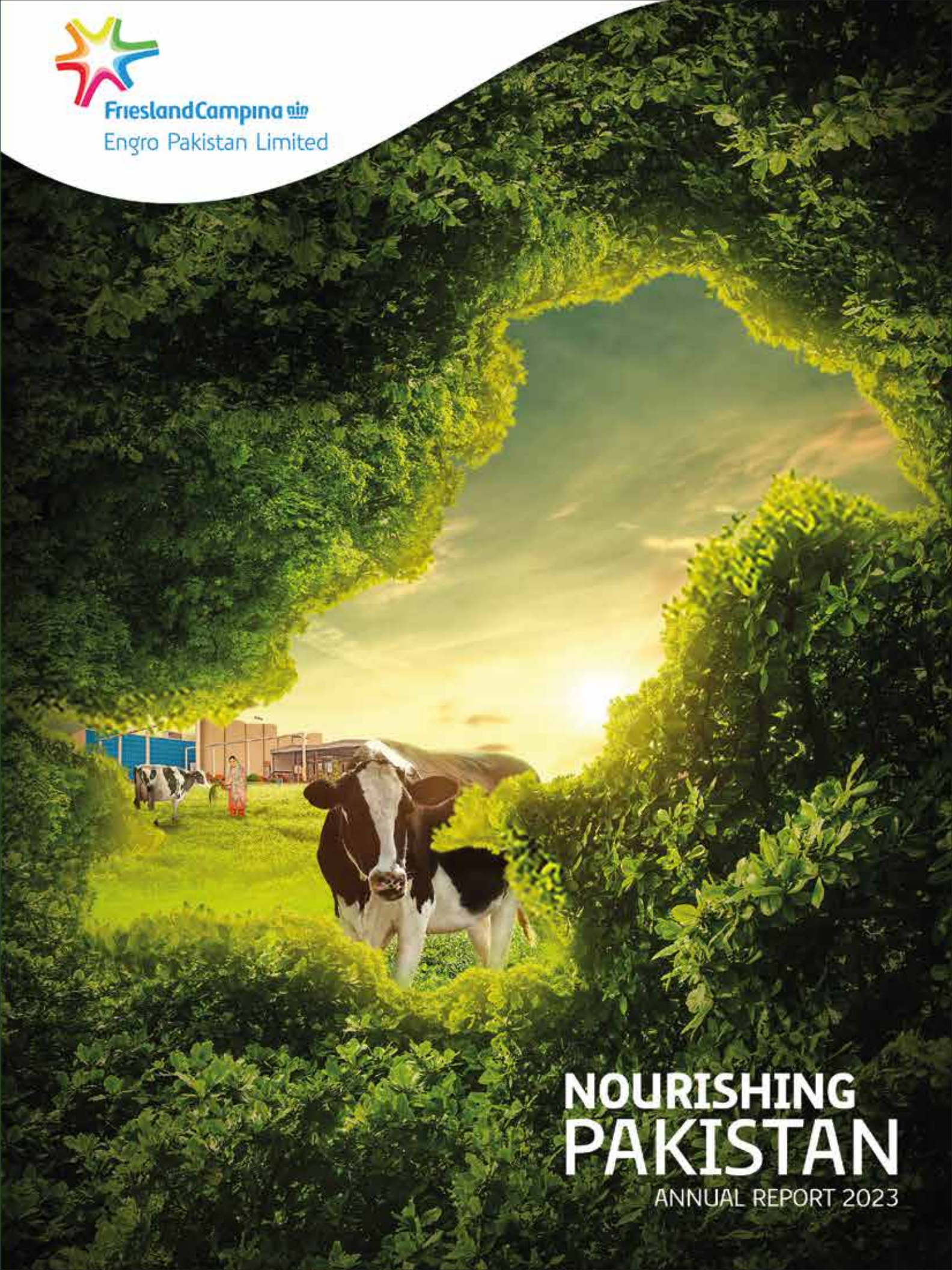
FrieslandCampina
Engro Pakistan Limited



NOURISHING PAKISTAN

ANNUAL REPORT 2023



FrieslandCampina

Engro Pakistan Limited

In Memoriam
Shahzada Dawood



In memory of **Shahzada Dawood (1975 – 2023)** who served as a **Director of Engro Foods** from 2005 to 2015. Shahzada made tremendous contributions to the growth of the Company through his **enthusiastic participation** on the Board of Directors. FCEPL deeply mourns his passing and extends heartfelt condolences to our partners, Engro Corporation during our joint time of loss.
May he and his son rest in eternal peace.

INTRODUCTION

Nourishing Pakistan is FrieslandCampina Engro Pakistan Limited's ethos, intertwining quality dairy products with a commitment to purposeful impact.

We envision every product not only as a source of nourishment but as a catalyst for positive change. Our purpose-driven approach extends to empowering farmers, fostering sustainable practices, and contributing to the community's well-being. Nourishing Pakistan is not just a mission; it's a transformative journey toward a healthier, sustainable, and purposeful future.




FrieslandCampina
Engro Foods Limited

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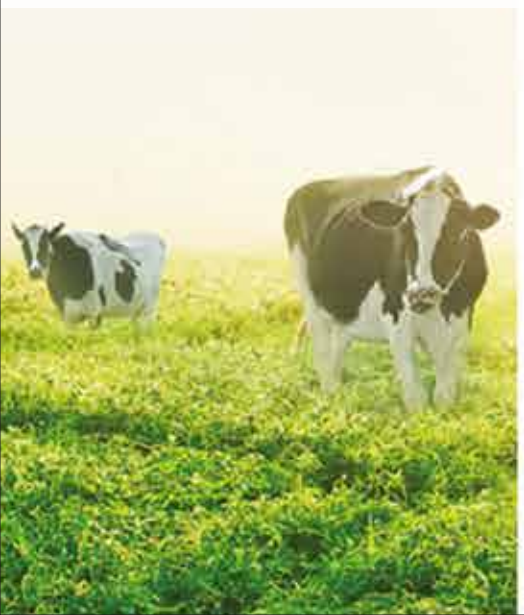
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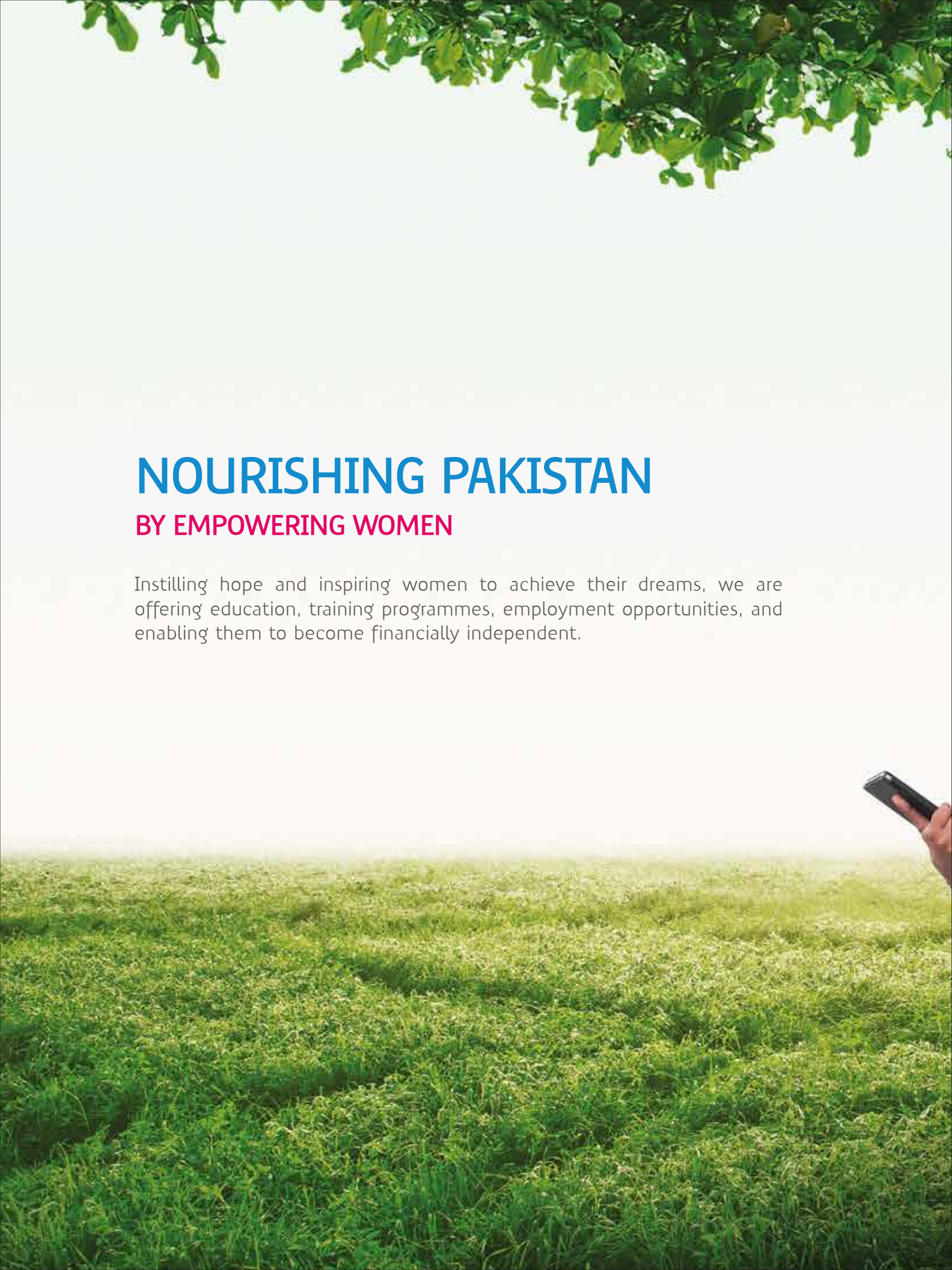




NOURISHING PAKISTAN

BY EMPOWERING WOMEN

Instilling hope and inspiring women to achieve their dreams, we are offering education, training programmes, employment opportunities, and enabling them to become financially independent.





COMPANY OVERVIEW



COMPANY OVERVIEW

FrieslandCampina Engro Pakistan Limited is a Pakistani Dairy Company and a subsidiary of the Dutch multinational corporative Royal FrieslandCampina. The Company was launched as Engro Foods in 2005 with our first production facility in Sukkur, Pakistan and the introduction of our flagship UHT milk brand: Olper's. Following successful entries in the tea-whitening category with Tarang in 2007, and the ice-cream market with Omoré in 2009, we entered a strategic partnership with Royal FrieslandCampina of Netherlands in 2016.

This partnership allowed us to gain access to more than 150 years of dairy expertise, technology, and R&D. It further advanced our efforts towards the Sustainable Development Goals we prioritise: environment, gender equality, no poverty and zero hunger.

With two production facilities in Sukkur and Sahiwal, a dairy farm in Nara, over 1,300 milk collection centres and a resource network encompassing thousands of individuals, our expansive and robust footprint ensures a sustainable, efficient supply chain, knowledgeable farmers and empowered communities.



Dairy farmers are the backbone of FCEPL's supply chain, and we take great pride in our exemplary Dairy Development Programme. The programme is tailored and designed to ensure inclusive growth and increased profitability by sharing knowledge and best practices for dairy farming, providing training on animal health, housing and barn design, feed and water, milk hygiene, aflatoxin control, cow signals, farm economics, calf rearing and the environment. We also help facilitate farmer communities in obtaining subsidised loans as working capital.

Our innovations draw upon our deep, global dairy expertise and are tailored specifically for local preferences and cultural adoption. With this outlook and our unique position, we are combining enterprising talent with emerging methodologies to set the foundation for the next chapter in the food-safety and nourishment story in Pakistan.

OUR PURPOSE

The pursuit of a healthy and nourished Pakistan is a core driving force for our success. It is our promise to make the grass greener for the cows, yields higher for the farmers, growth stronger for the milk industry and a glass of milk full of natural goodness for every Pakistani. Simply put, our purpose is to transform the health and well-being of Pakistanis now and for generations to come, by nourishing them through unlocking the goodness of milk from grass to glass, as well as by enhancing the livelihood of farmers.



COMPANY INFORMATION

Board of Directors

Abdul Samad Dawood (Chairman)
Kashan Hasan (CEO)
Ali Ahmed Khan
Abrar Hasan
Robert ter Borg
Petra Attje Zinkweg
Roeland Francois Van Neerbos
Zouhair Abdul Khaliq

Chief Financial Officer

Imran Husain

Company Secretary

Muhammad Hassan Azwar

Members of the Audit Committee

Abrar Hasan (Chairman)
Robert ter Borg
Zouhair Abdul Khaliq

Secretary of the Committee is
Maria Umar Memon,
GM Internal Audit Department

Banks
Conventional

Allied Bank Limited
Askari Bank Limited
Bank Al-Falah Limited
Bank Al-Habib Limited
Citibank N.A.
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
National Bank of Pakistan
Samba Bank Limited
Standard Chartered Bank Pakistan Limited
Summit Bank Limited
United Bank Limited
The Bank of Punjab

Shariah Compliant

Meezan Bank Limited

Auditors

A.F. Ferguson & Company
Chartered Accountants

State Life Building No. 1-C
I.I. Chundrigar Road.
Karachi - 74000, Pakistan.
Tel: +92(21) 32426682-6/32426711-5

Share Registrar

M/s. FAMCO Share Registration Services
(Private) Limited
8-F, Next to Hotel Faran, Block-6, PECHS,
Shahrah-e-Faisal Karachi - Pakistan
Tel: +92(21) 34380104-5, 34384621-3
Fax: +92(21) 34380106

Registered Office

5th Floor, The Harbor Front Building
HC-3, Marine Drive, Block - 4, Clifton
Karachi - 75600, Pakistan.
Tel: +92 (21) 35296000 (9 lines)
Fax: +92 (21) 35296010
E-mail: efl.shareholders@frieslandcampina.com
Website: www.frieslandcampina.com.pk

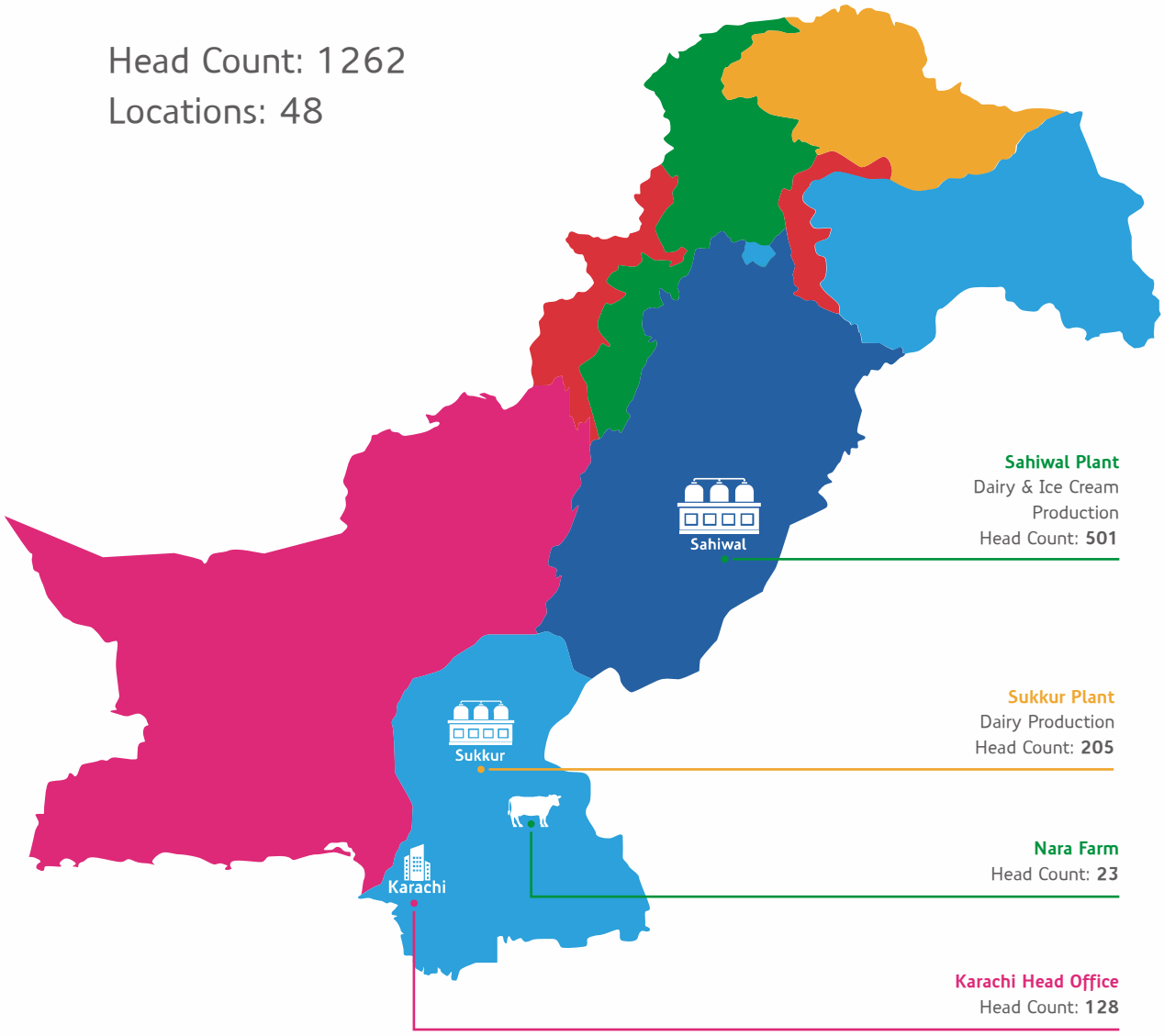


FrieslandCampina

Engro Pakistan Limited

FCEPL
AT A GLANCE

Head Count: 1262
Locations: 48



Sahiwal Plant
Dairy & Ice Cream Production
Head Count: **501**

Sukkur Plant
Dairy Production
Head Count: **205**

Nara Farm
Head Count: **23**

Karachi Head Office
Head Count: **128**

Agri Business
Zones: **4**
Areas: **20**
MCCs: **1300+**
Head Count: **171**

Sales Offices
Regions: **09**
Areas: **28**
Head Count: **167**

Note: The total number of employees includes 67 individuals stationed in alternate locations such as the corporate offices in Lahore and Islamabad, as well as in Nawabshah and the Rawalpindi warehouse. These specific locations are not detailed in the preceding breakdown but are encompassed within the overall count.




HIKING TRAIL NO 5
DARA JANGLAN







FRIESLANDCAMPINA
ENGRO PAKISTAN LIMITED
NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the **Nineteenth** Annual General Meeting of FrieslandCampina Engro Pakistan Limited will be held at The Royal Rodale, TC-V, 34th Street, Khayaban-e-Sehar, Phase 5, Ext. D.H.A, Karachi on Friday, April 26, 2024 at 03:30 p.m. to transact the following business:

VIDEO CONFERENCE FACILITY
Members are encouraged to attend the AGM through a video conference facility managed by the Company (please see the notes section for details).

A) ORDINARY BUSINESS

(1) To receive and consider the Audited Financial Statements of the Company for the year ended December 31, 2023 together with the Chairman's Review and Directors' and Auditor's Reports thereon.

(2) As required under section 223(6) of the Companies Act 2017, Financial Statements of the Company have been uploaded on the website which can be downloaded from the following link:

https://www.frieslandcampina.com/pk/financial-annual-reports/

(3) To appoint Auditor for the year 2024 and fix their remuneration, the present auditors A.F. Ferguson & Co. Chartered Accountants retire and being eligible, offer themselves for reappointment.

(4) To elect 7 directors as fixed by the Board in accordance with Section 159(1) of the Act for a period of three years commencing from the date of the AGM on April 26, 2024. The names of the retiring directors are as follows: Abdul Samad Dawood, Ali Ahmed Khan, Roeland Francois van Neerbos, Robert ter Borg, Petra Attje Zinkweg, Abrar Hasan and Zouhair Abdul Khaliq.

B) SPECIAL BUSINESS

1. To approve the circulation of the Annual Report (including the audited financial statements, auditor's report, directors' report, chairman's review report) to the Members of the Company through weblink and QR enabled code, in accordance with Section 223(6) of the Companies Act, 2017 read with S.R.O. 389(I)/2023 dated March 21, 2023.

   "**RESOLVED THAT** FrieslandCampina Engro Pakistan Limited (the "Company") be and is hereby authorized to circulate its annual report including annual audited financial statements, auditor's report, directors' report, chairman's review report and other reports contained therein to the Members of the Company through weblink and QR enabled code."

By order of the Board

Karachi
February 15, 2024

M. Hassan Azwar
Company Secretary

NOTES:-

1) Closure of Share Transfer Book

The Share Transfer Book of the Company will be closed from Friday April 19, 2024 to Friday April 26, 2024 (both days inclusive). Transfers received in order at the office of our Registrar, M/s. FAMCO SHARE REGISTRATION SERVICES (PVT.) LIMITED, 8-F, near Hotel Faran, Nursery, Block 6, PECHS, Shahrah-e-Faisal, Karachi PABX Nos. (92-21) 34380101-5 and email info.shares@famcosrs.com by the close of business (5:00 p.m.) on Thursday April 18, 2024 will be treated as being in time to attend and vote at the meeting.

2) Prohibition on grant of gifts to Shareholders

The Securities and Exchange Commission of Pakistan (the "SECP"), through its Circular 2 of 2018, dated February 9, 2018, has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens/coupons/lunches/takeaway packages) in any form or manner, to Shareholders at or in connection with general meetings. Under Section 185 of the Act, any violation of this directive is considered an offense, and companies failing to comply may face penalties.

3) Statement of Material Facts Under Section 166 (3) of the Companies Act, 2017

This Statement sets out the material facts pertaining to the Ordinary Business as described in the Notice of the AGM of the Company.

The term of office of the current directors of the Company will expire on April 26, 2024. In accordance with Section 159(1) of the Act, the Board of Directors have fixed the number of directors to be elected at the AGM at seven (07) to hold the office of director for a period of three (3) years commencing from the date of the AGM.

Independent directors shall be selected in accordance with the provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

Accordingly, in compliance with the provisions of Regulation 7A of the Listed Companies (Code of Corporate Governance) Regulations 2019, Election of Directors will be held separately for the following three categories:

S. No.	Categories	No. of Seats
1.	Female Director (may also be considered as an independent director if she meets the criteria of independence set out under Section 166 of the Act)	1
2.	Independent Directors	2
3.	Other Directors	4

In order to safeguard the interest of the minority shareholders, any member can send his/her nomination for contesting the election in any of above-mentioned categories.

Any person who seeks to contest the election of the office of director, whether they are a retiring director or otherwise, shall submit the following documents to the Company Secretary at the Registered Office address 5th Floor, The Harbor Front Building, HC#3, Marine Drive, Block 4, Clifton Karachi, not later than fourteen (14) days before the date of AGM, the following documents:

1. Notice of his/her intention to offer himself/herself for the election of directors as per Section 159(3) of the Act, and consent to act as a director on Form 28 as prescribed under the Act, and the Companies (General Provisions and Forms) Regulations, 2018.

2. Any person contesting the election of directors must be a Member of the Company at the time of filing his/her consent unless such person is representing a Member which is not a natural person.

3. A signed declaration confirming that:

    a. He/she is aware of his/her duties and powers under the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Rule Book of Pakistan Stock Exchange Limited, Memorandum and Articles of Association of the Company and other relevant laws and regulations.

    b. He/she is not ineligible to become a director of a listed company under the provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and other applicable laws/regulations.

4. A detailed profile along with his/her office address for placement on the Company's website as required under SRO 1196 (I)/2019 dated October 03, 2019.

5. Detail of directorship offices held.

6. Copy of valid CNIC or Passport (in case of a foreign national) along with NTN and Folio Number/CDC Account or Sub Account Number.

7. The following additional documents are required to be submitted by the candidates intending to contest the election as an independent director:

    a. Declaration of independence under Regulation 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

    b. Undertaking on non-judicial stamp paper that he/she meets the requirements of Regulation 4(1) of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

All the notices received for the category of independent director, shall be subject to due diligence by the Company as prescribed under Section 166 of the Act and 7A of the Listed Companies (Code of Corporate Governance) Regulations 2019,

The final list of candidates contesting the election will be circulated not later than seven (7) days before the date of the AGM in terms of Section 159(4) of the Companies Act, 2017. The website of the Company will be updated with the required information and Directors' profile.

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

This Statement sets out the material facts pertaining to the Special Business as described in the Notice of AGM of the Company.

Considering the optimum use of advancements in technology and in order to fulfil the Company's corporate social responsibility to the environment and sustainability, Members approval is sought for the circulation of the Annual Report (including annual audited financial statements and other reports contained therein) to the Members of the Company through weblink and QR enabled code in accordance with S.R.O. 389(I)/2023 dated March 21, 2023 issued by the SECP.

5) Participation in the AGM Proceeding via Video Conferencing Facility

Members are encouraged to attend the AGM proceedings via a video conferencing facility, which shall be made available by the Company. All shareholders/members interested in attending the AGM through a video conferencing facility are requested to register at **https://forms.office.com/e/fKCnaYpVMF** with their Name, Folio Number, Cell Number, CNIC/Passport Number. A confirmation email for video link and login credentials will be shared only with the shareholders who register themselves at least 48 hours prior the time of AGM. Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address **shareholders.pk@frieslandcampina.com**

6) Requirements for Appointing Proxies

(a) In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, shall submit the proxy form as per the above requirement.

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

(c) Attested copies of the valid CNICs or the passports of the beneficial owner(s) and the proxy shall be furnished with the proxy form.

(d) The proxy shall produce his/her valid original CNIC or original passport at the time of the AGM.

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

(f) Form of proxy, in order to be valid must be properly filled-in/executed and received at the registered office of the Company located at 5th Floor, The Harbor Front Building, HC#3, Marine Drive, Block 4, Clifton Karachi, not later than 48 hours before the time of the meeting.

7) Pursuant to Companies (Postal Ballot) Regulations, 2018 and read with Sections 143 and 144 of the Act, Members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

8) Conversion of Physical Shares into Book Entry Form

In compliance with section 72 of the Companies Act, 2017 and SECP's letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021, listed companies are required to replace existing physical shares issued by them into the Book-Entry form. Given the above requirement, shareholders of the Company having physical folios/share certificates are requested to convert their shares from the physical form into Book-Entry form as soon as possible. Conversion of physical shares into Book-Entry form would facilitate the shareholders in many ways, i.e. safe custody of shares, readily available market for instant sale and purchase of shares, eliminate the risk of loss & damage, easy & secure transfer with lesser formalities as compared to physical shares. The Company's shareholders may contact Share Registrar of the Company [i.e., M/s. FAMCO Share Registration Services (Pvt.) Limited] for assistance in converting physical shares into Book-Entry Form.

9) Distribution of Annual Report through Email

Pursuant to the provision of Section 223(6) of the Companies Act, 2017, the companies are permitted to circulate their annual financial statements, along with auditor's report, directors' review report etc. ("Annual Report") and the notice of annual general meeting ("Notice"), to its shareholders by email. Shareholders of the Company who wish to receive the Company's Annual Report and Notices of annual general meeting by email are requested to provide the completed Electronic Communication Consent Form (available on the Company's website), to the Company's Share Registrar.

The audited financial statements of the Company for the year ended December 31, 2023, have been made available on the website: **https://www.frieslandcampina.com/pk/financial-annual-reports/**

10) Updation of Shareholder Addresses & Other Particulars

The shareholders are requested to promptly notify any change in their address, if any, to the Company's Share Registrar. In case of corporate entity, the shareholders are requested to promptly notify any change in the particulars of their authorized representative, if applicable.

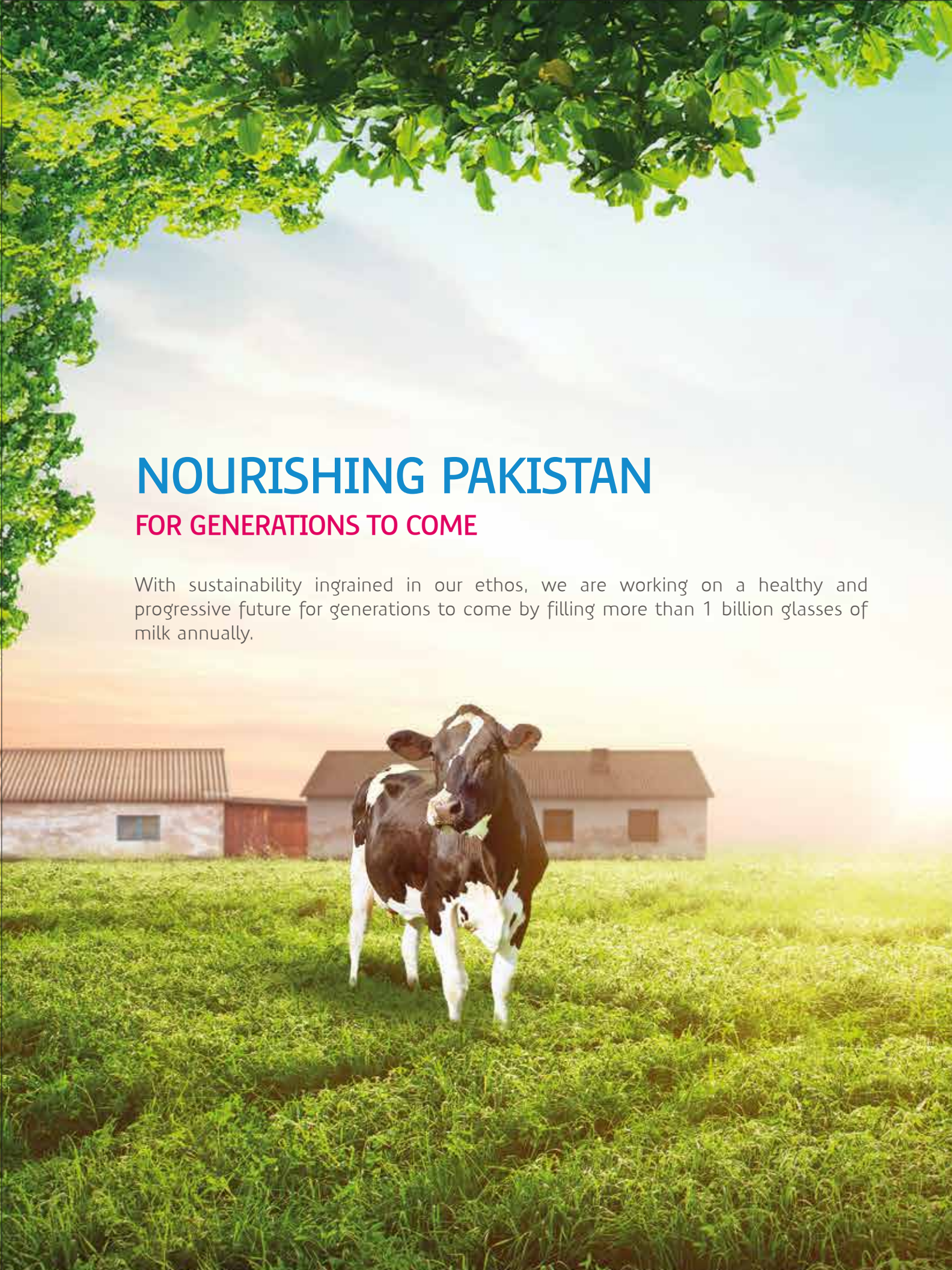
11) Submission of copies of CNIC not provided earlier

Non CDC Individual Shareholders are once again reminded to submit a copy of their valid CNIC to Share Registrar, if not provided earlier to the Company's Share Registrar, FAMCO Share Registration Services (Pvt.) Ltd., and in case of CDC IAS or Participant Account holders, please submit copy of CNIC to CDC IAS or relevant participant.

NOURISHING PAKISTAN

FOR GENERATIONS TO COME

With sustainability ingrained in our ethos, we are working on a healthy and progressive future for generations to come by filling more than 1 billion glasses of milk annually.





CORPORATE GOVERNANCE



BOARD OF DIRECTORS





DIRECTORS' PROFILES

ABDUL SAMAD DAWOOD

Chairman

Since 2015, Mr. Abdul Samad Dawood has served as Chairman of the Board of FrieslandCampina Engro Pakistan (previously Engro Foods). He is also presently Vice Chairman of the Board of Dawood Hercules Corporation (DH Corp), an investment company of the Dawood Group. Prior to this role, he was Vice Chairman of the Board of Engro Corporation which remains one of DH Corp's largest investments to date.

Mr. Abdul Samad Dawood's experience of management and governance spans over 20 years with a special interest in mergers and acquisitions. He has led more than US$ 4 billion of M&A deals, including the Dawood Group's acquisition of HUBCO from National Power International Holdings in 2012 and the sale of DH Fertilizers to Fatima Fertilizer Company in 2015. Mr. Abdul Samad Dawood was also entrusted with the responsibility of leading the merger of Engro Foods (a subsidiary of Engro Corporation) into global dairy giant Royal FrieslandCampina based on the convergence of their values, goals, and abilities to address Pakistan's nutritional challenges; he has since served as Chairman of the Board of the merged entity. These efforts are a culmination of the values advocated by Group Chairman, Mr. Hussain Dawood, who believes a strong code of values builds the foundation for effective problem-solving and human prosperity.

Mr. Abdul Samad Dawood is also an active director on the Board of Pakistan Business Council, a pan-industry advocacy group that promotes easing of barriers to enable Pakistani businesses to compete in regional and global arenas. His corporate governance journey spans various sectors including financial investments, energy, and education; in line with his interests, he is also Chairman of the Board of Cyan Ltd., and a Director on the Boards of The Dawood Foundation, KSBL, Dawood Lawrencepur Ltd., and Reon (Pvt.) Ltd. In addition to governance, Mr. Dawood has served as Chief Executive Officer for Dawood Hercules Corporation Ltd., and Cyan Ltd., and is an active member of the Young Presidents Organization.

Aside from work, Mr. Abdul Samad Dawood has a keen interest in music and plays the piano and guitar. He is an Economics graduate from University College London, UK and a certified director of corporate governance from the Pakistan Institute of Corporate Governance.



ALI AHMED KHAN

Chief Executive Officer

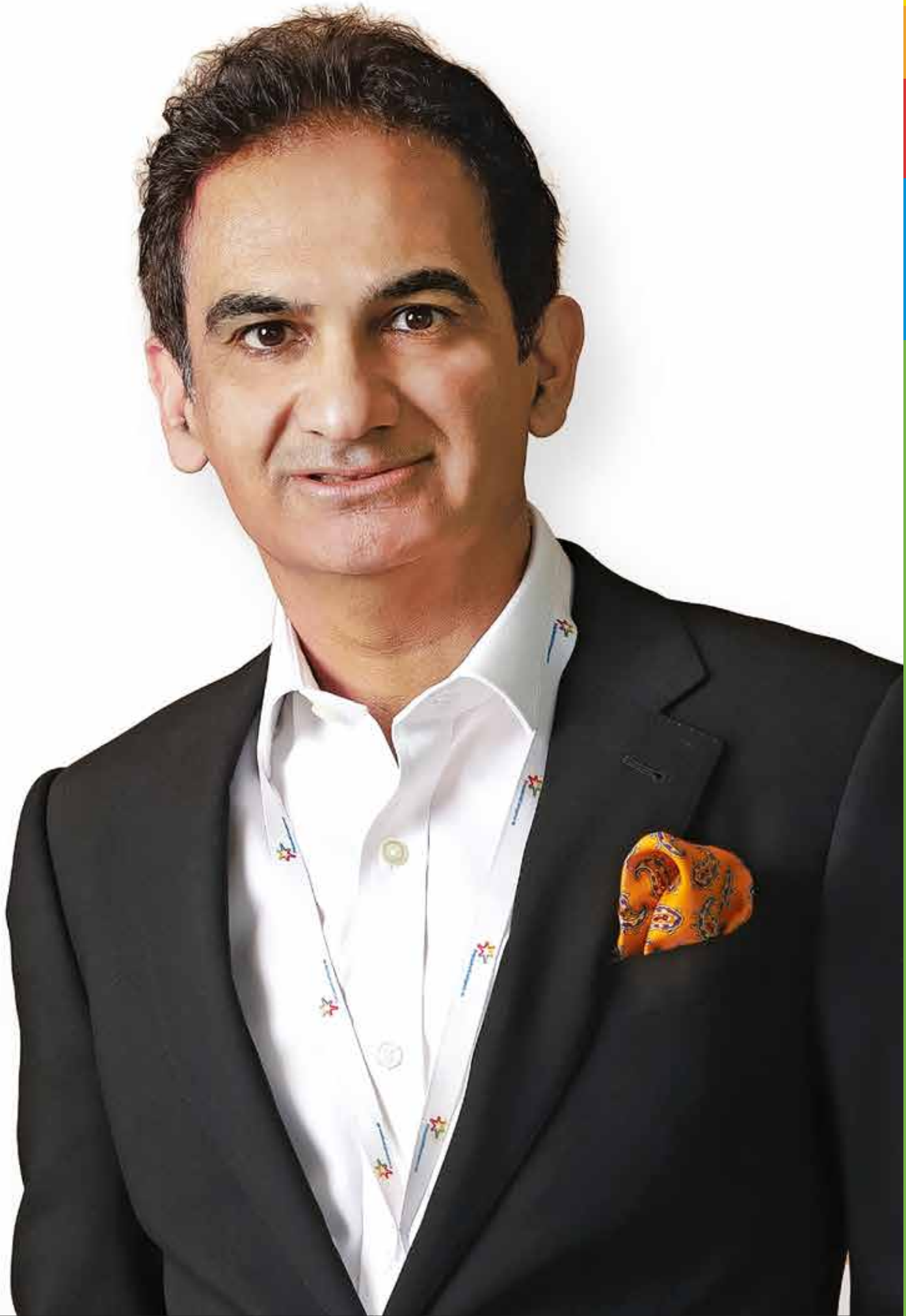
(13th April 2017 - 01st February 2024)

Ali Ahmed Khan has built a rich career over the last thirty years, both within Pakistan as well as abroad, serving in top management positions in leading FMCG companies. He has a strong track record of business turnaround and success, demonstrating strong leadership as CEO in Reckitt Benckiser Pakistan and Iffco Personal Care/Oleo UAE, as well as playing a key role in the success of Pakistan Tobacco Company and Pepsi Cola International as a member of the Management Team.

As Managing Director of FrieslandCampina Engro Pakistan Ltd. (FCEPL) Ali's exceptional leadership and visionary approach have been pivotal in his transformative tenure. Under his guidance, FCEPL experienced significant growth and profitability, and continues to increase its market share across all categories.

During his tenure, Ali brought sharp focus to the Company's Purpose, driven by his strong belief in delivering nutrition and safe dairy to the people of Pakistan, as well as enhancing the livelihoods of dairy farmers. Under his leadership, the Company has prioritized initiatives on diversity and inclusion, sustainability, and transparency in business conduct, whilst continuing to drive business results. Additionally, his commitment to talent development has notably positioned Pakistan as a significant contributor to FrieslandCampina's senior management talent pool.

His appointment to the Executive Board of FrieslandCampina Global as President of the Middle East, Pakistan, and Africa (MEPA) region is a testament to his exemplary performance and strategic vision and marks a significant milestone in expanding his leadership impact across these vital markets.



KASHAN HASAN

Chief Executive Officer
(From 01st February 2024)

As Managing Director and Chief Executive Officer of FCEPL, Kashan Hasan brings 22 years of rich experience across various commercial functions, including sales, customer management, marketing, and trade marketing. A seasoned professional, known for driving performance and spearheading innovation, his career encompasses various regional and global roles in markets such as Pakistan, South Africa, the UK, the Middle East, and North Africa.

Prior to joining FCEPL, Kashan served as the CEO of Shan Foods, a position he took after a 15-year stint at Reckitt, culminating in his role as General Manager for Pakistan.

A graduate of IBA, Kashan is known for his ability to develop insights, devise innovative solutions, and challenge norms, all of which contribute to his track record of delivering exceptional performance.



ZOUHAIR ABDUL KHALIQ

Director

Zouhair is an international business executive with 38 years of global experience in Telecom, Technology, Operations, Strategy and Board Governance. He is a Founder and General Partner at Teamup Ventures a Venture Capital Fund investing in startups in the MENAP+T Region and a Co Founder and Partner at Teamup@NIC, the service delivery partner at the National Incubation Centre which is a public/private partnership which incubates and trains technology entrepreneurs in building successful businesses. He was a Member of the Pakistan Prime Minister's Task Force on IT & Telecom till April 2022.

As CEO of Mobilink 2003-2008, he led the turnaround and exponential growth from 1 million to 31 million customers building it in to a US$10 billion dollar company, growing revenues from US$80 million to US$1.4 billion, investing US$3 billion in infrastructure over 5 years making it one of the 5 fastest growing companies in the Asia Pacific Region and the largest private sector company in the country, which status it maintains today with 75 million customers. In 2009-10 he led the licensing and initial set up of Mobilink Microfinance Bank in Pakistan and mobile banking operations in Bangladesh, Greece and Tunisia. In 2011-14 he led the successful restructuring and turnaround of Warid and Wateen Telecom leading to the successful merger of Warid with Mobilink.

Zouhair is managing partner at ICE Advisory LLP in the UK advising technology companies. Earlier in 2014-15, as Managing Director, Mobile for Development, GSM Association, he managed a US$150 million technology fund investing globally in startup eco-systems for mobile financial services, mobile health, mobile agriculture and FinTech innovation.

Zouhair started his corporate career in 1984 at ICI Pakistan in various finance roles. In 1993 at Mobilink as CFO he was employee #1 and a key member of the founding team. In late 1996 he moved to the UK with Motorola Network Management Group as Director Operations, Europe Middle East and Africa where he led the development of mobile operations over the next 6 years to an addressable population of over half a billion people, in Egypt, Algeria, Tunisia, Pakistan, Bangladesh, Lithuania, Iraq and Jordan.

He has served on Non-Executive Boards of mobile cellular operators through the Middle East, Africa, Pakistan and Bangladesh, on the Board of Islamabad Stock Exchange, the Ignite Technology Fund and as Senior Advisor to the Better Than Cash Alliance, UN Capital Development Fund.

He is currently a Member of the Board of Regents of Harris Manchester College, Oxford University since 2009, Non-Executive Director on the Board of FrieslandCampina Engro Foods and till recently a Non-Executive Director on PTV and Pakistan Radio Corporation. He is a member of the Institute of Chartered Accountants in England and Wales and Pakistan since 1984, an Alumni of INSEAD, France and a Fellow of Harris Manchester College, University of Oxford.



ROBERT TER BORG

Director

Mr. Ter Borg is the Finance Director of Global Supply Chain of Royal FrieslandCampina. Prior to his current role, he has held various leadership positions at Danone and Royal FrieslandCampina. These roles include Finance Director in Brazil, Russia, and Indonesia, as well as Global Finance Director responsible for Corporate Accounting, Tax, Treasury, and Enterprise Controlling. Robert holds a master's degree in business economics and an executive master's degree in finance and Control (RC) from VU Amsterdam.

He joined the Board of FrieslandCampina Engro Pakistan Limited in 2023.



PETRA ATTJE ZINKWEG

Director

Currently, the Director Commercial Transformation of FrieslandCampina N.V., Ms. Zinkweg has held a variety of management positions at both FrieslandCampina and Unilever. With extensive experience in Marketing and Human Resource, Ms. Zinkweg is an incomparable resource for us and has been working towards introducing the industry's best practices into the Company. She hails from the Free University of Amsterdam, through which she has done Master's in Sports Science. She joined the Board of FrieslandCampina Engro Pakistan Limited in 2018.



ABRAR HASAN

Director

Abrar Hasan is the Chief Executive Officer of National Foods Limited (NFL), the leading multi-category food company in Pakistan. He has actively pursued new market opportunities and delivered successful strategies by focusing on continuous innovation, highest standards of quality and superior consumer value.

Being a staunch supporter of Corporate Social Responsibility he also initiated the Adult Literacy Programme in collaboration with The Citizens Foundation (TCF), which aims to equip rural women with basic literacy skills. In 2007, he spearheaded the development of a sustainability strategy of the company, which is today guiding all business functions across the board. He has received numerous accolades, including Marketing Excellence Award 2008 from the Marketing Association of Pakistan (MAP) and the Best Workplace Award 2015.

He is member of the Board of Directors of various strategic forums like the Associated Textile Consultants, Cherat Cement, Pakistan Business Council. Mr. Hasan is a graduate of the Krannert School of Management at the Purdue University in Indiana, USA.



ROELAND FRANCOIS VAN NEERBOS

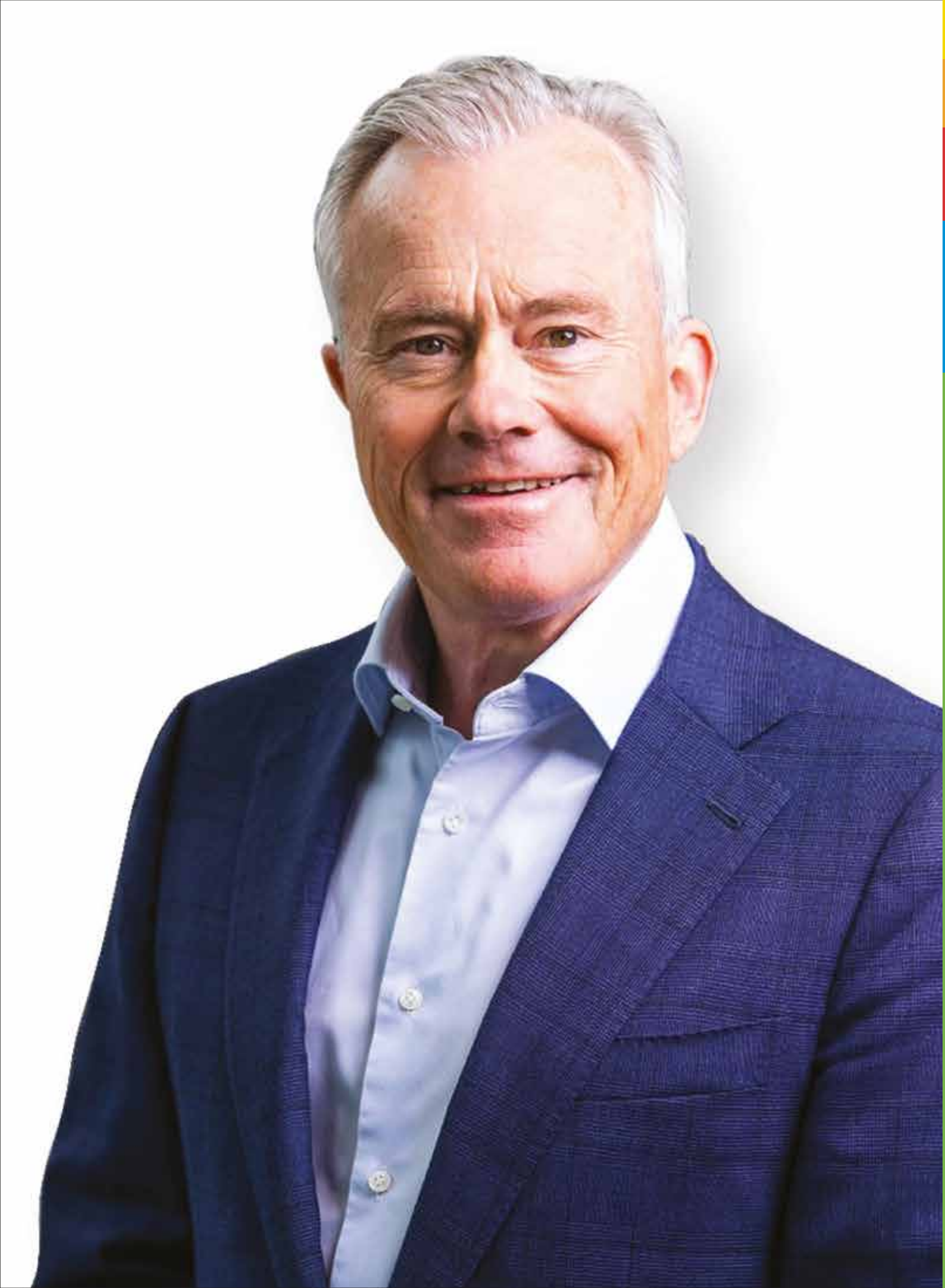
Director

Roel van Neerbos is an Executive Board member of FrieslandCampina. He is also the President and CEO of Food & Beverages, at FrieslandCampina. An excellent communicator, with an ability to solve complex problems, he has held several leadership roles across the world during an illustrious career spanning over three decades.

He joined the organization as Chief Operating Officer, Consumer Products, Europe, the Middle East and the Africa Business Group in January 2017. His innovative and enterprising spirit has helped him to reach out to employees and all those who have been associated with him.

Up until mid-2016, Roel was Chief Executive Officer of Maxeda and is known for having developed the new Maxeda 2020 strategy. Prior to that, he was President at Heinz where he devised and implemented a 'Heinz way' of marketing and training. He has also been on the Board of Directors of Struik Foods and Spadel.

Roel's sharp thinking skills have helped him to implement strategic plans for the company. With a Master's Degree in Business Administration from Groningen University and a passion for racing ahead, Roel is a natural when it comes to leading the way.



MESSAGE FROM
THE CHAIRMAN

Dear Shareholders,

On behalf of the Board of Directors, it is my privilege to present the Annual Report for FrieslandCampina Engro Pakistan Limited (FCEPL) for the year ended 31st December, 2023.

2023 was an eventful year for the Company, the country, and indeed, the world. The global economy was forced to navigate low growth prospects while facing pressure from destabilizing geopolitics in various regions across the globe. Domestically, we witnessed record-high inflation and interest rates which negatively impacted consumer sentiment and purchasing power. Millions of families across Pakistan have been forced to make difficult choices as a result of ensuing financial distress, downsizing their intake of nutritious products and opting instead for cheaper substitutes. As a Company, we recognize the anguish that punctuates these choices and remain committed to efforts that alleviate Pakistanis from making trade-offs that impact the family unit's health.

For this reason, FCEPL has reinforced its focus on affordable nutrition, with due attention paid to interventions of sourcing, product development, packaging, and logistics, all of which have an impact on pricing. Bridging the pricing gap between loose milk and packaged dairy will be essential to build a country that is well-nourished on its huge, indigenous dairy base. For this reason, we are deeply excited to promote offerings like the Olper's Bachat Pack, which gives consumers access to safe, nutritious milk at an affordable price point. Innovation that improves our pricing strategy will be instrumental to conversion efforts and we intend to accelerate such interventions in the years to come.

In addition to building on the power of our dairy brands, FCEPL has also focused on education efforts to drive conversion from loose milk, especially among school-going children; this is very important in light of the fact that more than 40 percent of Pakistan's population is under the age of 15. In 2023, our School Activation Programme led to engagement with over 350,000 students to inculcate healthy habits of milk consumption for a well-nourished life. Additionally, programmes to create excitement around healthy lifestyles were successfully executed, including the Health Champion Programme in Lahore. Efforts like these underscore the importance of our stakeholders in such efforts, especially provincial Food Authorities and School Education Departments, who will be vital players in nourishing young Pakistanis for a brighter future.

At the center of these conversion efforts is the unit on which the dairy economy is founded: the farm. FCEPL has continued to invest in this unit through our Dairy Development Programme, training 41,000+ farmers in animal health and farm management practices to boost dairy productivity. In addition to this, farmers have been included in financial empowerment programmes with interest-free milk advances and subsidised loans to scale and improve their farms. These efforts are not only part of our social responsibility but also our economic philosophy that clearly identifies farmers as the cornerstone of the dairy economy – their financial and emotional well-being are core to unlocking a robust dairy supply chain.



These category conversions efforts are small but necessary steps in a country where 9 out of 10 people consume unprocessed milk that doesn't meet the requisite standards of nutrition and safety. It has been a mistake to not invest more in category conversion which is a core lever of growth; however, we have a bold commitment to learn from this experience. FCEPL recognizes that the greatest gains can only come from category conversion and enhancing dairy productivity, and though we are not there yet, we will continue to make long-term investments in these two areas, even when they entail short-term sacrifices.

The ultimate goal of these efforts is to usher in a White Revolution that builds a well-nourished population that can solve Pakistan's economic challenges by taking it to the global stage, not only through dairy exports but through increased economic participation in and outside the country. Adversity often brings out the best in people; in response to our current account challenges, FCEPL exported products to 12 countries last year and we look forward to expanding our export destinations further in the years to come. A globally competitive Pakistan that exports its produce and human capital is the solution to this country's economic and social challenges and can only be built on the back of a nourished workforce and productive dairy practices.

Royal FrieslandCampina's prioritization of Pakistan as a key market is to the country's benefit, as their efforts truly demonstrate good character and putting one's best food forward. Their focus on FCEPL's long-term vision has repeatedly been seen in their advocacy of affordable nutrition at the Board with invaluable inputs that bring 150 years of dairy expertise to Pakistan. As the Board term draws to a close, I would like to offer my profound gratitude to our Directors for their stewardship of FCEPL in the last 3 years, as well as for their compassionate partnership with Engro Corp during our time of loss. We are humbled by their prayers for my brother Shahzada Dawood, who served on the Board of Directors of Engro Foods from 2005 to 2015 and played a monumental role in enabling it to become a major consumer goods company in Pakistan. FCEPL's two largest shareholders may be connected by business, but above that, we are connected as humans which is what makes our partnership thrive.

I would also like to take this opportunity to commend the tremendous innings played by our outgoing Managing Director, Ali Ahmed Khan. Ali has been a powerful force for FCEPL; over the last 5 years, he has played the role of firefighter, architect, and statesman, leading the Company's turnaround and enabling it to reach a topline record of PKR 100 billion. With his appointment as President Middle East, Pakistan, and Africa (MEPA) to the Executive Board of FrieslandCampina Global, we wish him all the best in his new role and thank him for his service. We are also excited to welcome Kashan Hasan as our new Managing Director. Kashan brings 22 years of core commercial experience to FCEPL and we look forward to working with him to unleash the Company's potential and vision.

Lastly, we would like to thank all our stakeholders, especially the Government, our service providers, partners, regulators, customers, and colleagues who have collaborated in our success. We are also especially grateful to our shareholders for your continued trust in FCEPL; your confidence in us as stewards of your capital has fueled our passion to focus on our mission of affordable nutrition. We aspire to build on this trust so that FCEPL can enable millions of families to make better choices about their nutritional needs so that we can build a prosperous and thriving country.

Thank you all for your continued support.

Regards,



Abdul Samad Dawood
Chairman

MESSAGE FROM THE CEO

Dear Shareholders,

With 2023 behind us, it's time to reflect on the changing business landscape and for me personally to reflect on my leadership journey for the past 7 years.

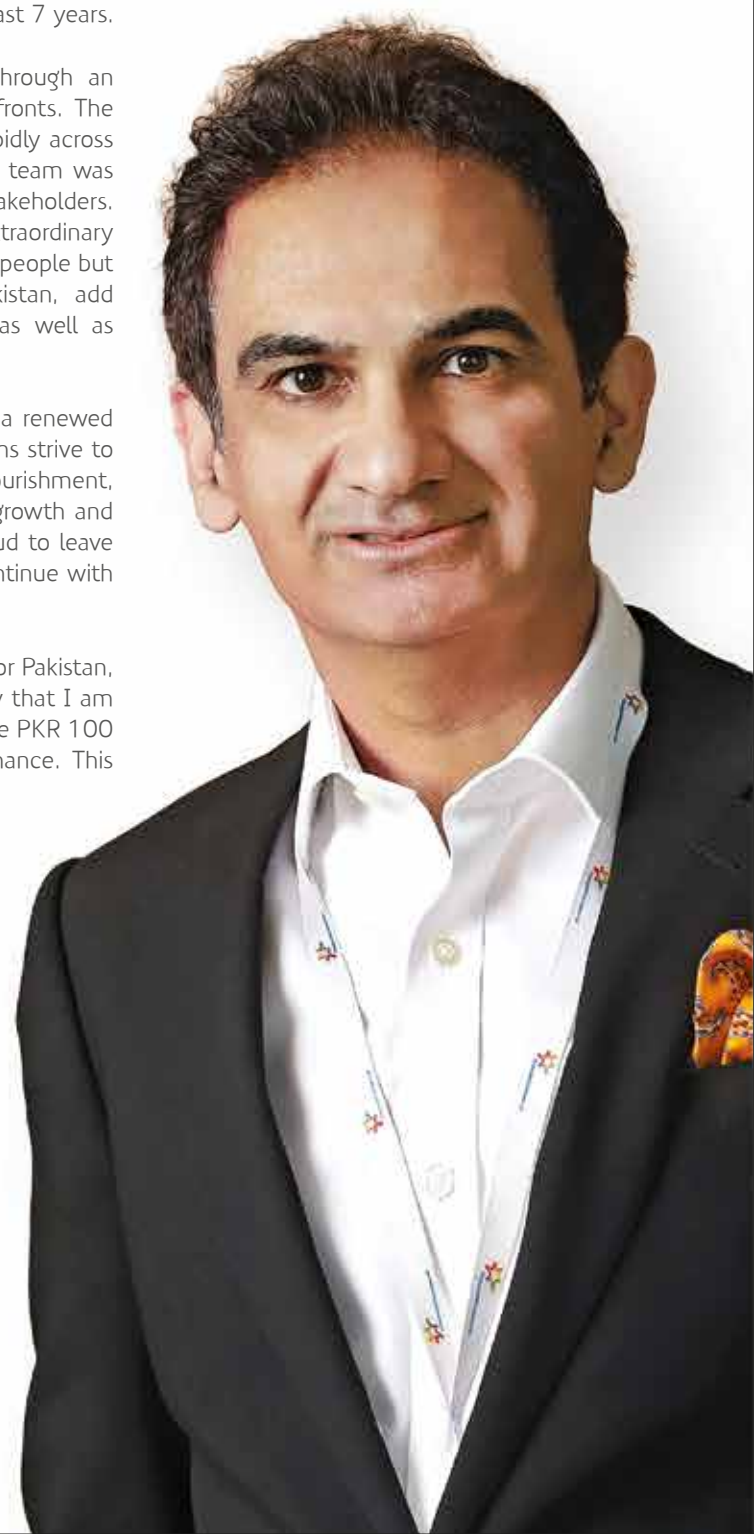
When I started this role in 2017, the company was going through an extremely difficult period with many challenges across several fronts. The packaged dairy category was under pressure, sales were falling rapidly across multiple product lines, the company was financially stressed, the team was demotivated and several challenges were faced with external stakeholders. Yet, when I joined FrieslandCampina Engro Pakistan, I saw an extraordinary opportunity to not just rebuild an amazing company with talented people but also an opportunity to transform the dairy landscape of Pakistan, add nourishment to the lives of millions of citizens of Pakistan, as well as supporting the livelihoods of our farmers.

In these past seven years, I believe we have given our company a renewed sense of purpose. We have built a winning culture where our teams strive to provide Pakistani consumers high-quality affordable dairy-based nourishment, we have improved dairy practices in the country, whilst bringing growth and commercial success to our company. Most importantly, I am proud to leave behind a leadership team to whom I can pass on the baton to continue with purpose, passion, and profit for our shareholders.

Despite geopolitical shifts, economic turbulence, and additionally for Pakistan, political instability and unprecedented inflation, I am proud to say that I am leaving my role with FrieslandCampina Engro Pakistan surpassing the PKR 100 billion revenue milestone, with our strongest ever EBIT performance. This achievement is not just a testament to our strategic vision and relentless focus but also to our exceptional execution capabilities.

I take immense pride in acknowledging the efforts of my Management and Operational team members. I leave behind a team and a culture where leaders and team members have the ability to adapt, innovate, and drive forward in challenging times. This allows us to set new benchmarks for success and position ourselves as industry leaders.

As FrieslandCampina Engro Pakistan navigates the challenges of 2024, I strongly believe that the strategy we have collectively put together i.e. focusing on enhancing operational efficiencies and excellence, increasing our innovation quotient and pursuing opportunities for domestic and international growth, is the right one and should be pursued with renewed vigor and passion.



There are many accomplishments that make me proud and I am pleased to share some highlights from another record year:

- Our Dairy-based Products and Frozen Desserts segments, led by Olper's and Omoré, respectively, have shown remarkable growth, reporting revenues of 91.68 billion and 8.56 billion respectively, solidifying our market leadership and raising the bar in innovation and consumer satisfaction.

- Our flagship brand OLPER'S, once again demonstrated its pivotal role in our portfolio, leading the segment's growth. We expanded OLPER'S product range, with the 1½ Pao Bachat Pack deepening its association with wholesome, nutritious mornings, establishing it as an ideal serving size for a single breakfast consumption occasion. This introduction is a testament to our commitment to innovation and accessibility, as it exemplifies our strategy to cater to diverse consumer needs with high-quality, affordable dairy products, furthering our mission to nourish the nation.

- Following the successful trajectory of OLPER'S, Omoré too marked a year of notable growth and achievement. This success is a direct result of our strategic focus on innovation within the frozen desserts category, where we emphasized not just quality but also diversity in our product offerings. Capturing the vibrant essence of summer, Omoré has broadened its appeal with an array of inventive flavors and engaging marketing campaigns. This deliberate and creative approach has significantly bolstered Omoré's position in the market, contributing markedly to the overall enhancement of our brand equity and market share. Such achievements are reflective of our company's commitment to meeting evolving consumer tastes and reinforcing our presence in key market segments.

- Our commitment to sustainability and environmental stewardship underpins all aspects of our operations, and we remain steadfast in our mission to 'Nourish Pakistan'. This year, we launched and expanded several initiatives aimed at creating a more sustainable, equitable, and nourishing future.

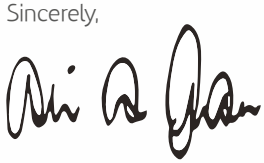
- Our dedication to responsible and sustainable practices is showcased through the continuous expansion of our renowned Dairy Development Programme. In 2023, this initiative positively impacted over 41,000 farmers, including the empowerment of 1,000 women farmers, bringing the total to 33,000 since the programme's inception. A key component, our Farmer 2 Farmer programme, has fostered invaluable knowledge exchange between Pakistani and Dutch farmers, enhancing agricultural practices and community resilience. A highlight of the year was the inauguration of five female-led milk collection centers and the training of 48 female livestock extension workers, reinforcing our commitment to gender inclusivity and empowerment in agriculture. These efforts not only contribute to the well-being of our farmer community but also align with our strategic goals of sustainability and responsible sourcing.

- We intensified efforts to minimize our environmental impact, focusing on renewable energy waste reduction, and tree plantation. Our annual ESG workshop brought together our internal stakeholders to refine our sustainability strategy, ensuring alignment with global reporting standards.

- Our community investment programmes have made significant contributions towards education, healthcare, and providing nutrition, embodying our pledge to Nourishing Pakistan and reinforcing our role as responsible corporate citizens committed to making a positive impact.

- The Health Champion programme was initiated, in partnership with the Punjab Food Authority, impacting 8000 children in 40 schools. Designed to promote healthier lifestyle choices and elevate nutrition standards among children by focusing on nutritious diets and safe food, the programme is set for nationwide expansion in 2024.

Sincerely,



Ali Ahmed Khan
Chief Executive Officer

NOURISHING PAKISTAN

WITH A SUSTAINABLE FUTURE FOR OUR FARMERS

Empowering our farmers with modern farming techniques and knowledge, we equip them with scholarships for their children, fostering a positive impact on the society we shape by working on a sustainable future for our farmers.





DIRECTORS' REPORT



DIRECTORS' REPORT

The Directors of FrieslandCampina Engro Pakistan Limited (FCEPL) (the "Company"), are pleased to submit the report along with the financial statements of the Company for the year ended December 31, 2023. The Company is a subsidiary of FrieslandCampina Pakistan Holdings B.V. (the Holding Company) which is a subsidiary of Zuivelcoöperatie FrieslandCampina UA (the Ultimate Parent Company).

Business Overview

FrieslandCampina Engro Pakistan Limited takes pride in being a leading player in the dairy industry, committed to providing high-quality products to our valued customers. Established with a vision to nurture health and well-being through nutritious offerings, the Company has grown into a trusted brand synonymous with quality, innovation, and sustainability.

In 2023, the Company continued its growth trajectory and delivered another record year with the highest-ever top line and operating profit. This was in the face of a challenging macro-economic environment and intense competition. The Company achieved a remarkable milestone, surpassing the PKR 100 billion topline mark with a 36% increase over last year. The top line growth is driven by volume, pricing, and expansion of retail footprint.

The Company witnessed a growth of 19% in gross profit while the gross margin declined by 210 bps due to high inflation, global supply chain disruptions, foreign exchange constraint and currency devaluation. However, due to initiatives for cost rationalization and efficiencies, operating margin declined by only 115 bps over last year.

The profit after tax declined from PKR 2.5 billion to PKR 1.51 billion in the same period last year primarily due to a significant increase in finance cost, with interest rates almost doubling over the year. Brand health indicators also had a positive trajectory, paving path for long term sustainable growth.

Dairy-based Products Segment

The segment reported a revenue of PKR 91.68 billion, reflecting a growth of 38.3% compared to the previous year.

OLPER'S led the segment's growth by strengthening its market leadership position through brand and trade investments. OLPER'S UHT Milk, OLPER'S Cream, OLPER'S Flavoured Milk and Tarang all experienced a high double-digit growth.

OLPER'S UHT continued to maintain its presence on air with its 'Happy Mornings' campaign across key touchpoints including TV, Digital, social media, and In-store. The campaign further strengthened OLPER'S brand equity and resulted in accelerating conversion from loose milk. In Q4'23, OLPER'S launched 1½ Pao Bachat Pack, supported by an integrated marketing campaign across all relevant consumer touchpoints, establishing 1½ Pao Economy Pouch as an ideal serving size for a single breakfast consumption occasion.

OLPER'S reinforced its market dominance through robust physical availability interventions to build upon our extensive retail footprint. Moreover, Perfect Stores proved to be the key driver of growth supported by an array of shopper centric trade activations and top notch in-store executions. We sharpened our focus on growing value-added brands through targeted revenue growth initiatives, which led to the highest ever outlet productivity for OLPER'S Flavoured Milk and OLPER'S Cream.

OLPER'S Flavoured Milk continued to drive presence on TV through it's 'No Break in Performance' campaign, encouraging milk consumption in children. The campaign targeted consumers through key touchpoints with TV, digital airing along with PR, Influencer marketing campaigns and activations. As part of the activations, it also launched OLPER'S All Stars, an animated film driving engagement with children through a relatable and engaging medium.



Frozen Desserts Segment

The segment reported a revenue of PKR 8.56 billion, demonstrating a growth of 19.2% compared to the previous year. The brand strategically invested in season-opening activities and effectively capitalized on various festivities. By focusing on the summer season, a highly relevant occasion for the category, Omoré successfully carved out a distinctive and scalable space with a strong association to the brand, ultimately boosting Omoré's brand equity. Additionally, the business maintained consumer excitement by introducing three new innovations during the year.

To engage with our consumers, an influencer campaign was initiated on digital media, complemented by in-store activations. Omoré's signature thematic campaign, "Wow Bhara Bite," continued on air, serving as a perfect representation of the brand's key message. Alongside the main thematic campaign, Omoré aired new TVC's featuring the Shahi Mango kulfi and Candy Pop stick innovations, ensuring sustained level of excitement for our valuable consumers. This effort aligns with Omoré's brand message of flavourful, creamy treats available in a wide variety of formats, suitable for people across age groups.

Health, Safety and Environment

Maintaining the highest standards in Health, Safety, and Environment (HSE) is at the core of FCEPL, safeguarding the well-being of individuals associated with the Company and the communities in which it operates.



Ensuring Employee Safety at the Workplace

The Company maintains high standards in Health, Safety, and Environment (HSE) management, aligning with international best practices. Achieving compliance with the Occupational Safety and Health Administration (OSHA USA) through DuPont Alignment reflects the success of its ambitious plans.

A proactive workplace safety programme, incorporating the safety gap analyses, aims to minimize potential injuries. The implementation of DuPont Safety Management, emphasizing employee-focused measures, involved extensive training totaling over 5000+ manhours. The company's commitment to safety is evident through engagement events, Safety Weeks, awareness campaigns, hazard identification programmes, and recognition of safety champions.

The 'Life Saving Rules' serve as a foundation in enhancing workplace safety. Significant improvements, including enhanced physical separation between pedestrian and vehicle movement, and compliance with ATEX directives, were achieved.

The Organizational Behavior Management (OBM) programme initiated in prior years was integrated into Root Cause Analysis (RCA) SOPs.

Continuous community safety initiatives include monthly training sessions in local schools, covering topics such as road, home, and kitchen safety. Safety measures at Nara Dairy Farm, like safety net arrangements and new audit checklists, were implemented to enhance compliance with Life Saving Rules. Training 70 inbound raw milk truck logistics drivers on Defensive Driving further embedded FCEPL's commitment to promoting safe driving behaviors beyond its operations.

Sustainability at FrieslandCampina Engro Pakistan Limited

Grounded in a steadfast commitment to sustainability, FCEPL remains unwavering in its mission to 'Nourish Pakistan'. The Company is dedicated to improving the lives of farmers, empowering rural women in the dairy value chain, producing in balance with nature, and nourishing millions of Pakistanis every day by providing safe, healthy, and accessible nutrition. In its pursuit of a healthy, nourished, and green Pakistan, FCEPL strives to make the grass greener for the cows, yields higher for the farmers, growth stronger for the milk industry, and promise a glass of milk full of natural goodness for every Pakistani.

Better Nature: Ensuring Responsible Environmental Practices

FCEPL is committed to environmental stewardship and recognizes the need to protect the planet. The Company continues to demonstrate an unwavering dedication to minimizing the impact of its business operations and limiting unnecessary resource wastage.

In response to the challenges posed by climate change, FCEPL implemented several initiatives over the last few years. Noteworthy efforts include the installation of solar-powered geysers and eco-friendly air conditioners at area offices and manufacturing units, optimizing water usage through recovery efforts, installation of solar panels at 64 farms and Milk Collection Centers, optimizing the logistics fleet efficiency, and reducing fuel consumption for a positive impact on the environment. FCEPL's commitment to environmental preservation is further underscored by its pursuit of ISO 14001 certifications for Sukkur and Sahiwal plants, and Dairy Farm in Nara.

In 2023, the Company also spearheaded the plantation of 16000+ trees across Sindh, Punjab and Baluchistan, highlighting its proactive approach to environmental conservation.

To foster a culture of environmental consciousness, FCEPL regularly organizes events like Environment Day, Earth Day, and Earth Hour, alongside Sustainability Week. These initiatives engage employees and communities in activities that promote sustainability themes like 'Less Waste, More Green' and 'Go Circular.'



Environmental, Social & Governance (ESG) Workshop

To further embed the importance of ESG within its ecosystem, The Company conducted an ESG workshop in partnership with The Centre of Excellence in Responsible Business (CERB). Teams across FCEPL actively engaged in a full day of immersive activities, and in-depth discussions to strengthen their understanding of the ESG landscape and incorporate future readiness.



This collaborative effort served as a catalyst for action, motivating teams in finance, sales, accounting, marketing, and supply chain to align their strategies with an ESG framework. This alignment reinforces FCEPL's commitment to responsible business practices and sets the foundation for synchronizing efforts with Global Reporting Initiative (GRI) standards for ESG reporting.

Better Sourcing

FCEPL is committed to excellence in raw material procurement, ensuring sustainable and responsible sourcing. Critical raw material, including cocoa powder, palm oil, and sugar, are meticulously selected adhering to globally recognized sustainability certifications or collaboratively developing sustainable development plans with suppliers.

Better Living for Farmers

Dairy Development Programme

FCEPL supports Pakistani dairy farmers through its Dairy Development Programme (DDP), enhancing their livelihoods through capacity-building initiatives and financial support. The Company's commitment to advancing dairy development has yielded significant accomplishments:

The company successfully trained 41,000+ farmers in best dairy practices, including animal health, nutrition, and farm management, and expanded its reach to more than 1,000 female farmers in 2023 alone, totaling 33,000 to date. Through



its Dairy Development Programme (DDP), it champions gender equality and social stability, benefits that extend to future generations. In a significant move toward gender inclusivity, the company inaugurated five female-led milk collection centers and trained 48 female livestock extension workers.

Focusing on agricultural sustainability, FCEPL addressed fodder scarcity by achieving successful maize cultivation in Sindh around NARA. To further bolster the agricultural infrastructure, the company has supported 250+ progressive farmers in the construction and improvement of sheds, along with the procurement of milking machines at subsidized rates.





Through a financial empowerment initiative, FCEPL has provided a significant PKR 1.65 billion in interest-free milk advances to farmers throughout the tenure of the scheme. Additionally, the company has facilitated farmers by providing subsidized loans through collaboration with banks amounting to PKR 626 million since inception of the initiative. Demonstrating a commitment to social responsibility, FCEPL signed a memorandum of understanding (MoU) with financial institutions to aid in the rehabilitation of flood-affected farmers.



Under the FCEPL 'Scholars Initiative,' the company has made substantial strides in education by awarding scholarships to four children of farmers, thereby contributing to the higher education aspirations of these deserving individuals.

Better Nutrition

Health Champion Programme

In collaboration with the Punjab Food Authority and the School Education Department, the Health Champion Programme was launched in Lahore, impacting 40 schools and 8,000 students. This initiative aims to promote healthier lifestyle choices among young minds, emphasizing



nutritious diets, safe food handling, hygiene, and safe milk consumption. The 21-Day Healthy Diet and Safe Milk Consumption Challenge emerged as a pivotal element, significantly improving dietary practices, and providing practical learning experiences for students. Ongoing support for the Raast School in Karachi ensures the provision of nutritious milk to over 360 underprivileged children from Qayyumabad.

Endorsed by prominent figures such as the Lahore Qalandars team, Aisam Ul Haq, and Arshad Nadeem, the programme garnered widespread support and positioned as a benchmark for impactful community health initiatives. The Health Champion Programme is set for nationwide expansion in 2024, reflecting FCEPL's commitment to promoting widespread health consciousness and positive lifestyle choices.

School Activations

Under its School Activation Programme led by OLPER'S Flavoured Milk, the Company engaged with over 350,000 students to create awareness about nutrition and inculcate healthy habits of milk consumption in children. FCEPL partnered with experts and nutritionists to educate people, especially mothers, on the importance of including milk in the diets of school children.



Raast School

FCEPL continues to partner with Raast School in Karachi to provide nutritious milk to over 360 underprivileged children in Qayyumabad. In addition to providing quality education to children and vocational training to women, the school also takes care of the daily nutritional needs of their students



and staff community. The Company supports the school by donating milk weekly and engaging with the students on nutrition and sustainability.

Community Investment

Dedicated to nurturing the communities around its production facilities, FCEPL actively supports 7 schools, providing education to over 2,100 children across Punjab, Sindh, and Nara. Furthermore, FCEPL employees regularly engage in outreach sessions at these schools, focusing on environmental awareness, nutrition, cleanliness, and health, thereby enriching the lives of those in the surrounding communities.



The healthcare center near the Sukkur plant extends its services to thousands of patients annually and has become a beacon of hope for the community, providing primary healthcare services, managing STIs, and conducting awareness programmes on Hepatitis B, C, and HIV/AIDS.

In 2023, the Company allocated PKR 40 million to social investment commitments, with a significant portion (~PKR 15 million) directed towards enhancing the infrastructure of two schools in the Sahiwal community. This investment resulted in the construction of 9 new classrooms, improvements to 4 existing classrooms, and the addition of sanitation facilities.

Awards and Recognition

FCEPL received the Rising Women 2023 (Voices of Pakistan) Award, by the president of Pakistan. This award recognizes the Company's dedication towards women empowerment and the world renown Dairy Development Programme.



Our Human Resource

Overview

FCEPL, aspires to attract, develop, and retain the best talent in Pakistan. The company's commitment to cultivate a culture of growth, collaboration, engagement, and a winning mindset empowers individuals to excel. It prioritizes a workplace where diversity and inclusion are ingrained in the culture, evident in respectful and integrity-driven interactions with stakeholders. FCEPL's goal is to empower its workforce to bring their authentic selves to work, fostering meaningful contributions toward our purpose.

Our Culture, Code and Values

FCEPL fosters a high-performance, inclusive culture characterized by openness, friendliness, and pragmatism. The company places a strong emphasis on collaboration grounded in trust and respect, recognizing diversity as a catalyst for collective growth. Teams actively promote open expression of opinions and value feedback to enhance overall performance.

Globally, FCEPL conducts an annual organizational health survey with approximately 90% participation, providing valuable insights into aspects such as communication, initiative-taking, line manager feedback, employee well-being, and growth and development.

FCEPL's commitment to Compass, the Code for good business conduct, is integral to the company's overarching strategy. New joiners undergo comprehensive training on FCEPL's code and values during onboarding, emphasizing strong business and professional ethics. To reinforce a culture of compliance, ethics, and integrity, the organization conducts annual, company-wide learning sessions that foster interactive dialogues, and ensure key messages seamlessly integrated throughout the company.



Diversity and Inclusion

At FCEPL, we deeply appreciate the positive impact of diversity within our workplace culture.

The Company's ongoing commitment to fostering a collaborative environment, free from discrimination or bias, is clearly demonstrated through our efforts to promote gender diversity. In 2023, the Company continued its successful

programme of introducing female apprentices at its plant sites, significantly contributing to the fortification of its inclusive and diverse ecosystem.

Furthermore, the dedication to supporting working mothers was exemplified by the launch of a daycare facility at Sahiwal plant. This initiative aims to provide a safe, healthy, and engaging environment for employees' children, reinforcing the Company's commitment to the well-being of its employees and their families.

In addition, FCEPL proudly embraces and celebrates a variety of religious occasions throughout the year, truly embodying the 'power of we' mantra.



Recruitment and Onboarding

In 2023, FCEPL's Talent Acquisition team demonstrated unwavering commitment to innovation and inclusivity under the theme of "Unleash Your Nature." Leveraging insights from previous year, the transformation of the Management Trainee Programme resulted in a remarkable surge in candidate applications. The programme's successful conclusion marked the addition of a diverse cohort of bright, energetic, and ambitious talent to FrieslandCampina Engro Pakistan Limited, including the successful onboarding of female management trainees in Agri Business, Manufacturing, and Sales functions.

FCEPL's positive employer branding initiatives created waves across university campuses and digital platforms throughout the year. Active participation in career fairs, recruitment drives, and career counselling sessions solidified the company's presence in top-ranked educational institutions. Inviting students to the office provided firsthand insights into its vibrant corporate culture. Simultaneously, our social media presence flourished, with new hires sharing their experiences, contributing to a positive online narrative about the company. This increased visibility not only attracted attention but also displayed the thriving community within the organization, instilling pride, and enthusiasm among our employees.

In addition to the Management Trainee Programme, the summer internship initiative was revamped, ensuring a stimulating and insightful learning experience for successful candidates.

Employee Wellness and Engagement

At FCEPL, the well-being of employees takes center stage. In 2023, the company reaffirmed its dedication to employee wellness through the implementation of the 'Nourishing You' initiative. Throughout the year, a series of events underscored our commitment including a resilience-focused webinar highlighting its importance.



Key occasions were celebrated with enthusiasm, including Women's Day, Independence Day, Eid Breakfast, Mother's Day, and Father's Day. To foster a sense of community, we engaged employees in birthday celebrations and themed events such as Milk Day, Mango Day, and Movie Day, injecting excitement into the work environment.

Learning and Development

Learning is at the heart of FCEPL's organizational values with a vision centered around continual learning and development for its employees. The Company firmly believes that its

growth is interconnected with the growth of its workforce. FCEPL remains steadfast in its dedication to nurturing its employees by providing opportunities for them to enhance their skills, knowledge, and capabilities.

The commitment to excellence is evident in the launch of "License to Recruit," a global leadership development programme in Pakistan. This initiative equips people managers with essential skills for recruiting top-tier talent, emphasizing advanced recruitment strategies and a deeper understanding of tools for identifying and onboarding exceptional candidates.

Highlighting FCEPL's dedication to the Compass, the code of conduct, the Global Compliance team organized regional workshops with leaders in multiple cities. These sessions centered on different aspects of the company's values and operational methods, including specialized training on compass-related subjects such as fraud, conflict of interest, and practical utilization of corporate resources.

September marked Learning Month, where global webinars led by subject matter experts and FrieslandCampina leaders highlighted the theme "Future Skills." Topics included learning mindset, data-driven ways of working, problem-solving, and resilience, reinforcing the importance of continuous learning.

Throughout the year, various initiatives enhanced employee capabilities, such as implementing a negotiation and conflict management skills programme for the sales force and conducting a specialized training workshop on industrial relations and labor laws for the plants team.



Self-development is integral to FCEPL's learning philosophy, with e-learning opportunities like Good Habits, Horizon Learning, and Get Abstract actively promoted within the company. These platforms encourage continuous learning, allowing employees to learn at their own pace.

In addition to local opportunities, several employees were nominated for FrieslandCampina's Global Flagship Leadership programmes, contributing to a robust talent pipeline aligned with the global competency framework.

FCEPL is recognized as one of the largest exporters of talent within the FrieslandCampina world, with Opco playing a pivotal role in deploying individuals for short and long-term assignments, embracing virtual and remote working options.

Accounting Standards

The accounting policies of the Company reflect the requirements of the Companies Act 2017 and such approved International Financial Reporting Standards as have been notified under this Act as well as through the directives issued by the Securities and Exchange Commission of Pakistan.

Employee Share Option Scheme

The Company operates a Share Option Scheme. The detail of such scheme is explained in note 19 of the accounts.

Pension, Gratuity and Provident Fund

The employees of the Company participate in Retirement Funds maintained by Engro Corporation Limited. The Company contributes to plans that provide post-employment and retirement benefits for its employees. These include Defined Contribution Provident plan, Defined Contribution Gratuity plan and Defined Benefit Gratuity plan. The value of investments of the Defined Benefit Gratuity Scheme as at latest audited financial statement date is as follows:

		DB Gratuity Fund
		Rs. in Million
		30-Jun-23
	Net Assets as Per Audited Financial Statements	**764**
	Breakup of Net Assets	
1	Government Treasury Bills	392
2	Pakistan Investment Bonds	260
3	Shares	73
4	Bank Deposits	16
5	Receivables	44
6	Payables	(21)
	Total	**764**

The above-mentioned plan is a funded scheme recognized by the tax authorities. The latest actuarial valuation of gratuity scheme was carried out on December 31, 2023, and the financial statements of these have been audited up to June 30, 2023.

Auditors

The present auditors, M/s A.F. Ferguson & Co. retired and offered themselves reappointment as the statutory auditors of the Company. The Board of Directors of the Company has endorsed the recommendation of the Board Audit Committee for the reappointment of M/s A.F. Ferguson & Co.

Pattern of Shareholding

Major shareholders of the Company are FrieslandCampina Pakistan Holdings B.V. (51%) and Engro Corporation Limited (39.93%). Other shareholders are local institutions and the public.

A statement of the general pattern of shareholding along with pattern of shareholding of certain classes of shareholders whose disclosure is required under the reporting framework and the statement of purchase and sale of shares by Directors, Executives and their spouses including minor children during 2023, is shown later.

Reasons for not declaring dividend

The Company has delivered profit after taxes and earnings per share (1.97) for the financial year 2023. However, in the interest of shareholders' return in the long term, the priority will be to invest in growth and to offset the strain on working capital requirements due to persistent challenging economic conditions. Hence, the Board of Directors has decided not to recommend dividend for the financial year ended 2023.

Internal Control Framework

Responsibility

The Board is ultimately responsible for the establishment of the Company's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss. The Board, whilst maintaining its overall responsibility for managing risk within the Company, has delegated the detailed design and operation of the system of internal controls to the Chief Executive.

Framework

The Company maintains an established control framework comprising clear structures, authority limits and accountabilities, well-understood policies, and procedures for review processes. The Board establishes corporate strategy and the Company's business objectives. Divisional management integrates these objectives into divisional business strategies with supporting financial objectives.

Review

The Board meets quarterly to consider the Company's financial performance, financial and operating budgets and forecasts, business growth and development plans, capital expenditure proposals and other key performance indicators. The Board Audit Committee receives reports on the system of internal controls from the external and internal auditors and reviews the process for monitoring the effectiveness of internal controls.

Internal Audit

The Company has an independent Internal Audit function. The Board Audit Committee annually reviews the appropriateness of resources and authority of this function. The Head of Internal Audit functionally reports to the Audit Committee. The Board Audit Committee approves the audit plan, based on an annual risk assessment of the operating areas. The Internal Audit function carries out reviews of the financial, operational and compliance controls, and reports findings to the Board. Audit Committee, Chief Executive, and the divisional management.

Risk Management

The Company has a formal risk management framework to assess the risks faced in the context of the broader political and macroeconomic environment. The risk management system identifies strategic, regulatory, financial, operational, reputational, and sustainability risks related to Company's business activities. The risks are reviewed by the Pakistan Leadership Team along with departmental objectives, targets, and performance. Appropriate strategies are developed and implemented to manage the impact of the identified risks to optimize shareholder's value creation. The Company has formulated its risk management structure based on the global practice followed by FrieslandCampina, with the aim of driving the Company's growth by managing risk associated with business adequately.

Director's Remuneration Policy

Directors Fee is paid in line with Board approval and the Company has approved a formal policy in this regard in accordance with the Companies Act, 2017 and the Code of Corporate Governance (CCG). It is ensured that no director takes part in deciding their own remuneration. The fee of the non-executive and the independent directors for attending the Board and Committee meeting of the Company is determined by the Board from time to time. The Board, if it deems appropriate, may engage independent consultants to determine the appropriate level of remuneration of its directors. The remuneration shall not compromise nor influence in any way the independence of the directors. The details of the remuneration package for chief executive and directors are provided at note 39 of the Notes to the Financial Statements for the year ended December 31, 2023.

BOARD OF DIRECTORS

Statement of Director Responsibilities

The Directors confirm compliance with the Corporate and Financial Reporting Framework of the SECP Code of Governance for the following:

1. The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

2. Proper books of accounts of the Company have been maintained.

3. Appropriate accounting policies have been consistently applied in the preparation of financial statements, except for changes resulting on initial application of standards and amendments or interpretations to existing standards. Accounting estimates are based on reasonable prudent judgment.

4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and any departures there from have been adequately disclosed.

5. The system of internal control is sound in design and has been effectively implemented and monitored, including adequate internal financial controls.

6. There are no significant doubts upon the Company's ability to continue as a going concern.

7. There is no material departure from the best practices of corporate governance, as detailed in the listing regulations.

Board meetings and attendance

In 2023, the Board of Directors held 4 meetings to cover its complete cycle of activities. The attendance record of the Directors is as follows:

	Meetings Attended				
Director's Name	**1 (8 Feb 2023)**	**2 (18 Apr 2023)**	**3 (11 Aug 2023)**	**4 (16 Oct 2023)**	**Total**
Abdul Samad Dawood	✓	✓	✓	✓	4
Ali Ahmed Khan	✓	✓	✓	✓	4
Roeland Francois Van Neerbos	✓	✓	✓	✓	4
*Edward Lambertus Holtzer	✓	×	×	×	1
Petra Attje Zinkweg	✓	✓	×	✓	3
Abrar Hasan	✓	✓	✓	×	3
Zouhair Abdul Khaliq	✓	✓	✓	✓	4
*Robert ter Borg	×	✓	✓	✓	3

*Mr. Robert ter Borg was appointed as a director on February 8, 2023, replacing Mr. Edward Lambertus Holtzer.

Board Composition and Governance

As at December 31, 2023, the Board comprises of seven Directors (6 males, 1 female) including one Executive Director, two Independent Directors and four Non-Executive Directors. The Board has the collective responsibility for ensuring that the affairs of FCEPL are managed competently and with integrity.

Mr. Abdul Samad Dawood, a non-executive Director, is the Chairman of the Board. Mr. Ali Ahmed Khan has been the Chief Executive Officer till February 1, 2024. Following his assignment as President of FrieslandCampina's MEPA Business Group, he will be succeeded by Mr. Syed Kashan Hasan from February 1, 2024, however, Mr. Ali Ahmed Khan will continue as Director on the Board till the end of his term. Biographical details of the Directors are included in this report. A Board of Directors' meeting calendar is issued annually that schedules the matters reserved for discussion and approval. The secretary of the Board is Mr. M. Hassan Azwar, General Manager Finance & Company Secretary.

Board Compensation Committee

The Committee meets to review and recommend all elements of the compensation, organization and employee development policies relating to the senior executives' remuneration and to approve all matters relating to the remunerations of the Executive Director and members of the management committee. The Head of HR of the Company is the secretary of the Board Compensation Committee Meeting. The committee comprises the following members:

Zouhair Abdul Khaliq	Chairman
Petra Attje Zinkweg	Member
Ali Ahmed Khan	Member

The secretary of the committee is Mr. M. Shoaib, Director Human Resources MEPA.

Board Audit Committee

The Board Audit Committee assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders, systems of internal control and risk management and the audit process. It can call for information from management and consult directly with the external auditors or advisors as appropriate. The Chief Financial Officer regularly attends the Board Audit Committee meetings by invitation to present the financial statements. After each meeting, the Chairman of the Committee reports to the Board. The committee met 4 times during the fiscal year 2023. The committee comprises the following members:

Abrar Hasan	Chairman
Robert ter Borg	Member
Zouhair Abdul Khaliq	Member

The secretary of the committee is Ms. Maria Umar Memon, GM Internal Audit.

FUTURE OUTLOOK

As FrieslandCampina Engro Pakistan, we bring over 150 years of experience to the dairy landscape of Pakistan. Our purpose is to "transform the health and well-being of Pakistanis now and for generations to come, by nourishing them through unlocking the goodness of milk from grass to glass, as well as by enhancing the livelihood of farmers."

The company expects to face headwinds on both demand and supply sides due to inflationary stress, the declining purchasing power of consumers and global supply chain disruptions. However, with an agile business model in place, the management is confident that it will be able to drive efficiencies across the value chain, build resilience, and future proof business to deliver growth by staying relevant to the consumer.

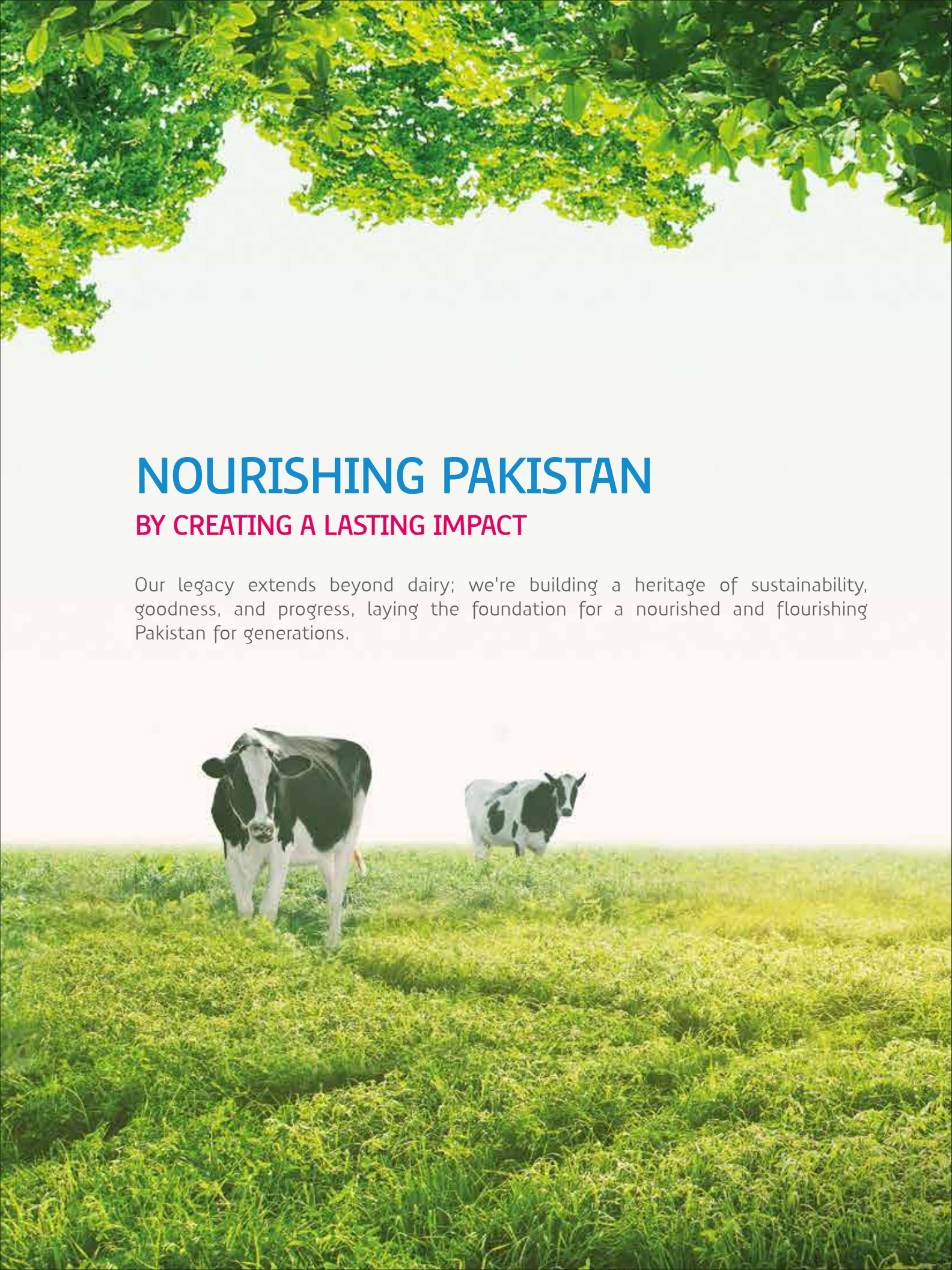
Dairy farmers are the backbone of FCEPL's supply chain, and we take immense pride in our exemplary Dairy Development Programme. The programme is tailored and designed to ensure inclusive growth and increased profitability by sharing knowledge and best practices for dairy farming, providing training on animal health, housing and barn design, feed and water, milk hygiene, aflatoxin control, cow signals, farm economics, calf rearing, and the environment. We also help facilitate farmer communities in obtaining subsidized loans as working capital. Our innovations draw upon our deep, global dairy expertise and are tailored specifically for local preferences and cultural adoption. With this outlook and our unique position, we are combining enterprising talent with emerging methodologies to set the foundation for the next chapter in the food safety and nourishment story in Pakistan.

Investing in brand equity, conversion to packaged milk and expanding our product portfolio will remain a priority. Leveraging our global expertise and heritage, we are committed to upholding the highest standards of hygiene, food safety, and sustainability. Our goal is to continue providing safe, affordable, and nourishing dairy products to millions of Pakistanis daily. Our commitment to nourishing communities and driving positive change remains at the forefront of all our future endeavors. We are optimistic about the future and are committed to sustaining this growth momentum.

NOURISHING PAKISTAN

BY CREATING A LASTING IMPACT

Our legacy extends beyond dairy; we're building a heritage of sustainability, goodness, and progress, laying the foundation for a nourished and flourishing Pakistan for generations.





OUR BRANDS





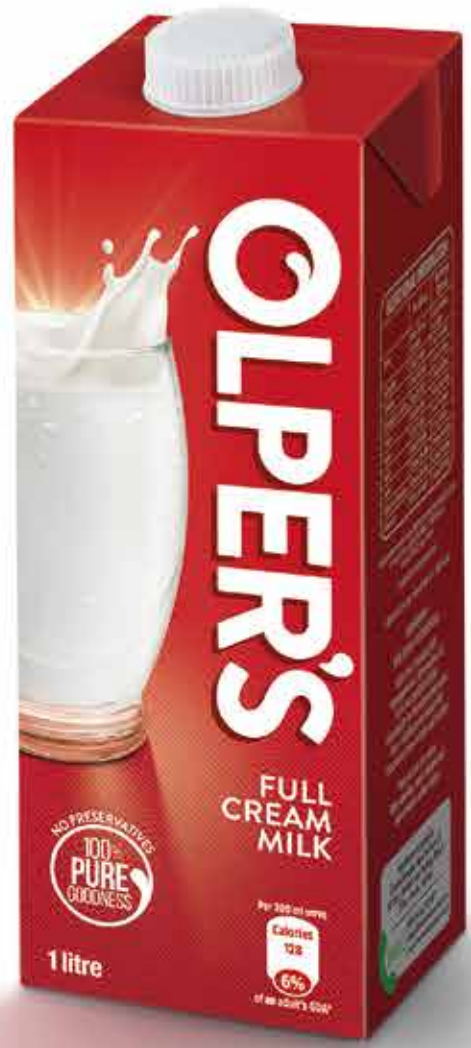
Banao Har Subha
OLPER'S Happy Subha

OLPER'S
UHT MILK

OLPER'S Happy Subha Campaign

OLPER'S Happy Subha campaign continued to drive ownership of the morning occasion while consistently building upon Nutrition & Purity credentials.

The TVC showcased the role of a mother by showing her as an enabler of her family's 'Happy Subha' as she turns a dull morning into a happy morning for her family through the help of OLPER'S and a nutritious breakfast. The IMC campaign was executed across all relevant consumer touchpoints and has been well received by the consumers, resulting in OLPER'S strengthening equity and market leadership position in Pakistan.



Poora karay Breakfast ka waada



OLPER'S 1½ PAO POUCH

Poora Karay Breakfast ka Waada Campaign

In the dynamic landscape of consumer preferences and demands, OLPER'S has continued to cater to evolving consumer needs. In Q4'23, OLPER'S launched 1½ Pao Bachat Pack which serves as an ideal size for a single breakfast consumption occasion.

This launch was supported by an IMC campaign across all relevant consumer touchpoints. The campaign shows a smart mother who caters to the needs of her family's nourishment in a perfectly planned manner. OLPER'S 1½ Pao Bachat Pack provides the right milk quantity needed for her family's daily breakfast needs. Since it offers economy, it helps her to manage the grocery budget while delivering the right balance of nutrition helping her family with a great start to the day.



OLPER'S
FLAVOURED MILK

Performance
Mein Break Na Ho

OLPER'S FLAVOURED MILK

No Break in School Performance Campaign

OLPER'S Flavoured Milk campaign 'No Break in School Performance' establishes itself as a Nutritious beverage for school breaks. The campaign helps establish the need for Nutrition in school lunch breaks, presenting OLPER'S Flavoured Milk as a drink that delivers the energy and nutrients (i.e. protein, calcium, vitamins) for children at school, which help them perform their best. Its catchy jingle delivers the message in a fun and engaging style while 'Performance Mein Break Na Ho' tagline encapsulates the brand promise.

The campaign targets consumers through key touchpoints: TV, Digital, PR, Influencer Marketing & School Activations. As part of the School Activations, OLPER'S also launched All Stars, an animated film sharing the message of Nutrition with children through a relatable and engaging medium.





*1 slice of cheese (~20g) is produced from 1 glass of milk (~200ml).

OLPER'S CHEESE

Ramadan Campaign

Following the success of the 2022 'Breakfast ki Jaan' launch campaign, OLPER'S Cheese aimed to dominate the Ramadan season, the prime time for Cheese consumption in Pakistan.

Just before Ramadan, we creatively tailored our Call-to-Action to establish a connection with the key applications most popular during the season. It was the focal point of our Out of Home and Digital campaign execution. In addition, we implemented Bus Branding, TV Integrations, and Influencer Campaigns to amplify awareness.

Simultaneously, on-ground activations and Facebook Food Competitions were conducted to generate product trial. In a striking partnership with Air Sial, OLPER'S Cheese took to the skies, as it was integrated into the flight's breakfast meals.

The campaign has been well received and has resulted in an increase in brand awareness and consideration.



OLPER'S **UHT MILK**

OLPER'S milk was launched in 2006 and has grown over the years to become the leading brand in the UHT milk category. This success has been achieved over the years by staying true to our philosophy of providing high quality nutritious milk to our consumers.

Our promise of Grass to Glass ensures that the milk collected is free of preservatives, UHT treated, and goes through 28 stringent quality tests so that our consumers get nutritious milk that is safe and healthy. OLPER'S is the leading dairy equity brand in Pakistan where mothers use it for all-purposes such as neat drinking, in making tea and preparing delicious desserts.





OLPER'S **FLAVOURED MILK**

OLPER'S Flavoured Milk was launched in 2020 as a Nutritious drink for children. In 2023, OLPER'S launched a new innovation: the country's most beloved flavour – 'Chaunsa Mango', adding to its portfolio of delicious flavours – Chocolate, Strawberry and Badam Zafran.

OLPER'S Flavoured Milk campaign 'No Break in School Performance' is based on the consumer insight that children need to fulfil their nutritional requirements in school lunch breaks to help them perform their best. Olper's also launched All Stars, an animated film about a group of friends who strive to achieve the pinnacle of success with the right nutritional habits at school. The campaign has created excitement in the category, establishing OLPER'S Flavoured Milk as a drink of choice in the school lunch box.

OLPER'S Flavoured Milk has already made a mark in the category with its promise of Nutrition and great Taste. It has become a favourite amongst children and mothers who seek balanced nutrition for their children.

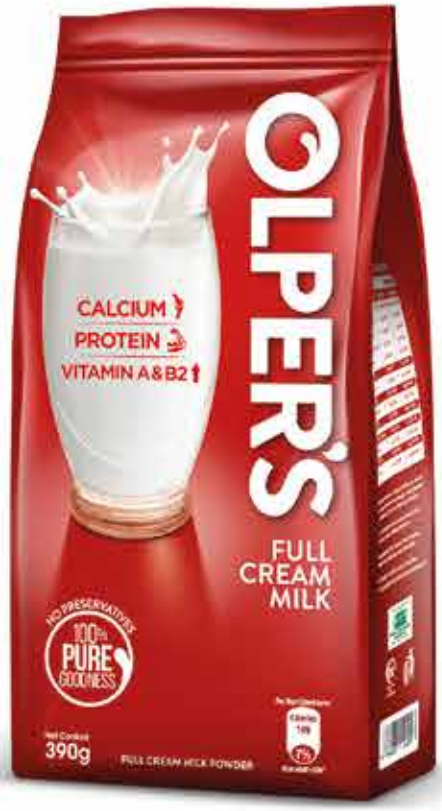
OLPER'S
DAIRY CREAM

OLPER'S Dairy Cream is deliciously thick and creamy with 100% pure goodness of milk. It is the perfect all-purpose cream whether used as a spread or dip for breakfast, as an ingredient for cooking savory or sweet dishes or as a whipping cream for desserts. It is available in 200ml.



OLPER'S
FULL CREAM
MILK POWDER

OLPER'S Full Cream Milk Powder is made from 100% natural cow & buffalo milk and is a high source of Protein, Calcium, Vitamin A & B2. It provides all the delicious goodness and versatility of milk since it is great for drinking, making tea, making desserts and all other dairy applications. It is available in two SKU sizes: 800gm and 390gm.



OLPER'S **CHEESE**

Breakfast is a key consumption occasion for Pakistanis seeking nutritious and tasty food options to kick start their day. OLPER'S Cheese was launched in 2022 as the perfect solution to address this need since it brings the nutrition of OLPER'S Milk in every slice. Currently, it is available in three variants; Cheddar Cheese slices (200g), Cheddar Cheese block (200g) and Mozzarella Cheese block (200g).





OLPER'S **PROCAL+**

OLPER'S Procal+ is high in both Protein & Calcium with less than 1% fat. Protein and Calcium together support the growth and maintenance of muscles and bones, helping to keep you and your family strong and active. Two servings of OLPER'S Procal+ provide for 27% of daily protein and 80% of daily calcium needs.



OLPER'S TARRKA

Since 2007, OLPER's Tarrka has been adding a luxurious taste to consumers' dishes. OLPER'S Tarrka is a premium desi ghee known for its distinct taste and utmost richness. Everyday meals turn into a treat when cooked in the richness of Tarrka.

TARANG

A cup of tea is an invitation to unwind. A cup of tea made with Tarang is to pour energy back into you and provide a rejuvenating break that you can enjoy. Tarang is the perfect complement for a rich, creamy and aromatic tea experience to bring out your carefree self.





DAIRY OMUNG

Dairy Omung is a brand targeted towards the economy segment of Pakistani households in their pursuit for an unadulterated and hygienic milk for their families.

Dairy Omung is affordable low-fat UHT milk which is used by consumers in neat drinking, tea-creaming and a range of dessert-making.

In recent times, frozen desserts have established themselves as a significant component of snacking moments in Pakistani households. Whether individuals seek a quick refreshment during the summer or a filling snack to relish, OMORÉ offers unique experiences tailored to cater to diverse preferences.

With our assortment of creamy and flavourful treats available in various formats, including cups, sticks, cones, and family packs, OMORÉ ensures there is something delightful for everyone!

Notably, dessert and snack categories have witnessed notable growth in recent years, and the frozen dessert segment has particularly thrived due to it being an affordable indulgence.

Leading by Innovation

As temperatures rose towards the end of Q1, we witnessed a notable resurgence in consumer interest in frozen treats. In our commitment to fostering engagement and generating excitement, we introduced three innovations throughout the year. These initiatives were aimed at adding novelty to our offerings and actively engaging consumers, driving traffic to our freezers.

Nothing evokes the essence of summer in Pakistan quite like mangoes. Mango isn't merely some fruit for Pakistanis; it serves as a refreshing respite to combat the scorching summer temperatures. It transcends its classification as a fruit and transforms into a delightful experience in various forms such as juices, shakes, desserts, and more. Capitalizing on the festive spirit surrounding mangoes, we introduced our Shahi Mango flavour - a fusion of Kulfa and mango in a convenient stick format.

Our initiative commenced with the televised unveiling of the all-new Shahi Mango Stick, strategically intertwining the brand promise with OMORÉ's distinctive assets against the vibrant backdrop of summer blockbuster excitement.

To establish a deeper connection between OMORÉ and the summer season, we engaged with consumers through activations complemented by a focused digital presence. As the message gained traction, we strategically introduced our new innovation to consumers during peak summer hours at food streets and petrol pumps, seizing the opportunity to entertain them while waiting for food or refueling. To culminate this effort, we orchestrated a celebratory event with our own media (trike), injecting excitement into family outings during the heat of summer.

To combat unprecedented inflation in 2023, our focus shifted to providing affordable indulgence to our consumers to provide reprieve during these challenging times. We launched two SKUs: Candy Pop Sticks, a creamy bubble gum frozen dessert stick, and Mango Crush, a refreshing water ice, aiming to further excite our consumers. Innovative freezer activations at point-of-sale locations and announcer copies on digital media added to the success of these launches.

As a result, leading by innovations contributed towards strengthening our brand equity and presence in the market.

INNOVATIONS OF THE YEAR

Candy Pop Stick
a creamy bubble gum frozen dessert stick





Shahi Mango Stick
a fusion of kulfa and mango in a convenient stick format



Mango Crush Stick
a refreshing water ice

FROZEN DESSERT SALES HIGHLIGHTS

Spectacular Season Opening

In Feb 2023, OMORÉ celebrated its season opening with the theme "Operation Orange Thunder" and conducted execution bushfires with best-in-class visibility across all channels. The OMORÉ team merchandized 5000+ outlets, activated Pandamart platform with exciting offers and captured multiple hotspots through Mobile channel.







Eid Festivities

OMORÉ celebrated Eid ul Fitr and Eid ul Adha by capturing the market through key price point communication on all point-of-sale mediums. Efforts during Eid ul Fitr and Eid ul Adha resulted in highest ever volume achievement during two main festivities and market share gain against the competition.





OMORÉ Capturing Tourism

For the first time ever, Team OMORÉ expanded its channel coverage across high footfall tourism areas. This included a clutter breaking engagement station at Kashmir Point and 10 motorized trikes on tourism routes like Kuldana, Jhika Gali, Lower Topa, Ayubia, Kohala, Murree.



Increasing Ecommerce Presence

In Feb 2023, Future Channels Team ensured JBP locking with PandaMart, the leading B2C player in Pakistan. This year around, we captured Season Opening and Eid through prime visibility on the platform, introduced custom sleeves for PandaMart, Activated Shahi Mango Vouchers and created attractive bundle deals which were highly popular among the shoppers. The future looks promising, as we continue to captivate shoppers and drive growth on the platform.



Modern Trade Activation

OMORÉ recently embarked on a nationwide activation campaign across selective Modern Trade outlets. The initiative encompassed exciting shopper experience and interactive visibility. In a remarkable first, Brand Ambassadors were enlisted to enhance shopper experience. Spearheaded by the Future Channels Team OMORÉ, this initiative aimed to expand market presence and drive sales growth. The ongoing campaign has successfully created a buzz, leaving lasting impressions on both existing and potential shoppers.



Cold Chain Sustainability Initiatives

OMORÉ undertook two major sustainable initiatives this year for sustainable business operations in years to come.

1. Our cold chain team installed solar panels for the distribution setup in Sahiwal. This initiative will reduce vulnerability to fluctuations in energy prices and power outages, and result in 64% expected cost savings.

2. The cold chain team also developed first-time-ever EV trike for Mobile channel. This sustainable solution will reduce the cost per SKU sold and positively impact the stock-point distributor's profitability as well.



Partnership with Beaconhouse School System

Delighted to share that Team OMORÉ has cracked an exclusive deal with Beaconhouse School System at +170 campuses nationally. The account promises immense increase in volume and NSR value with a margin lucrative mix. BSS has also extended merchandising rights at main campuses nationally providing Brand Visibility to +70,000 students.

DAIRY SALES HIGHLIGHTS

Vision: Dairy Sales Team – FCEPL

The dairy sales team of FrieslandCampina Engro Pakistan Limited has one key purpose: to ensure that every Pakistani household has access to safe and nutritious dairy. The vision is not just to serve these households today, but also for generations to come.



People and Engagement: Our Core

FCEPL's Dairy Sales division prioritizes transparent communication with internal and external stakeholders, acknowledging and rewarding exceptional contributions. We emphasize and live our key values such as trust and respect as well as acknowledge the impact of our collaboration on both, the business, and the people of Pakistan.

Celebrating Success: Annual Sales Conference

The sales team organized its Annual Sales Conference at Islamabad in February 2023. Awards were also presented to recognize Dairy & Ice Cream Sales' stellar performance in the past year. Entertainment and team engagement activities further enhanced the festivity of the event.

Olper's Tourism

To capitalize on the high tourist influx in Northern Pakistan, the dairy sales team ensured OLPER'S presence at key destinations. To take it up a notch this year, the team brought the tourism and leisure channel to the metro towns of Karachi, Lahore, and Islamabad, where customers turned up in high numbers to feast on nutritious meals prepared from OLPER'S products.



School Canteens – Channel Development

To harness the potential of the Schools Channel in Pakistan, our team implemented a school reinvigoration plan, focusing on utilizing OLPER'S Flavoured Milk during school breaks for energy replenishment. With key partnerships in the educational sector through a joint business plan, the 'Schools Channel' is now thriving, helping us to serve our purpose of providing nutrition for everyone.



Revitalizing OLPER'S UHT: Driving Availability of the "1.5 Pao: Bachat Pack"

In response to inflation challenges, OLPER'S relaunched the pouch into "OLPER'S 1.5 Pao: Bachat Pack," offering a cost-effective solution. Nationwide availability of this SKU reflects our commitment to adapting to market dynamics and providing excellence amid economic fluctuations. The countertop/shelf slide-in solutions enhanced visibility in outlets and offered shoppers a convenient way to find our product.

First Ever Digital Recipe Campaign in Pakistan

The E-Commerce team was elated to execute a signature digital recipe campaign at Pandamart, being the first of its kind in Pakistan. Delectable recipes were shortlisted and were placed on the platform, featuring OLPER'S Cheese and OLPER'S Cream. Coupled with strategic visibility, the campaign allowed us to capture the spirit of culinary exploration in addition to boosting sales.



Creating An Impact on Trade: OFM's New Chaunsa Mango

This year marked a delightful expansion in OLPER'S Flavoured Milk portfolio with the introduction of the much-anticipated "Chaunsa Mango" flavour. It's success further solidified OLPER'S Flavoured Milk as a tastemaker, with exciting e-commerce deals, trade activations, deployment of POSM and team engagement celebrations to celebrate Pakistan's all-time favorite fruit.



Ace Academy Field Sales

Ace Academy Field Sales was established to enhance the commercial capabilities of our Field Force, emphasizing our commitment to cultivating a positive impact in their personal and professional realms. This educational endeavor attained the esteemed Global WIN-WIN award.



Sales Bulletin

To boost engagement and motivation company wide, FCEPL's Sales Team published a concise sales bulletin spotlighting achievements of 2023. The bulletin highlighted important milestones achieved throughout the year. It reiterated company strengths, fostering a sense of pride amongst the team.



Elevating Olper's Cheese Market Presence

In the triumphant first half of 2023, the team achieved commendable volumes for Cheese Champions navigating the competitive landscape. Strategic initiatives secured a robust shelf presence across an extensive outlet network, while distinctive and clutter breaking trade marketing assets in key metro cities enhanced availability and visibility for the brand.



Driving Sales Growth via Super League Competition



A highlight this year was the nationwide Super League sales competition, involving nine teams across Pakistan. Focused on boosting sales for OLPER'S Cream, Flavoured Milk, and UHT, the competition emphasized availability, visibility, and chiller compliance. This strategic move enhanced team camaraderie and significantly improved brand presence.

Strengthening Partnerships with Key Customers

In 2023, our team executed impactful activations at Key Customers. Strategic partnerships for our stellar brands and new launches such as 'Chaunsa Mango Flavoured Milk', served as a vital growth engine for us, driving consistent results for us.



Merchandising Excellence

The dairy sales team precisely executed elements to create a distinctive shopping experience. Our exquisite special event displays beautifully exhibited our brands that cater to the festive season. Likewise, we strategically placed breakfast solutions making our brands the go-to products for breakfast.



Serving Nutrition 24/7

We aimed to maximize our physical availability across Petromarts. Our aim was to fully cater to the shoppers shopping 24/7 at petromarts. The dairy sales team was also able to effectively lock a JBP with another one of the biggest OMCs in Pakistan.








Dairy Omung
PRO CAL+
OLPER'S
DAIRY CREAM
Tarka
SLI DESI GHEE
omoré
KULFA
omoré
mango
omoré
caramel crunch
omoré
cookie mania
250ml


ER SAVER
OLPER'S
1½
پاؤ
CALCIUM
MIN A&B2
FULL
CREAM
MILK
OLPER'S
MOZZARELLA
CHEDDAR
CHEESE
CHEDDAR
CHEESE
CHOCOLATE
FLAVOURED
MILK

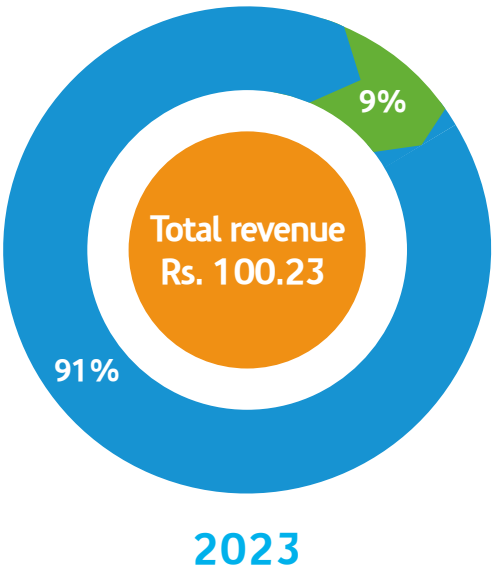
FINANCIAL REVIEW



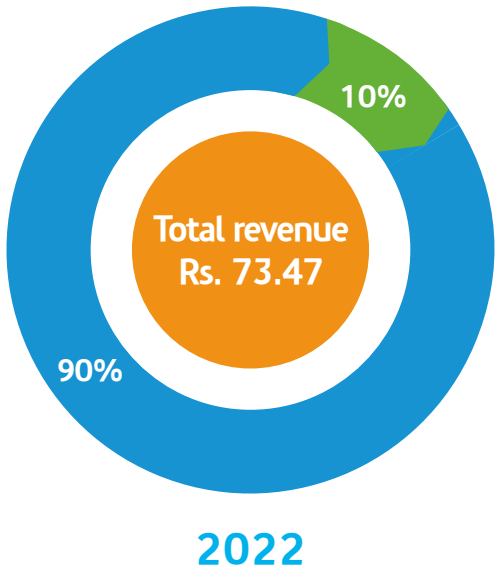
FINANCIAL REVIEW

Business Revenue (Rs. in billions)
% Segment Share

- Dairy based products
- Frozen desserts

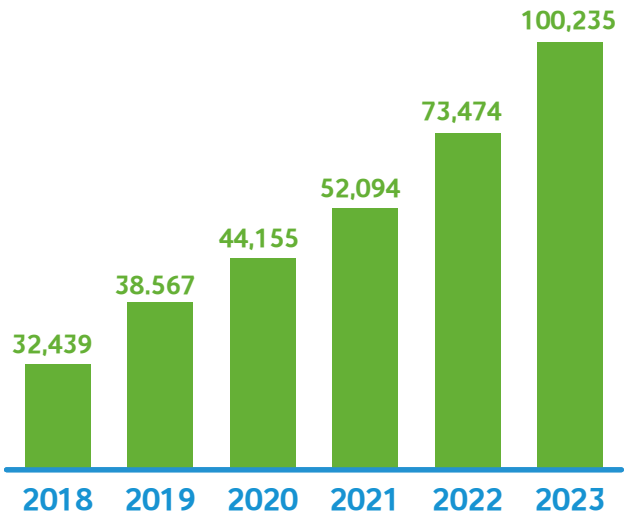


2023

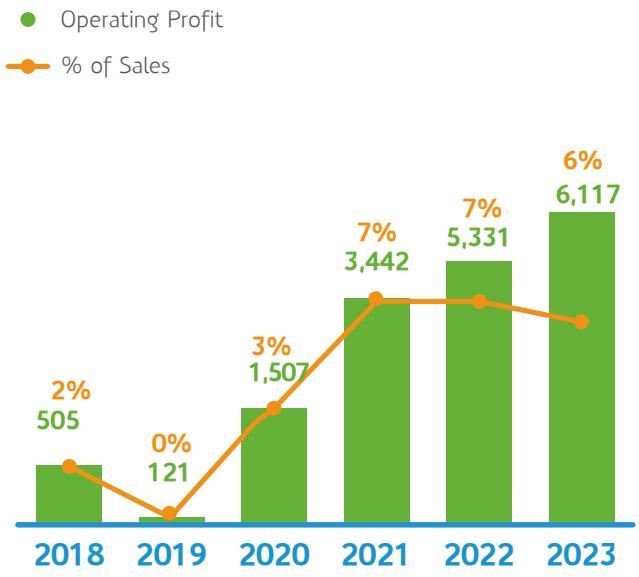


2022

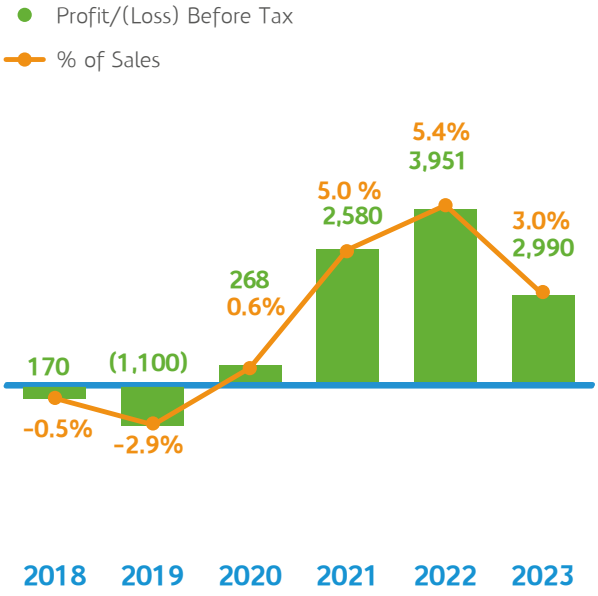
Sales
(Rs. In Million)



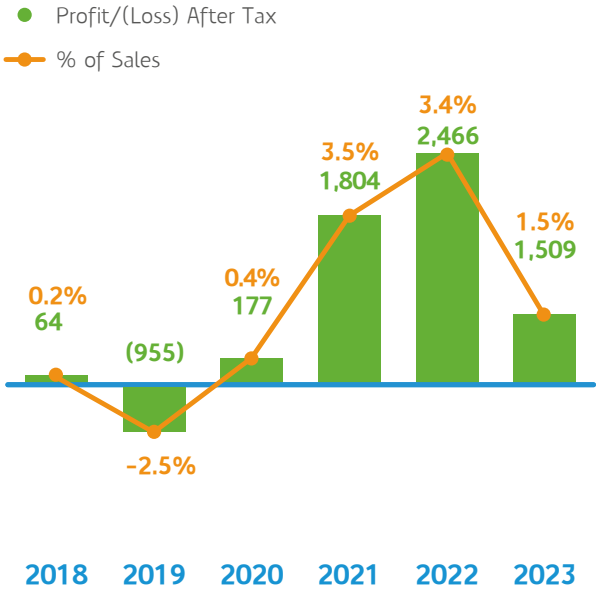
Operating Profit & % of Sales
(Rs. in million)



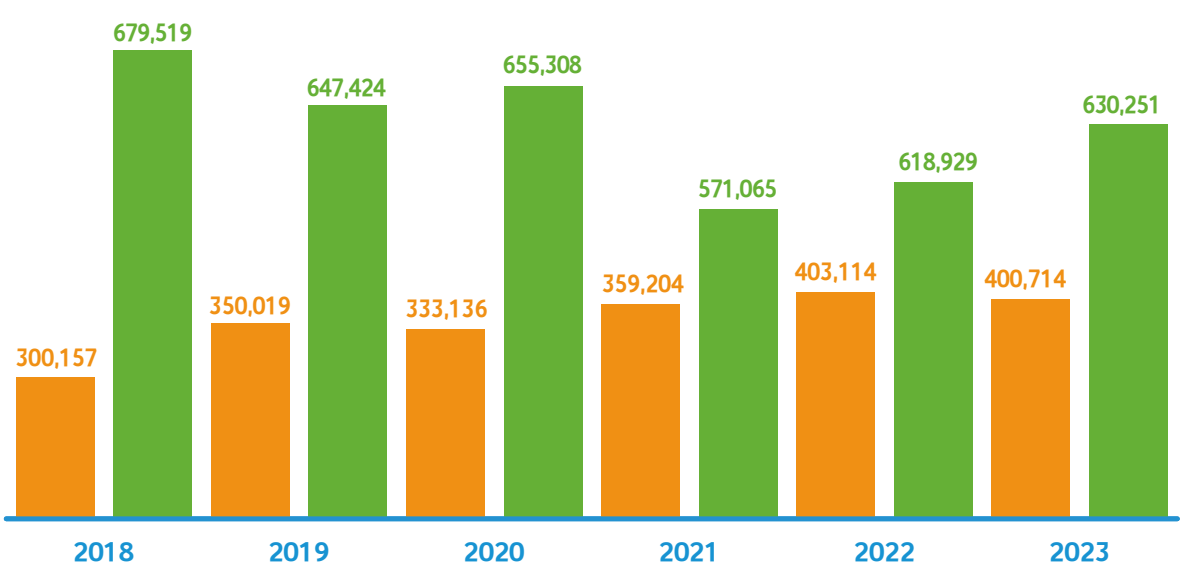
Profit/(Loss) Before Tax (Rs. in millions)



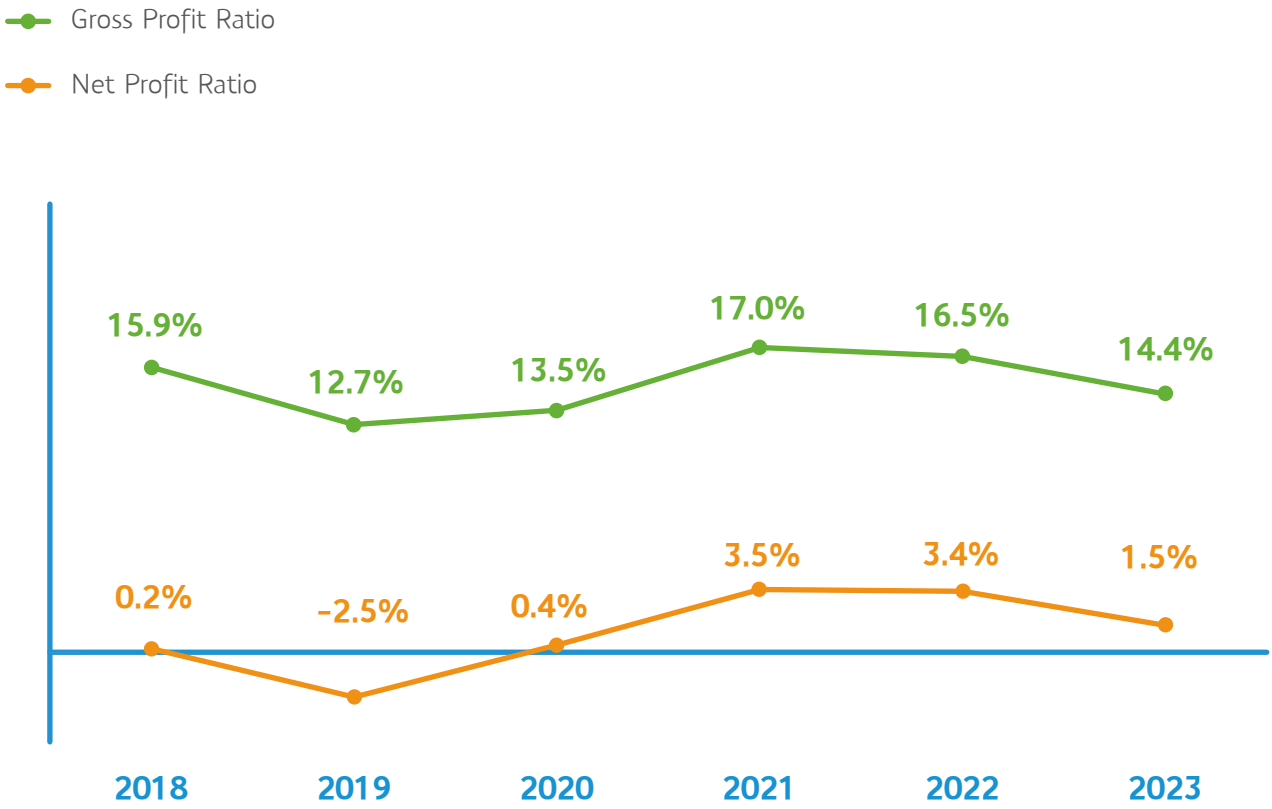
Profit/(Loss) After Tax (Rs. in millions)



Actual Production vs.
Designed Annual Capacity ('000 litres)



Profitability Ratios:



STATEMENT OF VALUE ADDITION & DISTRIBUTION

WEALTH GENERATED	2023 Rs. in millions	%	2022 Rs. in millions	%
Total Revenue inclusive of sales-tax and other income	105,576		77,551	
bought-in material and services	(86,487)		(62,142)	
	19,089		**15,409**	
WEALTH DISTRIBUTED				
To employees				
Salaries, benefits and other costs	4,596	24.08%	3,971	25.77%
To Government				
Taxes, duties and development surcharge	7,864	41.20%	5,803	37.66%
To Society				
Donations towards education, health, environment and natural disaster	44	0.23%	32	0.21%
To Providers of Capital				
Mark up/interest expense on borrowed money	3,127	16.38%	1,380	8.95%
Retained for reinvestment and future growth, depreciation, amortization, retained profit	3,458	18.12%	4,223	27.41%
	19,089		**15,409**	

FINANCIAL SUMMARY

Description	2023	2022	2021	2020	2019	2018
	---------- Rupees in million ----------					
Statement of Financial Position						
Share capital	7,666	7,666	7,666	7,666	7,666	7,666
Share premium	865	865	865	865	865	865
Employee compensation reserve	-	1	43	100	116	218
Remeasurement of post employment benefits - Remeasurement loss	(297)	(274)	(171)	(146)	(132)	(138)
Unappropriate profit / (loss)	5,941	4,431	1,924	62	(130)	730
Shareholders' funds / Equity	14,176	12,690	10,327	8,548	8,385	9,341
Long term borrowings	250	750	2,200	4,663	3,200	4,000
Capital employed	14,426	13,440	12,527	13,211	11,585	13,341
Property, plant & equipment	11,394	9,858	9,513	10,448	10,913	11,819
Long term advances and deposits	253	129	61	44	59	71
Statement of Profit or Loss						
Revenue from contracts with customer - net	100,235	73,474	52,094	44,155	38,567	32,439
Gross profit	14,409	12,108	8,837	5,953	4,880	5,154
Operating profit	6,117	5,331	3,442	1,507	121	505
Profit / (loss) before tax	2,990	3,951	2,580	268	(1,100)	(170)
Profit / (loss) after tax	1,509	2,466	1,804	177	(955)	64
Statement of Cash Flows						
Net cash flow from operating activities	3,344	6,223	3,683	1,934	1,522	1,231
Net cash flow from investing activities	(2,137)	(1,445)	(884)	(1,316)	(838)	(1,113)
Net cash flow from financing activities	(1,953)	(2,836)	(1,486)	1,703	(458)	(958)
Changes in cash & cash equivalents	(746)	1,941	1,313	2,321	226	(840)
Cash & cash equivalents – Year end	3,078	3,825	1,883	570	(1,750)	(1,976)
Others						
Market capitalisation	62,794	50,392	64,988	63,101	60,823	61,145
Number of shares issued	767	767	767	767	767	767
Quantitative Data	---------- Litres in '000 ----------					
Designed Annual Capacity						
Dairy based products	592,831	581,509	533,645	617,888	610,004	642,540
Frozen Desserts	37,420	37,420	37,420	37,420	37,420	36,979
Actual Production						
Dairy based products	375,894	373,722	334,986	314,979	328,627	281,903
Frozen Desserts	24,820	29,392	24,218	18,157	21,392	18,254

FINANCIAL PERFORMANCE INDICATORS

RATIOS	2023	2022	2021	2020	2019	2018
Profitability Ratios:						
Gross profit ratio	14.4%	16.5%	17.0%	13.5%	12.7%	15.9%
Net profit to sales / (loss)	1.5%	3.4%	3.5%	0.4%	-2.5%	0.2%
EBITDA margin to sales	8.0%	9.6%	11.0%	8.6%	6.3%	7.7%
Return on equity	10.6%	19.4%	17.5%	2.1%	-11.4%	0.7%
Return on capital employed	10.4%	18.5%	13.7%	1.4%	-7.5%	0.5%
Operating leverage ratio	0.41	1.34	7.14	78.87	(4.02)	8.38
Liquidity Ratios:						
Current ratio	1.0	1.0	1.1	1.1	0.9	1.1
Quick / acid test ratio	0.5	0.7	0.7	0.6	0.5	0.7
Cash to current liabilities	0.1	0.1	0.0	0.1	0.0	0.0
Cash flow from operations to sales	0.0	0.1	0.1	0.0	0.0	0.0
Activity / Turnover Ratios:						
No. of days inventory	37.7	36.4	34.6	34.7	36.5	37.9
No. of days receivables	6.9	8.0	7.4	7.1	6.2	3.2
No. of days payables*	96.1	93.4	96.1	98.6	100.8	98.8
Operating cycle	(51.5)	(49.0)	(54.1)	(56.8)	(58.0)	(57.7)
Inventory turnover	9.7	10.0	10.5	10.5	10.0	9.6
Debtors turnover	52.9	45.8	49.5	51.4	58.6	113.6
Creditors turnover*	3.8	3.9	3.8	3.7	3.6	3.7
Total Assets turnover ratio / fixed assets turnover ratio	2.4	2.1	1.9	1.9	1.6	1.4
Investment /Market Ratios:						
Earnings per share (EPS) - basic & diluted	1.97	3.22	2.35	0.23	(1.25)	0.08
Price earnings ratio	41.56	20.40	36.06	357.70	(63.44)	996.50
Market value per share at the end of the year	81.87	65.70	84.73	82.27	79.30	79.72
Highest market value during the year	105.00	93.52	124.24	95.32	91.49	107.34
Lowest market value during the year	52.60	63.21	76.27	43.20	42.10	69.00
Breakup value per share	18.49	16.55	13.47	11.15	10.94	12.19
Capital Structure Ratios:						
Long-term debt to equity	5.9%	9.4%	23.7%	59.0%	43.1%	42.8%

*including supplier financing - Unfunded

KEY SHAREHOLDING & SHARES TRADED

Information of shareholding required under the reporting framework is as follows:

1. Associated Companies, Undertakings and Related Parties

Shareholder's Category	No. of shares held
FrieslandCampina Pakistan Holding B.V.	390,963,999
Engro Corporation Limited	306,075,947

2. Directors, Chief Executive Officer and their spouse(s) and minor children

Shareholder's Category	No. of shares held
Mr. Abdul Samad Dawood	501
Mr. Abrar Hasan	500
Mr. Zouhair Abdul Khaliq	1
Mr. Ali Ahmed Khan	15,000

3. Executives 27,199

4. Public sector companies and corporations -

5. Banks, Development Financial Institutions, Non-Banking Financial Institutions 4,097,985

6. Insurance Companies 281,050

7. Modarabas and Mutual Funds -

Shareholder's Category	No. of shares held
Name	Holding
CDC - TRUSTEE AKD INDEX TRACKER FUND	23,724
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	54,900
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	34,400
CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	9,000
DCCL - TRUSTEE AKD ISLAMIC STOCK FUND	24,001
CDC - TRUSTEE GOLDEN ARROW STOCK FUND	155,000
Total	301,025

8. Shareholders holding five percent or more voting rights in the Company:

Shareholder's Category	No. of shares held
Engro Corporation Limited	306,075,947
Frieslandcampina Pakistan Holding B.V.	390,963,999

9. Details of purchase/sale of shares by Directors, Executives* and their spouse(s) / minor children during 2023.

Name	Date of Purchase/Sale	Share puchased	Shares Sold	Rate

* For the purpose of declaration of share trades all employee of the company are considered as "Executives"

PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2023

No. of	No. of Sharesholdings		Total
Shareholders	From	To	Shares
919	1	100	45,128
3,047	101	500	1,375,276
1,313	501	1,000	1,232,354
1,610	1,001	5,000	4,241,221
373	5,001	10,000	2,966,284
133	10,001	15,000	1,733,184
83	15,001	20,000	1,504,994
56	20,001	25,000	1,344,250
37	25,001	30,000	1,041,264
32	30,001	35,000	1,060,045
17	35,001	40,000	659,077
11	40,001	45,000	469,254
25	45,001	50,000	1,215,441
8	50,001	55,000	421,270
3	55,001	60,000	173,000
7	60,001	65,000	445,331
8	65,001	70,000	544,793
5	70,001	75,000	363,239
5	75,001	80,000	395,766
2	80,001	85,000	168,500
4	85,001	90,000	355,000
6	90,001	95,000	566,571
7	95,001	100,000	700,000
2	100,001	105,000	205,180
3	105,001	110,000	321,326
1	110,001	115,000	112,415
3	115,001	120,000	355,640
6	120,001	125,000	742,500
1	125,001	130,000	130,000
3	135,001	140,000	416,261
2	140,001	145,000	289,500
4	145,001	150,000	592,783
4	150,001	155,000	611,774
2	155,001	160,000	315,580
1	160,001	165,000	160,049
1	165,001	170,000	167,900
1	170,001	175,000	175,000

No. of	No. of Sharesholdings		Total
Shareholders	From	To	Shares
1	175,001	180,000	175,109
3	180,001	185,000	547,975
2	185,001	190,000	375,528
5	195,001	200,000	996,000
1	220,001	225,000	225,000
1	230,001	235,000	235,000
3	245,001	250,000	750,000
1	260,001	265,000	262,500
1	275,001	280,000	278,050
2	305,001	310,000	614,200
1	330,001	335,000	333,907
1	345,001	350,000	346,000
2	355,001	360,000	717,474
1	395,001	400,000	399,550
1	495,001	500,000	499,000
1	500,001	505,000	503,098
1	550,001	555,000	554,148
1	600,001	605,000	601,400
1	675,001	680,000	675,532
1	740,001	745,000	744,093
1	785,001	790,000	787,771
2	995,001	1,000,000	2,000,000
1	1,105,001	1,110,000	1,109,500
1	1,190,001	1,195,000	1,192,989
1	1,420,001	1,425,000	1,422,998
1	1,855,001	1,860,000	1,855,500
1	2,035,001	2,040,000	2,038,900
1	2,785,001	2,790,000	2,789,500
1	2,940,001	2,945,000	2,943,600
1	3,945,001	3,950,000	3,946,211
1	5,545,001	5,550,000	5,545,946
1	6,470,001	6,475,000	6,473,000
1	306,075,001	306,080,000	306,075,947
1	390,960,001	390,965,000	390,963,499
7,791			766,596,075

CATEGORIES OF SHAREHOLDING

AS AT DECEMBER 31, 2023

Shareholders' Category	No. of Shareholders	No. of Shares	Percentage of Holding
Directors, Chief Executive Officer, and their spouse(s) and minor children.	5	16,002	0.00
Associated companies, undertakings and related parties.	3	697,039,946	90.93
Banks, Development Financial Institutions, Non-Banking Financial Institutions.	2	4,097,985	0.53
Insurance Companies	2	281,050	0.04
Modarabas and Mutual Funds	6	301,025	0.04
Shareholders holding 10% or more shares	2	697,039,446	90.93
General Public (individuals)			
a. Local b. Foreign	7,663	46,458,549	6.06
Others	110	18,401518	2.40
Total (excluding : Share Holders Holding 10%)	7,791	766,596,075	100%

SHAREHOLDERS' INFORMATION

Annual General Meeting

The annual shareholders meeting will be held at 03:30 p.m. on April 26, 2024 at Karachi.

The Royal Rodale, TC-V, 34th Street, Kh-e-Sehar, Phase 5, Ext, D.H.A, Karachi.

Shareholders as of April 19, 2024 are encouraged to participate and vote.

Any shareholder may appoint a proxy to vote on his or her behalf. Proxies should be filed with the company at least 48 hours before the meeting time.

CDC Shareholders or their Proxies are requested to bring with them copies of their Computerized National Identity Card or passport alongwith the Participant's ID number and their account number at the time of attending the Annual General Meeting in order to facilitate their identification.

Ownership

On December 31, 2023 there were 7,791, shareholders on record of the Company's ordinary shares.

Circulation of Annual Reports.

In compliance with the Section 223(6) of the Companies Act, 2017, the company has electronically distributed the Annual Report for the year 2023 via email to shareholders whose email addresses are registered with the Company's Share Registrar, M/s. FAMCO Share Registration Services (Pvt) Limited. In instances where email addresses are not on record with the Company's Share Registrar, printed notices for the Annual General Meeting (AGM), accompanied by a QR-enabled code or weblink to access the financial statements, have been sent. However, should shareholders wish to receive hard copies of the Annual Report, the Company is prepared to fulfill these requests at no cost, delivering them to the shareholders' registered addresses within one week of the request.

Moreover, shareholders are kindly urged to provide their valid email addresses (along with a copy of a valid CNIC) to the Company's Share Registrar, M/s. FAMCO Share Registration Services (Pvt) Limited, if they hold shares in physical or CDC form. For shares held in book entry form, this information should be directed to the respective Participant/Investor Account Services.

E-DIVIDEND MANDATE (MANDATORY)

In accordance with the provisions of Section 242 of the Companies Act, 2017, and Section 4 of the Companies (Distribution of Dividends) Regulations, 2017 it is mandatory for a listed company, to pay cash dividend to the shareholders ONLY through electronic mode directly into the bank account designated by the entitled shareholders.

In order to receive your future dividends directly in your Bank account, then please provide the information mentioned on the Form placed on the Company's website http://frieslandcampina.com.pk and the same to your brokers or the Central Depository Company Ltd. (in case the shares are held in the electronic form) and to our Share Registrars (in case the shares are held in paper certificate form).

Quarterly Results

The Company issues quarterly financial statements. The planned dates for release of the quarterly results in 2024 are:

1st quarter: April 26, 2024
2nd quarter: August 15, 2024
3rd quarter: October 17, 2024

The Company reserves the right to change any of the above dates.

Change of Address

All registered shareholders should send information on changes of address to:

M/s. FAMCO Share Registration Services (Private) Limited
8-F, Near Hotel Faran Nursery, Block-6 P.E.C.H.S.
Shahra-e-Faisal Karachi
Tel: 34380101-5, 34384621-3
Email: info.shares@famcosrs.com
Website: www.famcosrs.com

NOURISHING PAKISTAN
BY CULTIVATING INDIVIDUALS

Focused on personal development, we invest in our team's skills and well-being, fostering a culture of continuous learning and personal development for a brighter collective future.





FINANCIAL STATEMENTS



Independent Auditor's Review Report To the members of FrieslandCampina Engro Pakistan Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of FrieslandCampina Engro Pakistan Limited for the year ended December 31, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date:

UDIN:

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

▪ KARACHI ▪ LAHORE ▪ ISLAMABAD

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

For the year ended December 31, 2023

The Company has complied with the requirements of the Regulations in the following manner:

1. 1. The total number of directors are seven (7) as per the following:
   - Male: Six (6)
   - Female: One (1)

2. 2. The composition of Board is as follows:

Category	Name
Independent Directors	Abrar Hasan
	Zouhair Abdul Khaliq
Non-executive Directors	Abdul Samad Dawood (Chairman)
	Roeland Francois Van Neerbos
	Robert ter Borg
	Petra Attje Zinkweg (Female Director)
Executive Director	Ali Ahmed Khan (Chief Executive Officer – CEO)

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

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

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

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

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

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

9. No director attended the Directors' Training programme during the year. However, three directors have already completed the Directors' Training programme in prior years;

10. The Board has approved appointment of Head of Internal Audit and Company Sectary including their remuneration and terms and conditions of employment. There was no fresh appointment of Chief Financial Officer during the year ended December 31, 2023. The Board has approved the remuneration of Chief Financial Officer, Company Secretary and Head of Internal Audit and complied with relevant requirements of the Regulations;

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

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

Audit Committee	Human Resource and Remuneration Committee
Abrar Hasan (Chairman)	Zouhair Abdul Khaliq (Chairman)
Zouhair Abdul Khaliq	Petra Attje Zinkweg
Robert ter Borg	Ali Ahmed Khan

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance;

14. The frequency of meetings of the Committees was as follows:

    a. Audit Committee: Four quarterly meetings during the financial year ended December 31, 2023;
    b. Human Resource and Remuneration Committee: one meeting during the financial year ended December 31, 2023;

15. The Board has set up an effective internal audit function comprising of suitably qualified and experienced staff who are conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review programme of the Institute of Chartered Accountants of Pakistan and are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and

18. We confirm that all the requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with. With respect to the compliance with Regulation 6, the fraction one-third number was not rounded up to one as the Company believes that in view of its shareholding structure, two independent directors elected had requisite competencies, skills, knowledge and experience to fulfil their obligations as per the requirements of the applicable laws and regulations and hence, appointment of third independent director was not warranted.

    The Board was also guided by the fact that as per Regulation 6 rounding up is not mandatory and the necessary explanation for not rounding-up as required under the Regulations have been included above.

19. Explanation for non-compliance with requirements, other than Regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

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

    The responsibilities of the Nomination Committee and the Risk Management Committee are currently fulfilled by the Board and Board Audit Committee respectively. Therefore, establishing a separate committee for Nomination and Risk Management is not required.



ABDUL SAMAD DAWOOD
Chairman

Karachi
Date:

Independent Auditor's Report

To the members of FrieslandCampina Engro Pakistan Limited
Report on the Audit of the Financial Statements

Opinion

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

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

Key Audit Matter

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

Following are the key audit matters:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	**Valuation of dairy livestock** [Refer notes 2.3, 3(c) and 5 to the financial statements] As at December 31, 2023, the fair value of the Company's biological assets - dairy livestock amounts to Rs. 3,005,743 thousand. Dairy livestock is measured at fair value less estimated point-of-sale costs. Fair value of dairy livestock is determined by an external expert, appointed by the Company, on the basis of market and replacement values of similar livestock from active markets and physical attributes of the Company's dairy livestock. Due to the level of judgment involved in determining fair values of dairy livestock, we considered this a key audit matter.	• Our audit procedures amongst others, included the following: • obtained understanding of the internal controls over existence and valuation of dairy livestock, assessed the design of these controls and tested operating effectiveness of controls on a test basis; • assessed management expert's report including the process and methodology of valuation in the light of our knowledge of the business; • checked source data of dairy livestock provided by the Company's management to the external expert on a sample basis; and • assessed the adequacy of the related disclosures made in the financial statements with respect to the applicable accounting and reporting framework.

S. No.	Key audit matter	How the matter was addressed in our audit
(ii)	**Tax related contingencies** [Refer notes 3(a), 14 and 33 to the financial statements] The Company has contingencies in respect of income tax and sales tax matters, which are pending adjudication at various appellate forums. Contingencies require management of the Company to make judgments in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and estimate the financial impacts, if any, on the Company for recognition and measurement of any provision and / or disclosure in respect of such contingent liabilities. Due to the significance of the amounts involved, inherent uncertainties associated with the outcome of the matters, legal forums at which these are currently pending and use of significant judgments and estimates to assess the related financial impacts, which may change over time as new facts emerge and the matters progresses, we considered income tax and sales tax related contingencies a key audit matter.	• Our audit procedures amongst others, included the following: • obtained and examined details of the documentation relating to pending tax matters, read the minutes of the meetings of those charged with governance and discussed the same with the Company's management; • checked correspondence of the Company with the relevant authorities including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved; • circularized confirmations to the Company's external legal and tax advisors for their views on matters being handled by them; • involved internal tax professionals to assess management's conclusions on certain contingent tax matters and evaluated the consistency of such conclusions with the views of management and external legal and tax advisors engaged by the Company; and • assessed the adequacy of related disclosures made in the financial statements with respect to the applicable accounting and reporting framework.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to

provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the Board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

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

(d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

(e) 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 Waqas Aftab Sheikh.



Chartered Accountants
Karachi

Date:

UDIN:

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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■ KARACHI ■ LAHORE ■ ISLAMABAD

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

(Amounts in thousand)

	Note	2023	2022
		----------Rupees----------	
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	11,393,773	9,857,619
Biological assets	5	3,005,743	2,167,920
Intangible assets	6	13,362	29,622
Right-of-use assets	7	1,020,192	729,465
Deferred tax asset - net	8	194,313	-
Long term advances and deposits		253,217	129,489
		15,880,600	12,914,115
Current Assets			
Stores, spares and loose tools	9	1,137,210	413,963
Stock-in-trade	10	10,182,994	7,566,388
Trade debts	11	1,888,698	1,902,141
Advances, deposits and prepayments	12	394,901	656,501
Accrued mark-up / interest		7,868	25,767
Other receivables	13	701,409	355,747
Sales tax recoverable	14	6,527,295	4,891,189
Taxes recoverable		2,087,349	2,196,246
Short-term investments	15	1,000,000	2,000,000
Cash and bank balances	16	2,078,478	1,824,554
		26,006,202	21,832,496
TOTAL ASSETS		41,886,802	34,746,611

(Amounts in thousand)

	Note	2023	2022
EQUITY AND LIABILITIES		----------Rupees----------	
Equity			
Share capital	17	7,665,961	7,665,961
Share premium	18	865,354	865,354
Employee share option compensation reserve	19	-	1,267
Remeasurement of post employment benefits - Remeasurement loss		(296,593)	(274,156)
Unappropriated profit		5,941,298	4,431,245
		14,176,020	12,689,671
Non-Current Liabilities			
Long term:			
- finances	20	250,000	750,000
- lease liability against right-of-use assets	21	583,851	437,691
Deferred tax liability - net	8	-	41,597
		833,851	1,229,288
Current Liabilities			
Current portion of long term:			
- finances	20	500,000	1,569,643
- lease liability against right-of-use assets	21	423,514	268,338
Trade and other payables	22	12,255,637	10,592,777
Contract liabilities	23	1,427,299	765,448
Unclaimed dividend		6,774	6,882
Accrued interest / mark-up on:			
- long term finances		27,839	72,287
- short term finances		739,931	228,651
Supplier financing - unfunded	24	11,374,678	7,323,626
Short term finances	25	121,259	-
		26,876,931	20,827,652
		27,710,782	22,056,940
Contingencies and Commitments	26		
TOTAL EQUITY AND LIABILITIES		41,886,802	34,746,611

The annexed notes 1 to 51 form an integral part of these financial statements.

Abdul Samad Dawood
Chairman

Syed Kashan Hasan
Chief Executive Officer

Imran Husain
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2023

[Amounts in thousand except for earnings per share]

	Note	2023	2022
		----------Rupees---------	
Revenue from contracts with customers - net	27	100,235,403	73,473,687
Cost of sales	28	(85,826,661)	(61,365,299)
Gross profit		14,408,742	12,108,388
Distribution and marketing expenses	29	(7,780,736)	(5,934,021)
Administrative expenses	30	(1,868,638)	(1,718,343)
Other operating expenses	31	(353,069)	(446,721)
Other income	32	1,711,076	1,321,478
Operating profit		6,117,375	5,330,781
Finance costs	33	(3,126,988)	(1,379,787)
Profit before taxation		2,990,387	3,950,994
Taxation	34	(1,481,601)	(1,485,321)
Profit for the year		1,508,786	2,465,673
Earnings per share - basic and diluted	35	1.97	3.22

The annexed notes 1 to 51 form an integral part of these financial statements.

Abdul Samad Dawood
Chairman

Syed Kashan Hasan
Chief Executive Officer

Imran Husain
Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

(Amounts in thousand)

	Note	2023	2022
		----------Rupees---------	
Profit for the year		1,508,786	2,465,673
Other comprehensive loss:			
Items that will not be reclassified to profit or loss			
Remeasurement loss on post employment benefits obligation	38.6	(31,602)	(120,756)
Less: Income tax relating to remeasurement loss		9,165	17,510
Other comprehensive loss for the year, net of tax		(22,437)	(103,246)
Total comprehensive income for the year		1,486,349	2,362,427

The annexed notes 1 to 51 form an integral part of these financial statements.

Abdul Samad Dawood
Chairman

Syed Kashan Hasan
Chief Executive Officer

Imran Husain
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2023

(Amounts in thousand)

	SHARE CAPITAL	RESERVES				Total
		CAPITAL		REVENUE		
		Share premium (note 18)	Employee share option compensation reserve (note 19)	Remeasurement of post employment benefits	Unappropriated profit	
	----------	----------	---------- Rupees ----------	----------	----------	----------
Balance as at January 1, 2022	7,665,961	865,354	43,093	(170,910)	1,923,746	10,327,244
Transfer of employee share option compensation reserve to unappropriated profit	-	-	(41,826)	-	41,826	-
Profit for the year	-	-	-	-	2,465,673	2,465,673
Other comprehensive loss for the year	-	-	-	(103,246)	-	(103,246)
Total comprehensive income for the year	-	-	-	(103,246)	2,465,673	2,362,427
Balance as at December 31, 2022 / January 1, 2023	7,665,961	865,354	1,267	(274,156)	4,431,245	12,689,671
Transfer of employee share option compensation reserve to unappropriated profit	-	-	(1,267)	-	1,267	-
Profit for the year	-	-	-	-	1,508,786	1,508,786
Other comprehensive loss for the year	-	-	-	(22,437)	-	(22,437)
Total comprehensive income for the year	-	-	-	(22,437)	1,508,786	1,486,349
Balance as at December 31, 2023	7,665,961	865,354	-	(296,593)	5,941,298	14,176,020

The annexed notes 1 to 51 form an integral part of these financial statements.

Abdul Samad Dawood
Chairman

Syed Kashan Hasan
Chief Executive Officer

Imran Husain
Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

(Amounts in thousand)

	Note	2023	2022
		---------- Rupees----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	7,699,348	7,941,631
Finance costs paid		(2,527,032)	(1,186,782)
Taxes paid		(1,599,449)	(362,013)
Contribution to defined benefit gratuity fund	38.8	(105,040)	(100,900)
Long term advances and deposits - net		(123,728)	(68,801)
Net cash generated from operating activities		3,344,099	6,223,135
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of:			
- property, plant and equipment	4.5	(2,613,488)	(1,763,033)
- intangible assets	4.5	(42,288)	(15,459)
Proceeds from disposal of:			
- property, plant and equipment	4.4	210,610	93,218
- biological assets		282,717	180,592
Income received on short term investments		25,767	59,223
Net cash utilized in investing activities		(2,136,682)	(1,445,459)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(108)	(61)
Proceeds from short term finance		121,259	-
Repayment of long term finances	20.2	(1,569,643)	(2,478,571)
Repayment of lease liability against right-of-use assets		(505,001)	(357,668)
Net cash utilized in financing activities		(1,953,493)	(2,836,300)
Net (decrease) / increase in cash and cash equivalents		(746,076)	1,941,376
Cash and cash equivalents at beginning of the year		3,824,554	1,883,178
Cash and cash equivalents at end of the year	37	3,078,478	3,824,554

The annexed notes 1 to 51 form an integral part of these financial statements.

Abdul Samad Dawood
Chairman

Syed Kashan Hasan
Chief Executive Officer

Imran Husain
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

1.1 FrieslandCampina Engro Pakistan Limited (the Company), is a public listed company incorporated in Pakistan, under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on April 26, 2005, and its shares are quoted on the Pakistan Stock Exchange Limited. The Company is a subsidiary of FrieslandCampina Pakistan Holdings B.V. (the Holding Company) which is a subsidiary of Zuivelcoöperatie FrieslandCampina UA (the Ultimate Parent Company). The registered office is situated at 5th floor, the Harbour Front Building, Plot No. HC-3, Block-4, Scheme No. 5, Clifton, Karachi.

1.2 The business units of the Company include the following:

Business Unit	Geographical Location
Head Office	5th floor, the Harbor Front Building, Plot No. HC-3, Block-4, Scheme No. 5, Clifton, Karachi.
Sahiwal Plant	8 km Pakpattan Bypass Road, Sahiwal.
Sukkur Plant	Deh Miani Baghat, Tapa Rohri, Taluka Rohri, District Sukkur.
Dairy Farm	Near Qalmi Quran Taluka Salehpat, District Sukkur.

Regional sales offices and milk collection centers are located across the country, the details of which are impracticable to disclose in these financial statements as required under Paragraph 1 (i) of Part I of the 4th Schedule to the Companies Act, 2017 (the Act).

1.3 The principal activity of the Company is to manufacture, process and sell dairy based products and frozen desserts. The Company also owns and operates a dairy farm.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

2.1.1 These financials statements have been prepared under the historical cost convention unless otherwise stated.

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Act; and
- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

2.1.3 The preparation of financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving high degree of judgment or complexity, or areas where assumptions and estimates are material to these financial statements are disclosed in note 3.

2.1.4 Initial application of standards, amendments or interpretations to existing standards

a) Amendments to accounting and reporting standards that became effective during the year

There are certain amendments to the accounting and reporting standards that became effective during the year ended December 31, 2023, however, these are considered not to have a significant impact on the Company's financial reporting and operations and therefore have not been presented in these financial statements except for the following:

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

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

b) Standards, amendments and interpretation to published standards that are not yet effective and have not been early adopted by the Company

There are cetain amendments or improvements to approved accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on January 1, 2023. Except for amendment to IAS 7 and IFRS 7 - Supplier Finance Arrangements, these are considered either not to be relevant or not to have any material impact on the Company's financial reporting and operations, therefore, have not been presented in these financial statements. At present, the impacts of application of amendment to IAS 7 and IFRS 7 - Supplier Finance Arrangements on the Company's future financial statements are being assessed and the amendment is as follows:

Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the Company's liabilities and cash flows, and the Company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors an entity might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities.

The amendments are effective for periods beginning on or after January 01, 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

2.2 Property, plant and equipment

Owned

These are stated at cost less accumulated depreciation and impairment, if any, except for freehold land and capital work-in-progress, which are stated at cost less accumulated impairment, if any.

Depreciation is charged to profit or loss using the straight-line method whereby the cost of an operating asset less its estimated residual value is written off over its estimated useful life at rates given in note 4.1. Depreciation on additions is charged from the month in which the asset is available for use and on disposals upto the preceeding month of disposal.

Where parts of an item of property, plant and equipment have different useful lives and such are material, those are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the year in which these are incurred.

Assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount and the resulting impairment loss is recognized in profit or loss. The recoverable amount is higher of fair value, less cost of disposal and value in use. Reversal of impairment is effected in the case of indications of a change in recoverable amount and is recognized in profit or loss, however, is restricted to the net book value of the asset had there been no impairment.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense in the period of disposal or retirement.

2.3 Biological assets

Livestock are measured at their fair value less estimated point-of-sale costs. Fair value of livestock is determined by an external valuer on the basis of best available estimates for livestock of similar attributes.

Gains or losses arising from changes in fair value less estimated point-of-sale costs of livestock are recognized in profit or loss.

Crops in the ground and at the point of harvest at the reporting date are measured at cost being an approximation of fair value, as these are presently being used as internal consumption for cattle feed and have a very short biological transformation and consumption cycle.

2.4 Intangible assets - Computer software

Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can also be measured reliably.

Generally, costs associated with maintaining computer software programmes are recognized as an expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefits exceeding the cost beyond one year, are recognized as intangible assets. Direct costs include the purchase cost of software and related overhead cost.

Expenditure which enhances or extends the performance of computer software beyond its original specification and useful life is recognized as a capital improvement and added to the original cost of the software.

Computer software cost treated as intangible assets are amortized from the date the software is put to use on straight-line basis over a period of 5 years. The carrying amount of the intangible assets is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount in profit or loss. Reversal of impairment losses are also recognized in profit or loss.

2.5 Financial assets and liabilities

2.5.1 Financial assets

The Company classifies its financial assets in the following categories:

a) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in profit or loss.

b) Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt instrument that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the year in which it arises.

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 investment in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

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

Financial assets are derecognized 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.

2.5.2 Financial liabilities

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective interest method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in profit or loss.

2.5.3 Offsetting

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expense are also offset accordingly.

2.6 Impairment

a) Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognize lifetime expected credit losses for trade debts.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full and it is subsequently written off when there is no reasonable expectation of recovering the contractual cash flows.

For financial assets other than trade debts, the Company applies general approach in calculating expected credit losses. It is based on difference between the contractual cashflows due in accordance with the contract and all the cashflows that the Company expect to receive discounted at the approximation of the original effective interest rate. The expected cashflows will include cash flows from sale of collateral held or other credit enhancements that are integral to the contractual terms.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversals) that is required to adjust the loss allowance at the reporting date.

b) Non-Financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. In determining the fair value less cost of disposal, recent market transactions are taken into account, if no such transaction can be identified, appropriation valuation model is used. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments

of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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

2.7 Stores, spares and loose tools

These are valued at weighted average cost except for items in transit, which are stated at invoice value plus other charges paid thereon till the reporting date. A provision is made for any excess book value over estimated realizable value of items identified as surplus to the Company's requirements. Adequate provision is also made for slow moving and obsolete items.

Spare parts of capital nature which can be used only in connection with an item of property, plant and equipment are shown separately as major spare parts and stand-by equipment.

2.8 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realizable value. Cost is determined using weighted average method except for raw materials in transit which are stated at invoice value plus other charges paid thereon till the reporting date. Cost of finished goods comprises purchase cost and other manufacturing expenses. The cost of work in process includes material and proportionate conversion costs.

Milk is initially measured at its fair value less estimated point-of-sale costs at the time of milking. The fair value of milk is determined based on market prices in the local area.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale. Provision is made for slow moving stocks where considered necessary.

2.9 Trade debts and other receivables

Trade debts and other receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case trade debts are recognized at fair value. The Company holds the trade debts and other receivables with the objective of collecting the contractual cash flows and therefore measures the receivables subsequently at amortized cost using the effective interest method. Impairment of trade debts and other receivables is described in note 2.6.

Exchange gains and losses arising on translation in respect of 'trade debts' and 'other receivables' in foreign currency are added to the carrying amount of the respective receivables.

2.10 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include cash in hand and in transit, balances with banks on current, deposit and saving accounts, short-term highly liquid investments subject to insignificant risk of changes in values.

2.11 Share capital

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

2.12 Employees' share option scheme

Equity-settled share-based payments to employees are measured at fair value at the grant date. The fair value determined at the grant date of the equity settled share-based payments is recognized as an employee compensation expense on a straight-line basis over the vesting period.

Fair value is measured using the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate for the effects of exercise restrictions.

When a vested option lapses on expiry of the exercise period, employee compensation expense already recognized in the profit or loss, is transferred to unappropriated profit from employee share option compensation reserve in the statement of changes in equity.

When the options are exercised, employee share option compensation reserve relating to these options is transferred to share capital and share premium. An amount equivalent to the face value of related shares is transferred to share capital. Any amount over and above the share capital is transferred to share premium.

2.13 Staff retirement and other service benefits

2.13.1 Defined benefit plan

Engro Corporation Limited (an associated company) operates and maintains an approved defined benefit funded gratuity plan (the Fund) on behalf of the Company, for all its permanent employees. The Fund provides for a graduated scale of benefits dependent on the length of service of an employee on terminal date, subject to the completion of minimum qualifying period of service. Gratuity is based on employees' last drawn basic salary.

Provisions are made to cover the obligations under the Fund on the basis of actuarial valuation carried out annually by an external expert, using the 'Projected Unit Credit Method'. All remeasurement gains and losses are recognized in 'other comprehensive income' as these occur and are presentated as a separate component in the statement of changes in equity.

The amount recognized in the statement of financial position represents the present value of defined benefit obligations as reduced by the fair value of plan assets.

2.13.2 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Engro Corporation Limited (an associated company) operates and maintains:

- an approved defined contribution provident fund on behalf of the Company for permanent employees of the Company. Monthly contributions are made both by the Company and employees to the fund at the rate of 10% of basic salary; and
- an approved defined contribution gratuity fund for the benefit of management employees of the Company. Monthly contributions are made by the Company to the fund at the rate of 8.33% of basic salary.

2.13.3 Compensated absences

The Company accounts for compensated absences on the basis of unavailed leave balance of eligible employees at the end of the year.

2.14 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred and are subsequently measured at amortized cost using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional / contractual right to defer settlement of the liability for at-least twelve months after the reporting date.

2.15 Supplier financing - unfunded

Supplier financing - unfunded is closely related to operating purchase activities and the credit period of these arrangements does not exceed 12 months therefore the supplier financing is not discounted.

(Amounts in thousand)

2.16 Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received.

The benefit of a long-term finance at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Government grants related to long-term finances are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes finance cost related to long-term finances at market rate of interest.

2.17 Lease liability and Right-of-use asset

2.17.1 Lease liability

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

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 extended (or not terminated).

The lease liability is initially measured at the present value of the lease payments over the period of lease term and that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments less any lease incentive receivable, variable lease payments that are based on an index or a rate which are initially measured using the index or rate as at the commencement date, amounts expected to be payable by the Company under residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease if the lease term reflects the lessee exercising that option. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortized cost using the effective interest method. The lease liability is also remeasured to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payment.

The lease liability is remeasured when the Company reassesses the reasonable certainty of exercise of extension or termination option upon occurrence of either a significant event or a significant change in circumstance, or when there is a change in assessment of an option to purchase underlying asset, or when there is a change in amount expected to be payable under a residual value guarantee, or when there is a change in future lease payments resulting from a change in an index or rate used to determine those payment. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in profit and loss if the carrying amount of right-to-use asset has been reduced to zero.

A change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increase the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

2.17.2 Right-of-use asset

The Right-of-use asset is initially measured based on the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently measured at cost model. The right of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straight line basis over the lease term.

2.18 Trade and other payables

These are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

2.19 Contract assets and liabilities

Contract asset is the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time. If a customer makes a payment or payment is due before the Company has satisfied its performance obligations, the Company presents that amount as a contract liability.

Impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset (note 2.6).

2.20 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

2.21 Taxation

2.21.1 Current

Provision for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates. The charge for current tax also includes tax credits and adjustments, where considered necessary, for prior years determined during the year or otherwise considered necessary for such years.

2.21.2 Deferred

Deferred tax is accounted for using the liability method on all temporary differences arising between the tax bases of assets and liabilities and the carrying amounts in the financial statements. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset will be realized or the deferred income tax liability will be settled. Deferred tax is charged or credited in profit or loss. Deferred tax relating to items of other comprehensive income is charged to other comprehensive income.

2.22 Foreign currency transactions and translation

These financial statements are presented in Pakistan Rupees (PKR), which is the Company's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognized in profit or loss.

2.23 Revenue recognition

2.23.1 Revenue from contracts with customers

Revenue is recognized at a point in time when performance obligations are satisfied by transferring control of promised goods to a customer which coincides with dispatch of goods. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies. The Company deals with the customers on advance basis as well as enters into Standing Instruction for Debit of Account (SIDA) arrangements and offers credit period which varies from customer to customer. The credit limits in contracts with customers range from 02 to 120 days.

2.23.2 Other revenue

Interest income on bank deposits and scrap sales are recognized on an accrual basis.

2.24 Research and development costs

Research and development costs are charged to income as and when incurred, except for certain development costs which are recognized as intangible assets when it is probable that the development project will be a success and certain criteria, including commercial and technological feasibility have been met.

2.25 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset, in which case, such costs are capitalized as part of the cost of that asset. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs.

2.26 Earnings per share

The Company presents basic and diluted earnings per share (EPS) in respect of its ordinary shares. Basic EPS is calculated by dividing the profit or loss 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.

2.27 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

2.28 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes the strategic decisions.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

a) Property, plant and equipment and intangible assets

The Company reviews the appropriateness of the rate of depreciation / amortization, useful lives and residual values used for recording the depreciation / amortization on annual basis. Further, if required based on any indication for impairment, an estimate of recoverable amount of assets is made for possible impairment.

b) Biological assets

The fair values of biological assets (dairy livestock) is determined semi-annually by utilizing the services of an external expert. These valuations are mainly based on market conditions and physical attributes of livestock existing at the end of each reporting period, which are subject to change at each period end due to market conditions and livestock attributes.

c) Stores and spares

The Company reviews stores and spares for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of stores and spares with a corresponding effect on the provision.

d) Stock-in-trade

The Company regularly reviews the net realizable value of stock-in-trade to asses any diminution in the carrying values. Net realizable value is determined with reference to estimated selling price less estimated expenditure to be incurred to make the sale.

e) Provision for staff retirement and other service benefits

The present value of the obligations is determined by an independent actuary using a number of assumptions and other factors. Any change in these assumptions and factors will impact the obligations recorded in the financial statements.

f) Taxation

In making the estimates for current income taxes payable by the Company, the management considers the applicable laws and the decisions / judgments of appellate authorities on certain issues in the past. Accordingly, the recognition of deferred tax is also made, taking into account these judgments and the best estimates of future results of operations of the Company and its tax planning strategies to recoup minimum tax credits. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets may be utilized.

g) Provisions and contingencies

The Company assesses at each reporting date as to whether it has a legal or constructive obligation as a result of a past event, 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. In the event of an affirmative assessment, provisions are revised, and adjusted, where considered necessary to reflect the current best estimate.

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

4. PROPERTY, PLANT AND EQUIPMENT

	2023	2022
	----------Rupees----------	
Operating assets (note 4.1)	9,494,743	9,053,759
Capital work-in-progress (note 4.5)	1,194,407	605,888
Major spare parts and stand-by equipment (note 9)	704,623	197,972
	11,393,773	9,857,619

(Amounts in thousand)

4.1 Operating assets

	Freehold land (note 4.7)	Buildings and civil works on freehold land (note 4.7)	Plant, machinery and related equipment (note 4.2)	Computer equipment	Office equipment and furniture & fittings	Vehicles (note 4.2)	Total
			Owned			Owned	
			Rupees				
As at January 1, 2022							
Cost	416,136	4,503,040	19,264,551	439,004	371,691	1,165,837	26,160,259
Accumulated depreciation	-	(2,271,813)	(13,737,205)	(352,010)	(286,263)	(572,795)	(17,220,086)
Accumulated impairment	-	(806)	(210,234)	1,586	(4,085)	897	(212,642)
Net book value	416,136	2,230,421	5,317,112	88,580	81,343	593,939	8,727,531
Year ended December 31, 2022							
Opening net book value	416,136	2,230,421	5,317,112	88,580	81,343	593,939	8,727,531
Additions, including transfers (note 4.5)	-	90,943	1,335,977	130,804	73,042	171,167	1,801,933
Disposals (note 4.4)							
Cost	-	-	(98,965)	(95,183)	(11,235)	(132,101)	(337,484)
Accumulated depreciation	-	-	93,786	94,864	11,051	94,516	294,217
Accumulated impairment	-	-	-	-	-	-	-
	-	-	(5,179)	(319)	(184)	(37,585)	(43,267)
Depreciation (note 4.3)	-	(174,191)	(971,945)	(51,505)	(28,821)	(192,430)	(1,418,892)
Impairment charge / (reversal) (notes 4.6, 28, 29 and 30)	-	(739)	(10,383)	(1,657)	(823)	56	(13,546)
Write-off							
Cost	-	-	(14,029)	-	-	-	(14,029)
Accumulated depreciation	-	-	9,364	-	-	-	9,364
Accumulated impairment	-	-	4,665	-	-	-	4,665
	-	-	-	-	-	-	-
Closing net book value	416,136	2,146,434	5,665,582	165,903	124,557	535,147	9,053,759
As at December 31, 2022							
Cost	416,136	4,593,983	20,487,534	474,625	433,498	1,204,903	27,610,679
Accumulated depreciation	-	(2,446,004)	(14,606,000)	(308,651)	(304,033)	(670,709)	(18,335,397)
Accumulated impairment	-	(1,545)	(215,952)	(71)	(4,908)	953	(221,523)
Net book value	416,136	2,146,434	5,665,582	165,903	124,557	535,147	9,053,759
Year ended December 31, 2023							
Opening net book value	416,136	2,146,434	5,665,582	165,903	124,557	535,147	9,053,759
Additions, including transfers (note 4.5)	-	331,267	1,251,931	87,440	117,834	275,900	2,064,372
Disposals (note 4.4)							
Cost	-	-	(546,290)	(30,902)	(27,003)	(202,525)	(806,720)
Accumulated depreciation	-	-	476,725	30,495	25,214	159,983	692,417
Accumulated impairment	-	-	24,796	-	182	-	24,978
	-	-	(44,769)	(407)	(1,607)	(42,542)	(89,325)
Depreciation (note 4.3)	-	(170,401)	(1,036,382)	(65,620)	(40,870)	(211,705)	(1,524,978)
Impairment charge / (reversal) (notes 4.6, 28, 29 and 30)	-	-	(9,625)	-	1,281	(741)	(9,085)
Write-off							
Cost	-	-	(29,097)	(242)	(1,972)	(3,082)	(34,393)
Accumulated depreciation	-	-	20,129	242	1,814	2,334	24,519
Accumulated impairment	-	-	8,968	-	158	748	9,874
	-	-	-	-	-	-	-
Closing net book value	416,136	2,307,300	5,826,737	187,316	201,195	556,059	9,494,743
As at December 31, 2023							
Cost	416,136	4,925,250	21,164,078	530,921	522,357	1,275,196	28,833,938
Accumulated depreciation	-	(2,616,405)	(15,145,528)	(343,534)	(317,875)	(720,097)	(19,143,439)
Accumulated impairment	-	(1,545)	(191,813)	(71)	(3,287)	960	(195,756)
Net book value	416,136	2,307,300	5,826,737	187,316	201,195	556,059	9,494,743
Annual rate of depreciation (%)	-	5 to 33.3	8.33 to 33.3	20 to 33.3	10 to 33.3	25	

(Amounts in thousand)

4.2 Includes following assets held by third parties:

Description	2023 Cost	2023 Net Book Value	2022 Cost	2022 Net Book Value	Reason (note 4.2.1)
	Rupees				
Plant, machinery and related equipment	454,583	231,192	405,102	198,567	Equipment mounted on transport contractors' vehicles.
Plant, machinery and related equipment	2,079,461	956,694	2,069,775	1,079,546	Freezers held with third parties and retailers.
Vehicles	351,771	170,710	296,204	130,353	Trikes held with third parties for sale of frozen desserts.
	2,885,815	1,358,596	2,771,081	1,408,466	

4.2.1 In view of the nature of items that are being held by large number of the Company's business partners, the Company considers it impracticable to disclose particulars of assets not in the possession of the Company as required under Paragraph 12 of Part II of the Fourth Schedule to the Act.

4.3 The depreciation charge has been allocated as follows:

	2023	2022
	Rupees	
- Cost of sales (note 28)	1,060,088	995,736
- Distribution and marketing expenses (note 29)	405,171	387,321
- Administrative expenses (note 30)	59,719	35,835
	1,524,978	1,418,892

(Amounts in thousand)

4.4 The details of operating assets disposed off during the year are as follows:

Description and method of disposal	Sold to	Cost	Accumulated depreciation and impairment	Net book value	Sales proceed	Gain / (Loss)
		----------Rupees----------				
Vehicles						
Under Company policy to existing / separating employees	- Abdul Mannan	2,590	(2,040)	550	1,373	823
	- Faisal Ahmed	2,419	(1,814)	605	1,292	687
	- Dr. Usman	1,461	(849)	612	810	198
	- Syed Saulat Abbas	1,473	(856)	617	800	183
	- Mohammad Khubaib	1,432	(778)	654	664	10
	- Syed Imran Haider	2,998	(2,321)	677	600	(77)
	- Syed Ali Hassan Rizvi	2,529	(1,823)	706	1,571	865
	- Mohammad Naveed	1,512	(737)	775	873	98
	- Abdullah Younas	1,461	(685)	776	1,019	243
	- Marium Owais	2,595	(1,703)	892	1,576	684
	- Kashif Mehmood	2,529	(1,586)	943	1,687	744
	- Ijaz Afzal Khan Niazi	2,569	(1,397)	1,172	1,948	776
	- Mohammad Amin	2,549	(1,338)	1,211	1,726	515
	- Ali Bilawal Khan	3,070	(1,439)	1,631	1,922	291
	- Mohammad Asif Ashfaq	2,031	(190)	1,841	1,830	(11)
		33,218	(19,556)	13,662	19,691	6,029
Under Company policy to existing / separating employees having NBV less than Rs. 500	- Various	140,137	(119,451)	20,686	38,639	17,953
Insurance claim						
NBV less than Rs. 500	- Various	111	(89)	22	111	89
NBV more than Rs. 500	- EFU General Insurance Limited	2,553	(1,245)	1,308	2,593	1,285
Scrap sales						
NBV less than Rs. 500		26,506	(19,642)	6,864	9,921	3,057
		202,525	(159,983)	42,542	70,955	28,413
Plant, machinery and related equipment - owned						
Sold through bidding/auction under the Company policy having						
NBV less than Rs. 500	- Various	430,682	(403,686)	26,996	111,819	84,823
NBV more than Rs. 500	- Javed Electric and Store	115,202	(97,683)	17,519	8,400	(9,119)
Insurance claim						
NBV less than Rs. 500	- Various	406	(152)	254	314	60
		546,290	(501,521)	44,769	120,533	75,764
Office Equipment & furniture						
Sold through bidding/auction under the Company policy having NBV less than Rs. 500		27,003	(25,396)	1,607	4,443	2,836
Computer equipment						
Under Company policy to existing / separating employees having NBV less than Rs. 500	- Various	30,902	(30,495)	407	4,350	3,943
Leased vehicles		-	-	-	10,329	10,329
December 31, 2023		806,720	(717,395)	89,325	210,610	121,285
December 31, 2022		337,484	(294,217)	43,267	93,218	49,951

(Amounts in thousand)

4.5 Capital work-in-progress

	Buildings & civil works on freehold land	Plant, machinery and related equipment	IS and milk automation projects	Office equipment/ furniture & fittings/ Computer equipment	Vehicles	Total
	----------Rupees----------					
Year ended December 31, 2022						
Balance as at January 1, 2022	57,735	507,187	-	67,401	-	632,323
Additions during the year	143,140	1,243,278	15,459	156,718	219,897	1,778,492
Transferred to:						
- operating assets (note 4.1)	(90,943)	(1,335,977)	-	(203,846)	(171,167)	(1,801,933)
- intangibles (note 6)	-	-	(2,994)	-	-	(2,994)
Balance as at December 31, 2022	109,932	414,488	12,465	20,273	48,730	605,888
Year ended December 31, 2023						
Balance as at January 1, 2023	109,932	414,488	12,465	20,273	48,730	605,888
Additions during the year	266,151	1,895,094	42,288	225,073	227,170	2,655,776
Transferred to:						
- operating assets (note 4.1)	(331,267)	(1,251,931)	-	(205,274)	(275,900)	(2,064,372)
- intangibles (note 6)	-	-	(2,885)	-	-	(2,885)
Balance as at December 31, 2023	44,816	1,057,651	51,868	40,072	-	1,194,407

4.6 During the year, the Company has recognized an impairment charge (net of reversal) amounting to Rs. 9,085 (2022: Rs. 13,546) against idle assets, determined on the basis of fair value of the assets less cost of disposal. The Company based on a review for impairment on the operating assets identified that the carrying values of certain operating assets in Dairy based products segment exceeds their estimated recoverable amount. These assets were deemed as idle primarily due to discontinuation of certain SKUs to rationalize product portfolio of the Company. Accordingly, provision / (net of reversal) for impairment was recognized thereagainst. The recoverable amount of these assets amounted to Nil determined on the basis of fair value less cost of disposal of underlying assets which is based on the historical experience of net recovery proceeds on similar nature of assets.

4.7 The details of immovable operating assets (i.e. land and buildings) are as follows:

Description of location	Addresses	Total Area of Land in Square Yards
Production Plant	8 km Pakpattan Bypass Road, Sahiwal.	485,641
Production Plant	Deh Miani Baghat, Tapa Rohri, Taluka Rohri, District Sukkur.	148,104
Dairy Farm	Near Qalmi Quran Taluka Salehpat, District Sukkur.	1,064,800

	2023	2022
	----------Rupees----------	
5. BIOLOGICAL ASSETS		
Dairy livestock (note 5.1):		
- mature	1,634,147	1,054,388
- immature	1,472,973	1,210,225
	3,107,120	2,264,613
Provision for culling (notes 5.2)	(101,377)	(96,693)
	3,005,743	2,167,920

	2023	2022
	----------Rupees----------	
5.1 Reconciliation of gross carrying amounts of livestock		
Gross carrying amount at the beginning of the year	2,264,613	1,596,078
Add:		
Changes in fair value due to biological transformation:		
- Gain due to new births [inclusive of cost of feeding immature herd of Rs. 880,540 (2022: Rs. 514,557)]	1,074,975	591,952
- Loss due to increase in age of livestock	(456,374)	(321,522)
	618,601	270,430
Changes in fair value due to price changes:	614,665	668,535
Net gain (note 32)	1,233,266	938,965
Less:		
- Decrease due to deaths / disposals	(390,759)	(270,430)
- Provision for culling (note 5.2)	(101,377)	(96,693)
Carrying amount at the end of the year, which approximates the fair value	(492,136)	(367,123)
	3,005,743	2,167,920

5.2 The movement in culling provision during the year is as follows:

Balance as at January 1	96,693	62,516
Add: Recognized during the year (note 31)	94,153	116,102
Less: Reversed / Utilized against disposal of livestock	(89,469)	(81,925)
Balance as at December 31	101,377	96,693

This represents provision in respect of low yielding animals, animals having poor health and animals to be culled due to capacity constraints.

5.3 As at December 31, 2023, the Company held 3,412 (2022: 3,265) mature assets able to produce milk and 3,212 (2022: 3,161) immature assets that are being raised to produce milk in the future. During the year, the Company produced approximately 25,943,144 (2022: 24,008,642) gross litres of milk from these biological assets.

5.4 As at December 31, 2023, the Company held 44 (2022: 101) immature male calves.

5.5 The valuation of dairy livestock as at December 31, 2023 has been carried out by an external valuer. In this regard, the valuer examined the physical condition of the livestock, assessed the farm conditions and relied on the representations made by the Company as at December 31, 2023. Further, market and replacement values of similar live stock from active markets in USA, EU and Australia, have also been assessed by the valuer for comparison with local market values. Immature male calves have not been included in the fair valuation due to the insignificant value in use. The valuation is considered to be level 2 in the fair value hierarchy due to observable market data other than quoted prices in active markets.

6. INTANGIBLE ASSETS - Computer software

	2023	2022
	----------Rupees----------	
Net carrying value		
Balance at beginning of the year	29,622	53,876
Add: Additions at cost (note 4.5)	2,885	2,994
Less: Amortization charge for the year (notes 6.1 and 30)	(19,145)	(27,159)
Less: Impairment charge for the year (note 30)	-	(89)
Balance at end of the year	13,362	29,622
Gross carrying value		
Cost	486,004	483,119
Less: Accumulated amortization	(472,553)	(453,408)
Less: Accumulated Impairment	(89)	(89)
Net book value	13,362	29,622

6.1 The cost is being amortized over a period of 5 years.

7. RIGHT-OF-USE ASSETS

	Buildings	Plant and equipment	Vehicles	Total
	----------Rupees----------			
Year ended December 31, 2022				
Opening net book value	197,908	176,617	147,373	521,898
Additions	214,965	40,233	230,534	485,732
Disposals / Termination				
- Cost	(214,647)	(50,120)	(16,641)	(281,408)
- Accumulated depreciation	226,120	70,302	16,641	313,063
	11,473	20,182	-	31,655
Depreciation charge (note 7.1)	(144,917)	(69,093)	(83,700)	(297,710)
Remeasurement	59,286	(46,026)	(25,370)	(12,110)
Closing net book value	338,715	121,913	268,837	729,465
At December 31, 2022				
Cost	647,073	349,819	434,633	1,431,525
Accumulated depreciation	(308,358)	(227,906)	(165,796)	(702,060)
Net book value	338,715	121,913	268,837	729,465
Year ended December 31, 2023				
Opening net book value	338,715	121,913	268,837	729,465
Additions	28,376	427,824	6,422	462,622
Disposals / Termination				
- Cost	(15,803)	-	(149,220)	(165,023)
- Accumulated depreciation	15,803	-	149,220	165,023
	-	-	-	-
Depreciation charge (note 7.1)	(154,230)	(145,423)	(95,922)	(395,575)
Remeasurement	63,040	182,532	(21,892)	223,680
Closing net book value	275,901	586,846	157,445	1,020,192
At December 31, 2023				
Cost	722,686	960,175	269,943	1,952,804
Accumulated depreciation	(446,785)	(373,329)	(112,498)	(932,612)
Net book value	275,901	586,846	157,445	1,020,192
Rate of depreciation (%)	10 - 40	9 - 52	25	

		2023	2022
		----------Rupees----------	
7.1	**The depreciation charge has been allocated as follows:**		
	- Cost of sales (note 28)	214,054	143,043
	- Distribution and marketing expenses (note 29)	56,874	34,203
	- Administrative expenses (note 30)	124,647	120,464
		395,575	297,710

7.2 The Company enters into lease arrangement for lease of plant & machinery, sale offices, registered office, warehouses and vehicles.

8. DEFERRED TAX (ASSET) / LIABILITY - Net

Debit balances arising due to:		
- Provisions for stock-in-trade, stores and spares and receivables	(219,366)	(179,186)
- Accelerated tax depreciation / amortization	(176,792)	(357,635)
- Minimum turnover tax (note 8.1)	(977,590)	(149,338)
- Share issuance cost, net to equity	(15,108)	(12,784)
- Lease liability against right-of-use assets	(392,872)	(232,990)
	(1,781,728)	(931,933)
Credit balances arising due to:		
- Right-of-use assets	397,875	240,723
- Biological assets	1,172,239	715,083
- Others	17,301	17,724
	1,587,415	973,530
	(194,313)	41,597

8.1 The Company has recognized deferred tax asset on recoupable minimum turnover tax as the Company, based on its financial projections, expects to recoup it in the ensuing years. The Company carries out periodic assessments to determine if the Company would be able to recoup minimum turnover tax paid against the liability of the Company for future years. This process relies on the assessment of the Company's profitability forecast and tax planning strategies, which in turn is based on assumptions concerning future economic conditions and business performance.

9. STORES, SPARES AND LOOSE TOOLS

	2023	2022
	----------Rupees----------	
Stores	237,837	142,447
Spares and loose tools, including in-transit	1,977,205	880,384
	2,215,042	1,022,831
Less: Provision for slow moving spares and loose tools (note 9.2)	(373,209)	(410,896)
	1,841,833	611,935
Less: Major spare parts and stand by equipment - classified under property, plant and equipment (note 4)	(704,623)	(197,972)
	1,137,210	413,963

		2023	2022
		----------Rupees----------	
9.1	The movement of stores, spares and loose tools is as follows:		
	Balance as at January 1	1,022,831	844,830
	Add: Purchases	4,301,482	2,600,479
	Less:		
	- Capitalized during the year	(52,351)	(70,393)
	- Consumed during the year	(3,056,920)	(2,352,085)
	Balance as at December 31	2,215,042	1,022,831
9.2	The movement in provision during the year is as follows:		
	Balance as at January 1	410,896	322,786
	Add: Recognized during the year (note 28)	45,074	88,110
	Less: Reversed against disposal of spares	(82,761)	-
	Balance as at December 31	373,209	410,896

10. STOCK-IN-TRADE

	2023	2022
	----------Rupees----------	
Raw and packaging material (note 10.1)	5,164,982	4,158,358
Work in process (note 10.2)	3,064,608	1,177,704
Finished goods (note 10.3)	2,050,221	2,350,185
	10,279,811	7,686,247
Less: Provision for expired / obsolete stock (note 10.4)	(96,817)	(119,859)
	10,182,994	7,566,388

10.1 Includes Rs. 773,853 (2022: Rs. 389,599) in respect of raw and packaging material held by third parties.

10.2 Includes Rs. 889,632 (2022: Rs. 431,819) in respect of semi-finished stock held by third parties.

10.3 Includes Rs. 484,736 (2022: Rs. 389,599) in respect of finished goods held by third parties and Rs.31,066 (2022: Rs.87,459) in respect of finished goods carried at net realizable value.

	2023	2022
	----------Rupees----------	
10.4 The movement in provision during the year is as follows:		
Balance as at January 1	119,859	41,228
Add: Provision recognized during the year (note 28)	33,597	89,599
Less: Stock-in-trade written-off	(56,639)	(10,968)
Balance as at December 31	96,817	119,859

11. TRADE DEBTS - Unsecured

Considered good (notes 11.1 , 11.2 and 11.4)	1,888,698	1,902,141
Considered doubtful (note 11.3)	9,922	12,235
	1,898,620	1,914,376
Less: Provision for impairment (note 11.3)	(9,922)	(12,235)
	1,888,698	1,902,141

11.1 As at December 31, 2023, trade debts aggregating to Rs. 94,168 (2022: Rs. 366,972) were past due but not impaired. These relate to various customers and have either been confirmed / acknowledged by the customers or cleared subsequent to the year end.

11.2 As at December 31, 2023, trade debts aggregating to Rs. 1,794,530 (2022: Rs. 1,535,169) were neither past due nor impaired. The credit quality of these receivables can be assessed with reference to their historical performance with no recent defaults.

11.3 As at December 31, 2023, past due trade debts falling into various age brackets, ranging from 1 - 7 days past due to over 180 days past due, were deemed to be impaired using provision matrix and hence provision amounting to Rs. 9,922 (2022: Rs. 12,235) has been recognized thereagainst. The movement in provision during the year is as follows:

	2023	2022
	----------Rupees----------	
Balance as at January 1	12,235	10,866
Receivables written-off against provision	-	(387)
(Reversal of provision) / Provision for impairment of trade debts (note 30)	(2,313)	1,756
Balance as at December 31	9,922	12,235

11.4 This includes trade receivable from the following related parties:

Engro Eximp FZE	343,471	33,860
FrieslandCampina Middle East	338,073	-
	681,544	33,860

12. ADVANCES, DEPOSITS AND PREPAYMENTS
- Unsecured, considered good

Advances to employees (note 12.1)	64,857	60,016
Advances to suppliers	154,366	470,928
Deposits	55,040	35,789
Prepayments	120,638	89,768
	394,901	656,501

12.1 These include advances to key management personnel amounting to Rs. 7,537 (2022: Rs. 17,914). The maximum aggregate amount due from them at the end of any month during the year was Rs.19,226 (2022: Rs. 17,914).

12.2 The carrying values of these financial assets are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference their historical performance with no recent defaults.

	2023	2022
	----------Rupees----------	

13. OTHER RECEIVABLES

Receivable from related parties (note 13.1):		
- FrieslandCampina Nederland B.V.	495,130	176,978
- Engro Corporation Limited - Provident Fund	3,949	4,278
- Engro Corporation Limited	-	3,369
- FrieslandCampina AMEA Pte Limited	85,846	35,870
	584,925	220,495
Others	116,484	135,252
	701,409	355,747

(Amounts in thousand)

13.1 The maximum aggregate amount due from related parties at the end of any month during the year was Rs. 911,821 (2022: Rs. 220,495).

13.2 The carrying values of other receivables are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to their historical performance with no recent defaults.

14. SALES TAX RECOVERABLE

14.1 On November 29, 2016, the Deputy Commissioner Inland Revenue (DCIR) after conducting sales tax audit for the year ended December 2013 raised sales tax demand amounting to Rs. 158,826 including penalty. The demand primarily arose on account of (i) mismatch of input tax claimed with suppliers output tax on Federal Board of Revenue (FBR) portal; (ii) alleged unlawful adjustment of input tax; and (iii) alleged non-withholding of sales tax on certain supplies. On February 28, 2019, Commissioner Inland Revenue Appeals [CIR (Appeals)] upheld the demand of DCIR in respect of mismatch of input tax claimed and remanded back adjustment of input tax. Being aggrieved with the impugned order, the Company has filed appeal before the Appellate Tribunal Inland Revenue (ATIR) on May 29, 2019, which is pending for adjudication. The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and, accordingly sales tax recoverable has not been reduced by the effect of aforementioned order.

14.2 The DCIR issued show cause notices for sales tax on tea whitener and dairy drink product i.e. 'Tarang' and 'Omung' respectively for the year 2013 on October 17, 2017 and for years 2014, 2015 and 2016 on March 9, 2018, aggregating to Rs. 14,886,500, challenging the exemption / zero rating on these products. Against the show cause notices, the Company had filed Constitutional Petitions before the High Court of Sindh (HCS) for year 2013 on October 25, 2017 and for years 2014, 2015 and 2016 on March 15, 2018, and had obtained an interim injunction against adverse action by tax authorities on the same day. The HCS through its order dated November 18, 2020 has upheld Company's view with respect to 'Tarang' in view of the decision of the Classification Committee obtained by the Company on February 11, 2019. With respect to 'Omung' the HCS suspended the notice, advising that the FBR may refer the matter to the Classification Committee, for a decision afresh; and till such time no action can be taken against the Company. The amount of show cause notices pertaining to 'Omung' aggregate to Rs. 1,480,841. In case the Classification Committee (for Omung) decides against the Company, the Company can avail all legal remedies available to it. The Company filed an appeal against this decision with respect to Omung in the Supreme Court of Pakistan (SCP). Further, FBR also challenged the order dated November 18, 2020 in the SCP. Subsequent to year end, SCP disposed-off cross appeals filed against the HSC order dated November 18, 2020. SCP has allowed the Company's appeals and has set aside the notices related to Omung, whereas SCP dismissed the appeals of tax department against 'Tarang'. Accordingly, show cause notices issued to the Company have been completely quashed.

On March 15, 2022, the Classification Committee (CC) issued ruling, effective prospectively, on tea whiteners including 'Tarang'. CC therein reviewed its previous rulings and decided the matter against the taxpayers. On October 28, 2022, the Lahore High Court (LHC) passed an order setting aside the ruling dated March 15, 2022 and remanded back the case to the Collector of Customs to re-adjudicate the matter as per the procedure prescribed under the law. Pursuant to the order of the LHC if any classification ruling is issued, the same would be applicable prospectively from the date of the final decision by the Collector of Customs. Some dairy companies have further challenged LHC order in SC on the ground that LHC direction to Collector of Customs to re-adjudicate the matter afresh is void and illegal.

Following the directions of LHC, on April 04, 2023, the Customs department confirmed the earlier ruling of the CC pertaining to Tea Whiteners dated March15, 2022 against the taxpayers. Being aggrieved, the ruling dated April 04, 2023 was again challenged in LHC on the grounds that proper opportunity of being heard was not provided to petitioners. Later by, LHC converted these appeals into representations before the FBR and directed the FBR to decide the same within 15 days. FBR vide order dated September 20, 2023 has upheld the CC ruling. However, various companies have challenged the FBR order in LHC which has suspended FBR's order and directed that previous ruling shall continue to apply in meantime. Hence, no provision has been recognised prior to the date of the aforementioned latest Classification decision.

14.3 The Assistant Commissioner Inland Revenue (ACIR) passed an order on September 17, 2019 for the tax periods July 2013 to June 2018 raising demand amounting to Rs. 245,575 including penalty and default surcharge by disallowing input tax on certain items and purchases from blacklisted / suspended vendors. On December 26, 2019, Commissioner Inland Revenue Appeals [CIR (Appeals)] passed an order allowing input tax on purchases from blacklisted / suspended vendors and remanded back claim of input tax on certain items. Being aggrieved with the impugned order, the Company has filed appeal before the ATIR on February 20, 2020, which is pending for adjudication. The Company based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and, accordingly sales tax recoverable has not been reduced by the effect of aforementioned order.

14.4 The DCIR passed an order on October 25, 2022 for the period July 2020 to June 2021 against the inappropriate apportionment of input tax in the monthly sales tax returns creating demand of Rs. 150,402. CIR (Appeals) remanded back the order issued by the DCIR on November 23, 2022. Remand back proceedings have been initiated by the department and the Company has submitted the response but no order has been passed to date. The Company has also filed an appeal before the ATIR on February 10, 2023 which is pending adjudication. The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

14.5 The DCIR passed an order on September 07, 2023 and disallowed input sales tax paid on foreign services amounting to Rs. 17,348. The Company filed an appeal against this order and on October 13, 2023, CIR (Appeals) remand back the DCIR order and directing for reverification. Being dissatisifed, the Company filed further appeal before the ATIR against the CIR (Appeals) order which is pending adjudication. The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

	2023	2022
	----------Rupees----------	
15. SHORT-TERM INVESTMENTS		
Term deposits receipts	1,000,000	2,000,000

15.1 These investments carry interest at the rate of 22.05% (2022: 16% to 16.5%) per annum having maturity period of less than 3 months.

	2023	2022
	----------Rupees----------	
16. CASH AND BANK BALANCES		
Cash at bank on:		
- current accounts - conventional [including foreign currency account of Rs. 124,363 (2022: Rs. 83,857)	170,239	97,740
- current accounts - islamic (note 16.1)	19,884	27,421
- savings accounts	1,888,355	1,699,393
	2,078,478	1,824,554

16.1 Following is the list of banks with which the Company has a relationship with Islamic window of operations:

- Meezan Bank Limited
- Al Baraka Bank Limited
- Faysal Bank Limited

	2023	2022
	----------Rupees----------	
17. SHARE CAPITAL		
Authorized capital		
850,000,000 (2022: 850,000,000) ordinary shares of Rs. 10 each	8,500,000	8,500,000
Issued, subscribed and paid-up capital		
766,596,075 (2022: 766,596,075) ordinary shares of Rs. 10 each fully paid in cash (note 17.1)	7,665,961	7,665,961

17.1 As at December 31, 2023, FrieslandCampina Pakistan Holdings B.V. (the Holding Company) held 390,963,999 (2022: 390,963,999) ordinary shares of Rs. 10 each and Engro Corporation Limited held 306,075,947 (2022: 306,075,947) ordinary shares of Rs. 10 each.

17.2 The Company has only one class of ordinary shares which do not carry any rights to a fixed income. The holders of the shares are entitled to receive dividends as declared from time to time and are also entitled to one vote per share at meetings of the Company. All shares rank pari passu with regards to the Company's residual assets. The Shareholders' Agreement executed between FrieslandCampina Pakistan Holding B.V. and Engro Corporation Limited (ECL) provides certain restricted matters that require prior ECL approval. These matters include but are not limited to loans to a third party over a prescribed limit (not included in the Business Plan), purchase / acquisition / sale / disposition of a business over a prescribed limit (not included in Business Plan) and creation of Board committees.

18. SHARE PREMIUM

This reserve can be utilized by the Company only for the purpose specified in section 81 of the Act.

19. EMPLOYEES' SHARE OPTION SCHEME

In 2013, the shareholders of the Company approved Employees' Share Option Scheme (the Scheme) for granting of options to certain critical employees up to 16,900,000 new ordinary shares, to be determined by the Board Compensation Committee.

Under the Scheme, options were granted from the year 2013. The time period under the Scheme for granting of share options expired in April 2015. However, the Company obtained approval of shareholders for extension in share options grant period for further 3 years in the Annual General Meeting held on April 27, 2015. The approval from the SECP for aforementioned modification in the Scheme and the related vesting period was received through letter dated August 31, 2015. 50% of the options granted were to vest in two years whereas the remaining 50% were to vest in three years from the date of the grant of options. These options were exercisable within 3 years from the end of vesting period. As at December 31, 2023, the entire 16,900,000 options for shares have lapsed with the expiry of the Scheme. During the year, options for 62,500 shares lapsed resulting in transfer of Rs. 1,267 from Employee Share Option Compensation Reserve to Unappropriated Profit in the statement of changes in equity.

There are no outstanding share options as at December 31, 2023.

20. LONG TERM FINANCES, Secured (Non-participatory)

Long term finances utilized under mark-up arrangements:

	Installments			2023	2022
	Number	Commencing from	Interest Rate	----------Rupees----------	
Long term finances					
Bank Al-Habib Limited	4 half yearly	October 7, 2021	6 months KIBOR + 0.05%	-	700,000
Habib Bank Limited	4 half yearly	October 7, 2021	6 months KIBOR + 0.05%	-	500,000
MCB Bank Limited	4 half yearly	July 31, 2023	3 months KIBOR + 0.25%	750,000	1,000,000
Habib Metropolitan Bank Limited	8 quarterly	March 31, 2021	2% - 3%	-	119,643
				750,000	2,319,643
Less: Current portion shown under current liabilities				(500,000)	(1,569,643)
				250,000	750,000

20.1 The above finances are secured by registered floating charges / mortgages over the present and future operating assets of the Company up to a maximum of Rs. 7,500,000 (2022: Rs. 10,000,000).

20.2 Following are the changes in the long term finances for which cash flows have been classified as financing activities in the statement of cash flows:

(Amounts in thousand)

	2023	2022
	----------Rupees----------	
Balance as at January 1	2,319,643	4,782,647
Less: Repayment of long term finances	(1,569,643)	(2,478,571)
Add: Amortization of long term finance grant (note 32)	-	15,567
Balance as at December 31	750,000	2,319,643

21. LEASE LIABILITY AGAINST RIGHT-OF-USE ASSETS

Non-current portion	583,851	437,691
Current portion	423,514	268,338
Total lease liability as at December 31	1,007,365	706,029
Maturity analysis:		
within 1 year	423,514	268,338
between 1 to 2 years	57,183	36,481
between 2 to 3 years	334,793	94,296
between 3 to 4 years	5,072	287,377
more than 4 years	186,803	19,537
	1,007,365	706,029

22. TRADE AND OTHER PAYABLES

Trade payables (note 22.1)	7,664,771	6,219,016
Accrued liabilities	3,764,128	3,705,336
Retention money	472	1,037
Suppliers' security deposits (note 22.3)	98	98
Customers' security deposits (note 22.4)	1,100	1,100
Withholding tax payable	121,496	104,178
Payable to:		
- provident fund	38,989	-
- defined benefit gratuity fund (note 38.4)	411,546	347,276
- defined contribution gratuity fund	6,358	-
Workers' profits participation fund (note 22.2)	19,304	8,957
Workers' welfare fund	100,629	148,962
Others	126,746	56,817
	12,255,637	10,592,777

22.1 Include payable to following related parties:

- FrieslandCampina Nederland B.V.	2,108,598	1,932,350
- FrieslandCampina AMEA Pte Ltd	9,683	3,094
- PT Frisian Flag Indonesia	10,378	8,342
- Engro Corporation Limited	1,891	-
- Alaska Milk Corporation	848	681
	2,131,398	1,944,467

	2023	2022
	----------Rupees----------	
22.2 Workers' profits participation fund		
Balance as at January 1	8,957	10,319
Add: Allocation for the year (note 31)	159,354	210,957
Less: Amount paid to the Fund	(149,007)	(212,319)
Balance as at December 31	19,304	8,957

22.3 These represent interest free security deposit received from suppliers in accordance with the terms of the supplier arrangements. These deposits have been kept in separate bank accounts and have not been utilized for the purpose of the Company's business.

22.4 These represent interest free security deposit received from customers in accordance with the terms of the customer arrangements. These deposits have been kept in separate bank accounts and have not been utilized for the purpose of the Company's business.

23. CONTRACT LIABILITIES

These represent advances received by the Company from customers and distributors for goods to be delivered. The advances outstanding as at December 31, 2022 amounting to Rs. 765,448 have been fully recognized as revenue during the current year.

24. SUPPLIER FINANCING - UNFUNDED

This represents inland letters of credit under supplier financing arrangements amounting to Rs. 11,374,678 (2022: Rs. 7,323,626).

25. SHORT TERM FINANCES - secured

25.1 Represents short term loan obtained against export sales under the State Bank of Pakistan's FE - 25 Scheme. The facility carries mark up at the rate of 6% per anum.

The facilities for short term running finance available from various banks amounts to Rs.10,750,000 (2022: Rs. 7,750,000). The unutilized balance against these facilities as at December 31, 2023 is Rs. 10,628,741 (2022: Rs. 7,750,000). The rates of mark-up on these finances are KIBOR based and range from 22.31% to 22.84% (2022: 15.71% to 17.08%) per annum. These facilities are secured by way of floating charge upon all the present and future current assets of the Company.

25.2 The facilities for opening letters of credit and bank guarantees as at December 31, 2023 amounts to Rs. 24,550,000 (2022: Rs. 17,150,000), of which the amount remaining unutilized as at December 31, 2023 was Rs. 7,669,591 (2022: Rs. 12,682,582).

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

26.1.1 The Company has provided bank guarantees to:

- Sui Southern Gas Company Limited amounting to Rs. 88,232 (2022: Rs. 84,722) under the contract for supply of gas;
- Sui Northern Gas Pipeline Company Limited amounting to Rs. 40,447 (2022: Rs. 40,446) under the contract for supply of gas;
- Collector of Sales Tax, Large Tax Payers Unit (LTU), Karachi amounting to Rs. 258,712 (2022: Rs. 258,712) under the Sales Tax Rules 2006, against refund claims of input sales tax. Against these guarantees, sales tax refunds amounting to Rs. 90,820 (2022: Rs. 90,820) have been received to date;
- Parco Pearl Gas Co. (Private) Limited amounting to Rs. 1,000 (2022: Rs. 1,000) as collateral against supplies; and

- The Government of Sindh, amounting to Rs. 403,387 (2022: Rs. 323,386) in relation to Sindh Infrastructure Development Cess (SIDC). In 2021, the Supreme Court of Pakistan (SCP) through its order dated September 1, 2021 has directed that till further orders operation of the impugned judgement of the High Court of Sindh dated June 4, 2021 which validated SIDC and its recovery shall remain suspended. The SCP's order further stated that the petitioners (including the Company) shall keep the bank guarantees already submitted with the Government of Sindh and shall furnish fresh bank guarantees equivalent to 100% of the amount of SIDC against release of all future consignments of imported goods.

26.1.2 On January 18, 2017, the Company received an order from Competition Commission of Pakistan (CCP), imposing a penalty of Rs. 62,293 in respect of Company's marketing activities relating to one of its products. The Company filed an appeal against the aforementioned order on February 8, 2017, which was decided by the CCP tribunal on January 16, 2019, in Company's favor. However the CCP has filed an appeal against the decision of the tribunal in the Supreme Court of Pakistan (SCP). The Company has submitted its response in the SCP which is pending adjudication. The Company expects a favourable outcome, therefore, no provision has been recognized in this respect.

26.1.3 During the year, Customs Department issued various orders alleging that the Company has misdeclared Harmonized System (HS) code on certain raw materials imported and is therefore, required to pay additional duties and taxes creating a demand of Rs. 420,834. The Company being aggreived with the said demands has filed appeals before Collector of Customs (Appeal) which are pending adjudication. The Company has issued bank guarantees amounting to Rs. 50,731 for provisional release of raw materials.

The Company has also filed appeal in the Sindh High Court against the Classification Ruling issued for one of its imported raw material which is also pending adjudication. The Company, based on the opinion of its legal and tax consultants, is confident of a favorable outcome of these appeals.

26.1.4 On November 23, 2023, Customs department issued an order alleging that the Company has imported a raw material which has short shelf life as per the guidilines given in Import Policy Order, 2022 and confiscated the goods and raised a demand of Rs.14,827. The Company being aggreived with the said order has filed an appeal before the Collector of Customs (Appeal), Karachi which is pending adjudication. The Company is confident of a favorable outcome of the appeal.

26.1.5 On December 8, 2023, Customs department issued an order alleging that the Company has incorrectly claimed exemption of duties and taxes on import of certain samples and levied penalty of Rs. 20. The Company being aggreived with the said demand has filed an appeal before the Collector of Customs (Appeals), Lahore which is pending adjudication. The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal.

26.1.6 Details of the tax related matters are given in notes 14 and 34.2 of these financial statements.

26.2 Commitments

26.2.1 Commitments in respect of capital expenditure contracted for but not incurred as at December 31, 2023 amounts to Rs. 921,909 (2022: Rs. 1,239,977).

26.2.2 Commitments in respect of purchase of certain commodities as at December 31, 2023 amounts to Rs. 1,511,700 (2022: Rs. 309,439).

	2023	2022
	----------Rupees----------	

27. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

Revenue from contracts with customers - gross (notes 27.1 & 27.2)	111,510,423	80,844,726
Less:		
- Sales tax	(3,629,706)	(2,756,219)
- Trade discounts and others	(7,645,314)	(4,614,820)
	100,235,403	73,473,687

27.1 This includes export sales amounting to Rs. 1,800,167 (2022: Rs. 66,546).

27.2 The entire revenue of the Company is earned under Shariah compliant business.

28. COST OF SALES

	2023	2022
	----------Rupees----------	
Raw and packaging material consumed (note 28.1)	73,568,186	51,612,216
Salaries, wages, and staff welfare (note 28.2)	2,333,305	2,006,039
Fuel and power	2,736,710	2,347,925
Repair and maintenance	1,367,987	1,005,487
Freight inwards	1,775,883	1,163,434
Depreciation on operating assets (note 4.3)	1,060,088	995,736
Depreciation on right-of-use assets (note 7.1)	214,054	143,043
Impairment / (Reversal of impairment) of operating assets (note 4.6)	(13,145)	10,088
Travelling	237,616	195,648
Communication and other office expenses	176,296	141,956
Insurance	248,983	159,773
Rent and utilities (note 28.3)	429,344	263,727
Research and business development	21,980	36,176
Fee for technical assistance (note 28.4)	2,121,310	1,596,684
Legal and professional	15,702	8,461
Purchased services	1,040,631	735,976
Provision against:		
- stock-in-trade (note 10.4)	33,597	89,599
- slow moving spares (note 9.2)	45,074	88,110
Manufacturing cost	87,413,601	62,600,078
Add: Opening stock of work-in-process	1,177,704	1,404,670
Less: Closing stock of work-in-process	(3,064,608)	(1,177,704)
Cost of goods manufactured	85,526,697	62,827,044
Add: Opening stock of finished goods manufactured	2,350,185	888,440
Less: Closing stock of finished goods manufactured	(2,050,221)	(2,350,185)
	85,826,661	61,365,299

28.1 Raw and packaging material consumed

Opening stock of raw and packaging material	4,158,358	2,412,938
Add: Purchases	74,574,810	53,357,636
Less: Closing stock of raw and packaging material	(5,164,982)	(4,158,358)
Raw and packaging material consumed	73,568,186	51,612,216

28.2 These include Rs. 214,157 (2022: Rs. 174,072) in respect of staff retirement benefits.

28.3 These include rentals for short-term leases, rentals for leases of low-value assets and variable lease payments amounting to Rs. 7,355, Rs. 43,341 and Rs. 343,738 (2022: Rs. 12,590, Rs. 73,594 and Rs. 162,964), respectively.

28.4 This represents charges for technical assistance and royalty paid / payable to FrieslandCampina Nederland B.V., related party (note 43.2.1).

(Amounts in thousand)

29. DISTRIBUTION AND MARKETING EXPENSES

	2023	2022
	----------Rupees----------	
Salaries, wages and staff welfare (note 29.1)	1,253,153	1,024,210
Advertising	2,523,695	2,042,050
Freight outward	2,832,336	2,084,285
Travelling	277,691	189,920
Communication and other office expenses	234,032	54,198
Depreciation on operating assets (note 4.3)	405,171	387,321
Depreciation on right-of-use assets (note 7.1)	56,874	34,203
Impairment of operating assets (note 4.6)	22,230	3,151
Fuel and power	10,041	9,844
Repairs and maintenance	91,597	71,924
Rent, rates and taxes (note 29.2)	10,810	2,092
Insurance	27,248	18,317
Software maintenance	19,594	10,131
Research and business development	234	208
Legal and professional	2,814	168
Purchased services	13,216	1,999
	7,780,736	5,934,021

29.1 These include Rs. 100,971 (2022: Rs. 77,448) in respect of staff retirement benefits.

29.2 These include rentals for short-term leases and variable lease payments amounting to Nil (2022: Rs. 348 and Nil), respectively.

30. ADMINISTRATIVE EXPENSES

	2023	2022
	----------Rupees----------	
Salaries, wages and staff welfare (note 30.1)	1,009,272	940,541
Training and development	15,572	14,223
Communication and other office expenses	195,017	198,249
Rent, rates and taxes (note 30.2)	36,173	34,922
Travelling	112,975	74,951
Depreciation on operating assets (note 4.3)	59,719	35,835
Depreciation on right-of-use assets (note 7.1)	124,647	120,464
Impairment of operating assets (note 4.6)	-	307
Impairment of intangible assets (note 6)	-	89
Amortization of intangible assets (note 6)	19,145	27,159
Fuel and power	3,291	2,832
Repairs and maintenance	8,821	4,160
Insurance	5,910	7,741
Legal and professional	67,201	57,023
Auditor's remuneration (note 30.3)	7,434	7,241
Software maintenance and license cost	13,482	3
Provision for impairment / (Reversal of provision) of trade debts (note 11.3)	(2,313)	1,756
Purchased services	192,292	190,847
	1,868,638	1,718,343

30.1 These include Rs. 97,228 (2022: Rs. 81,178) in respect of staff retirement benefits.

30.2 These include rentals for short-term leases amounting to Nil (2022: Rs. 1,360).

	2023	2022
	----------Rupees----------	
30.3 Auditor's remuneration		
Fee for:		
- audit of annual financial statements and group reporting	4,741	4,462
- review of half yearly financial information	829	775
- review of compliance with the Code of Corporate Governance	171	160
- special certifications and other services	1,218	770
	6,959	6,167
Reimbursement of expenses and taxes	475	1,074
	7,434	7,241

31. OTHER OPERATING EXPENSES

Workers' welfare fund	37,343	58,180
Donations (note 31.1)	43,646	32,189
Provision for culling of biological assets (note 5.2)	94,153	116,102
Loss on disposal of biological assets	18,573	7,913
Workers' profits participation fund (note 22.2)	159,354	210,957
Exchange loss - net	-	21,188
Others	-	192
	353,069	446,721

31.1 These includes donations to Engro Foundation, a related party amounting to Rs. 6,250 (2022: Rs. 20,000), CARE Foundation Pakistan amounting to Rs. 27,963 (2022: Nil) and The Blessing Foundation amounting to Rs. 4,858 (2022: Nil). The directors including Chief Executive Officer, and their spouses do not have any interest in the donees.

	2023	2022
	----------Rupees----------	
32. OTHER INCOME		
From financial assets		
Interest on bank deposits / saving accounts	163,281	142,263
Interest income on term deposit receipts	7,868	63,726
	171,149	205,989
From other than financial assets		
Gain arising from changes in fair value of biological assets (note 5.1)	1,233,266	938,965
Gain on disposal of operating assets (note 4.4)	121,285	49,951
Gain on disposal of right of use assets	13,089	46,977
Exchange gain	43,133	-
Scrap sales	92,573	64,029
Amortization of government grant on long term finances (note 20.2)	-	15,567
Others	36,581	-
	1,539,927	1,115,489
	1,711,076	1,321,478

33. FINANCE COSTS

	2023	2022
	----------Rupees----------	
Mark-up on:		
- Short-term finances (note 33.1)	2,727,555	851,032
- Long-term finances	236,142	434,590
- Lease liability against right-of-use assets	133,124	72,292
	3,096,821	1,357,914
Bank charges	30,167	21,873
	3,126,988	1,379,787

33.1 This also includes finance costs on local letters of credit i.e. supplier financing. The rates of mark-up on these finances are KIBOR based and range from 16.43% to 23.11% (2022: 15.71% to 17.08%) per annum.

34. TAXATION

	2023	2022
	----------Rupees----------	
Current (note 34.1)		
- for the year	1,546,323	1,090,871
- for prior years	171,188	167,936
	1,717,511	1,258,807
Deferred (note 34.1)	(235,910)	226,514
	1,481,601	1,485,321

34.1 Section 4C 'Super tax on high earning persons' of the Income Tax Ordinance 2001, (Ordinance) introduced through the Finance Act, 2022 has been further amended through the Finance Act, 2023, whereby super tax rate has been increased to 10%, in case the income exceeds Rs. 500,000. This is retrospectively applicable from tax year 2023 (i.e. financial year 2022) onwards. Last year, the Company had already recognised super tax provision at 4% for tax year 2023 based on the rate applicable as at December 31, 2022. Accordingly, during the current year, the Company has recognised an additional charge of 6% amounting to Rs. 171,188 for tax year 2023. Further, the Company also recognised super tax charge at the rate of 10% for tax year 2024 (i.e. financial year 2023), amounting to Rs. 187,595.

Deferred tax expense has been recognised at the rate of 39% (including 10% super tax) (2022: 33% including 4% super tax) being the tax rate substantively enacted at the reporting date and is expected to apply to the periods when the asset will be realised or the liability will be settled.

34.2 Following is the position of the Company's open income tax assessments:

34.2.1 The Company in accordance with section 59B 'Group Relief' of the Income Tax Ordinance (ITO), 2001 had surrendered to Engro Corporation Limited (ECL), the associated company (then the holding company), its tax losses amounting to Rs. 4,288,134 out of the total tax losses of Rs. 4,485,498 for the financial years ended December 31, 2006, 2007 and 2008 (i.e. tax years 2007, 2008 and 2009) for cash consideration aggregating to Rs. 1,500,847, being equivalent to tax benefit/effect thereof.

The Company had been designated as part of the Group of ECL by the Securities and Exchange Commission of Pakistan (SECP) through its letter dated February 26, 2010. Such designation was mandatory for availing Group tax relief under section 59B of the Ordinance and a requirement under the Group Companies Registration Regulations, 2008 notified by the SECP on December 31, 2008.

The Appellate Tribunal Inland Revenue (ATIR), in respect of surrender of aforementioned tax losses by the Company to ECL for the financial years ended December 31, 2006 and 2007, decided the appeals on July 1, 2010 in favor of ECL, whereby, allowing the surrender of tax losses by the Company to ECL. The tax authority has filed reference application dated October 23, 2010 there against before the High Court of Sindh, which is under the process of hearings. On May 20, 2013, the ATIR also decided similar appeal filed by ECL for the year ended December 31, 2008 in favor of ECL. The Company based on the merits of the case expects a favorable outcome of the matter.

(Amounts in thousand)

34.2.2 On January 29, 2009, the Deputy Commissioner Inland Revenue (DCIR) reduced tax loss from Rs. 1,224,964 to Rs. 1,106,493 for the tax year 2007. Being aggrieved with the impugned order, the Company has filed appeal before the Commissioner Inland Revenue of Appeals [CIR (A)] on March 11, 2009, which is pending adjudication. However, the Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and hence the balance of taxes recoverable has not been reduced by the effect of the aforementioned disallowance.

34.2.3 On May 20, 2014, the Additional Commissioner Inland Revenue (ACIR) raised a demand of Rs. 713,341 for tax year 2012 by disallowing the initial allowance and depreciation claimed on certain items of property, plant and equipment, provision for retirement and other service benefits, purchase expenses, sales promotion and advertisement and other expenses etc. On January 26, 2017, CIR (A) upheld the decision of ACIR in respect of provision for retirement benefits and marketing support reimbursements while remanded back various issues for reexamination. Being aggrieved with the impugned order, the Company filed an appeal before the ATIR on August 30, 2017, which is pending adjudication. On February 14, 2022 CIR (A) passed an order against the appeal filed for the tax year 2012 against the order issued by DCIR on October 27, 2020 and remanded back issues of deduction on maintenance expenses, provision for retirement benefits, labour charges and adjustment of brought forward losses pertaining to the tax year 2006. DCIR has not yet initiated the remand back proceedings. The Company, being aggrieved with the decision of the CIR(A), has preferred an appeal before the ATIR which is pending adjudication. The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

34.2.4 On December 23, 2015, the ACIR raised a demand of Rs. 73,962 for tax year 2014 by disallowing the loss on sales of raw milk, depreciation on certain additions to property, plant and equipment and tax credit under section 65B of the Ordinance, etc. On December 6, 2018, the CIR (A) upheld the decision of the ACIR on major items. Being aggrieved with the impugned order, the Company filed an appeal before the ATIR on March 7, 2019, which is pending adjudication. On December 17, 2020, the tax authority has passed an order giving effect to the directions of the CIR (A). Based on the opinion of the tax consultant, the Company is confident of a favorable outcome of the appeal, and, accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

34.2.5 On June 29, 2016, the DCIR raised a demand of Rs. 541,221 for tax year 2013 by disallowing the loss on sales of raw milk, stock written-off, finance costs allocation, research and business expenses, adjustment of tax losses for tax year 2011 and minimum turnover tax credit for tax years 2008, 2010 and 2011 etc. On January 26, 2017, CIR (A) upheld the decision of the DCIR in respect of minimum turnover tax credit and finance cost allocation. On May 29, 2018, the DCIR passed an appeal effect order based on the decision of the CIR (A) reducing the demand to Rs. 98,548. Being aggrieved with the impugned order, the Company has filed appeal before the ATIR on May 15, 2017, which is pending adjudication. The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and, accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

34.2.6 On June 29, 2016, the ACIR raised a demand of Rs. 59,772 for tax year 2010, primarily on account of sale of raw milk, inventory write off, disallowance of sales promotion and freight expenses. On November 23, 2018 the CIR (A) upheld the decision of the ACIR in respect of loss on sale of raw milk and inventory write-off while giving relief on other matters. Being aggrieved with the impugned order, the Company has filed appeal before the ATIR on March 7, 2019, which is pending adjudication. On December 17, 2020, the tax authority has passed an order to conclude reexamination proceedings and give effect to the directions of the CIR (A). On February 14, 2022 the CIR (A) passed an order against the appeal filed for the tax year 2010 and remanded back issues of adjustment of income tax refunds pertaining to the tax years 2006 and 2009. The Company, being aggrieved with the decision of the CIR(A), has filed an appeal before the ATIR which is pending adjudication.The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and, accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

34.2.7 On December 7, 2016, the ACIR raised a demand of Rs. 34,134 for tax year 2011 by disallowing depreciation on certain additions to property, plant and equipment, provision for retirement and other service benefits, sales promotion and advertisement and other expenses etc. On April 15, 2019 the CIR (A) upheld the decision of the ACIR on major items. Being aggrieved with the impugned order, the Company has filed appeal before the ATIR on June 3, 2019, which is pending adjudication. The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and, accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

(Amounts in thousand)

34.2.8 On November 3, 2017, the ACIR raised a demand of Rs. 511,801 for tax year 2016 by disallowing minimum turnover tax credit, expenses on account of Employee Share Option Scheme and Worker's Welfare Fund. On June 30, 2018, the CIR (A) upheld the decision of the ACIR in respect of minimum turnover tax credit and Employee Share Option Scheme. Being aggrieved with the impugned order, the Company has filed appeal before the ATIR on August 15, 2018, which is pending adjudication. The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and, accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

34.2.9 On February 22, 2019, the ACIR raised a demand of Rs. 274,588 for tax year 2015 by disallowing expenses on account of Employee Share Option Scheme, loss on sale of disposal of assets and assets written-off. On August 19, 2019, the CIR (A) upheld the decision in respect of Employee Share Option Scheme and assets written off, while other matters were remanded back for reexamination. Being aggrieved with the impugned order, the Company filed appeal before the ATIR on October 24, 2019, which is pending adjudication. On December 17, 2020, the tax authority has passed an order to conclude reexamination proceedings and give effect to the directions of the CIR (A). As complete effects have not been given, the Company had filed appeal before CIR (A) on July 15, 2021 and on February 28, 2023 the CIR (A) issued an order deleting the action of the ACIR as regards the disallowance of loss on disposal of vehicles. However, the CIR (A) remanded back the issue of short tax credit to the ACIR for re-adjudication. Till date no remand back proceedings have been initiated in this respect. The Company also filed rectification application against which rectified order was passed on March 2021 creating tax refund of Rs. 100,000. On December 27, 2023, the ACIR issued refund order of Rs. 92,915 against aforesaid rectification order. The Company is in the process of filing appeal against the refund order. The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and, accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

34.2.10 On September 30, 2020, the ACIR raised demand of Rs. 65,522 by disallowing certain items e.g. tax credits claimed under section 65B, depreciation on freezers, written-off inventory and Gas Infrastructure Development Cess for tax year 2017. On June 22, 2022, the CIR (A) issued an order against the appeal filed for the tax year 2017 and upheld the decision of the ACIR in respect of loss on sale of disposal of fixed assets, while remanded the issues of depreciation and addition on account of inventory written off for reexamination to the ACIR. The remaining issues have been decided in favour of the Company. The ACIR has not yet initiated the remand back proceedings. The Company, being aggrieved with the decision of the CIR (A) in respect of the order, has preferred appeal before the ATIR which is pending adjudication. The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

34.2.11 On September 30, 2020, the ACIR raised demand of Rs. 70,592 by disallowing certain items e.g. tax credits claimed under section 65B, depreciation on freezers, written-off inventory and Gas Infrastructure Development Cess for tax year 2018. On June 14, 2022, the CIR (A) issued an order against the appeal filed for the tax year 2018 remanded back the issues of disallowance of inventory write off, short allowance of tax credit for re-adjudication to the ACIR. The remaining issues have been decided in favour of the Company. The ACIR has not yet initiated the remand back proceedings. The Company, being aggrieved with the decision of the CIR (A) in respect of the order, has filed appeal before the ATIR which is pending adjudication. The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

34.2.12 On September 30, 2020, ACIR raised demand of Rs. 85,358 by disallowing certain items e.g.deduction claimed on account of donations, impairment of operating assets and accounting loss on disposal for tax year 2019. On April 19, 2022, the CIR (A) issued an order against the appeal filed for the tax year 2019 and upheld the decision of the ACIR in respect of super tax while remanded back the issue of disallowance of depreciation, short allowance of tax credit for re-adjudication to the ACIR. The remaining issues have been decided in favour of the Company. The Company, being aggrieved with the decision of the CIR (A), has filed appeal before the ATIR which is pending adjudication. On June 06, 2023, the ACIR passed an appeal effect order based on decision of the CIR (A) and created a tax refund of Rs. 137,272 to the extent of remanded back matters. On December 27, 2023 the ACIR issued refund order of Rs. 106,215 against the aforesaid order dated June 06, 2023. The Company is in the process of filing appeal against the refund order. The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

(Amounts in thousand)

34.2.13 The DCIR conducted examination of withholding obligation of the Company for tax years 2013 and for tax years 2015 to 2018 and raised demands aggregating to Rs. 55,153. The CIR (A) decided the case in favor of the Company for tax year 2013 while remanded back the cases for tax years 2017 and 2018. Further, the CIR (A) in relation to tax years 2015 and 2016 decided the matter against the Company. Being aggrieved with the impugned orders, the Company has filed appeals before the ATIR for tax years 2015 to 2018, which are pending adjudication. The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and, accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

34.2.14 The DCIR conducted examination of withholding obligation of the Company for tax year 2020 and passed an order on December 29, 2022 raising a demand of Rs. 30,712, which has been paid by the Company under protest and filed an appeal to the CIR (A) on January 26, 2023 against the order. The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and, accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

34.2.15 The DCIR issued order on September 20, 2020 for tax year 2018 wherein the tax authority had conducted verification of advance tax credits claimed by the Company in the income tax return. The tax authority disallowed the Company's claim to the extent of Rs. 12,859 for tax year 2018. Being aggrieved with the impugned order, the Company has filed an appeal before the CIR (A) on October 15, 2020, which is pending adjudication. The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and, accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

34.2.16 The DCIR issued order on July 08, 2020 for tax year 2019 wherein the tax authority had conducted verification of advance tax credits claimed by the Company in the income tax return. The tax authority disallowed the Company's claim to the extent of Rs. 23,117 for tax year 2019. On February 14, 2022 CIR (A) issued an order against the appeal filed by the Company and remanded back the proceedings to DCIR for further verification of tax credits claimed by the Company. The DCIR has not yet initiated the remand back proceedings. The Company, being aggrieved with the decision of the CIR (A), has preferred an appeal before the ATIR which is pending adjudication. The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

34.2.17 The DCIR issued orders dated Febraury 22, 2021 and February 18, 2021 for tax years 2009 and 2020, respectively, in repsect of verification of advance tax credits claimed by the Company in the income tax return. The tax authority disallowed the Company's claims to the extent of Rs. 25,713 and Rs. 22,885 for tax years 2009 and 2020, respectively. On February 14, 2022, the CIR (A) issued order against the appeal filed for the tax years 2009 and 2020 and remanded back the proceedings to the DCIR for further verifications of tax credits claimed by the Company. The DCIR has not yet initiated the remand back proceedings. The Company, being aggrieved with the decision of the CIR (A), has preferred an appeal before the ATIR which is pending adjudication. The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and accordingly taxes recoverable have not been reduced by the effect of the aforementioned remand-back proceedings.

34.2.18 The DCIR issued order dated December 31, 2021 for tax year 2016 in respect of verification of advance tax credits claimed by the Company in its income tax return and disallowed the Company's claims to the extent of Rs. 83,943. Being aggrieved with the impugned order, the Company has filed an appeal before the CIR (A). The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and, accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

34.2.19 On March 22, 2021, ACIR raised a demand of Rs. 54,488 for tax year 2020 by disallowing certain items i.e., provision for culling of biological assets, provision for slow moving spares and loss on biological assets. On April 19, 2022, CIR (A) issued an order against the appeal filed for the tax year 2020 and upheld the decision of ACIR in respect of disallowance of tax loss on disposal of assets, while remanded back the issue of short tax credit allowed for re-adjudication to the ACIR. The Company, being aggrieved with the decision of the CIR(A), has preferred appeal before the ATIR which is pending adjudication. On June 06, 2023, Additional Commissioner Inland Revenue (ACIR) passed an appeal effect order based on decision of CIR (A) and created a tax refund of Rs. 83,353 to the extent of remanded back matters. On December 27, 2023 ACIR issued refund order u/s 170(4) against the aforesaid order of Rs 66,299. The Company is in the process of filing appeal against the refund order. The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

34.2.20 On February 27, 2023 CIR (A) passed an order against the appeal filed for recovery of Super tax for tax year 2022 and directed the department to adjust the demand against the available income tax refunds of tax year 2013 against the order issued by DCIR on November 25, 2022. The Company being aggrieved with the decision of the CIR (A), has filed an appeal dated April 18, 2023 before the ATIR which is pending adjudication.

34.2.21 On Debember 29, 2023 the ACIR passed an order of Rs. 388,936 against the refund filed by the Company with annual income tax return for tax year 2022, but did not adjust the demand of super tax against the available income tax refunds, as the CIR (A) already directed that demand of super tax for the year be adjusted against available refunds of tax year 2013. The Company is in the process of filing an appeal before the CIR (A) against the order.The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and accordingly taxes recoverable have not been reduced by the effect of the aforementioned amount.

34.3 Relationship between tax expense and accounting profit

	2023	2022
	----------Rupees----------	
Profit before taxation	2,990,387	3,950,994
Tax at the applicable tax rate of 29% (2022: 29%)	867,212	1,145,788
Tax effect of:		
- transactions taxed at different rates including change in deferred tax rate	385,192	169,838
- prior year charge for super tax	171,188	167,936
- others	58,009	1,759
	614,389	339,533
	1,481,601	1,485,321

35. EARNINGS PER SHARE - Basic and diluted

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	2023	2022
	----------Rupees----------	
Profit for the year	1,508,786	2,465,673
	Number of shares in thousand	
Weighted average number of ordinary shares in issue during the year	766,596	766,596

(Amounts in thousand)

36. CASH GENERATED FROM OPERATIONS

	2023	2022
	----------Rupees----------	
Profit before taxation	2,990,387	3,950,994
Adjustment for non-cash charges and other items:		
- Depreciation on operating assets (note 4.3)	1,524,978	1,418,892
- Depreciation on right-of-use assets (note 7.1)	395,575	297,710
- Impairment of operating assets - net (note 4.1)	9,085	13,546
- Amortization of intangible assets (note 6)	19,145	27,159
- Impairment of intangible assets (note 6)	-	89
- Gain on disposal of operating assets (note 4.4)	(121,285)	(49,951)
- Gain on disposal of right of use assets	(13,089)	(46,977)
- Gain arising from changes in fair value of biological assets (note 5.1)	(1,233,266)	(938,965)
- Loss on death / disposal of biological assets (note 31)	18,573	7,913
- Provision for culling of biological assets (note 5.2)	94,153	116,102
- Provision for staff retirement and other service benefits (note 38.10)	137,708	113,069
- Provision for impairment of stock-in-trade (note 10.4)	33,597	89,599
- Provision for impairment of slow moving spares (note 9.2)	45,074	88,110
- Provision / (Reversal of provision) for impairment of trade debts (note 11.3)	(2,313)	1,756
- Amortization of Government grant on long term finances (note 32)	-	(15,567)
- Interest income on term deposit receipts (note 32)	(7,868)	(63,726)
- Finance costs on short term and long term finances including bank charges (note 33)	2,993,864	1,307,495
- Finance costs on lease liability against right-of-use assets (note 33)	133,124	72,292
- Exchange (gain) / loss (notes 31 and 32)	(43,133)	21,188
Working capital changes (note 36.1)	725,039	1,530,903
	7,699,348	7,941,631

36.1 Working capital changes

Decrease / (Increase) in current assets:		
- Stores, spares and loose tools	(1,274,972)	(178,001)
- Stock-in-trade	(2,650,203)	(2,991,167)
- Trade debts	15,756	(598,775)
- Advances, deposits and prepayments	261,600	(117,706)
- Other receivables	(345,662)	(170,707)
- Sales tax recoverable	(1,636,106)	(2,126,671)
	(5,629,587)	(6,183,027)
Increase / (Decrease) in current liabilities:		
- Trade and other payables	1,641,723	4,039,000
- Supplier financing - unfunded	4,051,052	3,013,207
- Contract liabilities	661,851	661,723
	725,039	1,530,903

(Amounts in thousand)

37. CASH AND CASH EQUIVALENTS

	2023	2022
	----------Rupees----------	
Cash and bank balances (note 16)	2,078,478	1,824,554
Short term investments (note 15)	1,000,000	2,000,000
	3,078,478	3,824,554

38. STAFF RETIREMENT AND OTHER SERVICE BENEFITS

38.1 As stated in notes 2.13.1 and 2.13.2, Engro Corporation Limited (ECL) operates and maintains an approved defined contribution gratuity scheme and an approved defined benefit funded gratuity fund (the Fund) on behalf of the Company, for all its permanent employees subjected to minimum prescribed period of service.

38.2 During the year, an amount of Rs. 65,037 (2022: Rs. 33,827) has been charged in respect of defined contribution gratuity scheme maintained by ECL.

38.3 Plan assets held in trust are governed by local regulations which mainly include the Trust Act, 1882, the Companies Act, 2017, the Income Tax Rules, 2002 and Rules formed under the Trust deed of the Fund. Responsibility for governance of the plan, including investment decisions and contribution schedules, lies with the Board of Trustees of the Fund. The latest actuarial valuation of the Fund was carried out as at December 31, 2023 using the Projected Unit Credit Method. Details of the Fund as per the actuarial valuation are as follows:

	2023	2022
	---------Rupees---------	
38.4 Reconciliation for statement of financial position		
Present value of defined benefit obligation (note 38.7)	(1,264,437)	(1,150,604)
Fair value of plan assets (note 38.8)	852,891	803,328
Net liability at end of the year	(411,546)	(347,276)
38.5 Movement in net liability in the statement of financial position		
Net liability at beginning of the year	(347,276)	(214,351)
Charge for the year (note 38.9)	(137,708)	(113,069)
Contribution made during the year (note 38.8)	105,040	100,900
Remeasurement loss recognized in other comprehensive income (OCI) (note 38.6)	(31,602)	(120,756)
Net liability at end of the year	(411,546)	(347,276)
38.6 Remeasurement recognized in Other Comprehensive Income		
Loss from changes in financial assumptions	(3,090)	(1,027)
Experience loss	(58,443)	(83,077)
Remeasurement of defined benefit obligation	(61,533)	(84,104)
Actual return on plan assets	135,324	58,249
Expected return on plan assets	(105,393)	(94,901)
Remeasurement of fair value of plan assets	29,931	(36,652)
	(31,602)	(120,756)

	2023	2022
	---------Rupees---------	
38.7 Movement in present value of defined benefit obligation		
Present value of defined benefit obligation at beginning of the year	1,150,604	969,092
Current service cost	92,365	87,414
Interest cost	150,709	120,556
Benefits paid during the year	(190,774)	(110,562)
Remeasurement loss on obligation (note 38.6)	61,533	84,104
Present value of defined benefit obligation at end of the year	1,264,437	1,150,604
38.7.1 Analysis of present value of defined benefit obligation		
Vested benefits	1,264,437	1,150,604
Non-vested benefits	-	-
	1,264,437	1,150,604
Accumulated benefit obligation	387,710	443,322
Amounts attributed to future salary increases	876,727	707,282
	1,264,437	1,150,604
38.8 Movement in fair value of plan assets		
Fair value of plan assets at beginning of the year	803,328	754,741
Expected return on plan assets	105,366	94,901
Contributions for the year	105,040	100,900
Benefits paid during the year	(190,774)	(110,562)
Remeasurement gain / (loss) (note 38.6)	29,931	(36,652)
Fair value of plan assets at end of the year	852,891	803,328
38.9 Cost charged to profit or loss:		
Current service cost	92,365	87,414
Net interest cost	45,343	25,655
Cost for the year	137,708	113,069
38.10 Charge for the year has been allocated as follows:		
Cost of sales (note 28)	80,347	68,341
Distribution and marketing expenses (note 29)	22,953	20,563
Administrative expenses (note 30)	34,408	24,165
	137,708	113,069

(Amounts in thousand)

38.11 Principle actuarial assumptions used are as follows:

	2023	2022
Financial assumptions		
- Discount rate - per annum compound	16.00%	13.25%
- Expected rate of increase in salaries - per annum		
- First year	15.00%	12.25%
- Long-term	15.00%	12.25%
Demographic assumptions		
- Expected mortality rate	SLIC (2001-05)	SLIC (2001-05)
- Withdrawal rates / rate of employees turnover	Moderate	Moderate

38.12 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
		----------Rupees----------	
Discount rate	1%	(1,146,863)	1,400,677
Expected rate of increase in salaries - long term	1%	1,400,677	(1,144,948)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognized within the statement of financial position.

38.13 Plan assets comprise of following:

	2023				2022			
	Quoted	Un-Quoted	Total	(%)	Quoted	Un-Quoted	Total	(%)
	----------Rupees----------				----------Rupees----------			
Equity Instruments								
Quoted Shares	75,198	-	75,198	9%	153,743	-	153,743	19%
Debt Instruments								
Government Bonds	-	683,643	683,643	80%	-	636,120	636,120	79%
Cash and cash equivalents	-	11,132	11,132	1%	-	23,421	23,421	3%
Other assets	-	95,601	95,601	11%	-	6,657	6,657	1%
Other liabilities	-	(12,683)	(12,683)	(1%)	-	(16,613)	(16,613)	(2%)
Total	75,198	777,693	852,891	100%	153,743	649,585	803,328	100%

(Amounts in thousand)

38.14 The Fund is exposed to a number of risks, the most significant of which are explained below.

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. If plan assets underperform in comparison to this yield, this will create a deficit in the Fund. The Fund believes that due to long-term nature of plan liabilities and the strong liquidity position of the Company, the current investment strategy manages this risk adequately.

Inflation risk

The majority of the plan's benefit obligations are linked to inflation through salary increases. However, the Fund manages plan assets to off-set inflationary impacts on the obligations.

Life expectancy / withdrawal rate

The majority of the plan's obligations are to provide benefits on severance with the Company or on achieving retirement. Any change in life expectancy / withdrawal rate would impact plan liabilities.

38.15 Expected contribution to the Fund for the year ending December 31, 2024 is Rs. 173,857.

38.16 The weighted average duration of the defined benefit obligation is 9.99 years (2022: 9.93 years).

38.17 Historical information of staff retirement benefits:

	2023	2022	2021	2020	2019	2018
	Rupees					
Present value of obligations	(1,264,437)	(1,150,604)	(969,092)	(868,008)	(750,529)	(685,281)
Fair value of plan assets	852,891	803,328	754,741	696,823	521,214	460,641
Deficit	(411,546)	(347,276)	(214,351)	(171,185)	(229,315)	(224,640)

39. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount in respect of remuneration and benefits to the Chief Executive, directors and executives are as follows:

	2023			2022		
	Directors			Directors		
	Chief Executive	Others	Executives	Chief Executive	Others	Executives
	Rupees					
Managerial remuneration	74,091	-	2,214,475	67,977	-	1,700,942
Contribution for staff retirement benefits	-	-	233,712	9,985	-	175,681
Bonus	66,556	-	357,668	39,768	-	363,621
Fees	-	4,835	-	-	3,431	-
Total	140,647	4,835	2,805,855	117,730	3,431	2,240,244
Number of persons, including those who worked part of the year	1	6	551	1	6	418

39.1 The Company also provides the Company owned and maintained vehicles for use of the Chief Executive and certain executives.

39.2 Premium charged in respect of non-executive directors indemnity insurance amounts to Rs. 1,331 (2022: Rs. 972).

40. FINANCIAL INSTRUMENTS BY CATEGORY

40.1 Financial assets at amortized cost

	2023	2022
	----------Rupees----------	
Long term deposits	253,217	129,489
Trade debts	1,888,698	1,902,141
Advances and deposits	119,897	95,805
Short term investments	1,000,000	2,000,000
Accrued mark-up / interest	7,868	25,767
Other receivables	701,409	355,747
Cash and bank balances	2,078,478	1,824,554
	6,049,567	6,333,503

40.2 Financial liabilities at amortized cost

Long term finances	750,000	2,319,643
Lease liability against right-of-use assets	1,007,365	706,029
Trade and other payables	11,557,315	9,983,404
Unclaimed dividend	6,774	6,882
Accrued interest / mark-up	767,770	300,938
Supplier financing - unfunded	11,374,678	7,323,626
Short term finances	121,259	-
	25,585,161	20,640,522

40.3 Fair values of financial assets and liabilities

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 carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values. The fair value estimation is disclosed in note 40.2.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

41.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's risk management programme focuses on unpredictability of the financial markets for having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to the shareholders. Risk management is carried out by the Company's finance department under the policies approved by the Company's Board of Directors.

a) Market risk

i) Currency risk

Currency risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Company's exposure to currency risk is limited as all the foreign purchases are made against on-sight letters of credit where the payment is made on the date of delivery with no credit period. The Company imports plant and machinery and certain raw materials which exposes it to currency risk, primarily with respect to liabilities denominated in US Dollars.

At December 31, 2023, if the Pakistan Rupee had weakened / strengthened by 5% against the US Dollar with all other variables held constant, the effect on profit after tax for the year would have been immaterial.

ii) Interest rate risk

Interest rate risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises primarily from long term borrowings , short term borrowings and short term investments. Borrowings at variable rates expose the Company to cash flow interest rate risk.

The Company analyses its interest rate exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and taking into account various other financing options available. For borrowing at variable rates, the rates are determined in advance for stipulated periods with reference to KIBOR.

At December 31, 2023, if interest rates on the Company's borrowings and investments had been 1% higher / lower with all other variables held constant, post tax profit for the year would have been lower / higher by Rs. 62,471 (2022: Rs. 68,551) mainly as a result of higher / lower interest exposure on variable rate borrowings.

iii) Other price risk

Price risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to price risk as it carries no price sensitive financial instrument.

b) Credit risk

Credit risk represents the risk of financial loss being caused if counter parties fail to discharge their obligations.

Credit risk arises from deposits with banks and financial institutions, trade debts, loans, advances, deposits and other receivables. The maximum exposure to credit risk is equal to the carrying amount of financial assets.

The Company is not materially exposed to credit risk on trade debts and other receivables since credit is only granted to few reputed customers with good credit standings, with whom the Company has written terms of arrangement. The Company has also entered into Standing Instruction for Debit of Account (SIDA) arrangement with a few of its customers.

Further, the short term investments and the bank balances of the Company are held with banks having minimum credit rating of A1.

c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with its financial liabilities. The Company's liquidity management involves projecting cash flows and considering the level of liquid funds necessary to meet these, monitoring statement of financial position liquidity ratios against external regulatory requirements and maintaining debt financing plans. These objectives are achieved by maintaining sufficient cash and readily marketable securities and availability of funding through committed credit facilities. Due to dynamic nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines available.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

(Amounts in thousand)

	2023			2022		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
	----------Rupees----------					
Long term finances	500,000	250,000	750,000	1,569,643	750,000	2,319,643
Lease liability against right-of-use assets	423,514	583,851	1,007,365	268,338	437,691	706,029
Trade and other payables	11,557,315	-	11,557,315	9,983,404	-	9,983,404
Accrued interest / mark-up	767,770	-	767,770	300,938	-	300,938
Unfunded supplier financing	11,374,678		11,374,678	7,323,626		7,323,626
Unclaimed dividend	6,774	-	6,774	6,882	-	6,882
Short term finances	121,259	-	121,259	-	-	-
	24,751,310	833,851	25,585,161	19,452,831	1,187,691	20,640,522

41.2 Fair value estimation

41.2.1 The different valuation levels / basis are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data.

41.2.2 The Company's biological assets are carried at fair values using valuation level 2. There were no changes in valuation techniques during the year.

42. CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to provide expected returns to its shareholders by maintaining optimum capital structure to minimize the cost of capital.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new equity, manage dividend payouts to its shareholders or sell assets to reduce debt. The Company also manages capital by maintaining gearing and current ratios at certain levels.

The Company manages capital by maintaining gearing ratio at certain level. The ratio is calculated as long term debt divided by total capital. Total capital is calculated as 'equity' in the statement of financial position plus long term debt. The gearing ratio as at December 31 is as follows:

	2023	2022
	----------Rupees----------	
Long-term:		
- finances (note 20)	250,000	750,000
- lease liability against right-of-use assets (note 21)	583,851	437,691
Total long term debt	833,851	1,187,691
Total equity	14,176,020	12,689,671
Total capital	15,009,871	13,877,362
Debt to equity ratio	0.06:1	0.09:1

(Amounts in thousand)

43. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

43.1 Following are the details of associated companies, related parties and associated undertakings with whom the Company had entered into transactions or had agreements and / or arrangements in place during the year:

Name of Related parties	Direct Shareholding	Relationship
FrieslandCampina Pakistan Holdings B.V.	51.00%	Holding Company/ Major Shareholder
Engro Corporation Limited	39.93%	Associated Company/ Major Shareholder
FrieslandCampina Nederland B.V.	N/A	Associated Undertaking
FrieslandCampina AMEA Pte Ltd	N/A	Associated Undertaking
Friesland Campina Dairy Sourcing	N/A	Associated Undertaking
PT Frisian Flag Indonesia	N/A	Associated Undertaking
Alaska Milk Corporation	N/A	Associated Undertaking
Dutch Lady Milk Industries Berhad	N/A	Associated Undertaking
Engro Fertilizer Limited	N/A	Associated Company
Engro Foundation	N/A	Associated Company
Engro Eximp FZE	N/A	Associated Company
FrieslandCampina Middle East	N/A	Associated Undertaking
Pakistan Dairy Association	N/A	Common Directorship
The Pakistan Business Council	N/A	Common Directorship
Engro Foods Limited - Defined Benefit Gratuity Fund	N/A	Post Employement Benefits
Engro Corporation Limited - Provident Fund	N/A	Post Employement Benefits
Engro Corporation Limited - Defined Contribution Gratuity Fund	N/A	Post Employement Benefits
Mr. Abdul Samad Dawood	N/A	Director
Ms. Petra Attje Zinkweg	N/A	Director
Mr. Roeland Francois Van Neerbos	N/A	Director
Mr. Edward Holtzer	N/A	Former Director
Mr. Robert ter Borg	N/A	Director
Mr. Abrar Hasan	N/A	Director
Mr. Zouhair Abdul Khaliq	N/A	Director
Mr. Ali Ahmed Khan	N/A	Key Management Personnel
Syed Saud Ahmad Pasha	N/A	Key Management Personnel
Mr. Imran Husain	N/A	Key Management Personnel
Mr. Ali Tanveer Khan	N/A	Key Management Personnel
Mr. Muhammed Ali Ata	N/A	Key Management Personnel
Mr. Faisal Razi Azeem	N/A	Key Management Personnel
Mr. Muhammad Shoaib	N/A	Key Management Personnel
Mr. Muhammad Mudassar Cheema	N/A	Key Management Personnel
Mr. Muhammad Sohail Sarwar Chaudhary	N/A	Key Management Personnel
Ms. Maria Umar Memon	N/A	Key Management Personnel
Mr. Muhammad Hassan Azwar	N/A	Key Management Personnel
Syed Talha Imam	N/A	Key Management Personnel
Mr. Saleem Lallany	N/A	Former Key Management Personnel
Ms. Muneeza Iftikar	N/A	Former Key Management Personnel

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

Name of Company	Country of incorporation	Aggregate percentage of shareholding including through other companies	Basis of association
FrieslandCampina Pakistan Holdings B.V.	Netherlands	51%	Holding Company / Major Shareholder
FrieslandCampina Nederland B.V.	Netherlands	N/A	Associated Undertaking
FrieslandCampina Middle East	United Arab Emirates	N/A	Associated Undertaking
Dutch Lady Milk Industries Berhad	Malaysia	N/A	Associated Undertaking
FrieslandCampina AMEA Pte. Ltd.	Singapore	N/A	Associated Undertaking
Engro Eximp FZE	United Arab Emirates	N/A	Associated Undertaking
PT Frisian Flag Indonesia	Indonesia	N/A	Associated Undertaking
Alaska Milk Corporation	Philippines	N/A	Associated Undertaking

(Amounts in thousand)

43.2.1 Registered address of FrieslandCampina Nederland B.V. is Stationsplein 4, 3818 LE, Amersfoort, the Netherlands (note 28.4).

43.3 Transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Nature of relationship	Nature of transactions	2023	2022
		Rupees	
Associated companies / undertakings	Arrangement for sharing of premises, utilities, personnel and assets	21,777	58,780
	Purchase of goods and services	93,438	108,177
	Sale of goods	1,785,942	33,860
	Reimbursement of expenses incurred on behalf of the Company	334,336	252,009
	Reimbursement of expenses paid by the Company	156,803	24,541
Contribution for staff retirement funds	Managed and operated by Engro Corporation Limited		
	- Provident fund	488,304	426,916
	- Gratuity fund	172,511	143,430
Key management personnel including the Chief Executive Officer but not other Directors	Managerial remuneration	320,724	286,020
	Contribution for staff retirement benefits	32,121	41,285
	Bonus	156,014	119,087
	Other benefits	1,331	971

43.4 The related party status of outstanding receivables and payables as at December 31, 2023 / 2022 are included in respective notes of the financial statements.

44. SEGMENT INFORMATION

44.1 A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. Management has determined the operating segments based on the information that is presented to the Board of Directors of the Company for allocation of resources and assessment of performance. Based on internal management reporting structure and products produced and sold, the Company is organized into the following two operating segments:

- Dairy based products; and
- Frozen desserts.

Management monitors the operating results of the abovementioned segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in table below, is measured differently from statement of profit or loss in these financial statements. Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Unallocated assets includes assets which can not be allocated to a specific segment on a reasonable basis. Liabilities are not segment-wise reported to the Board of Directors. All the unallocated results and assets and liabilities are reported to the Board of Directors at the Company level. Inter-segment revenue of processed milk and powder are made by Dairy based products segment to Frozen desserts segment.

The following information presents operating results information regarding operating segments for the year ended December 31, 2023 / 2022 and asset information regarding operating segments as at December 31, 2023 / 2022:

(Amounts in thousand)

	2023			2022		
	Dairy based products	Frozen desserts	Total	Dairy based products	Frozen desserts	Total
	----------Rupees----------					
Results for the year						
Revenue from contracts with customers - net	92,435,043	8,560,888	100,995,931	66,504,241	7,243,830	73,748,071
Inter-segment revenue	(760,528)	-	(760,528)	(211,654)	(62,730)	(274,384)
	91,674,515	8,560,888	100,235,403	66,292,587	7,181,100	73,473,687
Depreciation, impairment and amortization	1,471,117	477,677	1,948,794	1,354,727	402,669	1,757,396
Finance cost	2,580,716	546,272	3,126,988	1,021,655	358,132	1,379,787
Profit for the year	1,468,178	40,608	1,508,786	2,436,679	28,994	2,465,673
Assets						
- Segment assets	24,574,826	4,106,254	28,681,080	18,678,211	3,765,144	22,443,355
- Un-allocated assets	-	-	13,205,722	-	-	12,303,256
	24,574,826	4,106,254	41,886,802	18,678,211	3,765,144	34,746,611

45. SEASONALITY

The Company's 'Frozen desserts' and 'Dairy based products' businesses are subject to seasonal fluctuation, with demand of these products increasing in summer. The Company's Dairy business is also subject to seasonal fluctuation due to lean and flush cycles of milk collection.

46. PRODUCTION CAPACITY

	Designed Annual Capacity (note 46.1)		Actual Production		Remarks
	2023	2022	2023	2022	
	----------Liters in thousand----------				
Dairy based products	592,831	581,509	375,894	373,722	Production planned as per market demand
Frozen desserts	37,420	37,420	24,820	29,392	

46.1 Represents capacity as at the reporting date.

47. NUMBER OF EMPLOYEES

	Number of employees as at		Average number of employees	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Management employees	738	1,117	1,037	1,086
Non-management employees	524	154	247	154
	1,262	1,271	1,284	1,240

48. RETIREMENT CONTRIBUTORY FUNDS

The contributory provident and gratuity funds are being maintained by Engro Corporation Limited which has made investments out of the funds in accordance with the provisions of section 218 of the Companies Act, 2017.

(Amounts in thousand)

49. CORRESPONDING FIGURES

Corresponding figures have been reclassified wherever considered necessary, for better presentation. Following reclassification has been made within current liabilities, considering more appropriate reflection in the financial statements:

Financial Statement line item for the year ended December 31, 2022	Rupees	Financial Statement line item for the year ended December 31, 2023
Trade and other payables (Note 22)	7,323,625	Supplier financing - unfunded

50. DISCLOSURE REQUIREMENTS FOR SHARIAH COMPLIANT COMPANIES AND THE COMPANIES LISTED ON ISLAMIC INDEX

All Shariah compliant disclosure information have been included in the respective notes to the financial statments.

51. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on February 15, 2024 by the Board of Directors of the Company.

Abdul Samad Dawood
Chairman

Syed Kashan Hasan
Chief Executive Officer

Imran Husain
Chief Financial Officer

NOURISHING PAKISTAN
WITH HAPPY COWS

Our commitment to quality starts with the well-being of our cows. Loved, well-fed, and cared for, they contribute to the superior sourcing of our dairy products.





ANNEXURE



EMPLOYEE SHARE OPTION SCHEME 2013

The Company in the Extra Ordinary General Meeting held on March 22, 2013, has approved an Employee Share Option Scheme (ESOS) for granting of options to its certain critical employees. As disclosed in note 20 to the financial statements time period under the Scheme for granting of share options expired in April 2015. However, the Company obtained approval of shareholders for extension in share options grant period for further 3 years in the Annual General Meeting held on April 27, 2015 and the Securities and Exchange Commission of Pakistan approval on August 31, 2015. The fair value of the option was determined by management using the Black-Scholes model.

According to this scheme, 16.9 million shares can be granted to certain critical employees. 50% of the options granted will vest in two years whereas the remaining 50% will vest in three years from the date of the grant of options. Granted options are exercisable within 3 years from the end of vesting period. There has been no variation in the terms of the options during the year.

As at December 31, 2023, the entire 16,900,000 options for shares have lapsed with the expiry of the Scheme.

During the year, 62,500 vested share options, granted in 2016 and 2017 expired due to non-exercise by employees within the exercise period.

None of the employees were issued with options exceeding 1% of the paid-up capital of the Company.

ایمپلائی شیئر آپشن اسکیم 2013

22 مارچ 2013 کو منعقدہ غیر معمولی اجلاس عام میں کمپنی نے اہم اور مخصوص ملازمین کو اختیارات دینے کے لئے ایمپلائی شیئر آپشن اسکیم کی منظوری دی۔ جیسا کہ نوٹ 19 میں درج کیا گیا ہے کہ شیئر کے اختیارات دینے کی اسکیم کے تحت مالیاتی گوشواروں کی مدت اپریل 2015 میں اختتام پذیر ہوگئی تھی۔ تاہم، کمپنی نے 27 اپریل 2015 کو 3 سال کے لئے شیئر ہولڈرز کی منظوری حاصل کرلی اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے 31 اگست 2015 کو اسے منظور کیا جبکہ آپشن کی منصفانہ قیمت کا تعین انتظامیہ نے بلیک اسکول ماڈلز کے ذریعے کیا تھا۔

اس اسکیم کے مطابق، بعض اہم ملازمین کو 16,900,000 شیئرز دیے جاسکتے ہیں۔ ان دیے گئے اختیارات میں سے 50 فیصد دو سالوں میں مہیا ہوں گے جبکہ بقیہ 50 فیصد اختیارات کی گرانٹ کی تاریخ سے تین سالوں میں مہیا کئے جائیں گے۔ منظور شدہ اختیارات ویسٹنگ کی مدتِ اختتام سے 3 سال کے اندر استعمال کیے جاسکتے ہیں۔ سال کے دوران اختیارات کی شرائط میں کوئی تبدیلی نہیں ہوئی ہے۔

31 دسمبر 2022 تک، 62,500 شیئرز کے اختیارات مختص کیے گئے ہیں جبکہ باقی 16,837,500 شیئرز کے اختیارات 31 دسمبر 2022 تک اسکیم کی میعاد ختم ہونے کے ساتھ ہی ختم ہو چکے ہیں۔

سال کے دوران، 2016 اور 2017 میں دیے گئے 1,390,625 شیئرز کے اختیارات کی مدت ملازمت کے دوران استعمال کرنے کی وجہ سے ختم ہوگئی۔ اب تک 62,500 شیئر آپشنز دیے جاچکے ہیں۔

کسی بھی ملازم کو کمپنی کے ادا شدہ سرمائے کے 1 فیصد سے زیادہ کے اختیارات جاری نہیں کئے گئے۔

PROXY FORM

I/We _____

of _____ being a member of FRIESLANDCAMPINA ENGRO PAKISTAN LIMITED and holder of _____ Ordinary shares as per share.
(Number of Shares)

Register Folio No. _____ and/or CDC Participant I.D. No. _____ and Sub Account No. _____, hereby appoint _____ of _____ or failing him _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of the Company to be held on the 26th day of April, 2024 and at any adjournment thereof.

Signed this _____ day of _____ 2024.

WITNESSES:

1. Signature: _____
Name: _____
Address: _____
_____
CNIC or: _____
Passport No. _____

2. Signature: _____
Name: _____
Address: _____
_____
CNIC or: _____
Passport No. _____

_____
Signature
Signature should agree with the specimen registered with the Company

Note: Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting. A Proxy need not be a member of the Company.

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

STANDARD REQUEST FORM CIRCULATION OF ANNUAL AUDITED ACCOUNTS

The Share Registrar
FrieslandCampina Engro Pakistan Limited.
M/s. FAMCO Share Registration Services (Private) Limited
8-F, Near Hotel Faran Nursery, Block-6, P.E.C.H.S.,
Shahrah-e-Faisal KARACHI.
Telephone No. (92-21) 3438 0101-5, 3438 4621-3
E-mail: info.shares@famcosrs.com.pk
Website: www.famcosrs.com

Dated: _____

Dear Sirs,

Subject: **Request for Hard Copy of Annual Report of FrieslandCampina Engro Pakistan Limited.**

I, _____ S/o, D/o, W/o _____ being a registered shareholder of FrieslandCampina Engro Pakistan Limited with the particulars as mentioned below would request that my name be added to the list of Shareholders of the Company who opt for delivery of a hard copy of the Annual Report of the Company and hereby request you send to me the Annual Report in hard copy form at my registered address as contained in the member register instead of providing the same through email.

Particulars	
Name of Shareholder	
Folio No./CDC ID No.	
CNIC/NICOP/Passport No.	
Land Line Telephone No. (if any)	
Cell No. (if any)	

Yours truly,

_____
Shareholder's Signature

Copy to:
Company Secretary
FrieslandCampina Engro Pakistan Limited.
5th Floor, The Harbor Front,
Dolmen City HC-3, Block 4,
Clifton, Karachi-75600.

ELECTRONIC TRANSMISSION CONSENT FORM

The Securities and Exchange Commission of Pakistan through SRO 787(I)/2014 of September 8, 2014 allowed the company to circulate its annual balance sheet and profit & loss accounts, auditor's report and director's report etc. (Audited Financial Statements) along with the Company's Notice of Annual General Meeting to its shareholders through email. Those shareholders who wish to receive the Company's Annual Report through email are requested to complete the requisite form below.

CDC shareholders are requested to submit their Electronic Transmission Consent Form along with their CNIC directly to the broker (participant)/CDC; while shareholders having physical shares are to send the forms and a copy of their CNIC to the Company's Registrar, M/s. FAMCO Share Registration Services (Private) Limited, 8-F, Block 6, P.E.C.H.S, next to Hotel Faran, Nursery, Shahrah-e-Faisal, Karachi.

Electronic Transmission Consent Form

Pursuant to the directions given by the Securities and Exchange Commission of Pakistan through its SRO 787(I)/2014 of September 8, 2014, I, Mr./Ms. _____S/o, D/o, W/o _____ hereby consent to have FrieslandCampina Engro Pakistan Limited's Audited Financial Statements and Notice of Annual General Meeting delivered to me via email on my email address provided below:

Name of Member/Shareholder	
Folio/CDC Account Number	
CNIC	
Email Address	

It is stated that the above mentioned information is true and correct and that I shall notify the Company and its Share Registrar in writing of any change in my email address or withdrawal of my consent to email delivery of the Company's Audited Financial Statements and Notice of the Meeting.

_____ Date: _____

Signature of Member/Shareholder

REQUEST FOR VIDEO CONFERENCING FACILITY FORM

Members can also avail video conferencing facility in Lahore and Islamabad. If the Company receives consent at least 10 days prior to date of meeting, from members holding in aggregate 10% or more shareholding and residing at either Lahore and/or Islamabad to participate in the meeting through video conference, the company may arrange video facility in that city.

In this regard please fill up the following form and submit it to registered address of the Company 10 days before holding of the annual general meeting.

I/We,_____ of_____ being a member of FrieslandCampina Engro Pakistan Limited, holder of Ordinary Share(s) as per Register Folio No./CDC/ A/c No._____ hereby opt for video conference facility at_____.

_____ Date:_____

Signature of Member/Shareholder

الیکٹرانک ٹرانسمیشن کی رضامندی کا فارم

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے 8 ستمبر 2014 کے ایس آر او 787(I)/2014 کے ذریعے کمپنی کو اپنی سالانہ بیلنس شیٹ اور منافع ونقصان کے اکاؤنٹس، آڈیٹر کی رپورٹ اور ڈائریکٹر کی رپورٹ وغیرہ (آڈٹ شدہ مالیاتی بیانات) بذریعہ ای میل اپنے شیئر ہولڈرز کو سالانہ اجلاس عام کے کمپنی کا نوٹس کے ساتھ ترسیل کرنے کی منظوری دی ہے۔ وہ شیئر ہولڈرز جو کمپنی کی سالانہ رپورٹ ای میل کے ذریعے وصول کرنا چاہتے ہیں ان سے درخواست کی جاتی ہے کہ وہ مندرجہ ذیل پر مطلوبہ فارم پُر کریں۔

سی ڈی سی کے حصص یافتگان سے درخواست کی جاتی ہے کہ وہ اپنا الیکٹرانک ٹرانسمیشن رضامندی فارم اپنے سی این آئی سی کے ساتھ براہ راست بروکر (شرکاء)/سی ڈی سی کو جمع کرائیں اور فزیکل شیئرز رکھنے والے شیئر ہولڈرز کو فارم اور اپنے سی این آئی سی کی ایک کاپی کمپنی کے فیمکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ، ایف 8، بلاک 6، پی ای سی ایچ ایس، نزد ہوٹل فاران، نرسری، شاہراہ فیصل، کراچی میں بھیجنی ہوگی۔

الیکٹرانک ٹرانسمیشن کی رضامندی کا فارم

8 ستمبر 2014 کے ایس آر او 787(I)/2014 کے ذریعے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے دی گئی ہدایات کے مطابق، میں _____ ولد/دختر/ذوجہ _____ یہاں فریزلینڈ کیمپنا اینگرو پاکستان لمیٹڈ کی رضامندی سے آڈٹ شدہ مالیاتی بیانات اور سالانہ اجلاس عام کا نوٹس مجھے ذیل میں فراہم کردہ میرے ای میل ایڈریس پر ای میل کے ذریعے بھیجا جائے۔

ممبر/شیئر ہولڈر کا نام	
فولیو/سی ڈی سی اکاؤنٹ نمبر	
سی این آئی سی	
ای میل اڈریس	

مذکورہ بالا معلومات درست اور مکمل ہیں۔ میں کمپنی اور اس کے شیئر رجسٹرار کو اپنے ای میل ایڈریس میں کسی تبدیلی یا کمپنی کے آڈٹ شدہ مالیاتی بیانات اور اجلاس عام کے نوٹس کی ای میل ڈلیوری پر اپنی رضامندی واپس لینے کے حوالے سے تحریری طور پر مطلع کروں گا۔

---------- تاریخ: ----------

ممبر/شیئر ہولڈر کے دستخط

اسٹینڈرڈ درخواست فارم

سالانہ آڈٹ کی گردش

شیئر رجسٹرار

فریزلینڈ کیمپینا اینگرو پاکستان لمیٹڈ

فیمکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ

8-F، نزد ہوٹل فاران، نرسری، بلاک 6، پی ای سی ایچ ایس،

شاہراہِ فیصل، کراچی۔

ای میل info.shares@famcocrs.com

ٹیلی فون نمبر 3-4621 3438 0101-5, 3438 (9221)

عنوان: فریزلینڈ کیمپینا اینگرو لمیٹڈ کی سالانہ رپورٹ کے لیے ہارڈ کاپی کی درخواست

محترم گرام؛

جیسا کہ سیکیورٹی اینڈ ایکسچینج نے بذریعہ ایس آر او 470(I)/2016 بتاریخ 21 مئی 2016 مطلع کیا جاتا ہے اور شیئر ہولڈرز نے 24 مارچ 2017 کو منعقد کیے جانے والے سالانہ اجلاس عام میں منظوری دی تھی کہ کمپنی اپنی مالیاتی معلومات بشمول بیلنس شیٹ، منافع خسارے کے کھاتے، آڈیٹرز رپورٹ اپنے اراکین کو ان کے رجسٹرڈ پتوں پر سی ڈی/ڈی وی ڈی/یو ایس بی کی شکل میں ارسال کرے گی، تاہم وہ جو کمپنی کے مالیاتی گوشواروں کی ہارڈ کاپی چاہتے ہیں انہیں درج ذیل فارم میں اپنی معلومات پُر کر کے کمپنی کے شیئر رجسٹرار اور کمپنی سیکریٹری کو فراہم کرنا ہوں گی۔

میں ---------- ولد/دختر/ذوجہ ---------- بطور فریزلینڈ کیمپینا اینگرو پاکستان کا/ کی رجسٹرڈ شیئر ہولڈر اپنا نام اس فہرست میں شامل کروانا چاہتا/چاہتی ہوں جنہیں کمپنی کے سالانہ آڈٹ شدہ اکاؤنٹس ہارڈ کاپی کی شکل میں ارسال کیے جائیں لہٰذا میری گزارش ہے کہ مجھے سالانہ آڈٹ شدہ اکاؤنٹس بجائے سی ڈی/ڈی وی ڈی/یو ایس بی کے ہارڈ کاپی میں ارسال کیے جائیں۔

معلومات	
شیئر ہولڈر کا نام	
فولیو نمبر/سی ڈی سی آئی ڈی نمبر	
قومی شناختی کارڈ نمبر/پاسپورٹ نمبر	
لینڈ لائن ٹیلی فون نمبر (اگر کوئی ہے تو)	
موبائل نمبر (اگر کوئی ہے تو)	

شکریہ

شیئر ہولڈر کے دستخط

نقل برائے:

کمپنی سیکریٹری، فریزلینڈ کیمپینا اینگرو پاکستان لمیٹڈ،

پانچویں منزل، دی ہاربر فرنٹ، ڈولمن سٹی، ایچ سی-3، میرین ڈرائیو، بلاک 4، کلفٹن، کراچی، پاکستان

ای میل: shareholders.PK@frieslandcampina.com

ویڈیو کانفرانسنگ کی سہولت کے فارم کی درخواست

لاہور اور اسلام آباد میں اراکین ویڈیو کانفرنس کی سہولت بھی حاصل کر سکتے ہیں۔ لاہور اور / اسلام آباد میں مقیم وہ شیئر ہولڈرز جو مجموعی طور پر 10 فیصد یا اس سے زیادہ شیئرز کے حامل ہوں اور اجلاس میں ویڈیو کانفرنسنگ کے ذریعے شامل ہونا چاہتے ہوں تو اگر اجلاس کی تاریخ سے کم از کم 10 روز قبل کمپنی کو ان کی طرف سے اجازت موصول ہو جاتی ہے تو وہ ان میں سے کسی بھی شہر میں ان کے لیے ویڈیو کانفرانس کی سہولت مہیا کر سکتی ہے۔

اس ضمن میں براہِ مہربانی درج ذیل فارم پُر کیجئے اور اسے کمپنی کے رجسٹرڈ پتے پر سالانہ اجلاس عام کے انعقاد کی تاریخ سے کم از کم 10 روز قبل داخل کروا دیجیے

میں / ہم ---------- فریزلینڈ کیمپینا اینگرو پاکستان لمیٹڈ کے رکن اور رجسٹر کے صفحہ نمبر / سی ڈی سی اکاؤنٹ نمبر ---------- کے مطابق ---------- عام شیئر (ز) کے حامل کی حیثیت سے ---------- میں ویڈیو کانفرنس کی سہولت حاصل کرنا چاہتا ہوں / چاہتے ہیں۔

---------- تاریخ: ----------

دستخط رکن / شیئر ہولڈرز

پراکسی فارم

میں/ہم---کے--- فریز لینڈ کیمپینا اینگرو پاکستان لمیٹڈ کے رکن اور عام شیئرز کے حامل کی حیثیت کے--(شیئرز کی تعداد) رجسٹر کا فولیو نمبر-----------اور/یا سی ڈی سی پارٹیسپینٹ آئی ڈی نمبر------------------------------------ اور ذیلی اکاؤنٹ نمبر--،---------------------------کے---کے---یا--- کو کمپنی کے سالانہ عام اجلاس 26 اپریل 2024 کو منعقد ہوگا، میں میرے/ہمارے لیے اور میری/ہماری طرف سے بحیثیت اپنا پراکسی، ووٹ دینے کے لیے نامزد کرتا ہوں/کرتے ہیں۔

------------------------------2024 کے-------------------دن پر دستخط کئے۔

دستخط: ---------------------------------------

نام: ---------------------------------------

پتہ: ---------------------------------------

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ---------------------------

پاسپورٹ نمبر: ---------------------------------

دستخط شیئر ہولڈر

(دستخط کو کمپنی میں رجسٹرڈ نمونے کے ہو بہو مطابق ہونا ضروری ہے)

دستخط: ---------------------------------------

نام: ---------------------------------------

پتہ: ---------------------------------------

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ---------------------------

پاسپورٹ نمبر: ---------------------------------

نوٹ: نمائندے کو فعال بنانے کے لیے نامزدگی کا فارم میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کو موصول ہو جانا چاہئے۔ نمائندے کو کمپنی کا رکن ہونا ضروری ہے۔

سی ڈی سی شیئر ہولڈرز اور ان کے نمائندوں سے فرداً فرداً درخواست ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی تصدیق شدہ نقل یا پاسپورٹ، پراکسی فارم داخل کرنے سے قبل اس کے ساتھ منسلک کریں۔

مستقبل کے خدوخال
FUTURE OUTLOOK

بطور فریزلینڈ کیمپینا اینگرو پاکستان لمیٹڈ کے، ہم پاکستان کے ڈیری منظرنامے میں 150 سال سے زیادہ کا تجربہ رکھتے ہیں۔ ہمارا مقصد "پاکستانیوں کی موجودہ اور آنے والی نسلوں کے لئے صحت اور تندرستی کو یقینی بنانا ہے اور ان کے لئے دودھ کی خوبیوں کو گھاس سے گلاس تک غذائیت سے بھرپور بناتے ہوئے کسانوں کی آمدنی کو بڑھا کر سب کے صحت مند مستقبل کو پروان چڑھانا ہے۔

کمپنی کو توقع ہے کہ مہنگائی کے تناؤ، صارفین کی گرتی ہوئی قوت خرید اور عالمی سپلائی چین میں رکاوٹوں کی وجہ سے طلب اور رسد دونوں اطراف میں مشکلات کا سامنا کرنا پڑے گا۔ تاہم، ایک مضبوط کاروباری ماڈل کے ساتھ، انتظامیہ کو یقین ہے کہ وہ ویلیو چین میں افادیت کو آگے بڑھانے، لچک پیدا کرنے، اور مستقبل کو محفوظ بنانے والے کاروبار سے صارفین کو ترقی فراہم کرنے کے قابل ہوگی۔

ڈیری فارمرز FCEPL کی سپلائی چین میں ریڑھ کی ہڈی کی حیثیت رکھتے ہیں، اور یہی وجہ ہے کہ ہمیں اپنے مثالی ڈیری ڈویلپمنٹ پروگرام پر بہت فخر ہے۔ اس پروگرام کو ڈیری فارمنگ کے لیے علم اور بہترین طریقوں کے اشتراک، جانوروں کی صحت، ہاؤسنگ اور بارن ڈیزائن، فیڈ اور پانی، دودھ کی حفظان صحت، افلاٹوکسن کنٹرول، گائے سے متعلق مشاہدے، فارم اکنامکس، بچھڑے کی پرورش، اور ماحول کے حوالے سے تربیت فراہم کرنے کے ذریعے جامع ترقی اور منافع میں اضافے کو یقینی بنانے کے لیے آراستہ کیا گیا ہے۔ ہم ورکنگ کیپٹل کے طور پر سبسڈی والے قرضے حاصل کرنے میں کسان برادریوں کو سہولت فراہم کرتے ہیں۔ ہماری اختراعات ہماری گہری عالمی ڈیری مہارت پر مبنی ہیں اور خاص طور پر مقامی ترجیحات اور ثقافتوں کو اپنانے کے لیے تیار کی گئی ہیں۔ اس نقطہ نظر اور اپنی منفرد پوزیشن کے ساتھ، ہم ابھرتے ہوئے جدید طریقوں کے ساتھ کاروباری صلاحیتوں کو یکجا کر رہے ہیں تاکہ پاکستان میں خوراک کی حفاظت اور غذائیت کے اس سلسلے کو مزید آگے لے جاسکیں۔

برانڈ ایکویٹی میں سرمایہ کاری، پیک شدہ دودھ میں تبدیلی اور ہمارے پراڈکٹ پورٹ فولیو کو وسعت دینا ہماری ترجیح رہے گی۔ اپنی عالمی مہارت اور ورثے سے فائدہ اٹھاتے ہوئے، ہم حفظان صحت، خوراک کی حفاظت اور پائیداری کے اعلیٰ ترین معیارات کو برقرار رکھنے کے لیے پرعزم ہیں۔ ہمارا مقصد لاکھوں پاکستانیوں کو روزانہ محفوظ، سستی، اور غذائیت سے بھرپور ڈیری مصنوعات فراہم کرنا ہے۔

کمیونٹیز کی پرورش اور مثبت تبدیلی لانے کے لیے ہماری وابستگی ہماری مستقبل کی تمام کاوشوں میں سرفہرست ہے۔ ہم مستقبل کے حوالے سے پرامید ہیں اور ترقی کی اس رفتار کو برقرار رکھنے کے لیے پرعزم ہیں۔

بورڈ کی تشکیل اور گورننس
Board Composition and Governance

31 دسمبر 2023 تک، بورڈ سات ڈائریکٹرز (6 مرد، 1 خاتون) پر مشتمل ہے جس میں ایک ایگزیکٹو ڈائریکٹر، دو آزاد ڈائریکٹرز اور چار نان ایگزیکٹو ڈائریکٹرز شامل ہیں۔ بورڈ کی اجتماعی ذمہ داری ہے کہ وہ اس بات کو یقینی بنائے کہ FCEPL کے معاملات کو قابلیت اور دیانتداری کے ساتھ چلایا جائے۔

جناب عبدالصمد داؤد، نان ایگزیکٹو ڈائریکٹر اور بورڈ کے چیئرمین ہیں۔ جناب علی احمد خان یکم فروری 2024 تک چیف ایگزیکٹو آفیسر رہے ہیں۔ ان کے فریز لینڈ کیمپینا کے MEPA بزنس گروپ کے صدر کی حیثیت سے ذمہ داری سنبھالنے کی وجہ سے سبکدوش ہونے کے بعد، یکم فروری 2024 سے جناب سید کاشان حسن ان کی جگہ سنبھالیں گے، تاہم جناب علی احمد خان اپنی مدت کے اختتام تک بورڈ کے ڈائریکٹر کے طور پر برقرار رہیں گے۔ ڈائریکٹرز کی سوانحی تفصیلات اس رپورٹ میں شامل ہیں۔ بورڈ آف ڈائریکٹرز کا میٹنگ کیلنڈر ہر سال جاری کیا جاتا ہے جو بحث اور منظوری کے لیے مختص معاملات کو شیڈول کرتا ہے۔ بورڈ کے سیکرٹری جناب محمد حسن ازور، جنرل منیجر فنانس اور کمپنی سیکرٹری ہیں۔

بورڈ معاوضہ کمیٹی
Board Compensation Committee

کمیٹی سینئر ایگزیکٹوز کے معاوضے سے متعلق معاوضے، تنظیم اور ملازمین کی ترقی کی پالیسیوں کے تمام عناصر کا جائزہ لینے اور ان کو تجویز کرنے اور ایگزیکٹو ڈائریکٹر اور انتظامی کمیٹی کے اراکین کے معاوضوں سے متعلق تمام معاملات کی منظوری کے لیے اجلاس کرتی ہے۔ کمپنی کے ایچ آر ہیڈ کو بورڈ معاوضہ کمیٹی کے اجلاس میں سیکرٹری کی حیثیت حاصل ہوتی ہے۔ کمیٹی مندرجہ ذیل ارکان پر مشتمل ہے:

زوہیر عبدالخالق	چیئرمین
پیٹر البچے زنک ویگ	ممبر
علی احمد خان	ممبر

کمیٹی کے سیکرٹری جناب محمد شعیب، ڈائریکٹر ہیومن ریسورس MEPA ہیں۔

بورڈ آڈٹ کمیٹی
Board Audit Committee

بورڈ کی آڈٹ کمیٹی اپنی نگرانی کی ذمہ داریوں کو پورا کرنے میں بنیادی طور پر شیئر ہولڈرز کو مالی اور غیر مالیاتی معلومات کا جائزہ لینے اور رپورٹ کرنے، اندرونی کنٹرول کے نظام اور رسک مینجمنٹ اور آڈٹ کے عمل میں بورڈ کی مدد کرتی ہے۔ یہ کمیٹی انتظامیہ سے معلومات طلب کر سکتی ہے اور بیرونی آڈیٹرز یا مشیروں سے براہ راست مشورہ کر سکتی ہے۔ چیف فنانشل آفیسر مالی گوشوارے پیش کرنے کے لیے باقاعدگی سے بورڈ آڈٹ کمیٹی کے اجلاسوں میں شرکت کرتا ہے۔ ہر میٹنگ کے بعد، کمیٹی کا چیئرمین بورڈ کو رپورٹ کرتا ہے۔ مالی سال 2023 کے دوران کمیٹی کا اجلاس 4 مرتبہ ہوا۔ کمیٹی میں درج ذیل ممبران شامل ہیں۔

ابرار حسن	چیئرمین
رابرٹ پی ٹیر بورگ	ممبر
زوہیر عبدالخالق	ممبر

کمیٹی کی سیکرٹری محترمہ ماریہ عمر میمن، جی ایم انٹرنل آڈٹ ہیں۔

بورڈ آف ڈائریکٹرز
BOARD OF DIRECTORS

ڈائریکٹر کی ذمہ داریوں کا بیان
Statement of Director Responsibilities

ڈائریکٹرز مندرجہ ذیل کے لیے ایس ای سی پی کوڈ آف گورننس کے کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کی تعمیل کی تصدیق کرتے ہیں:

1۔ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات کا اسٹیٹس، اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کو پیش کرتا ہے۔

2۔ کمپنی کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئی ہیں۔

3۔ مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے، سوائے ان تبدیلیوں کے جو معیارات کے ابتدائی اطلاق اور موجودہ معیارات میں ترامیم یا تشریحات کے نتیجے میں ہوتی ہیں۔ اکاؤنٹنگ تخمینے معقول عقلمندانہ فیصلے پر مبنی ہیں۔

4۔ بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی گوشواروں کی تیاری میں ان کی پیروی کی گئی ہے اور وہاں سے کسی بھی عدم موجودگی کا مناسب طور پر انکشاف کیا گیا ہے۔

5۔ اندرونی کنٹرول کا نظام ڈیزائن کے اعتبار سے درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے، جس میں مناسب اندرونی مالیاتی کنٹرول شامل ہے۔

6۔ کمپنی کے مسلسل کاروبار جاری رکھنے کی اہلیت پر کوئی شک وشبہات نہیں ہیں۔

7۔ کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی عدم موجودگی نہیں ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل سے بتایا گیا ہے۔

بورڈ کے اجلاس اور حاضری
Board Meetings and Attendance

2023 میں، بورڈ آف ڈائریکٹرز نے کمپنی کی سرگرمیوں کا مکمل احاطہ کرنے کے لیے 4 اجلاس منعقد کیے۔ ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے:

میٹنگز میں شرکت کی۔

میٹنگز میں شرکت					
ڈائریکٹرز کے نام	8 فروری 2023	18 اپریل 2023	11 اگست 2023	16 اکتوبر 2023	ٹوٹل
عبدالصمد داؤد	✓	✓	✓	✓	4
علی احمد خان	✓	✓	✓	✓	4
رولینڈ فرانکوئس وان نیربوس	✓	✓	✓	✓	4
*ایڈورڈ لیمبرٹس ہولٹزر	✓	×	×	×	1
پیٹیر الجے زنک ویگ	✓	✓	×	✓	3
ابرار حسن	✓	✓	✓	×	3
زوہیر عبدالخالق	✓	✓	✓	✓	4
*رابرٹ ٹیر بورگ	×	✓	✓	✓	3

*جناب رابرٹ پی ٹیر بورگ کو 8 فروری 2023 کو جناب ایڈورڈ لیمبرٹس ہولٹزر کی جگہ بطور ڈائریکٹر مقرر کیا گیا تھا۔

جائزہ
Review

بورڈ کمپنی کی مالی کارکردگی، مالیاتی اور آپریٹنگ بجٹ اور پیشن گوئیوں کے ساتھ کاروبار کی ترقی اور ترقیاتی منصوبوں، سرمائے کے اخراجات کی تجاویز اور کارکردگی کے دیگر اہم اشاریوں پر غور کرنے کے لیے سہ ماہی اجلاس کرتا ہے۔ بورڈ آڈٹ کمیٹی بیرونی اور اندرونی آڈیٹرز سے اندرونی کنٹرول کے نظام کے حوالے سے رپورٹس حاصل کرتی ہے اور اندرونی کنٹرول کی کارکردگی کی نگرانی کے عمل کا جائزہ لیتی ہے۔

اندرونی آڈٹ
Internal Audit

کمپنی میں اندرونی جانچ پڑتال کا ایک خودمختار شعبہ ہے۔ بورڈ آڈٹ کمیٹی ہر سال اس فنکشن کے وسائل اور اختیار کی مناسبیت کا جائزہ لیتی ہے۔ اندرونی آڈٹ کا سربراہ آڈٹ کمیٹی کو فعال طور پر رپورٹ کرتا ہے۔ بورڈ آڈٹ کمیٹی آپریٹنگ شعبوں کے سالانہ خطرے کی تشخیص کی بنیاد پر آڈٹ پلان کی منظوری دیتی ہے۔ انٹرنل آڈٹ فنانشل، آپریشنل اور کمپلائنس کنٹرولز کا جائزہ لیتا ہے، اور نتائج کے حوالے سے بورڈ آڈٹ کمیٹی، چیف ایگزیکٹو، اور ڈویژنل مینجمنٹ کو رپورٹ کرتا ہے۔

رسک مینجمنٹ
Risk Management

وسیع تر سیاسی اور میکرو اکنامک ماحول کے تناظر میں درپیش خطرات کا اندازہ لگانے کے لیے ایک رسمی رسک مینجمنٹ فریم ورک ہے۔ رسک مینجمنٹ سسٹم کمپنی کی کاروباری سرگرمیوں سے متعلق اسٹریٹجک، ریگولیٹری، مالیاتی، آپریشنل، ساکھ اور پائیداری کے خطرات کی نشاندہی کرتا ہے۔ خطرات کا جائزہ پاکستان لیڈرشپ ٹیم کے ذریعے محکمانہ مقاصد، اہداف اور کارکردگی کے ساتھ لیا جاتا ہے۔ شیئر ہولڈر کی قدر کو بہتر بنانے کے لیے شناخت شدہ خطرات کے اثرات کو منظم کرنے کے لیے مناسب حکمت عملی تیار اور نافذ کی جاتی ہے۔ کمپنی نے اپنے رسک مینجمنٹ اسٹرکچر کو عالمی پریکٹس کی بنیاد پر تیار کیا ہے جس کے بعد فریزلینڈ کیمپینا اپنے مقصد کے تحت کاروبار سے وابستہ خطرے کا مناسب انتظام کر کے کمپنی کی ترقی کو آگے بڑھاتا ہے۔

ڈائریکٹر کے معاوضے کی پالیسی
Director's Remuneration Policy

ڈائریکٹرز کی فیس بورڈ کی منظوری کے مطابق ادا کی جاتی ہے اور کمپنی نے کمپنیز ایکٹ 2017 اور کوڈ آف کارپوریٹ گورننس (CCG) کے مطابق اس سلسلے میں ایک باضابطہ پالیسی کی منظوری دی ہے جس کے تحت اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کا فیصلہ کرنے میں حصہ نہ لے۔ کمپنی کے بورڈ اور کمیٹی کے اجلاس میں شرکت کے لیے نان ایگزیکٹو اور آزاد ڈائریکٹرز کی فیس کا تعین بورڈ وقتاً فوقتاً کرتا ہے۔ بورڈ، اگر مناسب سمجھے تو، اپنے ڈائریکٹرز کے معاوضے کی مناسب سطح کا تعین کرنے کے لیے آزاد کنسلٹنٹس کو شامل کر سکتا ہے۔ معاوضہ کسی بھی طرح سے ڈائریکٹرز کی آزادی پر سمجھوتہ نہیں کرے گا اور نہ ہی اس پر اثر انداز ہوگا۔ چیف ایگزیکٹو اور ڈائریکٹر کے لئے معاوضے کے پیکج کی تفصیلات 31 دسمبر 2023 کو ختم ہونے والے سال کے مالیاتی گوشواروں میں نوٹس کے نوٹ 39 میں فراہم کی گئی ہیں۔

آڈیٹرز
AUDITORS

موجودہ آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کمپنی ریٹائر ہوگئے اور انہوں نے خود کو کمپنی کے قانونی آڈیٹرز کے طور پر دوبارہ تقرری کی پیشکش کی۔ کمپنی کے بورڈ آف ڈائریکٹرز نے میسرز اے ایف فرگوسن اینڈ کمپنی کی دوبارہ تقرری کے لیے بورڈ آڈٹ کمیٹی کی تجویز کی توثیق کی ہے۔

شیئر ہولڈنگ کا نمونہ
Share Holding Pattern

کمپنی کے بڑے شیئر ہولڈرز فریزلینڈ کیمپینا پاکستان ہولڈنگز بی وی (51 فیصد) اور اینگرو کارپوریشن لمیٹڈ (39.93 فیصد) ہیں۔ دیگر شیئر ہولڈرز مقامی ادارے اور عام عوام ہیں۔

شیئر ہولڈنگ کے عمومی اسلوب کا بیان اور حصص یافتگان کے مخصوص طبقوں کے شیئر ہولڈنگ کے اسلوب کا بیان جن کا انکشاف رپورٹنگ فریم ورک کے تحت ضروری ہے اور 2023 کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کی شریک حیات بشمول نابالغ بچوں کے شیئرز کی خرید و فروخت کا بیان، جو کہ آگے دکھایا گیا ہے۔

ڈیویڈنڈ کا اعلان نہ کرنے کی وجوہات
Reasons for not Declaring Dividend

کمپنی نے مالی سال 2023 کے لیے ٹیکسوں اور فی حصص کی آمدنی (1.97) کے بعد منافع فراہم کیا ہے۔ تاہم، حصص یافتگان کی طویل مدتی فائدے کے مفاد کی ترجیح، ترقی کے لئے سرمایہ کاری اور ورکنگ کیپیٹل کی ضروریات پر پڑنے والے دباؤ اور مسلسل چیلنجنگ اقتصادی حالات کو دور کرنے کی وجہ سے بورڈ آف ڈائریکٹرز نے 2023 کو ختم ہونے والے مالی سال کے لیے ڈیویڈنڈ کی تجویز کو رد کرنے کا فیصلہ کیا ہے۔

اندرونی کنٹرول کا فریم ورک
Internal Control Framework

ذمہ داری
Responsibility

بورڈ کمپنی کے اندرونی کنٹرول کے نظام کے قیام اور اس کی صلاحیت کا جائزہ لینے کا ذمہ دار ہے۔ تاہم، اس طرح کا نظام کاروباری مقاصد کے حصول میں ناکامی کے خطرے کو ختم کرنے کے بجائے اس سے نمٹنے کے لیے ڈیزائن کیا گیا ہے اور یہ مادی طور پر غلط اسٹیٹمنٹ یا نقصان کی صورت میں صرف معقول لیکن مکمل یقین دہانی فراہم نہیں کرسکتا۔ بورڈ نے، کمپنی کے اندر خطرے کے انتظام کی اپنی مجموعی ذمہ داری کو برقرار رکھتے ہوئے، اندرونی کنٹرول کے نظام کے تفصیلی ڈیزائن اور آپریشن کو چیف ایگزیکٹو کے حوالے کر دیا ہے۔

فریم ورک
Framwork

کمپنی ایک مضبوط کنٹرول فریم ورک کو برقرار رکھتی ہے جس میں واضح اسٹرکچرز، اتھارٹی کی حدود اور جوابدہی، اچھی طرح سے سمجھی جانے والی پالیسیاں، اور جائزہ کے عمل کے طریقہ کار شامل ہیں۔ بورڈ کارپوریٹ حکمت عملی اور کمپنی کے کاروباری مقاصد قائم کرتا ہے۔ ڈویژنل مینجمنٹ ان مقاصد کو معاون مالی مقاصد کے ساتھ ڈویژنل کاروباری حکمت عملیوں میں ضم کرتی ہے۔

		ڈی بی گریجویٹی فنڈ
		روپے ملین میں
		30 جون 2023
	آڈٹ شدہ مالیاتی بیانات کے مطابق خالص اثاثے	764
	نیٹ ایسٹس کا بریک اپ	
1	حکومتی ٹریژری بلز	392
2	پاکستان انویسٹمنٹ بانڈز	260
3	شیئرز	73
4	بینک ڈپازٹس	16
5	قابل وصول	44
6	قابل ادائیگی	(21)
7	کل	764

مذکورہ منصوبہ ٹیکس حکام کے ذریعہ تسلیم شدہ ایک سرمایہ کاری کا منصوبہ ہے۔ گریجویٹی اسکیم کی تازہ ترین مالیت کا تخمینہ 31 دسمبر 2023 کو انجام دیا گیا تھا اور ان کے مالی گوشواروں کی پڑتال 30 جون 2023 تک گئی ہے

سیکھنا اور ترقی
Learning and Development

سیکھنا FCEPL کی بنیاد میں شامل ہے جس کا وژن اپنے ملازمین کے لیے مسلسل سیکھانے اور ان کی ترقی پر مرکوز ہے۔ کمپنی یقین رکھتی ہے کہ اس کی ترقی اس کی افرادی قوت کی نشو ونما کے ساتھ جڑی ہوئی ہے۔ FCEPL اپنے ملازمین کو ان کی مہارتوں، علم اور صلاحیتوں کو بڑھانے کے مواقع فراہم کر کے ان کی پرورش کے لیے اپنی لگن میں ثابت قدم ہے۔

کمپنی میں عالمی لیڈرشپ ڈویلپمنٹ پروگرام "لائسنس ٹو ریکروٹ" کے اجراء سے بہترین کارکردگی کا عزم ظاہر ہوتا ہے۔ یہ اقدام لوگوں کے مینیجرز کو اعلیٰ درجے کے ٹیلنٹ کو ریکروٹ کرنے، ریکروٹمنٹ کی جدید حکمت عملی پر زور دینے اور غیر معمولی امیدواروں کی شناخت کے ساتھ ساتھ کمپنی کی ثقافت میں ان کو ڈھالنے کے لیے آلات کی گہری سوجھ بوجھ سے آراستہ کرتا ہے۔

کمپاس، ضابطہ اخلاق کے لیے FCEPL کی لگن کو اجاگر کرتے ہوئے، گلوبل کمپلائنس ٹیم نے متعدد شہروں میں لیڈرز کے ساتھ علاقائی ورکشاپس کا اہتمام کیا۔ ان سیشنز کا مرکز کمپنی کی اقدار اور آپریشنل طریقوں کے مختلف پہلوؤں پر تھا، جس میں کمپاس سے متعلقہ مضامین جیسے دھوکہ دہی، مفادات کا ٹکراؤ، اور کارپوریٹ وسائل کا عملی استعمال شامل ہے۔

ماہ ستمبر کو سیکھنے کا مہینہ مانا گیا، جہاں ہر موضوع کے ماہرین اور فریزلینڈ کیمپینا کے رہنماؤں کی قیادت میں عالمی ویبنارز نے "مستقبل کی مہارتیں" کے موضوع پر روشنی ڈالی۔ عنوانات میں سیکھنے کا مزاج، ڈیٹا پر مبنی کام کرنے کے طریقے، پرابلم سالونگ، اور ثابت قدمی کے ساتھ ساتھ مسلسل سیکھنے کی اہمیت کو تقویت دینا شامل تھے۔

سال بھر کے دوران، مختلف اقدامات نے ملازمین کی صلاحیتوں میں اضافہ کیا، جس میں سیلز فورس کے لیے مذاکرات اور تنازعات کے انتظام کی مہارت کے پروگرام کو نافذ کرنا اور پلانٹس ٹیم کے لیے صنعتی تعلقات اور لیبر قوانین پر خصوصی تربیتی ورکشاپ کا انعقاد شامل ہے۔



سیلف ڈیولپمنٹ FCEPL کے سیکھنے کے فلسفے کا لازمی جزو ہے، جس میں ای لرننگ کے مواقع جیسے اچھی عادات، ہاریزون لرننگز اور گیٹ ایبسٹریکٹ کو کمپنی کے اندر فعال طور پر فروغ دیا جاتا ہے۔ یہ پلیٹ فارمز مسلسل سیکھنے کی حوصلہ افزائی کرتے ہوئے ملازمین کو اپنی قابلیت کے مطابق آگے بڑھنے کا موقع فراہم کرتے ہیں۔

مقامی مواقع کے علاوہ، کئی ملازمین کو فریزلینڈ کیمپینا کے گلوبل فلیگ شپ لیڈرشپ پروگراموں کے لیے نامزد کیا گیا، جو گلوبل کمپیٹنسی فریم ورک کے ساتھ منسلک ایک مضبوط ٹیلنٹ پائپ لائن کو راغب کرنے میں اپنا کردار ادا کرتے ہیں۔

FCEPL فریزلینڈ کیمپینا دنیا میں ٹیلنٹ کے سب سے بڑے برآمد کنندگان میں سے ایک کے طور پر جانا جاتا ہے، جو دوسری Opco میں مختصر اور طویل مدتی اسائنمنٹس کے لیے افراد کو تعینات کرنے، ورچوئل اور ریموٹ ورکنگ آپشنز کو اپنانے میں اہم کردار ادا کرتا ہے۔

اکاؤنٹنگ کے معیارات
Accounting Standards

کمپنی کی اکاؤنٹنگ پالیسیاں کمپنیز ایکٹ 2017 کے تقاضوں کی عکاسی کرتی ہیں اور اس طرح کے منظور شدہ بین الاقوامی مالیاتی رپورٹنگ معیارات جو اس ایکٹ کے ساتھ ساتھ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ ہدایات کے ذریعے مطلع کیے گئے ہیں۔

ایمپلائی شیئر آپشن اسکیم
Employee Share Option Scheme

کمپنی شیئر آپشن اسکیم پر عمل درآمد کرتی ہے اور اس طرح کی اسکیم کی تفصیل اکاؤنٹس کے نوٹ 19 میں بیان کی گئی ہے۔

پنشن، گریجویٹی اور پروویڈنٹ فنڈ
Pension, Gratuity and Provident Fund

کمپنی کے ملازمین اینگرو کارپوریشن لمیٹڈ کے زیر انتظام ریٹائرمنٹ فنڈز میں حصہ لیتے ہیں۔ کمپنی ان منصوبوں میں حصہ ڈالتی ہے جو اس کے ملازمین کے لیے بعد از ملازمت اور ریٹائرمنٹ کے فوائد مہیا کرتی ہے۔ ان میں ڈیفائنڈ کنٹریبیوشن پروویڈنٹ پلان، ڈیفائنڈ کنٹریبیوشن گریجوئٹی پلان اور ڈیفائنڈ بینیفٹ گریجویٹی پلان شامل ہیں۔ تازہ ترین آڈٹ شدہ مالیاتی بیان کی تاریخ کے مطابق ڈیفائنڈ بینیفٹ گریجویٹی اسکیم کی سرمایہ کاری کی قیمت درج ذیل ہے:

دوسرے کی صلاحیتوں سے تعاون کرنے اور فائدہ اٹھانے کی سیکھ دیتا ہے۔2023 میں، کمپنی نے اپنے پلانٹ کی جگہوں پر خواتین اپرنٹس کو متعارف کرانے کے کامیاب پروگرام کو جاری رکھا، جس سے اس کے جامع اور متنوع ماحولیاتی نظام کی مضبوطی میں اہم کردار ادا کیا گیا۔

مزید برآں، کام کرنے والی ماؤں کی مدد کے لیے لگن کی نمایاں مثال ساہیوال پلانٹ میں ڈے کیئر کی سہولت کا آغاز ہے۔اس اقدام کا مقصد ملازمین کے بچوں کے لیے ایک محفوظ، صحت مند، اور مشغول ماحول فراہم کرنا ہے، جو اپنے ملازمین اور ان کے خاندانوں کی فلاح و بہبود کے لیے کمپنی کے عزم کو تقویت دیتا ہے۔

مزید برآں، ایف سی ای پی ایل سال بھر تمام مذہبی تہواروں کا احترام کرنے اور منانے میں بھی فخر محسوس کرتا ہے جو ہمارے ''پاور آف وی'' سلوگن کے حقیقت کی منہ بولتی دلیل ہے۔



بھرتی اور آن بورڈنگ
Recruitment and Onboarding

2023 میں، ایف سی ای پی ایل کی ٹیلنٹ ایکوزیشن ٹیم نے ''ان لیش یور رینجر'' کے تھیم کے تحت جدت اور شمولیت کے لیے غیر متزلزل عزم کا مظاہرہ کیا۔گزشتہ سال کے تجربے سے فائدہ اٹھاتے ہوئے، مینجمنٹ ٹرینی پروگرام کی تبدیلی کے نتیجے میں امیدواروں کی درخواستوں میں غیر معمولی اضافہ ہوا۔ پروگرام کے کامیاب اختتام نے فریزلینڈ کیمپینا اینگرو پاکستان لمیٹڈ میں روشن، توانا اور پرجوش ٹیلنٹ کے ایک متنوع گروپ کا اضافہ کیا، جس میں ایگری بزنس، مینوفیکچرنگ، اور سیلز فنکشنز میں خواتین مینجمنٹ ٹرینیز کی کامیاب آن بورڈنگ بھی شامل ہے۔

ایف سی ای پی ایل کے مثبت ایمپلائر برانڈنگ اقدامات نے پورے سال یونیورسٹی کیمپس اور ڈیجیٹل پلیٹ فارمز میں اپنی موجوگی کو نمایاں رکھا۔ کیریئر فیئرز، ری کروٹمنٹ ڈرائیوز، اور کیریئر کونسلنگ سیشنز میں فعال شرکت نے اعلیٰ درجہ کے تعلیمی اداروں میں کمپنی کی موجودگی کو مستحکم کیا۔طلباء کو دفتر میں مدعو کرنے سے ان پر متحرک کارپوریٹ کلچر کے حوالے سے روشنی ڈالی گئی۔اس کے ساتھ ہی، ہماری سوشل میڈیا کی موجودگی مزید پروان چڑھی، نئے ملازمین نے اپنے تجربات شیئر کیے، کمپنی کے حوالے سے ایک مثبت آن لائن بیانیہ میں حصہ لیا۔اس بڑھتی ہوئی مرئیت نے نہ صرف توجہ مرکوز کروائی بلکہ کمپنی کے اندر ترقی پذیر کمیونٹی کو بھی اجاگر کیا اور ہمارے ملازمین میں جوش اور جذبے کو پیدا کیا۔ مینجمنٹ ٹرینی پروگرام کے علاوہ، سمر انٹرن شپ کے اقدام کو بہتر بنایا گیا، جس سے کامیاب امیدواروں کے لیے ایک حوصلہ افزا اور سیکھنے کے بصیرت انگیز تجربے کو یقینی بنایا گیا۔

ملازمین کی فلاح و بہبود اور مشغولیت
Employee Wellness and Engagement

ایف سی ای پی ایل میں، ملازمین کی فلاح و بہبود مرکزی حیثیت رکھتی ہے۔ 2023 میں، کمپنی نے ''نورشنگ یو'' اقدام کے نفاذ کے ذریعے ملازمین کی فلاح و بہبود کے لیے خصوصی طور پر اپنی توجہ کو مرکوز کیا۔سال کے دوران، مختلف پروگرام اور تقریبات نے ہماری وابستگی کو واضح کیا جس میں ان کی اہمیت کو اجاگر کرنے والے ویبنار بھی شامل ہیں۔



یوم خواتین، یوم آزادی، عید بریک فاسٹ، مدرز ڈے، اور فادرز ڈے سمیت اہم تقریبات جوش و خروش کے ساتھ منائے گئے۔ کمیونٹی میں لگن اور جستجو کو بڑھانے کے لئے، ہم نے ملازمین کو سالگرہ کی تقریبات اور تھیمڈ تقریبات جیسے کہ ملک ڈے، مینگو ڈے، اور موو ی ڈے میں شامل کیا، جس سے کام کے ماحول میں مزید جوش و خروش پیدا ہوا۔

2023 میں، کمپنی نے سماجی سرمایہ کاری کے عہد کے لیے 40 ملین روپے مختص کیے تھے، جس کا ایک اہم حصہ (15 ملین روپے) ساہیوال کمیونٹی میں دو اسکولوں کے بنیادی اسٹرکچر کو بڑھانے کے لیے خرچ ہوا۔ اس سرمایہ کاری کے نتیجے میں 9 نئے کلاس رومز کی تعمیر، 4 موجودہ کلاس رومز میں تزئین و آرائش اور صفائی کی سہولیات کا اضافہ ہوا۔

ایوارڈز اور ریکاگنائزیشن
Awards and Recognition

FCEPL نے پاکستان کے صدر کی طرف سے رائزنگ ویمن 2023 (وائسز آف پاکستان) ایوارڈ حاصل کیا۔ یہ ایوارڈ خواتین کو بااختیار بنانے اور عالمی شہرت یافتہ ڈیری ڈویلپمنٹ پروگرام کے تحت کمپنی کی لگن کا منہ بولتا ثبوت ہے۔



ہمارے انسانی وسائل
Our Human Resource

جائزہ
Overview

فریزلینڈ کمپینا اینگرو پاکستان نے مارکیٹ میں بہترین ہنر کو راغب کرنے اور بھرتی کرنے کے لیے کام کے مختلف طریقے کار اپنائے۔ تاکہ ہر فرد کو اپنی طاقت سے فائدہ اٹھانے اور زیادہ سے زیادہ صلاحیتوں کو بروئے کار لانے کی ترغیب دی جاسکے، ہم ایک ایسا ورکنگ کلچر بنانے کی کوشش کرتے ہیں جو ترقی، تعاون، مصروفیت اور فاتح ذہنیت کو پروان چڑھائے۔ تنوع اور شمولیت کی طاقت میں ہمارا یقین اس بات سے ظاہر ہوتا ہے کہ ہمارے لوگ اندرونی اور بیرونی شراکت داروں کے ساتھ احترام، دیانتداری اور فلاحِ عامہ کے ساتھ بات چیت کرتے ہیں۔ ہم اپنے لوگوں کو اس قابل بنانا چاہتے ہیں کہ وہ اپنی حقیقی صلاحیتوں کو بروئے کار لاتے ہوئے ہمارے مقصد کو پورا کرنے میں اپنی خدمات سرانجام دیں۔

ہماری ثقافت، ضابطہ اور اقدار
Our Culture, Code and Values

ہماری ساخت تہذیب اور اعلیٰ کارکردگی سے قائم ہے۔ جس کا مطلب ہے کہ ایف سی ای پی ایل میں کام کرنے والے لوگ دوستانہ اور پیشہ ورانہ ذمہ داریوں سے بخوبی واقف ہیں۔ ٹیم کی طرح کام کرنا، ایک دوسرے کے ساتھ اعتماد اور احترام پر مبنی تعاون اور اختلافِ رائے کو قبول کر کے ایک ساتھ آگے بڑھنا ہی ہمارا شعار ہے۔ ہم اپنے لوگوں کی حوصلہ افزائی کرتے ہیں کہ وہ اپنی رائے سے ہمیں آگاہ کریں تاکہ ادارے کی مجموعی بہتری کے لئے کیا اچھا ہے اور کیا بہتر ہوسکتا ہے، سمجھنے میں آسانی ہو۔

عالمی سطح پر، FCEPL آرگنائزیشنل ہیلتھ سروے منعقد کرتا ہے۔ جس میں ہماری افرادی قوت رازداری کو برقرار رکھتے ہوئے اپنی رائے دینے میں مصروفِ عمل رہتی ہے۔ اس سال، ہمارے ادارے کے 90 فیصد سے زائد افراد نے سروے کا جواب دیا اور متعدد تنظیمی اور ثقافتی پہلوؤں پر جیسے تنظیمی مواصلات، اقدام اٹھانا، لائن مینیجر کی رائے، ملازمین کی فلاح، نمو اور ترقی کے بارے میں قیمتی رائے فراہم کی ہے۔

ایف سی ای پی ایل میں ''کمپاس''، حکمت عملی اور کام کرنے کے طریقوں کا ایک لازمی حصہ ہے۔ نئے شامل ہونے والے افراد آن بورڈنگ کے دوران ایف سی ای پی ایل کے کوڈ اور اقدار کے حوالے سے جامع تربیت سے گزرتے ہیں جس میں انہیں مضبوط کاروباری اور پیشہ ورانہ اخلاقیات کی تربیت دی جاتی ہے۔ ہر سال ضابطہ اخلاق کے مختلف پہلوؤں کے گرد تنظیم کے وسیع تربیتی سیشنز منعقد کیے جاتے ہیں جو تعمیل، اخلاقیات اور دیانتداری کی ثقافت کو فروغ دیتے ہیں اور کلیدی پیغامات کو پوری کمپنی میں بغیر کسی رکاوٹ کے مربوط ہونے کو یقینی بناتے ہیں۔



ڈیورسٹی اینڈ انکلوژن
Diversity and Inclusion

ایف سی ای پی ایل میں، کمپنی منفرد اور عمل میں جداگانہ رویوں کو سراہتی ہے۔ فریزلینڈ کیمپینا اینگرو پاکستان ایک ایسے کلچر کی تعمیر کے لیے کوشاں ہے جو لوگوں کو بلاتفریق یا تعصب کے ایک

سے بھرپور خوراک، حفظان صحت اور دودھ کے محفوظ استعمال پر زور دیا جائے۔ 21 روزہ صحت مند غذا اور محفوظ دودھ کی کھپت کا چیلنج ایک اہم عنصر ثابت ہوا جس سے غذائی طریقوں کو نمایاں طور پر بہتر بنایا گیا اور طلباء کو سیکھنے کے عملی تجربات کا موقع فراہم کیا گیا۔ کراچی میں واقع راست اسکول کے لیے جاری تعاون سے قیوم آباد کے 360 سے زائد پسماندہ بچوں کو غذائیت سے بھرپور دودھ کی فراہمی یقینی بنائی گئی۔

لاہور قلندرز کی ٹیم، اعصام الحق، اور ارشد ندیم جیسی ممتاز شخصیات کی حمایت کے ساتھ، اس پروگرام کو بڑے پیمانے پر توجہ حاصل ہوئی اور کمیونٹی کی صحت پر اثر انداز ہونے والے اقدامات کے لیے ایک معیاری پوزیشن دیکھنے میں آئی۔ ہیلتھ چیمپیئن پروگرام کو 2024 میں ملک گیر توسیع کے لیے آراستہ کیا گیا، جو صحت کے وسیع شعور اور مثبت طرز زندگی کے انتخاب کو فروغ دینے کے لیے FCEPL کے عزم کی عکاسی کرتا ہے۔

اسکول ایکٹیویشنز
School Activations

اولپرز فلیورڈ ملک کی قیادت میں اپنے اسکول ایکٹیویشن پروگرام کے تحت کمپنی نے 350,000 سے زائد طلباء کے ساتھ غذائیت کے حوالے سے بیداری پیدا کرنے اور بچوں میں دودھ کے استعمال کی صحت بخش عادات پیدا کرنے میں کام کیا ہے۔ FCEPL نے ماہرین اور غذائیت کے ماہرین کے ساتھ کام کرتے ہوئے لوگوں کو بالخصوص اسکول جانے والے بچوں کے لئے ماؤں کو ان کی خوراک میں دودھ کو شامل کرنے کی اہمیت سے آگاہ کیا گیا۔



راست اسکول
Raast School

ایف سی ای پی ایل قیوم آباد میں 360 سے زائد پسماندہ بچوں کو غذائیت سے بھرپور دودھ فراہم کرنے کے لیے کراچی کے راست اسکول کے ساتھ شراکت داری جاری رکھے ہوئے ہے۔ بچوں کو معیاری تعلیم اور خواتین کو پیشہ ورانہ تربیت فراہم کرنے کے علاوہ، اسکول اپنے طلباء اور عملے کی غذائی ضروریات کا بھی خیال رکھتا ہے۔ کمپنی ہفتہ وار دودھ کا عطیہ دے کر غذائیت اور پائیداری کے موضوعات پر طلباء کے ساتھ مشغول ہو کر اس اقدام کی حمایت کرتی ہے۔



کمیونٹی کی سرمایہ کاری
Community Investment

FCEPL اپنی پیداواری سہولیات کا احاطہ کرتے ہوئے کمیونٹیز کی نشوونما کے لیے پنجاب، سندھ اور نارا میں 2,100 سے زائد بچوں کو تعلیم فراہم کرتے ہوئے 7 اسکولوں کی فعال طور پر مدد کرتا ہے۔ مزید برآں، کمپنی کے ملازمین باقاعدگی سے ان اسکولوں میں آؤٹ ریچ سیشنز میں مشغول رہتے ہیں، جو ماحولیاتی آگاہی، غذائیت، صفائی اور صحت پر توجہ مرکوز کرتے ہیں، اور اس طرح آس پاس کی کمیونٹیز کے لوگوں کی زندگیوں کو بہتر بناتے ہیں۔



سکھر پلانٹ کے قریب ہیلتھ کیئر سینٹر سالانہ ہزاروں مریضوں کو خدمات فراہم کرتا ہے جو کمیونٹی کے لیے امید کی کرن بن کر ابھرا ہے۔ یہ مرکز بنیادی ہیلتھ کیئر کی خدمات کی فراہمی کے ساتھ STIs کا انتظام کرتا ہے، اور ہیپاٹائٹس بی، سی، اور ایچ آئی وی/ایڈز سے متعلق آگاہی پروگرام کا انعقاد کرتا ہے۔



(DDP) کے ذریعے صنفی مساوات اور سماجی استحکام کو فروغ دیتی ہے، جس کے فوائد آنے والی نسلوں تک پہنچتے ہیں۔ صنفی مساوات کی طرف ایک اہم اقدام میں، کمپنی نے خواتین کی زیر قیادت دودھ جمع کرنے کے پانچ مراکز کا افتتاح کیا اور 48 خواتین لائیوسٹاک ایکسٹینشن ورکرز کو تربیت دی۔



زرعی پائیداری پر توجہ مرکوز کرتے ہوئے، ایف سی ای پی ایل نے نارا کے آس پاس سندھ میں مکئی کی کامیاب کاشت حاصل کر کے چارے کی کمی کو پورا کیا۔

زرعی انفراسٹرکچر کو مزید تقویت دینے کے لیے، کمپنی نے 250 سے زائد ترقی پسند کسانوں کو شیڈز کی تعمیر اور ان کی بہتری کے ساتھ ساتھ سبسڈی والے نرخوں پر دودھ مہیا کرنے والی مشینوں کی خریداری میں مدد کی ہے۔



مالیاتی طور پر بااختیار بنانے کے اقدام کے ذریعے، FCEPL نے اسکیم کی پوری مدت کے دوران کسانوں کو بلاسود دودھ ایڈوانسز میں 1.65 بلین روپے کی کثیر رقم فراہم کی ہے۔ مزید برآں، کمپنی نے اس اقدام کے آغاز سے لے کر اب تک بینکوں کے ساتھ تعاون کے ذریعے 626 ملین روپے کے سبسڈی والے قرضے فراہم کر کے کسانوں کو آسانی مہیا کی ہے۔ سماجی ذمہ داری سے وابستگی کا مظاہرہ کرتے ہوئے، FCEPL نے سیلاب سے متاثرہ کسانوں کی بحالی میں مدد کے لیے مالیاتی اداروں کے ساتھ میمورینڈم آف انڈرسٹینڈنگ (MoU) پر دستخط کیے۔



FCEPL 'اسکالرز انیشی ایٹو' کے تحت کمپنی نے کسانوں کے چار بچوں کو وظائف دے کر تعلیم کے حصول میں معاونت فراہم کی ہے تاکہ ان مستحق افراد کی اعلیٰ تعلیم کے حصول کی خواہشات کو پورا کیا جا سکے۔

بہتر غذائیت
Better Nutrition

ہیلتھ چیمپئن پروگرام
Health Champion Program

پنجاب فوڈ اتھارٹی اور اسکول ایجوکیشن ڈپارٹمنٹ نے اپنے اشتراکی منصوبے ''ہیلتھ چیمپئن پروگرام'' کا آغاز لاہور میں کیا جس میں 40 اسکولز اور 8000 طلباء کو شامل کیا گیا۔ اس اقدام کا مقصد نوجوان ذہنوں میں صحت مند طرز زندگی کی اہمیت کو اجاگر کرنا تھا، تاکہ غذائیت



بہتر فطرت: ذمہ دار ماحولیاتی طرز عمل کو یقینی بنانا

Better Nature: Ensuring Responsible Environmental Practices

کمپنی ماحولیاتی ذمہ داری کے لیے پرعزم ہے اور اپنے کاروباری امور پر ہونے والے ماحولیاتی اثرات کو کم کرنے اور قدرتی وسائل کے غیر ضروری ضیا کو روکنے کے لیے اپنی اضافی کاوشوں کے ساتھ حفاظت اور تحفظ کی ضروریات کو قبول کرتی ہے۔

مزید یہ کہ موسمیاتی تبدیلیوں اور اجتماعی حل کی روشنی میں، FCEPL نے گزشتہ چند سالوں میں کئی اقدامات کئے ہیں جس میں قابل ذکر علاقے کے دفاتر اور مینوفیکچرنگ یونٹس میں شمسی توانائی سے چلنے والے گیزر اور ماحول دوست ایئر کنڈیشنرز کی تنصیب، مختلف کاوشوں کے ذریعے پانی کے موثر استعمال کی یقین دہانی، 64 فارم اور دودھ جمع کرنے کے مراکز پر سولر پینلز کی تنصیب، لاجسٹکس فلیٹ کی کارکردگی کو بہتر بنانا، ماحول پر مثبت اثر کے لیے ایندھن کی کھپت کو کم کرنا اور ری ڈو کے عوامل شامل ہیں۔ ماحولیاتی تحفظ کے لیے سکھر، ساہیوال پلانٹس اور نارا میں ڈیری فارم کے لیے آئی ایس او 14001 سرٹیفکیشنز کا حصول FCEPL کے عزم کی نمایاں دلیل ہے۔

2023 میں، کمپنی نے سندھ، پنجاب اور بلوچستان میں 16000 سے زائد درخت لگانے کی بھی قیادت کی، جس سے ماحولیاتی تحفظ کے لیے اپنے فعال کردار کو اجاگر کیا گیا۔

ماحولیاتی شعور اور پائیدار ترقی کے رجحان کو فروغ دینے کے لئے، FCEPL نے سسٹین ایبلٹی ویک کے ساتھ ساتھ باقاعدگی سے مختلف پروگرام بشمول انوائرمنٹ ڈے، ارتھ ڈے اور ارتھ آور جیسی تقریبات کا سال بھر اہتمام کیا ہے جہاں ملازمین نے مستقل کارروائیوں میں حصہ لیا اور ''کم فضلہ زیادہ ہرا'' کے ساتھ ''گوسرکلر'' جیسے موضوعات کو اجاگر کیا۔



ماحولیاتی، سماجی اور گورننس (ESG) ورکشاپ

Environmental, Social & Governance (ESG) Workshop

ای ایس جی کی اہمیت کو اپنے ماحولیاتی نظام میں مزید شامل کرنے کے لیے، کمپنی نے دی سینٹر آف ایکسیلنس ان ریسپانسیبل بزنس (سی ای آر بی) کے ساتھ شراکت میں ای ایس جی ورکشاپ کا انعقاد کیا۔ ایف سی ای پی ایل کے عملے دن بھر مختلف سرگرمیوں میں مصروف عمل ہیں، اور ای ایس جی کے منظرنامے کے حوالے سے اپنی سوجھ بوجھ میں اضافہ کرنے اور مستقبل کے لیے گہرائی سے بات چیت کر رہے ہیں۔



اس مشترکہ کوشش نے عملی طور پر کام کیا اور فنانس، سیلز، اکاؤنٹنگ، مارکیٹنگ، اور سپلائی چین کے عملے کو اپنی حکمت عملیوں سے ای ایس جی فریم ورک کے ساتھ ہم آہنگ کرنے کے لیے سوچ دی۔ یہ صف بندی FCEPL کے ذمہ دارانہ کاروباری طریقوں کے عزم کو تقویت دیتی ہے اور ESG رپورٹنگ کے لیے گلوبل رپورٹنگ انیشیٹو (GRI) کے معیارات کے ساتھ ہم آہنگی کی بنیاد بنتی ہے۔

بہتر سورسنگ

Better Sourcing

کمپنی کا مقصد خام مال کو پائیداری اور ذمہ داری سے حاصل کرنا ہے۔ یہ خام مال (کوکو پاؤڈر، پام آئل، چینی) عالمی سطح پر تسلیم شدہ سرٹیفکیٹ کے ساتھ حاصل کیا جاتا ہے جو پائیداری کے معیارات کی تعمیل کرتے ہیں اور پائیدار ترقی کے منصوبے کے لیے سپلائرز کا تعاون حاصل کرتے ہیں۔

کسانوں کے لیے بہتر زندگی:

Better Living for Farmers

ڈیری کی ترقی کا منصوبہ

Dairy Development Program

FCEPL پاکستانی ڈیری فارمرز کو اپنے ڈیری ڈویلپمنٹ پروگرام (DDP) کے ذریعے سہارا دیتا ہے اور استعداد بڑھانے کے اقدامات اور مالی معاونت کے ذریعے ان کے روزگار میں اضافہ کرتا ہے۔ ڈیری کی ترقی کو بڑھانے کے لیے کمپنی نے اپنے عزم سے اہم کامیابیاں حاصل کی ہیں:

کمپنی نے 41,000 سے زائد کسانوں کو جانوروں کی صحت، غذائیت اور فارم کے انتظام سے متعلق تربیت دی اور سال 2023 میں 1,000 خواتین کسان کو اس تربیتی پروگرام میں شامل کر کے ان کی کل تعداد کو 33,000 بنایا ہے۔ کمپنی اپنے ڈیری ڈیولپمنٹ پروگرام

منجمد ڈیزرٹ کا شعبہ

Frozen Desserts Segment

اس شعبے نے 8.56 بلین روپے کی آمدنی ریکارڈ کی جو گزشتہ سال کی اسی مدت کے مقابلے میں 19.2 فیصد کی نمو کو ظاہر کرتا ہے۔ برانڈ نے سیزن کی افتتاحی سرگرمیوں اور تمام تہواروں پر حکمت عملی کے ساتھ سرمایہ کاری کی۔ موسم گرما اس شعبے کے لئے ایک انتہائی اہم موقع ہے جس پر توجہ مرکوز کرتے ہوئے کامیابی سے مارکیٹ میں برانڈ کے ساتھ مضبوط، مخصوص اور قابل توسیع وابستگی سے اوموار کی برانڈ ایکویٹی کو فروغ دیا۔ مزید برآں، کاروبار نے سال کے دوران تین نئی اختراعات متعارف کروا کر صارفین کے جوش و جذبے کو برقرار رکھا۔

اپنے صارفین کے ساتھ جڑے رہنے کے لئے، ڈیجیٹل میڈیا پر ایک مؤثر مہم کا آغاز کیا گیا جس کی تکمیل ان اسٹور ایکٹیویشنز کے ذریعے کی گئی۔ اوموار کی مخصوص تھمیٹک مہم ''واؤ بھرا بائٹ'' کی تشہیر جاری رہی، جو برانڈ کے کلیدی پیغام کی بہترین نمائندہ ہے۔ مرکزی موضوعاتی مہم کے ساتھ ساتھ اوموار نے شاہی مینگو کلفی اور کینڈی پاپ اسٹک کی اختراعات پر مشتمل نئے ٹی وی سی نشر کیے جو ہمارے قابل قدر صارفین کے لئے مسلسل جوش و خروش کو یقینی بناتا ہے۔ یہ کاوش اوموار کے ذائقہ دار، کریمی ٹریٹس کے برانڈ میسیج کے ساتھ مطابقت رکھتی ہے جس میں مختلف اقسام کے فارمیٹس شامل ہیں جو تمام عمر کے لوگوں کے لئے لطف اٹھانے کا باعث ہیں۔

صحت، حفاظت اور ماحولیات

Health, Safety and Environment

صحت، حفاظت اور ماحولیات (ایچ ایس ای) میں اعلیٰ ترین معیارات کو برقرار رکھنا ایف سی ای پی ایل کا بنیادی مقصد ہے جو کمپنی سے وابستہ افراد اور ان کمیونٹیز کی فلاح و بہبود کا تحفظ کرتا ہے جن میں یہ اپنا کردار ادا کرتے ہیں۔



کام کی جگہ پر ملازمین کی حفاظت کی یقین دہانی

Ensuring Employee Safety at the Workplace

کمپنی صحت، حفاظت اور ماحولیات (ایچ ایس ای) کے انتظام میں اعلیٰ معیار کو برقرار رکھنے پر پختہ یقین رکھتی ہے اور بہترین بین الاقوامی طریقوں سے ہم آہنگ ہے۔ کمپنی ڈویپونٹ مطابقت کے ذریعے پیشہ ورانہ حفاظت اور صحت کی انتظامیہ (OSHA USA) کی تعمیل حاصل کرنے اور ان کے حوصلہ مند منصوبوں پر عمل پیرا ہونے میں کامیاب رہی ہے۔

کام کی جگہ پر ایک حفاظتی پروگرام نافذ کیا گیا ہے، جو حفاظت سے متعلق امور کا تعین کر کے کام کے مقام پر حادثات کے ممکنہ خطرات کو فعال طور پر کم کرنے کی کوشش کرتا ہے ڈویپونٹ چونکہ حفاظتی امور بنیادی طور پر لوگوں پر مرکوز ہے جس میں مجموعی طور پر 5000 سے زائد ٹریننگ اوقات شامل ہیں۔ اپنے ملازمین کی حفاظت سے متعلق وابستگی کی توثیق کرنے اور زیادہ سے زیادہ بہتری حاصل کرنے کے لئے کمپنی نے مختلف سلسلوں کی میزبانی کی جس میں حفاظتی ہفتہ، آگاہی مہم، خطرے کی شناخت کے پروگرام اور حفاظتی چیمپئنز کا انعقاد شامل ہے۔

''لائف سیونگ رولز'' کام کی جگہ پر تحفظ کے عمل کو بڑھانے میں مرکزی حیثیت کے حامل ہیں۔ پیدل چلنے والوں اور گاڑیوں کی نقل و حرکت کے درمیان ظاہری علیحدگی اور اے ٹی ای ایکس کی ہدایات کی تعمیل سمیت اہم اصلاحات کی گئی۔

گزشتہ سالوں میں آغاز کیے گئے آرگینائزیشنل بیچویر مینجمنٹ (او بی ایم) پروگرام کو روٹ کاز اینالیسس (آر سی اے) ایس او پیز میں ضم کیا گیا ہے۔

کمیونٹی کی حفاظت کے مسلسل اقدامات میں مقامی اسکولوں میں ماہانہ تربیتی سیشنز شامل ہیں جن میں سڑک، گھر اور باورچی خانے کی حفاظت جیسے موضوعات کا احاطہ کیا گیا ہے۔ نارا ڈیری فارم میں حفاظتی اقدامات جیسے حفاظت کے مکمل انتظامات اور نئی آڈٹ چیک لسٹیں، لائف سیونگ رولز کی تعمیل کو بڑھانے کے لئے لاگو کئے گئے۔ 70 سے زائد ان باؤنڈ لاجسٹکس کھلے دودھ کے ٹرک ڈرائیوروں کو محفوظ ڈرائیونگ کی تربیت دینے سے ایف سی ای پی ایل کے اپنے آپریشنز کے علاوہ محفوظ ڈرائیونگ رویوں کے عزم کو مزید تقویت ملی ہے۔

فریزلینڈ کیمپینا اینگرو پاکستان لمیٹڈ میں استحکام

Sustainability at FrieslandCampina Engro Pakistan Limited

کمپنی پائیداری کے پختہ عزم پر مبنی، کمپنی ''نورش پاکستان'' کے اپنے مشن پر کاربند ہے جس میں کسانوں کی زندگیوں کو بہتر بنانے، ڈیری ویلیو چین میں دیہی خواتین کو بااختیار بنانے، قدرت کے ساتھ توازن برقرار رکھنے اور لاکھوں پاکستانیوں کو روزانہ محفوظ، صحت مند اور قابل رسائی غذائیت فراہم کرنا شامل ہے۔

ایک صحت مند، تندرست اور سرسبز پاکستان کے حصول کے لیے، FCEPL گایوں کے لیے گھاس کو مزید سرسبز بنانے، کسانوں کے لیے پیداوار بڑھانے، دودھ کی صنعت کے لیے مضبوط ترقی، اور ہر پاکستانی کے لیے قدرتی غذائیت سے بھرپور دودھ تیار کرنے کا عہد کرتا ہے۔

ڈائریکٹرز رپورٹ

DIRECTORS' REPORT

ہم ،فریز لینڈ کمپینا اینگرو پاکستان لمیٹڈ کے بورڈ آف ڈائریکٹر کی جانب سے کمپنی کے 31 دسمبر 2023 کو ختم ہونے والے سال کے لئے رپورٹ اور عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں ۔کمپنی فریز لینڈ کمپینا پاکستان ہولڈنگز بی۔وی (ہولڈنگ کمپنی) کا ذیلی ادارہ ہے جو Zuivelcoöperatie فریز لینڈ کمپینا یو اے (الٹیمیٹ پیرنٹ کمپنی) کا ذیلی ادارہ ہے۔

کاروبار کا جائزہ

Business Overview

فریز لینڈ کیمپینا اینگرو پاکستان لمیٹڈ کو ڈیری انڈسٹری میں اپنے نمایاں کردار پر فخر ہے جو ہمارے قابل قدر صارفین کو معیاری مصنوعات فراہم کرنے کے عزم کا منہ بولتا ثبوت ہے۔ غذائیت سے بھرپور پیشکش کے ذریعے صحت اور تندرستی کو فروغ دینے کے وژن کے ساتھ قائم کی گئی یہ کمپنی معیار، جدت اور پائیداری کے ساتھ ایک قابل اعتماد برانڈ بن گئی ہے۔

مالی سال 2023 میں، کمپنی نے اپنی ترقی کی رفتار کو جاری رکھا اور اب تک کی سب سے زیادہ ٹاپ لائن اور آپریٹنگ منافع کے ساتھ ایک اور ریکارڈ سال اپنے نام کیا جہاں چیلنجنگ میکرو اکنامک صورتحال کے ساتھ ساتھ شدید مسابقت کا سامنا تھا۔ کمپنی نے گزشتہ سال کے مقابلے میں 36 فیصد اضافے کے ساتھ 100 بلین روپے ٹاپ لائن مارک اپ کو عبور کرتے ہوئے ایک قابل ذکر سنگ میل حاصل کیا۔ ٹاپ لائن میں یہ اضافہ حجم، قیمتوں کا تعین اور ریٹیل فٹ پرنٹ کی توسیع کے باعث دیکھنے میں آیا۔

کمپنی کے مجموعی منافع میں 19 فیصد کا اضافہ ہوا جبکہ مجموعی مارجن میں 210 بی پی ایس کی کمی واقع ہوئی ہے جس کی بنیادی وجہ بلند ترین افراط زر، عالمی سپلائی چین میں رکاوٹیں، زرمبادلہ کے ذخائر میں قلت اور مقامی کرنسی کی قدر میں کمی ہے۔ تاہم ، لاگت میں بہتری لانے اور افادیت کے لئے اقدامات کی وجہ سے، آپریٹنگ مارجن میں گزشتہ سال کے مقابلے صرف 115 بی پی ایس کی کمی واقع ہوئی ہے۔

گزشتہ سال کی اس مدت کے دوران بعد از ٹیکس منافع 2.5 بلین روپے سے کم ہو کر 1.51 بلین ہو گیا جہاں بنیادی طور پر مالیاتی لاگت میں نمایاں اضافے کے باعث سود کی شرحیں سال بھر میں تقریباً دوگنی ہو گئیں۔ برانڈ ہیلتھ انڈیکیٹرز میں بھی مثبت رفتار دیکھنے میں آئی ہے جس نے طویل مدتی پائیدار ترقی کے لئے راہ ہموار کی۔

ڈیری پر مبنی مصنوعات کا شعبہ

Dairy-based Products Segment

اس شعبے نے 91.68 بلین روپے کی آمدنی ریکارڈ کی جو گزشتہ سال کے مقابلے میں 38.3 فیصد کی نمو کو ظاہر کرتی ہے۔ شعبہ میں اولپرز نے ترقی کی شرح کو بڑھاتے ہوئے مارکیٹ میں بطور برانڈ اور تجارتی سرمایہ کاری کے ذریعے مضبوط پوزیشن کو برقرار رکھا۔ اولپرز یو ایچ ٹی دودھ، اولپرز کریم، فلیورڈ ملک اور ترنگ نے نمو میں دگنا اضافہ کیا۔

اولپرز یو ایچ ٹی نے ٹی وی، ڈیجیٹل، سوشل میڈیا اور ان اسٹور سمیت کلیدی ٹچ پوائنٹس پر اپنی ''پہلی صبح'' مہم کو برقرار رکھا۔ جس کا مقصد اولپرز کی برانڈ ایکویٹی کو مزید تقویت بخشنا اور اس کے نتیجے میں کھلے دودھ کے استعمال سے تبدیل کرنا ہے۔ مالی سال 2023 کی چوتھی سہ ماہی میں، اولپرز نے ڈیرھ پاؤ پیچت پیک کا آغاز کیا جس میں تمام متعلقہ کنزیومر ٹچ پوائنٹس پر ایک مربوط مارکیٹنگ مہم کی اور اس کے ذریعے ڈیرھ پاؤ اکنامی پاؤچ کو ناشتے میں استعمال کے لئے ایک مثالی سرونگ سائز کے طور پر پیش کیا۔

اولپرز نے ہمارے وسیع ریٹیل فوٹ پرنٹ کو تشکیل دینے کے لئے فزیکل دستیابی کے ذریعے مارکیٹ میں خود کو مضبوط کیا۔ مزید برآں، پرفیکٹ اسٹورز نمو کا کلیدی محرک بھی ثابت ہوا جس کی تائید شاپر سینٹرک ٹریڈ ایکٹیویشنز اور ٹاپ نچ-ان-اسٹور پر عمل درآمد کے ذریعے کی گئی۔ ہم نے ٹارگٹڈ ریونیو میں اضافے کے لئے کیے جانے والے اقدامات کے ذریعے ویلیو ایڈڈ برانڈز کو بڑھانے پر اپنی توجہ کو مرکوز کیا، جس سے اولپرز فلیورڈ ملک اور اولپرز کریم کے لئے آؤٹ لیٹ کی سب سے زیادہ پیداوار حاصل ہوئی۔

اولپرز فلیورڈ ملک نے ''پرفارمنس میں بریک نہ ہو'' مہم کے ذریعے ٹی وی پر اپنی تشہیر کو جاری رکھا، جس کا مقصد بچوں میں دودھ کے استعمال کو سراہانہ ہے ۔ ٹی وی کے ساتھ کلیدی ٹچ پوائنٹس، پی آر کے ساتھ ڈیجیٹل نشریات، انفلوئنسر مارکیٹنگ مہمات اور ایکٹیویشن کے ذریعے اس مہم کو صارفین تک پہنچایا گیا۔ اولپرز نے ایکٹیویشن کی صورت میں اینیمیٹڈ فلم کے ذریعہ اولپرز آل اسٹارز کو بھی لانچ کیا جس کا مقصد متحرک اور دلکش میڈیم سے بچوں کی توجہ اپنی جانب مرکوز کرنا ہے۔




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