As witness my/our hand(s) this ________ day of _________ 2025.

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

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Lahore - 54600
Tel: (042) 111-551-111
Fax: (042) 35835011
www.akzonobel.pk

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

تمام شیئر ہولڈرز جن کے پاس فیزیکل شیئرز موجود ہیں اور انہوں 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، شیئر رجسٹرار کو بھجوا دیں۔ شیئر ہولڈرز کے شناختی کارڈ یا پاسپورٹ کی غیر موجودگی کی صورت میں کمپنی متعلقہ شیئر ہولڈرز کو ڈیویڈنڈ کی ترسیل روک دے گی۔

(۵) سالانہ رپورٹ 2024 کی الیکٹرانک ٹرانسمیشن

کمپنیز ایکٹ 2017 کے سیکشن 223(6) کی تعمیل میں، کمپنی نے الیکٹرانک طور پر سالانہ رپورٹ 2024 کو ای میل کے ذریعے ان شیئر ہولڈرز تک پہنچانا ہے جن کے ای میل پتے کمپنی کے شیئر رجسٹرار میسرز فیمکو شیئر رجسٹریشن سروس (پرائیویٹ) لمیٹڈ کے پاس دستیاب ہے۔ بصورت دیگر جن کے ای میل ایڈریس کمپنی کے شیئر رجسٹرار کے پاس دستیاب نہیں وہاں AGM کے پرنٹ شدہ نوٹس کے ساتھ QR فعال کوڈ/ ویب لنک مذکورہ مالیاتی گوشواروں کو ڈاؤن لوڈ کرنے کے لیے رکھ دیا گیا ہے۔ تاہم، کمپنی کسی بھی رکن کو ان کی درخواست پر سالانہ رپورٹ کی ہارڈ کاپی، ان کے رجسٹرڈ پتے پر بغیر کسی معاوضہ کہ ایک ہفتے کے اندر فراہم کرے گی۔

https://akzonobel.pk/investor-information/anpl-annual-reports/

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

فزیکل شیئر ہولڈرز سے درخواست ہے کہ پتے کی تبدیلی کی صورت میں فوراً اطلاع کریں اور (اگر پہلے فراہم نہیں کیا تو) زکوٰۃ کی کٹوتی روکنے کا ڈیکلریشن فارم کمپنی شیئر 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 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 شیئر 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 شیئرز سی ڈی سی میں رکھے ہوئے ہیں تو الیکٹرانک کریڈٹ مینڈیٹ فارم براہ راست شیئر ہولڈرز 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 شیئر ہولڈرز کے بینک کھاتے میں براہ راست ماضی کے منافع کی ادائیگی کر سکے۔

(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 جو کہ واجب الادا اور قابل ادائیگی ہونے کی تاریخ سے تین سال کی مدت تک ادا نہیں ہوئے انکی ایک تازہ ترین فہرست، کمپنی کی ویب سائٹ www.akzonobel.pk پر دستیاب ہے۔ شیئر ہولڈرز اپنے ڈیویڈنڈ یا شیئرز وصول کرنے کیلئے کمپنی کی ویب سائٹ پر موجودہ کلیم فارم کو پر کر کے کمپنی کے شیئر رجسٹرار کو جمع کروائیں۔

اکزونوبل پاکستان لمیٹڈ

چودھواں سالانہ اجلاس عام کی اطلاع

مطلع کیا جاتا ہے کہ اکزونوبل پاکستان لمیٹڈ ("کمپنی") کا چودھواں سالانہ اجلاس عام ("اجلاس") مورخہ 29 اپریل 2025ء بوقت صبح 10:30 بجے منعقد ہوگا۔ جس میں مندرجہ ذیل امور پر عملدرآمد کیا جائے گا۔

عمومی کاروائی:۔

1۔ 30 اپریل 2024ء کو منعقدہ تیرہواں سالانہ عمومی اجلاس کے منٹس کی توثیق۔

2۔ اکزونوبل پاکستان لمیٹڈ کے 31 دسمبر 2024ء کو مکمل ہونے والے سال کے موصول شدہ حسابات (اکاؤنٹس) بشمول آڈیٹرز رپورٹ اور ڈائریکٹرز صاحبان کی رپورٹس کی وصولی اور ان پر غور وخوص اور منظوری۔

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

4۔ چیئرمین کی اجازت سے کوئی بھی اور امور۔

بحوالہ آرڈر آف بورڈ

8 اپریل 2025،

لاہور

رابعہ بختاور پیرزادہ

کمپنی سیکریٹری

نوٹس:۔

(۱) شیئرٹرانسفر بکس کی بندش

کمپنی کی شیئرٹرانسفر بکس 23 اپریل 2025ء سے 29 اپریل 2025ء کے دوران بند رہے گی (بشمول دونوں دنوں کے) قوائد کے مطابق کاروبار کے اختتام سے قبل 23 اپریل 2025ء تک شیئرز رجسٹرار میسرز فیمکو شیئر رجسٹریشن سروس (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

ممبران اور پراکسی ہولڈرز حاضری کی رسمی کاروائیوں کو مکمل کرنے کے بعد کسی بھی مناسب مقام سے سمارٹ فون یا کمپیوٹر ڈیوایسز کے ذریعے AGM کی کاروائی میں حصہ لینے اور ووٹ دینے کیلئے لاگ ان یا شامل ہوسکیں گے۔ اس مقصد کے لئے 25 اپریل 2025 تک اپنا نام، قومی شناختی کارڈ کی دونوں سائڈز کی اسکین کاپی، فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر، موبائل فون نمبر اور ای میل ایڈرس "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 25 اپریل 2025 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.pk 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۔

صحت حفاظت اور ماحولیات:

کمپنی نے HSE پر مضبوط عزم کا مظاہرہ کرتے ہوئے صحت، افراد، عمل، مصنوعات کی حفاظت اور سیکیورٹی کے چھ ستونوں کو مکمل جذبے کے ساتھ نافذ کرنے کی کوشش کی ہے تاکہ اعلیٰ معیار حاصل کیئے جاسکیں۔ 2024 میں فیصل آباد میں نئی مینوفیکچرنگ پلانٹ نے اپنا پہلا سال بغیر کسی حادثے کے مکمل کیا، جس سے ظاہر ہوتا ہے کہ نئی سائٹ پر بھی حفاظتی طریقہ کار اور آلات مکمل طور پر نافذ کیے گئے ہیں۔

مستقبل کا نظریہ

ملک کی بہتر ہوتی معاشی صورتحال کے ساتھ، کمپنی 2025 میں مثبت رجحانات سے فائدہ اٹھانے کے لیے تیار ہے اور کم مہنگائی، مستحکم کرنسی، اور بڑھتے ہوئے صارفین کے اعتماد کو بروئے کار لا کر مارکیٹ میں اپنی موجودگی کو بڑھانے پر توجہ دے گی۔ اخراجات کی بہتر مینجمنٹ اور ہموار آپریشنز نمو کے لیے اہم ہوں گے، جو اسٹیک ہولڈرز کے لیے طویل مدتی قدر لانے میں مدد فراہم کریں گے۔ شرح سود میں کمی صنعتی سرگرمیوں اور ہاؤسنگ ڈویلپمنٹ کو فروغ دینے کا سبب بنے گی، جو پینٹس اور کوٹنگز مارکیٹ میں ترقی کے لیے اہم مواقع پیدا کرے گی۔ مزید برآں، تعمیر اور رئیل اسٹیٹ کے شعبوں کی توسیع کے ساتھ، اعلیٰ معیار کے پینٹس اور کوٹنگز کی طلب میں اضافہ متوقع ہے، جس سے مصنوعات کی جدت اور ترقی کے نئے راستے کھلیں گے۔ یہ ترقی، استحکام اور ماحول دوست حل کے عزم کے ساتھ، ایک مسابقتی اور ترقی پذیر مارکیٹ میں کمپنی کی پوزیشن کو مضبوط کرے گی۔

کارپوریٹ سماجی ذمہ داری

ایکزونوبل میں پائیداری (استحکام) ہمارے کام کا لازمی حصہ ہے۔ ہم ماحول پر اپنے اثرات کو کم کرنے اور صارفین کیلئے سب سے زیادہ پائیدار پینٹس اور کوٹنگز کے حل فراہم کرنے کے لیے مسلسل جدت طرازی کرتے ہیں۔ ہمارے Planet Sustainability کے عزائم پیرس معاہدے سے مطابقت رکھتے ہیں، جس کا مقصد گلوبل وارمنگ کو محدود کرنا ہے۔

ایکزونوبل نے الف لیلیٰ بک بس میں تزئین و آرائش کیلئے سپانسر کیا جس سے مزید بچوں اور خاندانوں کو موبائل لائبریری کے ساتھ جڑنے کی ترغیب ملی۔ اس لائبریری میں تخلیقی صلاحیتوں کی علامت اور خوشگوار ماحول پیدا کرنے کیلئے متحرک رنگوں کا استعمال کیا گیا۔ ایکزونوبل نے سندھ کے علاقے مچھر کالونی میں قائم میٹرنٹی کلینک کی تزئن و آرائش کیلئے ''امکان آرگنائزیشن'' کو پینٹ بھی عطیہ کیا۔ تاکہ مریضوں کیلئے ایک روشن اور خوشگوار ماحول فراہم کیا جاسکے۔

ایس او ایس چلڈرنز ویلج کے ساتھ اپنے تعاون کو جاری رکھتے ہوئے، ایکزونوبل نے خواتین طلباء کے لیے رہنمائی کے سیشن منعقد کیے تاکہ انہیں تعلیمی اور پیشہ ورانہ کامیابی کا تصور کرنے کے لیے حوصلہ افزائی کی جاسکے۔

معیاری تعلیم کا فروغ (SDG 4)، صحت اور فلاح و بہبود کی حمایت (SDG 3)، اور پائیدار کمیونٹیز کی ترقی (SDG 11) کے ذریعے، ایکزونوبل ایک دیرپا اثر پیدا کررہا ہے۔ اقوام متحدہ کے پائیدار ترقی کے اہداف کے مطابق، ہم بہتر زندگیوں اور روشن مستقبل کی تعمیر کے لیے اپنا حصہ ڈالتے ہیں۔

بورڈ کمیٹی حاضری

سال کے دوران، بورڈ آف ڈائریکٹرز کی 4 (چار) میٹنگز منعقد ہوئیں۔ ہر ایک ڈائریکٹر/سی ایف او/کمپنی سیکرٹری کی حاضری درج ذیل ہے:۔

شمار	ڈائریکٹرز کے نام	بورڈ آف ڈائریکٹرز کی حاضری
1	محترم مبشر عمر چیف ایگزیکٹیو آفیسر	4
2	محترم سیبسٹین ٹین چیئرمین	4
3	محترمہ جویریہ ہاشمی چیف فائینینشل آفیسر	4
4	محترمہ رابعہ بختاور پیرزادہ کمپنی سیکریٹری	4

شیئر ہولڈنگ کا پیٹرن

31 دسمبر 2024 تک کمپنی میں شیئرز ہولڈنگ کا پیٹرن اور اضافی معلومات کا مفصل بیان صفحہ نمبر 57 پر درج ہے۔

ڈائریکٹرز رپورٹ

برائے تکمیل شدہ سال 31 دسمبر 2024

کمپنی کے ڈائریکٹرز نہایت مسرت سے سالانہ رپورٹ بمعہ آڈٹ شدہ فنانشل سٹیٹمنٹس برائے سال مکمل شدہ 31 دسمبر 2024 پیش کرتے ہیں۔

مالیاتی اور کاروباری کارکردگی

نو منتخب اتحادی حکومت کے مختلف شعبوں میں اصلاحات نافذ کرنے کی وجہ سے ملک کی معاشی صورتحال میں استحکام کے آثار نمایاں ہونا شروع ہو گئے۔ پاکستانی روپیہ نسبتاً مستحکم رہا اور یورو کے مقابلے میں معمولی اضافے کے ساتھ 310.8 سے 290.1 پر آ گیا۔ دسمبر 2023 میں 29.7% کی سطح پر پہنچنے والی مہنگائی دسمبر 2024 تک واضح کمی کے ساتھ 4.1% پر آ گئی، جس سے صنعتوں پر لاگت کا دباؤ کم ہوا۔ مزید براں، اسٹیٹ بینک آف پاکستان نے پالیسی کی شرح جو مئی 2024 میں 22% پر تھی میں بتدریج کمی کرتے ہوئے سال کے اختتام تک 13% کر دی جس سے لیکویڈیٹی کی صورتحال بہتر ہوئی اور کاروباروں اداروں کے لیے قرض لینے کے اخراجات کم ہوئے۔

ان معاشی بہتریوں کے اثرات سال کے آخر میں زیادہ واضح ہوئے۔ 2024 کی پہلی ششماہی میں مسلسل بلند افراطِ زر، بلند شرح سود، اور تعمیراتی سرگرمیوں میں کمی نے صارفین کی طلب پر دباؤ برقرار رکھا، جس سے فروخت کی ترقی میں محدود اضافہ ہوا۔ تاہم، دوسری ششماہی میں مہنگائی کے دباؤ میں کمی اور شرح سود کم ہونے سے کاروباری اعتماد میں بہتری آئی۔ Exchange Rate کے استحکام نے درآمد شدہ خام مال کی لاگت کو قابو میں رکھنے میں بھی اہم کردار ادا کیا، جس سے منافع کے دباؤ میں کچھ راحت ملی۔ ان مثبت تبدیلیوں کے باوجود، تعمیراتی شعبہ ٹیکس تبدیلیوں کی وجہ سے دباؤ میں رہا۔ جس سے اہم مواد پر اضافی ڈیوٹی اور بلڈرز و ڈیولپرز کے لیے نئے ٹیکس نظام جیسے معاملات شامل ہیں۔ اگرچہ اس شعبے میں بحالی کے ابتدائی آثار ظاہر ہونا شروع ہو گئے، لیکن ان ٹیکسوں کی بہتات نے تعمیراتی سرگرمیوں کو متاثر کیا، جس کا بالواسطہ اثر پینٹس اور کوٹنگز کی صنعت کی طلب پر پڑا۔

2024 میں آپ کی کمپنی نے متحرک کاروباری ماحول میں، نمایاں بیرونی اور عملی چیلنجز کے باوجود، ثابت قدمی اور حالات سے سمجھوتہ کرنے کی حکمت عملی کا مظاہرہ کرتے ہوئے مجموعی آمدنی میں 3% اضافہ حاصل کیا۔ سال کا پہلا نصف (جون 2024 تک 15%) مہنگائی اور درآمدی اخراجات میں اضافے کی وجہ سے متاثر ہوا، جس نے انڈسٹری کی ڈائنامکس میں خلل ڈالا۔ تاہم پورٹ فولیو میں Marine رینج کی مصنوعات کے اضافے نے آمدنی میں اضافے میں اہم کردار ادا کیا۔

اسی دوران، فیصل آباد میں نئی فیکٹری کے افتتاحی سال کے نتیجے میں آپریشنل اخراجات میں اضافہ ہوا، کمپنی کے انتظامی اخراجات بھی اضافی رہے، نتیجتاً کمپنی نے سال 2024 میں 148 ملین روپے کا آپریٹنگ خسارہ درج کیا۔ علاوہ ازیں، اضافی سرمایہ کاری سے متعلقہ فنانسنگ اخراجات کے نتیجے میں 664 ملین روپے کا خالص خسارہ ہوا۔ تاہم، یہ سرمایہ کاری مستقبل میں آپریشنز کی کارکردگی کو بہتر بنانے اور مارکیٹ میں مسابقتی صلاحیت کو بڑھانے کی حکمت عملی کے طور پر کی گئی ہے، جو طویل مدتی ترقی کی بنیاد فراہم کرے گی۔

خلاصہ یہ ہے کہ 2024 کمپنی کے لیے ایک غیر روایتی سال رہا جو بیرونی معاشی دباؤ اور داخلی توسیعی کوششوں کے امتزاج سے تشکیل پایا، اور آنے والے سالوں میں پائیدار کرنے کی بنیاد رکھی۔

مالیاتی کارکردگی

ملین روپے میں

اضافہ / کمی	2023	2024	
3.5%	14,376	14,878	ٹرن اوور
0.6%	9,051	9,103	نیٹ سیلز
5.4%	-6,835	-7,206	سیلز کے اخراجات
-14.4%	2,216	1,898	مجموعی منافع
-125.3%	583	-148	آپریٹنگ منافع
- 479.6%	175	-664	ٹیکس کی کٹوتی کے بعد منافع
- 474.2%	3.68	-13.77	فی شیئر کمائی روپوں میں

NOTES

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Since 1792, we've been supplying the innovative paints and coatings that help to color people's lives and protect what matters most. 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 use our expertise to sustain and enhance everyday life. Because we believe every surface is an opportunity. It's what you'd expect from a pioneering and long-established paints company that's dedicated to providing more sustainable solutions and preserving the best of what we have today – while creating an even better tomorrow. Let's paint the future together.

Our new Dulux Experience Stores redefine the paint shopping experience for premium paint customers in Islamabad and Lahore. Designed to provide a truly interactive and immersive experience, Dulux paint customers in Pakistan can now see our product range, test products firsthand, receive expert advice from our in-store consultants, and experience the premium quality and innovation that the Dulux brand is known for—all under one roof!

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