HEAD OFFICE
The Harbor Front Building, 5th Floor, FrieslandCampina Engro Pakistan Limited
HC-3, Block-4, Near Marine Drive, Clifton Karachi - 75600, Pakistan
Phone: +92 213 529 6000 (Ext.: 9 Lines) Fax: +92 213 529 6010
Web: www.frieslandcampina.com.pk

FrieslandCampina
Engro Pakistan Limited



NOURISHING TOMORROW
ONE DREAM AT A TIME

Annual Report
2024

FrieslandCampina

Engro Pakistan Limited

FrieslandCampina
Engro Pakistan Limited

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.





Table of Contents













Company
Overview

10 Company Overview

12 Company Information

14 FCEPL at a Glance

16 Notice of the Meeting

Corporate
Governance

24 Board of Directors

26 Directors' Profiles

40 Message from the Chairman

44 Message from the CEO

Directors'
Report

50 Directors' Report

54 Auditors

56 Board of Directors

57 Future Outlook

Our
Brands

60 Our Brands

Sales

78 Dairy Sales

84 Frozen Dessert Sales

Our
People

92 Our Human Resource

Financial
Review

96 Financial Review

99 Financial Summary

100 Financial Performance Indicators

101 Key Shareholding & Shares Traded

102 Pattern of Shareholding

103 Categories of Shareholding

104 Shareholders' Information

Financial
Statements

108 Independent Auditor's Review Report

109 Statement of Compliance with Listed Companies (Code of Corporate Governance)

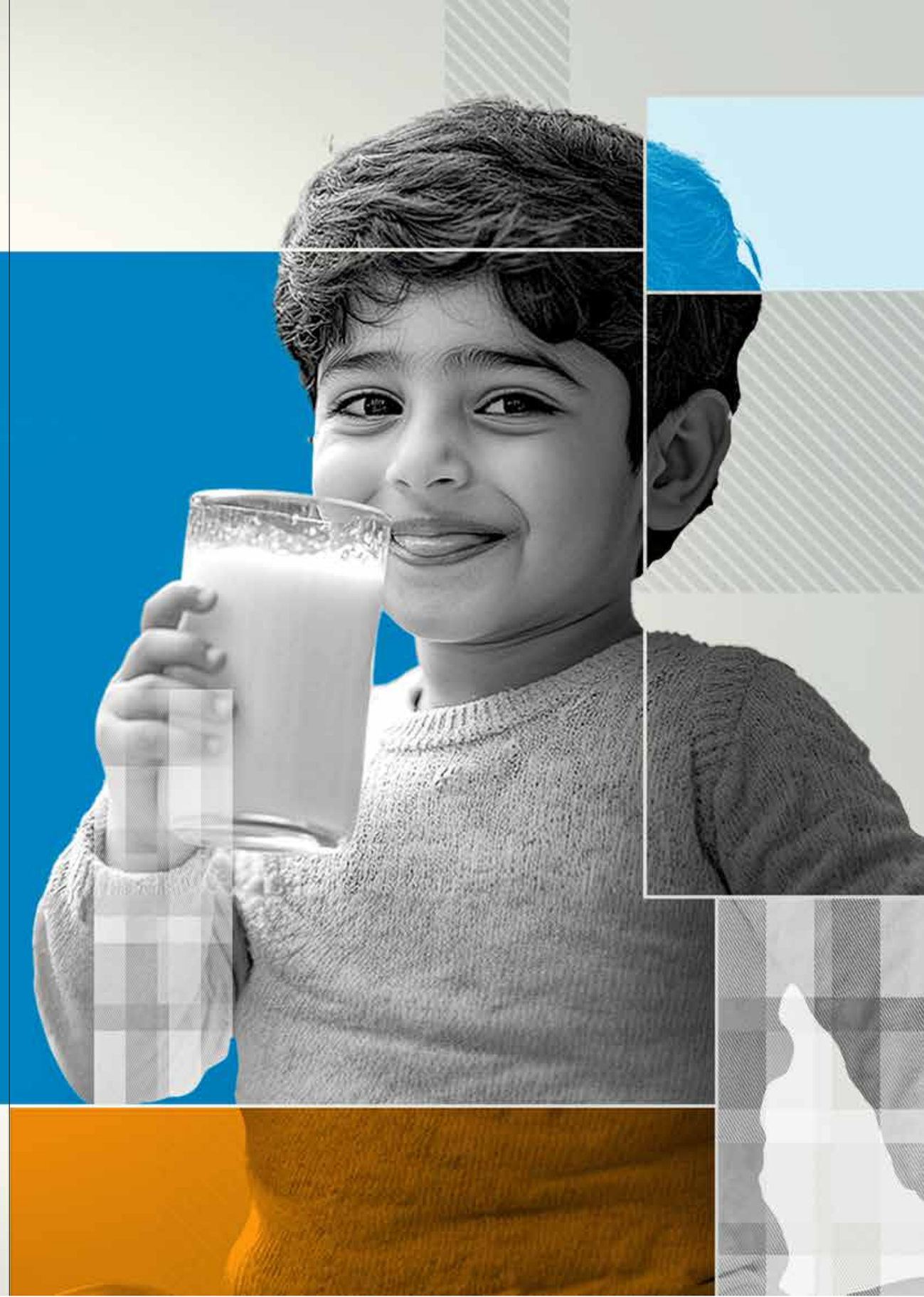
112 Independent Auditor's Report

Annexures

172 Annexures

Making Nutrition Accessible, Fulfilling Dreams

With over 1 billion glasses of milk filled annually, FCEPL is making nourishment accessible while sustaining dreams for a better, brighter tomorrow.



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 frozen dessert 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
Ehsan Ali Malik
Zouhair Abdul Khaliq
Liselotte Kooi
Robert ter Borg

Chief Financial Officer

Imran Husain

Company Secretary

Wajiha Hasan

Members of the Audit Committee

Zouhair Abdul Khaliq (Chairman)
Robert ter Borg
Ehsan Malik

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
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
Faysal Bank Limited
Dubai Islamic Bank

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) 34380104-534384621-3
Fax -92(21) 34380106

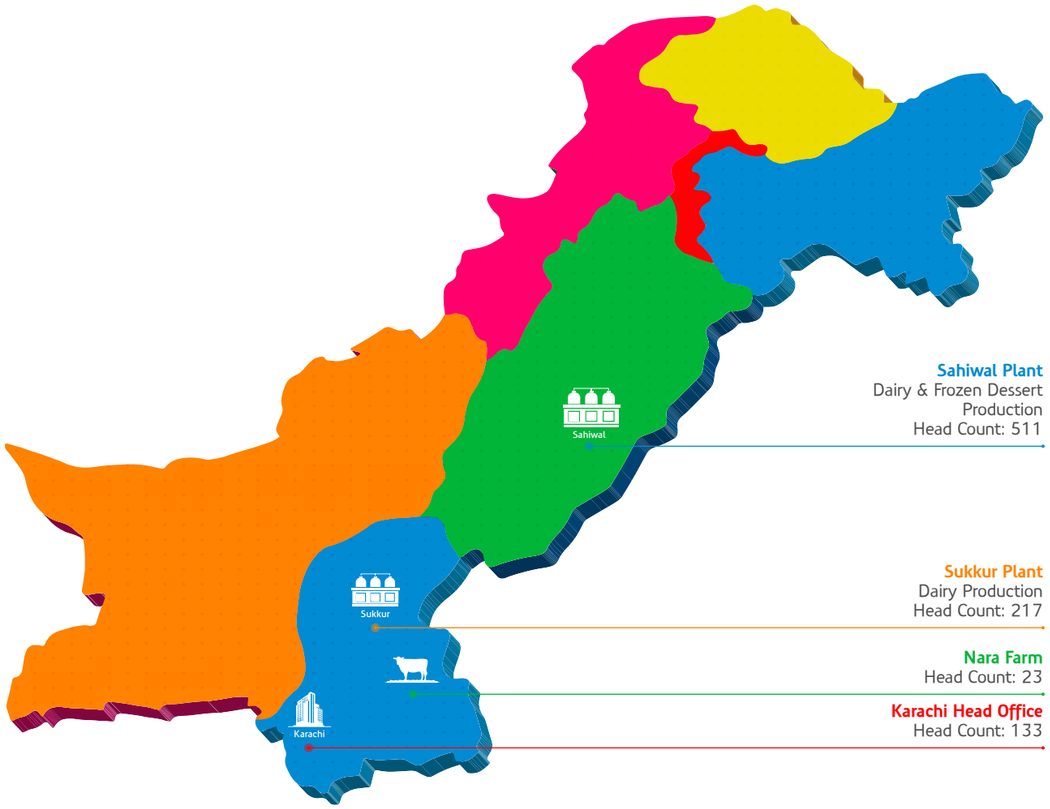
Registered Office

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

FrieslandCampina
Engro Pakistan Limited

FCEPL
AT A GLANCE

Head Count: 1165
Location: 42



Sahiwal Plant
Dairy & Frozen Dessert Production
Head Count: 511

Sukkur Plant
Dairy Production
Head Count: 217

Nara Farm
Head Count: 23

Karachi Head Office
Head Count: 133

Agri Business Corporate Office
Head Count: **4**

Agri Business MPAS Office
Head Count: **114**
MPAS Office: **23**

Note: The total number of employees includes 163 individuals stationed in alternate locations such as the corporate offices in Lahore and Islamabad, as well as other sales offices in different locations. These specific locations are not detailed in the preceding breakdown but are encompassed within the overall count.











FRIESLANDCAMPINA ENGRO PAKISTAN LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the **Twentieth** Annual General Meeting of FrieslandCampina Engro Pakistan Limited will be held at The Royal Rodale, TC-V, 34th Street, Khyaban-e-Sehar, Phase 5, Ext. D.H.A, Karachi on Monday, April 21st, 2025 at 03:00 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, 2024 together with the Chairman's Review and Directors' and Auditor's Reports thereon.

(2) To declare and approve, as recommended by the Directors, the payment of final cash dividend at the rate of PKR 2.8 per share i.e. 28% for the year ended December 31, 2024

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

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

(4) To appoint Auditor for the year 2025 and fix their remuneration. The present auditors A. F. Ferguson & Co. Chartered Accountants retire and being eligible, offer themselves for reappointment.

By order of the Board

Karachi
February 13th, 2025

Ms. Wajiha Hasan
Company Secretary

NOTES:-

1) Closure of Share Transfer Book

The Share Transfer Books of the Company will be closed from Tuesday, April 15, 2025 to Monday, April 21, 2025 (both days inclusive). The transfers received in order at the office of the Company's share registrar, M/s. FAMCO Share Registration Services (Private) Limited, 8-F, near hotel Faran, Block 6, PECHS, Shahra-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 Monday, April 14, 2025 will be treated in time for the purposes of payment of final cash dividend to the transferees and to attend and vote at the Annual General 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) 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** a 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.

4) 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, not later than 48 hours before the time of the meeting.

(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

5) 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 26th, 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.

6) 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, 2024, have been made available on the website: https://www.frieslandcampina.com/pk/financial-annual-reports/

7) 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.

8) 8)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) Limited. and in case of CDC IAS or Participant Account holders, please submit copy of CNIC to CDC IAS or relevant participant.

9) Electronic dividend mandate

Under Section 242 of the Act, it is mandatory for all listed companies to pay cash dividend to its Shareholders through electronic mode directly into the bank account designated by the entitled Shareholders. To receive dividend directly into their bank account, Shareholders are requested (if not already provided) to fill in the Shareholder Information Form for Electronic Credit of Cash Dividend available on the Company's website and send it duly signed along with a copy of valid CNIC to the Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited, in case of physical shares. In case of shares held in CDC, Electronic Dividend Mandate Form must be directly submitted to Shareholder's brokers / participant / CDC account services.

In case of non-receipt of information, the Company will be constrained to withhold payment of dividend to Shareholders

10) In compliance with Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001 withholding tax on dividend income will be deducted for "filer" and "non-filer" Shareholders at 15% and 30% respectively. A "filer" is a taxpayer whose name appears in the Active Taxpayers List (ATL) issued by the FBR from time to time and a "non-filer" is a person other than a filer. To enable the Company to withhold tax at 15% for filers, all Shareholders are advised to ensure that their names appear in the latest available ATL on FBR website, otherwise tax on their cash dividend will be deducted at 30% for non-filers. Withholding tax exemption from the dividend income shall only be allowed if a copy of a valid tax exemption certificate is made available to the Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited, of the Company by the first day of book closure. According to the FBR, withholding tax in the case of joint accounts will be determined separately based on the "Filer/ Non-Filer" status of the principal shareholder as well as the status of the joint holder(s) based on their shareholding proportions. Members that hold shares with joint shareholders are requested to provide the shareholding proportions of the principal shareholder and the joint holder(s) in respect of shares held by them to our Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited, in writing. In case the required information is not provided to our Registrar it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s).

11) In order to claim exemption from compulsory deduction of Zakat, Shareholders are requested to submit a notarized copy of Zakat Declaration Form "CZ-50" on NJSP of Rs.50/- to the Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited, of the Company by first day of book closure. In case shares are held in scripless form such Zakat Declaration Form (CZ -50) must be uploaded in the CDC account of the Shareholder, through their Participant / Investor Account Services. Further, Non-Muslim Shareholders are also required to file Solemn Affirmation (available on https://famcosrs.com/downloads/) with the Share Registrar of the Company in case of shares are held in physical certificates or with CDC Participant / Investor Account Services in case shares are in scripless form. No exemption from deduction of zakat will be allowed unless the above documents complete in all aspects have been made available as above.

12. Conversion of Physical Shares into CDC Account The SECP, through its letter No. CSD/ED/Misc/2016-639-640 dated March 26, 2021, has advised all listed companies to adhere to the provisions of Section 72 of the Act, which requires all companies to replace shares issued in physical form to book-entry form within four years of the promulgation of the Act. Accordingly, all Shareholders of the Company having physical folios/share certificates are requested to convert their shares from physical form into book-entry form at the earliest. Shareholders may contact a PSX Member, CDC Participant, or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. Maintaining shares in book-entry form has many advantages — safe custody of shares with the CDC, avoidance of formalities required for the issuance of duplicate shares etc. The Shareholders of the Company may contact the Share Registrar and Transfer Agent of the Company, namely FAMCO Share Registration Services (Private) Limited for the conversion of physical shares into book-entry form.

Empowering Women, Building Dreams

FCEPL has trained 36,000 women over the past three years, equipping them with the skills to become farmers, livestock experts, and agripreneurs, transforming the dairy sector and inspiring their communities.



CORPORATE **GOVERNANCE**

BOARD OF **DIRECTORS**















DIRECTORS' PROFILES

ABDUL SAMAD DAWOOD

Chairman

Mr. Abdul Samad Dawood is the Vice Chairman and Chief Executive Officer of Engro Holdings (formerly known as Dawood Hercules Corporation). Engro Holdings is the holding company of Engro Corporation and the investing platform for the Engro enterprise.

Mr. Abdul Samad Dawood's experience of management and governance spans 20+ years with a special interest in mergers and acquisitions. He has led multi-billion-dollar M&A deals, including Engro Holdings' (formerly Dawood Hercules Corporation) acquisition of The Hub Power Company from National Power International Holdings B.V. in 2012 and the sale of DH Fertilizers to Fatima Fertilizer Company in 2015. He was also given the responsibility to lead the merger of Engro Foods (a subsidiary of Engro Corporation) into global dairy giant Royal FrieslandCampina N.V. based on the convergence of their values, goals, and abilities to address Pakistan's nutritional challenges; he has since served as the Chair of the Board of FrieslandCampina Engro Pakistan. 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.

His corporate governance journey spans various organizations in line with his interests. He is the Chairman of Cyan (an investment company), SACH International (an apparel company operating the Lawrencepur brand), and FrieslandCampina Engro Pakistan. In addition to this, he is a member of the Boards of Engro Holdings, Engro Corporation, The Dawood Foundation, Dawood Lawrencepur, Khaadi Corporation, Karachi Education Initiative, Karachi School of Business and Leadership, Dawood Corporation (Pvt), Dawood Invesftments (Pvt), and the Pakistan Business Council. In the past, he has served on the Boards of The Hub Power Company and Sui Northern Gas Pipelines. He has also previously served as Chief Executive Officer for Cyan and is an active member of the Young Presidents' Organization.

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



KASHAN HASAN

CEO & Managing Director

As CEO and Managing Director 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.



ALI AHMED KHAN

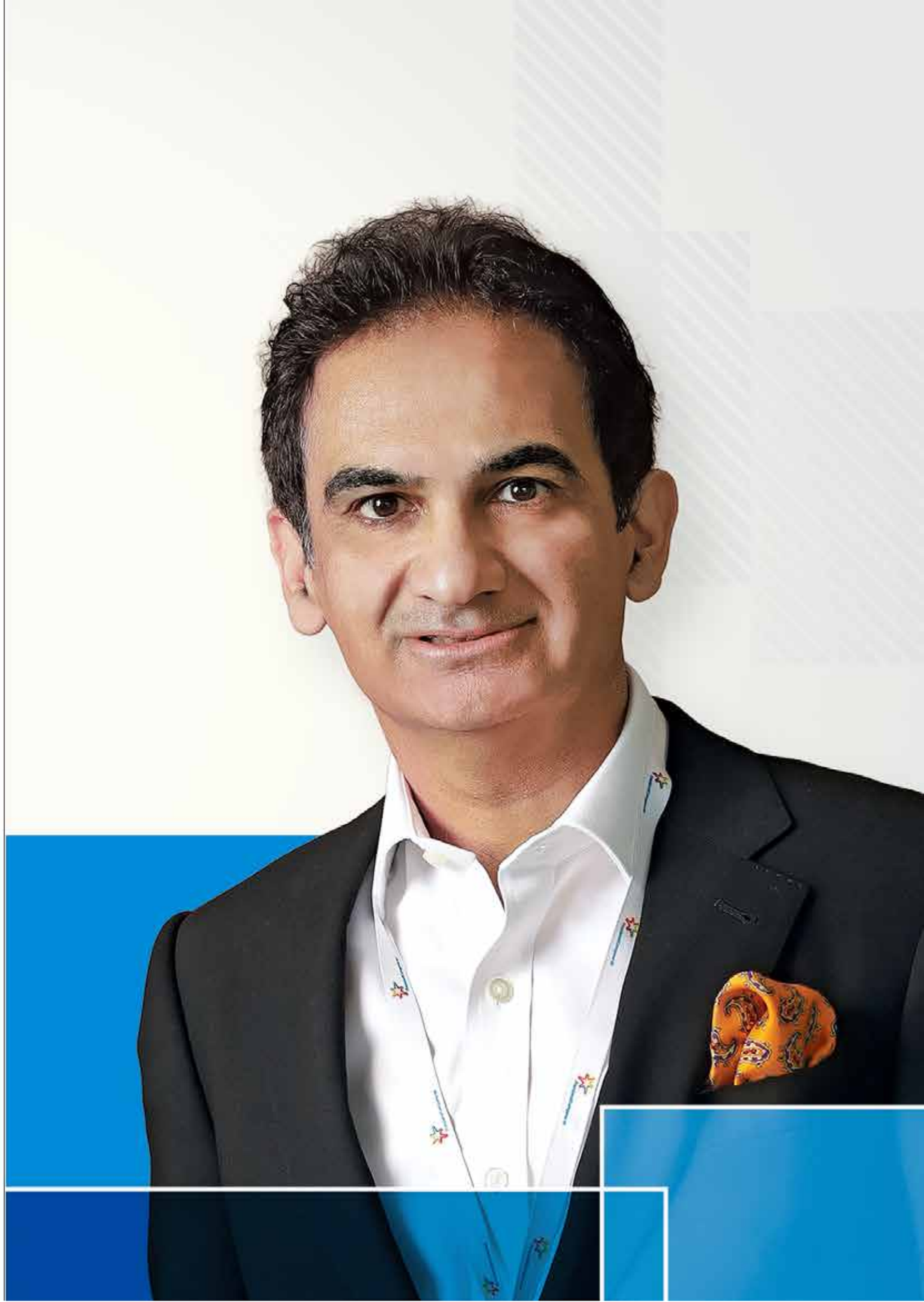
Director & President – Middle East, Africa & Pakistan

Ali 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.



EHSAN ALI MALIK

Director

Ehsan Ali Malik is Chairman of the Board of Directors of Abbott Laboratories (Pakistan) Limited. He currently also serves as Director on the Boards of Standard Chartered Bank (Pakistan) Limited and Gul Ahmed Textile Mills Limited. He is also the Chief Executive of the Pakistan Business Council. Previously he was the Chief Executive Officer of Unilever Pakistan Limited as well as a Director of Unilever Pakistan Foods Limited. Ehsan's earlier international appointments covered Unilever's regional businesses in Sri Lanka, Egypt, Lebanon, Jordan, Syria and Sudan as well as Unilever's Head Office in UK. He is a Fellow of the Institute of Chartered Accountants in England and Wales and an alumnus of the Wharton and Harvard Business Schools.



ZOUHAIR ABDUL KHALIQ

Director

Zouhair is a business executive with 40 years of global experience in Board Strategy, Executive Leadership, C Suite & Executive Management, Communication, Global Strategy, Operations, Turnarounds, Startups, Scale-ups, Wind downs, and M&A. He's led group initiatives in digital banking, telecom & technology, mobile financial services, micro-finance, FMCG and infrastructure sharing.

His Non-Executive Board positions include Du Telecom Holdings UAE, Mobinil (now Orange) Egypt, Fastlink (now Zain) Jordan, Tunisiana (now Ooredoo) Tunisia, Djezzy Algeria, Banglalink Bangladesh, Mobilink (now Jazz) Pakistan, Founding Board Member, Ignite Technology Fund, Transworld Pakistan, Pakistan Society for Training & Development and Islamabad Stock Exchange.

His Advisory Boards include, Ding.com in Ireland, Boloro in the US and Coda Payments in Asia Pacific. Senior Advisor, Better Than Cash Alliance, UN Capital Development Fund, Member of the Management Committee of the Overseas Chamber of Commerce and Industry (OICCI) and Member of the Prime Minister's Task Force on IT & Telecom.

He is currently Non Exec Director at Friesland Campina Engro Foods, Non Exec Director National Food Limited, on the Advisory Board of FieldForce LLC, USA and Member Board of Regents, Harris Manchester College, Oxford University, United Kingdom.

He is Co-Founder & General Partner at Teamup Ventures, a Venture Builder with a focus on MENAP. From 2016-2023 his team managed and operated the National Incubation Centre Pakistan, a ground breaking/award winning innovation hub/venture builder for tech entrepreneurs.

Earlier in 2002-03 as Group CFO and later Group COO of Orascom Telecom, Cairo he led a US$ 1.6 billion refinancing, restructuring and turnaround of the Group setting the stage for exponential growth over the next 10 years.

As CEO of Mobilink 2003-08, he led the turnaround and rapid growth from 1m to 32m customers, growing revenues from US$ 80 million to US$ 1.4 billion in 5 years, investing US$ 2.5B making it one of the 5 fastest growing companies in the Asia Pacific Region and the largest private sector company in the country, a status it retains today, rebranded as Jazz with 70 million customers.

As CEO Orascom Investment Holding, Cairo 2009-10, he led the licensing, recruitment and set up of Mobilink Microfinance Bank, the launch of digital banking in Bangladesh and Tunisia. He crafted a tower share deal valued at US$ 1.1 billion between Orascom Telecom and Telenor.

In 2010-14 at Warid Telecom he led the restructuring & refinancing of over USD 1.1 billion of debt and an operational turn around, leading to the merger of Warid Telecom with Mobilink.

In 2014-15, as Managing Director, Mobile for Development, GSM Association UK, he managed a US$150 million technology fund investing globally in startups in mobile financial services, mobile health, mobile utilities, mobile agriculture and other innovation.

Zouhair started his career at ICI Pakistan in 1984, as Head of Group Internal Audit, then Corporate Finance Manager and later CFO of the Soda Ash Business till October 1991. He was CFO at Instaphone till April 1993 when he joined Mobilink as CFO and employee #1 a key member of the startup team. As Director Operations EEMEA, Motorola, 1997-2001, he led the launch of mobile operations in Egypt, Algeria, Tunisia, Bangladesh and Iraq and oversaw the operations in Lithuania, Jordan and Pakistan. In 2001-2002, as COO wcities.com UK, he led a startup in travel and entertainment content publishing, combining a database of travel-related information with GPS enabled technologies.

He is a member of the Institute of Chartered Accountants in England & Wales and an alumni of INSEAD, France.



LISELOTTE KOOI

Director

Since 2013 Liselotte has worked at Royal FrieslandCampina N.V. As Director Group Legal and Company Secretary she is co-heading the global legal department and responsible for governance and the legal and financing structure of the company, including the compliance in relation to the listing of hybrid bonds at Euronext Dublin. She advises both the Executive Board and Supervisory Board of Royal FrieslandCampina N.V. as well as the Board of the Cooperative which represents the member-farmers, who are the owners of FrieslandCampina. Liselotte has more than 20 years of experience in corporate governance and finance. Working as senior associate at De Brauw Blackstone Westbroek N.V. and other law firms in Amsterdam and New York, Liselotte advised companies, investors, financial institutions and investment funds on corporate governance, finance and M&A transactions. She specialised in issuing and listing of financial instruments and in financial laws and has a lot of experience with governance for listed companies and board dynamics within listed companies.

Liselotte is the Chair of the Supervisory Board of Fastned B.V., a European fast charging company based in Amsterdam, the Netherlands, which is listed at Euronext Amsterdam. Furthermore, she is a member of the Board of Commissioners of Pt. Frisian Flag Indonesia, a joint venture company of FrieslandCampina based in Jakarta, Indonesia.



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.



MESSAGE FROM
THE CHAIRMAN

Dear Shareholders,

It is my privilege to present the Annual Report for FrieslandCampina Engro Pakistan Limited (FCEPL; "the Company") for the year ended 31st December 2024.

The incoming year holds particular significance for me as it marks 10 years since my appointment as Chairman of the Board. The past decade has been a journey of exceptional personal and professional growth but more importantly, it has been one that has reinforced my belief in the power of purpose-driven business to create lasting impact. We began this Company with a sincere belief in the power of dairy to transform lives; it has been a privilege to watch it grow from a start-up in 2005 to a company whose brands are now household names, synonymous with nutrition and quality.

The dream of this company – to provide affordable nutrition at scale – has been the fuel that has kept it going, despite challenges. 2024 has been a difficult year for the dairy sector, marked by policy decisions that have had far-reaching consequences for businesses, farmers, and consumers alike. The imposition of an 18% sales tax on packaged UHT milk in July 2024 severely impacted the industry, leading to a decline in full-year volumes. This tax not only increased the price gap between packaged and loose milk — disincentivizing safer, processed dairy — but also undermined government priorities of improving nutrition access and supporting farmer livelihoods. Ironically, instead of boosting tax revenue, this measure has suppressed industry growth and driven more transactions into the undocumented economy.

Despite these headwinds, FCEPL has remained steadfast in its mission to provide safe, high-quality, and affordable nutrition to Pakistani families. Our strong brand equity and customer-centric offerings enabled us to achieve modest sales growth in the dairy segment, despite policy decisions. We have continued to champion affordability through SKUs that bridge the gap between loose and packaged milk while ensuring access to safe dairy for all. We are resolute in our belief that investments in category conversion and dairy productivity will be critical to long-term growth, and we will continue to advocate for an enabling policy environment that supports these objectives.

In parallel, our School Activation Program engaged over 170,000 students, promoting healthy consumption habits from a young age. Our efforts to strengthen dairy farming also remain central to our vision, with over 41,000 farmers trained in 2024 through our Dairy Development Program. As part of our commitment to inclusive growth, the Company set up 25 women-led milk collection centers, enabled over 200 progressive farmers to upgrade their sheds, and unlocked PKR 172 million in financing for silage production through partner banks. These initiatives align with our mission to scale affordable nutrition by strengthening the dairy value chain and empowering those at its core: the farmers.

As we play a role in boosting our domestic value chain, we recognize the value of an export growth strategy. This has the potential to enhance shareholder value while also supporting the country in its current account management. However, the imposition of GST threatens to derail the nascent dairy export industry by weakening cost competitiveness. Pakistan has the potential to become a major dairy exporter, but this will only be realized through policies that encourage sectoral investment rather than stifling it.

As we look ahead, our commitment to unlocking a White Revolution remains stronger than ever. The journey of transformation is never linear, but we remain focused on driving category conversion, enhancing dairy productivity, and advocating for policies that support industry growth. FrieslandCampina's unwavering support and 150 years of dairy expertise continue to be invaluable to our vision, ensuring that FCEPL remains at the forefront of Pakistan's dairy evolution.

I would like to extend my gratitude to our Board of Directors for their stewardship and dedication, and to our leadership team for navigating a complex environment with resilience. And to our regulators, the Government, partners, colleagues, and most importantly, our consumers — your trust and collaboration fuel our ambition to build a healthier, more prosperous Pakistan.

Finally, I extend my deepest appreciation to you, our shareholders, for your continued confidence in FCEPL. It has been a privilege to serve on this Board for the last ten years, and I look forward to continuing this journey of shared growth and purpose.

Thank you for your unwavering support.

Regards,



Abdul Samad Dawood
Chairman



CELEBRATING VISIONARY LEADERSHIP

A tribute to Ali Ahmed Khan

FrieslandCampina Engro Pakistan Limited (FCEPL) would like to extend its gratitude to Mr. Ali Ahmed Khan, President MEPA (Middle East, Pakistan & Africa), for his exceptional leadership and invaluable contributions during his tenure as Managing Director.

Under Ali's visionary guidance, FCEPL achieved remarkable milestones, including the historic 100-billion-rupee topline record in 2023. His vision of the "White Revolution" transformed the dairy sector, driving innovation, sustainability, and growth.

Ali Khan's leadership was defined by a clear purpose of "Nourishing Pakistan" – and a relentless focus on creating a winning culture. His strategic vision and passion for excellence not only strengthened FCEPL's position as an industry leader but also inspired teams to deliver exceptional results.

As we build on his legacy, we thank him for his dedication and the strong foundation he has laid for FCEPL's future. His tenure stands as a testament to what can be achieved through strategic foresight, collaboration, and a shared commitment to making a meaningful impact.

We extend our heartfelt gratitude to Ali for his unwavering dedication and transformative contributions, and we wish him continued success.
Keep shining and winning!

Our results today stand as a testament to the organization and team Ali built during his tenure at the helm of FCEPL. We take immense pride in the fact that FCEPL has contributed the President of the MEPA Region to Royal FrieslandCampina. It is a moment of great honor to see Ali represent Pakistani talent at the highest global level as part of Royal FrieslandCampina's Executive Leadership Team.

Kashan Hasan
CEO & Managing Director



MESSAGE FROM
THE CEO

Dear Shareholders,

The year 2024 presented both significant achievements and considerable challenges for FrieslandCampina Engro Pakistan Limited (FCEPL). While we made progress in key areas, the imposition of an 18% sales tax on packaged UHT milk in July created a substantial impediment to our business and the broader dairy sector. In the first half of the year, we maintained positive momentum, achieving 17% year-on-year sales growth. This performance was driven by the strength of our core brands, strategic product innovations, and a continued focus on consumer needs. However, the subsequent tax implementation significantly altered the landscape. The resulting decline in packaged milk volumes in the second half of the year underscores the severity of this impact.
I am incredibly proud of how our team navigated these complex circumstances. Their dedication, resilience, and unwavering belief in our commitment to "Doing Dairy Right" were instrumental in our ability to deliver results despite the headwinds we faced. This allows us to continue pursuing our mission of Nourishing Pakistan and creating a foundation for future growth, even in the face of adversity. "Doing Dairy Right" for us means leveraging our Diversity (as part of a diverse region in a diverse country with a diverse set of people) to understand and serve our broad consumer base; driving Impact by providing Accessible nutrition and supporting farmer livelihoods; focusing on Results through efficiency and "outperformance"; and ensuring a winning culture by empowering our teams.



I am pleased to share a few key highlights of the year:

● Our flagship brand Olper's continued to establish itself as the market leader, achieving its highest ever market share in 2024. The Olper's Happy Subha campaign drove ownership of the morning occasion while consistently building Nutrition & Purity credentials, further strengthening the brand's equity in Pakistan.

● OLPER'S (flavored milk) School Activations inculcated good nutritional habits and promoted awareness in children, reaching over 170,000 in 2024.

● The Frozen Dessert category continued its momentum on innovations, emphasizing quality and diversity in product offerings. The segment also launched a groundbreaking campaign, 'Wow Bharay Desserts,' which highlighted the versatility of Omore's multi-serve portfolio rooted in the idea of deseasonalizing the category—showcasing how effortlessly desserts can be recreated and redefined at home."

● The Perfect Store Program - a key sales driver for the past five years—achieved its highest-ever volume in October 2024. The program also saw its largest expansion to date, with 1,000 shops inducted, highlighting its success in driving growth and enhancing retail execution.

● At FCEPL, we believe in maintaining the highest standards in Health, Safety, and Environment (HSE) and ensuring the well-being of our employees, partners, and communities. Our HSE management systems are aligned with international best practices, and this year we delivered over 8,000 safety training hours.

● Our commitment to Sustainability continues to drive us as we remain unwavering in our mission to 'Nourish Pakistan'. We partnered with REON for a 3.4 MW solar project at the Sahiwal plant and installed solar panels at 98 farms and solar power systems at 7 Milk Collection Centers. We also planted over 25,000 trees across Sindh and Punjab to minimize our environmental impact.

● We prioritized farmer support, training over 41,000 farmers in animal health, nutrition, and farm management, and empowering 2,300 female farmers through specialized programs focusing on good dairy practices. We also established 25 female-led milk collection centers, supported over 200 progressive farmers with shed construction and improvements, and facilitated PKR 172 million in financial support for silage making through partner banks. Our scholarship program continued, providing higher education scholarships to 7 farmers' children.

Despite these efforts, the 18% sales tax on packaged milk poses a significant challenge, restricting our ability to invest in essential dairy development programs that support farmer capacity-building and financial assistance directly jeopardizing livelihoods.

Over the years, we have optimized our cost structure to enhance efficiency and drive profitable growth—a focus we maintained in 2024 to ensure competitiveness across the value chain. The introduction of the sales tax prompted accelerated action: we reduced discretionary spending, streamlined processes, and restructured operations to improve efficiency and maintain market agility in a challenging environment. We also ensured continued focus on internal controls, financial discipline, compliance, and transparency. By enhancing governance frameworks, we upheld strong stewardship and accountability across all levels of the organization.

This taxation also threatens access to safe nutrition. The widening price gap between packaged and loose milk incentivizes consumption of potentially unsafe loose milk, jeopardizing public health and fueling growth of the undocumented dairy sector. This will negatively impact our ability to maintain efficient cost structures and hinder the ability to compete in the nascent export markets that had recently gained traction.

I am confident that our collaboration with the Government of Pakistan will yield solutions to ensure a sustainable future for the dairy industry - one that balances fiscal needs with equitable growth, farmer welfare, and public health.

At FCEPL, our people remain our greatest strength - the backbone of every achievement. They have consistently risen above challenges with a "Winning Mindset", outperforming even in the face of adversity. I am extremely proud to lead this exceptional team, whose unwavering commitment turns obstacles into opportunities. To every member of the FCEPL family: thank you. Your dedication fuels our progress, and I am confident that together, we will continue to redefine what's possible.

Finally, I extend my sincere gratitude to our Shareholders and Board of Directors for their continued trust and confidence. On behalf of FrieslandCampina Engro Pakistan Ltd., I am pleased to present our financial performance for the year ended December 31, 2024.

With Regards,



Kashan Hasan

Driving Sustainability, Nourishing Dreams

Through sustainable practices such as tree plantation drives and water conservation, FCEPL is creating a greener world where children's dreams can thrive.



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, 2024.

Business Overview

The imposition of an 18% sales tax on packaged UHT milk in July 2024 had a severely adverse impact, leading to a 16% decline in our packaged milk volumes in the second half of the year. This led to the full year volume decline of the company by -3%. Notwithstanding the above, the company continued its strong brand initiatives and leveraged consumer awareness and customer-centric offerings to achieve a full-year sales growth of 6.4% in the dairy segment.

This imposition of GST directly undermines government's priorities to improve access to safe nutrition and support farmer livelihoods. The price gap between packaged and loose milk incentivizes the consumption of potentially unsafe loose milk, threatening public health. Packaged milk in Pakistan is now more expensive than many developed countries and reduction in sales of this sector has defeated the government's objective of raising higher tax revenue.

It also restricts dairy companies' ability to continue to invest in essential dairy development programs that support farmer capacity-building and provide financial assistance, jeopardizing farmer livelihoods.

The tax implementation further fuels the growth of the undocumented dairy sector, negatively impacting established dairy companies' ability to maintain efficient cost structures and hindering competitiveness in export markets. The nascent dairy export segment, which had recently gained significant traction, now faces serious challenges and will negatively impact the future of Pakistan's dairy industry. Thus, neither government, nor consumers or farmers or packaged dairy companies have benefited from the imposition of the 18% sales tax.



Financial Performance Overview:

The financial performance of the company for the year ended December 31, 2024, is summarized below:

(Rs. in million)	Full Year ended Dec 31, 2024		Variation
	2024	2023	
Net Sales	107,051	100,235	7%
Operating Profit	6,835	6,117	12%
% of sales	6.4%	6.1%	28 bps
Profit after tax	2,203	1,509	
% of sales	2.1%	1.5%	55 bps
Earnings per share (Rs.)	2.87	1.97	

The dairy segment of the business grew by 6.4% in 2024, while the frozen dessert segment grew by 13% in the same period.





Health, Safety and Environment

FrieslandCampina Engro Pakistan Limited (FCEPL) is committed to maintaining the highest standards in Health, Safety, and Environment (HSE) to ensure the well-being of its employees, partners, and communities. The Company's HSE management systems are aligned with international best practices and have achieved Occupational Safety and Health Administration (OSHA USA) compliance through DuPont Alignment.

In 2024, FCEPL delivered 8,000+ safety training hours and organized engagement initiatives such as Safety Weeks, awareness campaigns, and Safety Champion recognition programs. The Company also completed the FAT Trap project, ensuring compliance with National Environmental Quality Standards (NEQS), and installed ammonia detection systems at its Sahiwal and Sukkur sites. To enhance road safety, 300+ inbound raw milk logistics drivers were trained in Defensive Driving.

To promote safety within the community, safety training sessions are also organized in local schools, addressing topics such as road safety, home safety, kitchen safety, and more.

Sustainability at FrieslandCampina Engro Pakistan Limited

Driven by a strong 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.

Better Nature: Ensuring Responsible Environmental Practices

FCEPL is dedicated to environmental stewardship, striving to minimize its environmental impact and reduce resource wastage. This commitment is demonstrated through the following key activities:

- Reduced water and energy consumption by 2% through process optimization.
- Renewable Energy:
  - Partnered with REON for a 3.4 MW solar project at the Sahiwal plant (~2,500 kg CO2 offset annually).
  - Installed solar panels at 98 farms and solar power systems at 7 Milk Collection Centers.
  - Installed solar-powered geysers at Area Offices and eco-friendly ACs at manufacturing units.
  - Installed solar setups at cold stores.
- Revamped inbound logistics fleet and enhanced milk tanker capacity for improved efficiency and reduced fuel consumption.
- Planted over 25,000 trees across Sindh and Punjab.
- Implemented energy saving measures including a new ice-water system, fuel mix optimization, and fossil fuel reduction through waste heat steam generation.
- Conducted environmental awareness sessions (Environment Day, Earth Day, Earth Hour, Sustainability Week) for employees and local communities.

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 Program

In 2024, FCEPL's Dairy Development Program (DDP) undertook the following initiatives to support Pakistani dairy farmers:

- Trained over 41,000 farmers in animal health, nutrition, and farm management.
- Empowered over 2,300 female farmers with training in good dairy practices.
- Established 25 female-led milk collection centers.
- Supported over 200 progressive farmers with the construction and improvement of sheds and provided 100+ farmers with subsidized milking machines.
- Assisted farmers with PKR 172 million in financial support for silage making through banks.
- Resolved over 85 queries through the dedicated farmer helpline.
- Awarded scholarships to 7 farmers' children under the FCEPL 'Scholars Initiative' for higher education.

BETTER NUTRITION

The Company's commitment to providing safe and nutritious milk and creating awareness about healthy nutrition is demonstrated by the following efforts

- **FrieslandCampina Institute (FC Institute):** Launched in June 2024 the FC Institute aims to provide training and education programs, scientific information, and practical tools focused on nutrition and health topics. To further its cause, the FC Institute has formally partnered with the Pakistan Medical Association and Pakistan Nutrition and Dietetic Council.
- **School Awareness Program:** In collaboration with the Pakistan Dairy Association (PDA), FCEPL conducted an awareness program in 20 schools across Lahore, providing milk to 600 students as part of the initiative.
- **School Activations:** Under its school activation project, the Company engaged with 170,000 students to promote awareness about nutrition and encourage healthy milk consumption habits among children.
- **RAAST School:** FCEPL continues to partner with Raast School in Karachi, providing nutritious milk to over 360 underprivileged children in Qayyumabad.



Our Human Resource

At FrieslandCampina Engro Pakistan Limited (FCEPL), employees are the Company's greatest strength. Driven with a "winning mindset," they take pride in exceeding expectations and delivering results for customers and farmers alike. FCEPL fosters an environment where employees can unleash their potential, collaborate with trust and respect, and contribute to shaping the future of dairy.

In 2024, FrieslandCampina introduced new company values—**Act with RESPECT, Aim HIGHER, Succeed TOGETHER**—marking a significant step in the evolution of its culture and strategic direction. These values were further embedded through employee engagement initiatives like the Quarterly Recognition Program, which celebrates employees who exemplify these principles and outperform.

FCEPL's teams actively promote open discussion and feedback to enhance overall performance. Globally, the Company conducted an annual organizational health survey with over 90% participation at FCEPL, providing valuable insights into recognition, employee wellbeing, inclusion, and growth. FCEPL's commitment to Compass (its Code for good business conduct) is integral to its overarching strategy. To reinforce a culture of compliance, a diverse group of eight (8) Local Trusted Representatives was nominated and trained on Compass topics, in order to provide guidance and advice to employees where needed.



Diversity & Inclusion

The Company is committed to Inclusive Diversity and creating a safe and inclusive environment where all employees can bring their authentic selves to work. In 2024, the Company advanced this commitment through induction of 26 females apprentices under its flagship female apprenticeship program at factories, celebrations of cultural festivals (Eid, Diwali, Christmas), and awareness campaigns such as PINKTOBER for breast cancer awareness. The Company continued female empowerment initiatives through its dairy development program creating an impressive universe of 25 female milk collection agents and 250+ female dairy farmers.



Employee Wellness and Engagement

FrieslandCampina Engro Pakistan Ltd recognizes that employee wellbeing is vital to its success. To foster engagement, the Company organized a range of activities across its operations including sports festivals and family galas. The Commercial and Sales teams came together for the Sales Summit 2024, celebrating key achievements and preparing for future challenges.



Learning and Development

With a focus on continuous growth, learning and development is a cornerstone of FCEPL's values. In 2024, the Company conducted awareness sessions for line managers on talent assessment and performance management, while plant teams enhanced shop-floor capabilities through targeted training plans for 300+ employees.

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.

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:

	Net Assets as Per Audited Financial Statements	DB Gratuity Fund Rs. in Million 30-Jun-24 908
	Breakup of Net Assets	
1	Government Treasury Bills	501
2	Pakistan Investment Bonds	269
3	Shares	87
4	Bank Deposits	34
5	Receivables	35
6	Payables	(18)
	Total	908

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, 2024, and the financial statements of these have been audited up to June 30, 2024.

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 2024, is shown later.

Dividend

For the year 2024, the Directors have recommended a final cash dividend of PKR 2.8 per share (i.e. 28%).

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 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.

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 preparation of the 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

Board meetings and attendance

In 2024, 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 (15 Feb 2024)	2 (26 Apr 2024)	3 (15 Aug 2024)	4 (17 Oct 2024)	Total
Abdul Samad Dawood***	✓	✓	✓	✓	4
Ali Ahmed Khan***	✓	✓	✓	✓	4
Kashan Hasan*	✓	✓	✓	✓	4
Ehsan Ali Malik*	✗	✗	✓	✓	2
Liselotte Kooi*	✗	✗	✓	✓	2
Zouhair Abdul Khaliq***	✓	✓	✓	✓	4
Robert ter Borg***	✓	✓	✓	✓	4
Petra Attje Zinkweg**	✓	✓	✗	✗	2
Abrar Hasan**	✓	✓	✗	✗	2
Roel van Neerbos**	✓	✓	✗	✗	2

* Elected on April 26, 2024
**Retired on April 26, 2024
***Re-Elected on April 26, 2024

Board Composition and Governance

As of December 31, 2024, 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, and Mr. Kashan Hasan is the Chief Executive Officer. 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 Ms. Wajiha Hasan, General Manager Legal & 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:

Ehsan Ali Malik	Chairman
Kahsan Hasan	Member
Ali Ahmed Khan	Member

The secretary of the committee is Ms. Tamkeen Faisal, HR Business Partner for Pakistan.

Abdul Samad Dawood
Chairman

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 has the autonomy to call for information from management and to consult directly with the external auditors or advisors as considered appropriate. The Chief Financial Officer regularly attends the Board Audit Committee meetings by invitation to present the accounts. After each meeting, the Chairman of the Committee reports to the Board. The committee met 4 times during 2024. The committee comprises the following members:

Zouhair Abdul Khaliq	Chairman
Ehsan Ali Malik	Member
Robert Ter Borg	Member

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

FUTURE OUTLOOK

In 2016, Royal FrieslandCampina made one of the biggest foreign direct investments (USD 450 million) in Pakistan's dairy sector. Since then, the company has made considerable investment behind increased access to nutrition and improving farmers' livelihood. However, the continued sales tax on packaged milk poses a major challenge to the packaged milk industry and impacts the company's ability to continue this investment.

FCEPL is actively working with the Government of Pakistan to find solutions that ensure a sustainable future for the packaged dairy industry, in line with global taxation practices for milk products, where rates are typically zero or reduced in both developing and developed economies. This collaboration is crucial to safeguard public health by promoting access to safe, nutritious milk, support farmer livelihoods through continued investment in development programs, and boost competitiveness by strengthening Pakistan's position in international markets.

Kashan Hasan
Chief Executive Officer

Enabling Farmers, Growing Dreams

FCEPL is transforming lives by equipping farmers with modern techniques and knowledge while providing scholarships for their children, helping them cultivate dreams for future generations.



OUR BRANDS

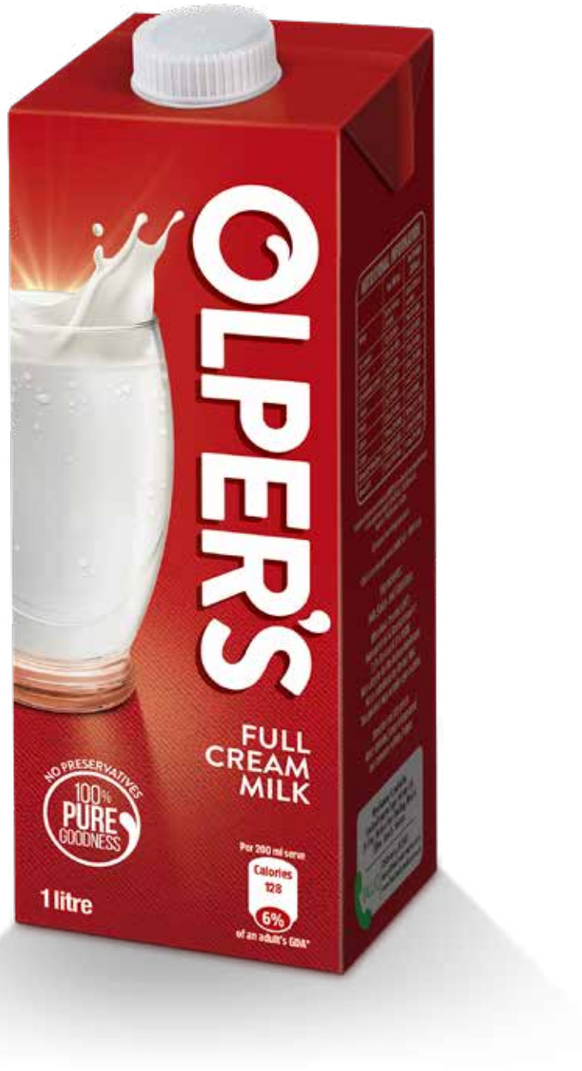


OLPER'S
UHT MILK

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 as an enabler of her family's 'Happy Subha' as she turns a dull morning into a happy morning with Olper's and a nutritious breakfast. The campaign was well received by consumers, enabling Olper's to further strengthen its equity and market leadership in Pakistan.





OLPER'S
1½ PAO POUCH

Poora Karay Breakfast ka Waada Campaign

In 2024, Olper's continued to build relevance of 1 ½ Pao Bachat Pack to cater to the value-seeking consumer amid an evolving landscape. The pack serves as the ideal size for a single breakfast occasion.

The campaign shows a smart mother who fulfiils the needs of her family's nourishment in a perfectly planned manner. Olper's 1 ½ Pao Bachat Pack provides the right milk quantity for her family's daily breakfast needs. Since it offers economy, it helps her to manage the grocery budget without compromising on nutrition to give her family a great start to the day.





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, & School Activations.

OLPER'S School Activations aim to inculcate good nutritional habits in children, especially through OLPER'S All Stars, an animated film sharing the brand message in a relatable & engaging medium.





OLPER'S CREAM

Ramadan Campaign

In 2024, Olper's Cream went all out with a dynamic, digital-first campaign that kept the brand top of mind for consumers throughout peak Ramadan season.

Olper's Cream reached new audiences this year through TikTok. On YouTube, the product's versatility was showcased by popular food channels, through usage in special Ramadan recipes. To create further excitement around Olper's Cream, the brand went live with a Facebook Food Group competition, generating thousands of entries online. This was followed by an Influencer Campaign on Instagram featuring popular celebrities.

Simultaneously, to drive awareness and trial, out of home billboards, bus brandings and on-ground activations were also carried out in Karachi, Lahore, Islamabad across Modern Trade outlets. The overall campaign has been received well and has resulted in an increase in brand equity indicators and penetration."



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. OLPER'S Flavoured Milk is available in four delicious flavours – Chocolate, Strawberry, Badam Zafran and Chaunsa Mango.

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.

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 **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



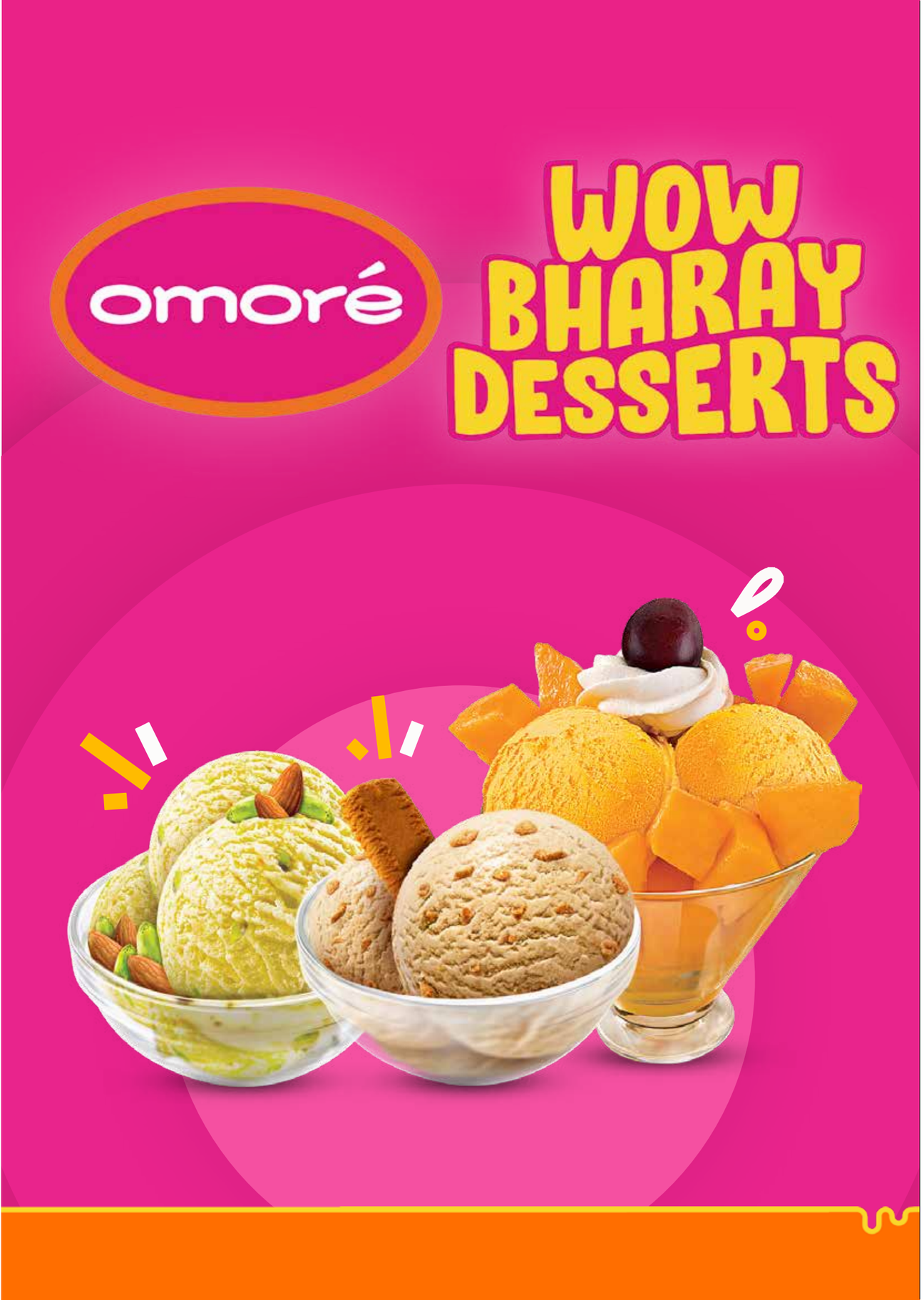
A cup of tea is an invitation to unwind. A cup of tea made with Tarang is to pour energy back into you and provide a rejuvenating break that you can enjoy. Tarang is the perfect complement for a rich, creamy and aromatic tea experience to bring out your carefree self.

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.



omoré
Wow Bhara Bite

WOW Bharay Desserts Campaign

To build new avenues for frozen dessert consumption we launched a groundbreaking campaign by the name of 'Wow Bharay Desserts'. This campaign was aimed at deseasonalizing the category as it showcased how seamlessly desserts can be recreated and re-defined at home by simply using Omore brick packs. The campaign was televised across Pakistan during the occasion of Bari Eid and leveraged across multiple digital touch points generating substantial visibility on Omore.

We took this campaign to YouTube and reached new audiences simultaneously running Facebook group competitions – asking women to elevate their dessert game using Omore. On top of that we partnered with FoodFusion – a popular recipe making YouTube channel; and crafted dessert recipe videos using Omore bricks. All of this coupled with OOH placements allowed us to gain visible traction on Omore resulting in a phenomenal success on 'Wow Bharay Desserts'.



omoré

Wow Bhara Bite

OMORE has been catering to diverse tastes for over a decade, whether it's a refreshing treat on a sunny day or a satisfying snack to savor. Offering a variety of rich, flavorful options in formats such as cups, sticks, cones, and family packs, OMORÉ has something special for everyone.

Blockbuster Innovations-2024

Keeping a steady momentum – we launched three blockbuster innovations that promised novelty to our offerings, fostered excitement amongst our consumers, and ensured traffic is driven towards our freezers throughout the year.

We introduced Cookie Mania in cone format to invigorate our beloved Cookie Mania range. The overwhelming love for Cookie Mania inspired us to reimagine this favorite in a new way.

Diversifying OMORE's Brick Packs – we launched Caramel Crumble, a cookie inspired, creamy delicacy that enhanced the beauty and richness of our portfolio.

And keeping Omore's exuberant spirit alive, we introduced another fun-filled ice-lolly; Fun2, a dual-flavoured water ice packed with tropical essence.

All of three of the innovations were debuted through dedicated televised and digitalized campaigns, creatively linking OMORÉ with the lively spirit of summer.



Dairy Sales

MSL dangal:

Igniting Coverage and Engagement Nationwide

In a landmark initiative to enhance market coverage, the Dairy Sales team launched **"MSL Dangal"** Initiative, a new Gamified Sales program with the objective to make our top 7 SKUs productive on every GT outlet which contributes more than 90% in our total volume. This program was rolled out in a grand fashion nationwide, generating immense excitement and motivation within the sales force.





Olper's Cream: Achieving Double-Digit Growth Through Strategic Excellence

Olper's Cream achieved remarkable double-digit growth in 2024, driven by injection of aggressive trade plans i.e. "Olper's Cream Powerplay" in Q1 to block competition at top accounts, growing share of display by building bigger and better secondary displays across shopper path to purchase and galvanizing sales team through exciting pay-for-play incentives to drive numeric and secondary volumes. Physical availability plans along with solid brand plans established a solid foundation for sustained growth on the Creams portfolio.





Perfect Store Program:

The **Perfect Store Program** is a strategic retail execution framework designed to optimize the in-store environment, ensuring products are displayed, promoted, and priced in a way that maximizes sales and enhances the shopper's experience by focusing on the critical elements of a store that influence purchasing decisions.

The Perfect Store Program has been a cornerstone of FCEPL for the past five years. This year, we reached a remarkable milestone by achieving the highest-ever volume in October 2024. Additionally, the program saw its largest expansion to date, with the induction of an unprecedented 1,000 shops. These achievements highlight the program's success in driving growth and enhancing retail execution.

Shopper Experience: Olper's Merchandising Excellence

Trade-marketing team delivered unparalleled brand experience to shoppers in-store by breaking the clutter through creative new in-store tools and dominant shelf displays. We asserted our market leadership through **'Category Captaincy'** and **"Breakfast Category"** initiative with biggest Modern Trade Accounts. Moreover, our strategically positioned breakfast solutions in premium retail outlets seamlessly combined convenience with delight, solidifying our brands as the ultimate choice for breakfast.





Olper's Stations: Enriching Tourist Experiences in Northern Pakistan

To leverage the high tourist traffic in Northern Pakistan, the dairy sales team ensured the presence of Olper's at key destinations. Building on this success, this year the team expanded the touch points of Olper's Breakfast Station to 6 different beautiful spots of the Northern part of the country which includes Hunza, Skardu, Babusar, Batakundi, etc., 6 pit stops including Fuel Stations and Bus Stations, and 10 different hotels, where customers enthusiastically enjoyed nutritious meals prepared with Olper's products, resulting in an impressive 7% increase in volume growth.





Winning in Top-End Retail – SOS Amplification

We intensified our efforts on top-end retail by increasing the Share of Shelf (SOS) to boost visibility and driving shopper engagement. By strategically enhancing Olper's primary Share of Shelf, we aim to drive maximum impact on shoppers. This initiative has been pivotal in strengthening our leadership position, as well as to establish ourselves as the best executed brand in dairy category.

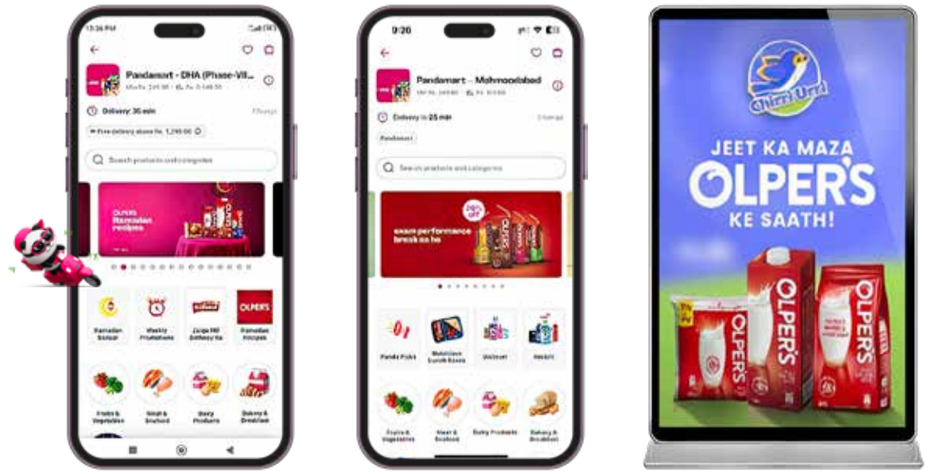






E-commerce:

Serving 24/7 Consumers through largest eCommerce Presence in Dairy Category



The year 2024 was a landmark for our eCommerce business, achieving an exceptional 60% growth in GMV compared to the previous year. This remarkable performance was driven by strategic collaborations with eTailers through Win-Win Joint Business Plans (JBPs), successful seasonal and festival campaigns including Ramzan Recipe Campaign, Eidi by Olper's, Back to School, and the mega 11.11 and 12.12 shopping festivals. Our efforts resulted in capturing the highest-ever market share in the UHT milk Category at leading eCommerce platforms like Panda Mart.

Olper's Flavored Milk: Leading the Way!

We are proud to introduce Olper's Flavored Milk as the first-ever category captain in the flavored milk segment, leading the way in category development for all flavored milk brands. We have also launched chiller FSUs at top-end retail outlets, ensuring instant consumption and a refreshing experience for consumers.







Frozen Dessert Sales

Team Omore set out with a high-growth ambition in 2024, aiming to grow market share and penetration. With a focused approach on speed to market and clutter-breaking visibility, they managed to break all previous records and deliver the highest-ever Season Opening and Eid volumes.



Merchandising Excellence

Continuing with the agenda of growth, the team focused on capturing the shopper journey and creating an in-store experience. Strategically placed displays intercepted shoppers to increase interaction and offtake. They ensured best-in-class freezer displays and executions by deploying custom-made solutions for each channel. This initiative helped drive sales at these stores and improve market share.



Continuation of Omore Tourism Activation

Building on last year's success and the increasing influx of local tourism, Team Omore expanded its presence to 5 high-footfall locations. An innovative solution, the "Dessert Station," was launched, offering value-added recipes. The activity gained significant traction and was very well-received by tourists.



Creating News with Innovation

Omore leveraged its market innovation by creating clutter-breaking POSM (Point of Sale Material) to encourage trial generation. This year, Omore introduced three unique innovations, supported in the market with multiple marketing and trade initiatives, contributing to their successful launches.



Driving sustainability:

Building Solar Distributions

In line with the corporate agenda of driving sustainability, Team Omore embarked on the journey to convert distributions to solar-powered operations. This initiative not only helped reduce operational costs but also aligned with sustainability goals. In 2024, Team Omore achieved its conversion target, with plans for further expansion in the coming years.





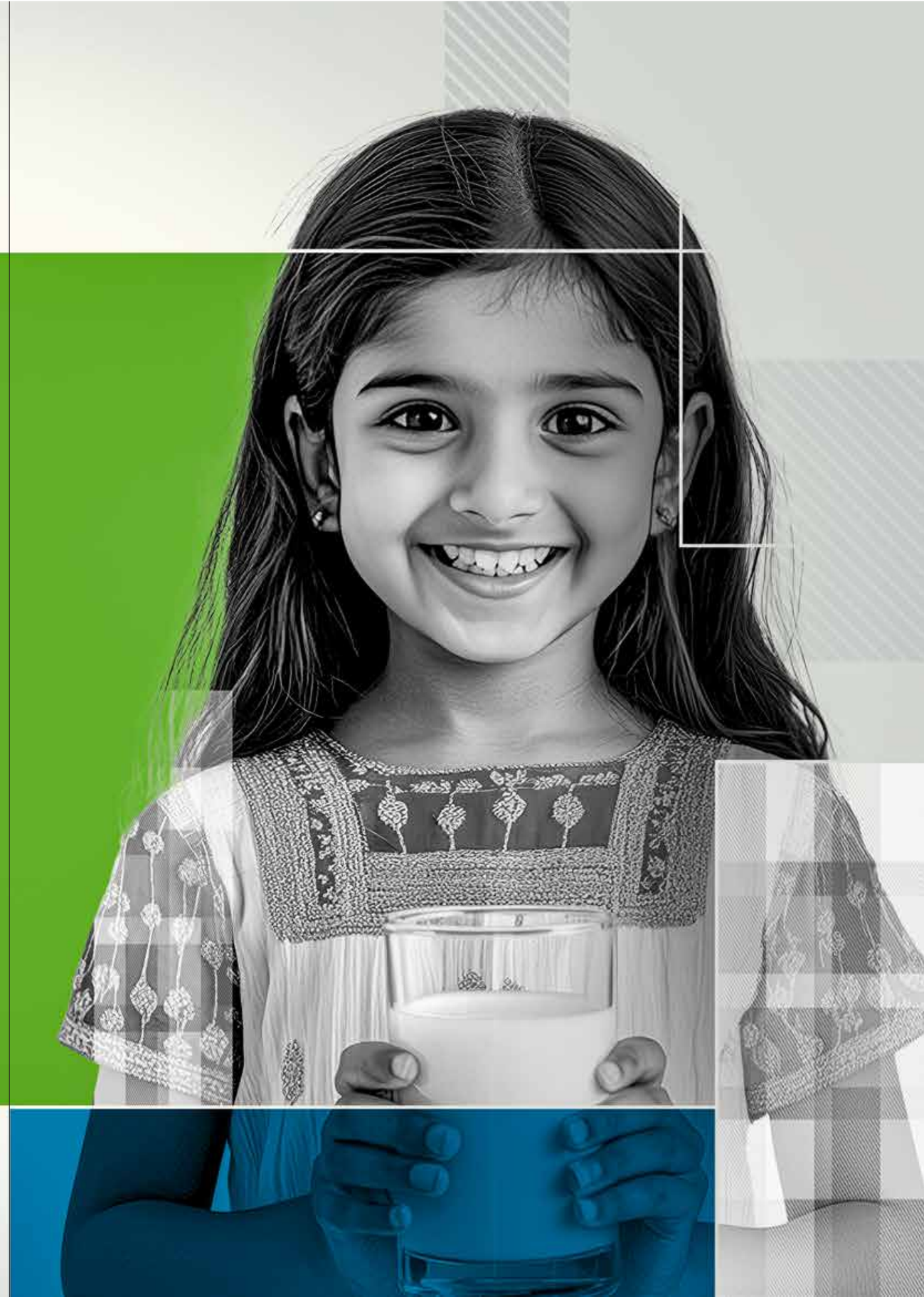
Customer Recognition Programs

To highlight Omore's top customers, a customer recognition program was launched. Team Omore identified and rewarded their top retailers with appreciation trophies and certificates. This initiative helped strengthen market relationships with key accounts and increased Omore's share at these outlets.


SUPER SAVER
Dairy Omung
PROCAL+
OLPER'S
DAIRY CREAM
FULL CREAM MILK
CALCIUM
PROTEIN
VITAMIN A&B2
CHOCOLATE FLAVOURED MILK
1½ پاؤ
omoré
CARAMEL CRUNCH
COOKIE MANIA
MANGO
KULFA
Tarrka
ASLI DESI GHEE
دوبالا
ٹرنگ

Nurturing Communities, Realizing Dreams

FCEPL strengthens communities by fostering local partnerships and creating opportunities for sustainable livelihoods, turning shared dreams into lasting realities.



OUR PEOPLE

OUR HUMAN RESOURCE

At FrieslandCampina Engro Pakistan Limited (FCEPL), employees are the Company's greatest strength. Driven with a "winning mindset," they take pride in exceeding expectations and delivering results for customers and farmers alike. FCEPL fosters an environment where employees can unleash their potential, collaborate with trust and respect, and contribute to shaping the future of dairy.

In 2024, FrieslandCampina introduced new company values—**Act with RESPECT, Aim HIGHER, Succeed TOGETHER**—marking a significant step in the evolution of its culture and strategic direction. These values were further embedded through employee engagement initiatives like the Quarterly Recognition Program, which celebrates employees who exemplify these principles and outperform.

FCEPL's teams actively promote open discussion and feedback to enhance overall performance. Globally, the Company conducted an annual organizational health survey with over 90% participation at FCEPL, providing valuable insights into recognition, employee wellbeing, inclusion, and growth. FCEPL's commitment to Compass (its Code for good business conduct) is integral to its overarching strategy. To reinforce a culture of compliance, a diverse group of eight (8) Local Trusted Representatives was nominated and trained on Compass topics, in order to provide guidance and advice to employees where needed.



Diversity & Inclusion

The Company is committed to Inclusive Diversity and creating a safe and inclusive environment where all employees can bring their authentic selves to work. In 2024, the Company advanced this commitment through induction of 26 females apprentices under its flagship female apprenticeship program at factories, celebrations of cultural festivals (Eid, Diwali, Christmas), and awareness campaigns such as PINKTOBER for breast cancer awareness. The Company continued female empowerment initiatives through its dairy development program creating an impressive universe of 25 female milk collection agents and 250+ female dairy farmers.



Employee Wellness and Engagement

FrieslandCampina Engro Pakistan Ltd recognizes that employee wellbeing is vital to its success. To foster engagement, the Company organized a range of activities across its operations including sports festivals and family galas. The Commercial and Sales teams came together for the Sales Summit 2024, celebrating key achievements and preparing for future challenges.



Learning and Development

With a focus on continuous growth, learning and development is a cornerstone of FCEPL's values. In 2024, the Company conducted awareness sessions for line managers on talent assessment and performance management, while plant teams enhanced shop-floor capabilities through targeted training plans for 300+ employees.

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.

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:



	Net Assets as Per Audited Financial Statements	DB Gratuity Fund
		Rs. in Million
		30-Jun-24
		908
	Breakup of Net Assets	
1	Government Treasury Bills	501
2	Pakistan Investment Bonds	269
3	Shares	87
4	Bank Deposits	34
5	Receivables	35
6	Payables	(18)
	Total	908

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, 2024, and the financial statements of these have been audited up to June 30, 2024.

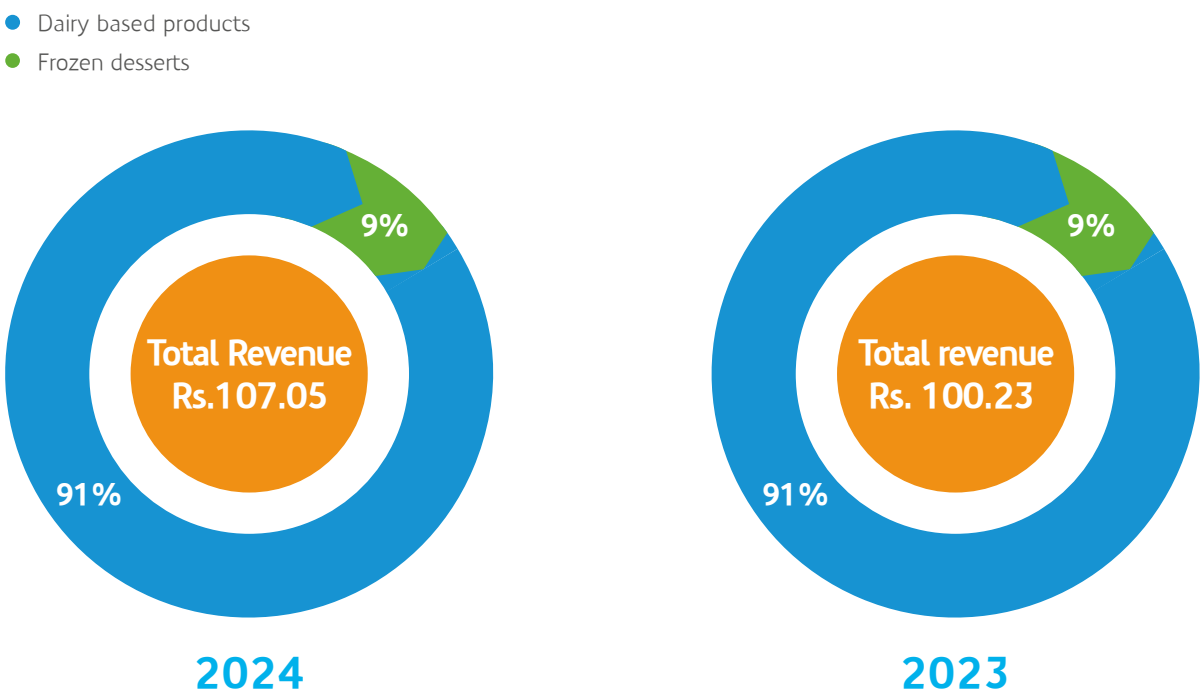
Following is gender pay gap calculated for the year ended 2024:

I. **Mean Gender Pay Gap: -6%**
II. **Median Gender Pay Gap: -21%**

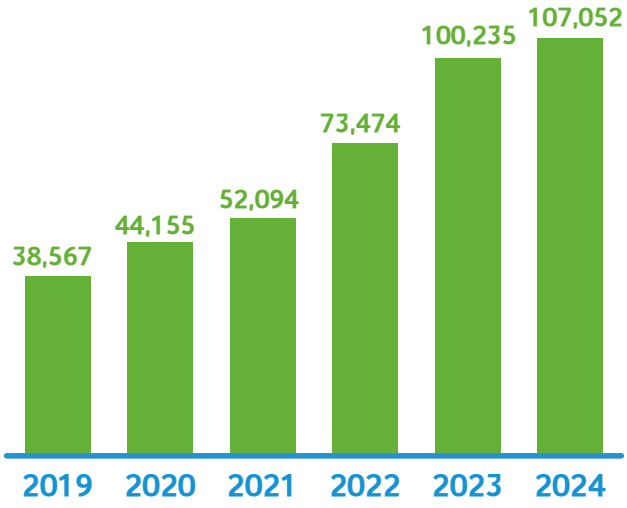
FINANCIAL REVIEW

FINANCIAL REVIEW

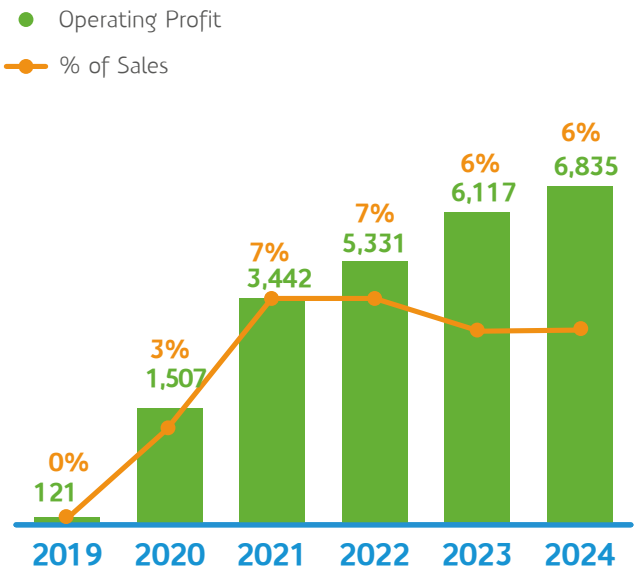
Business Revenue (Rs. in billions)
% Segment Share



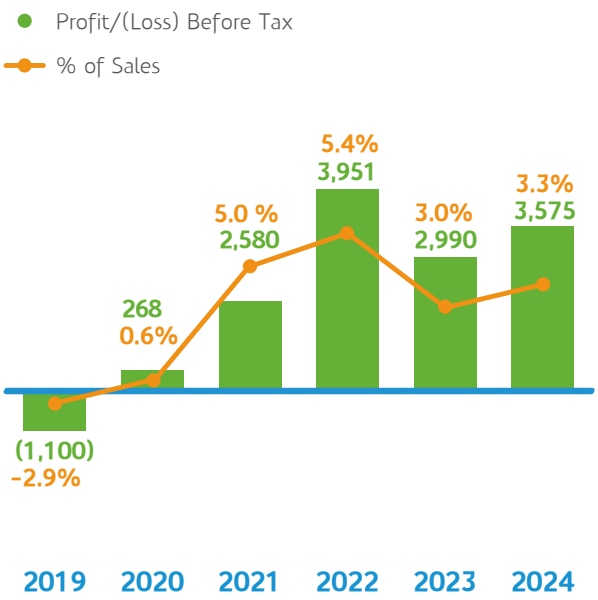
Sales
(Rs. In Million)



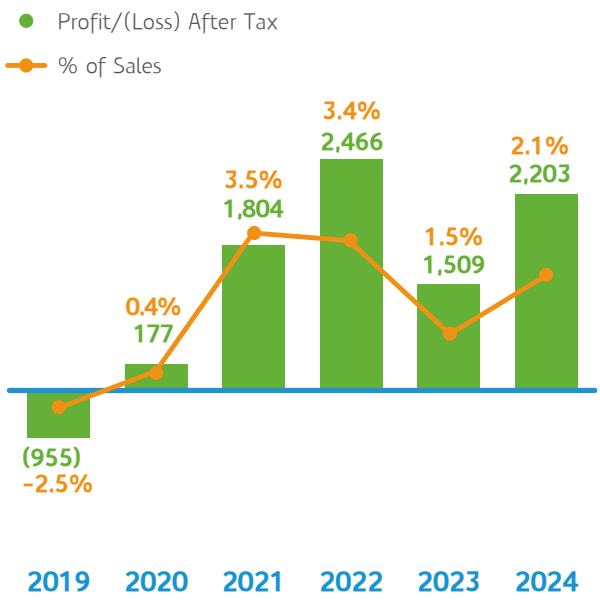
Operating Profit & % of Sales
(Rs. in million)



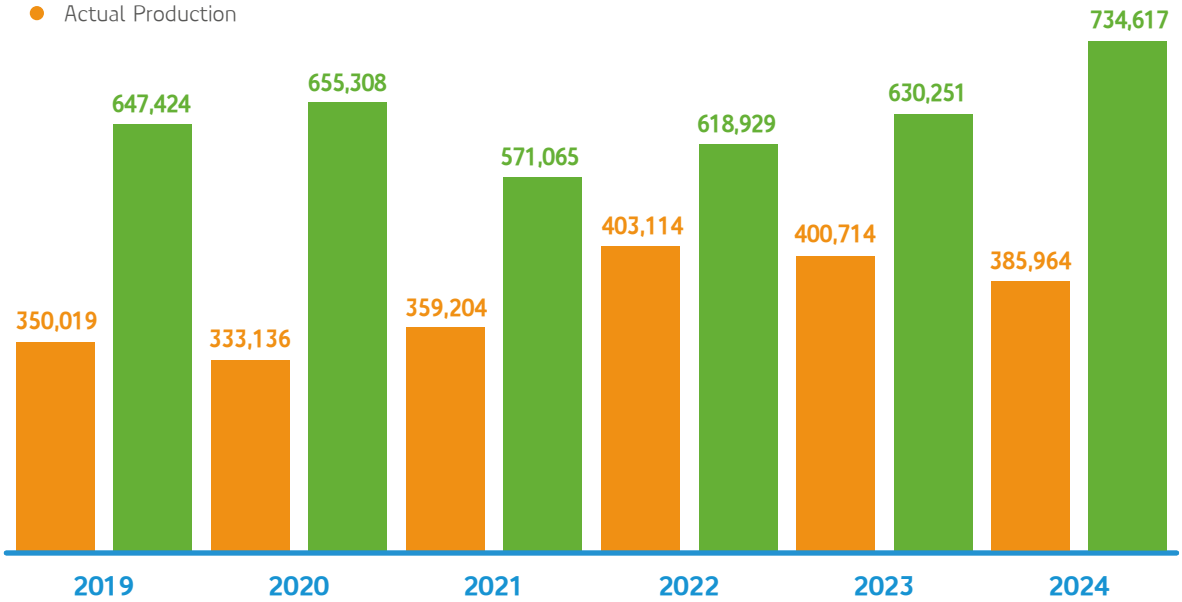
Profit/(Loss) Before Tax (Rs. in millions)



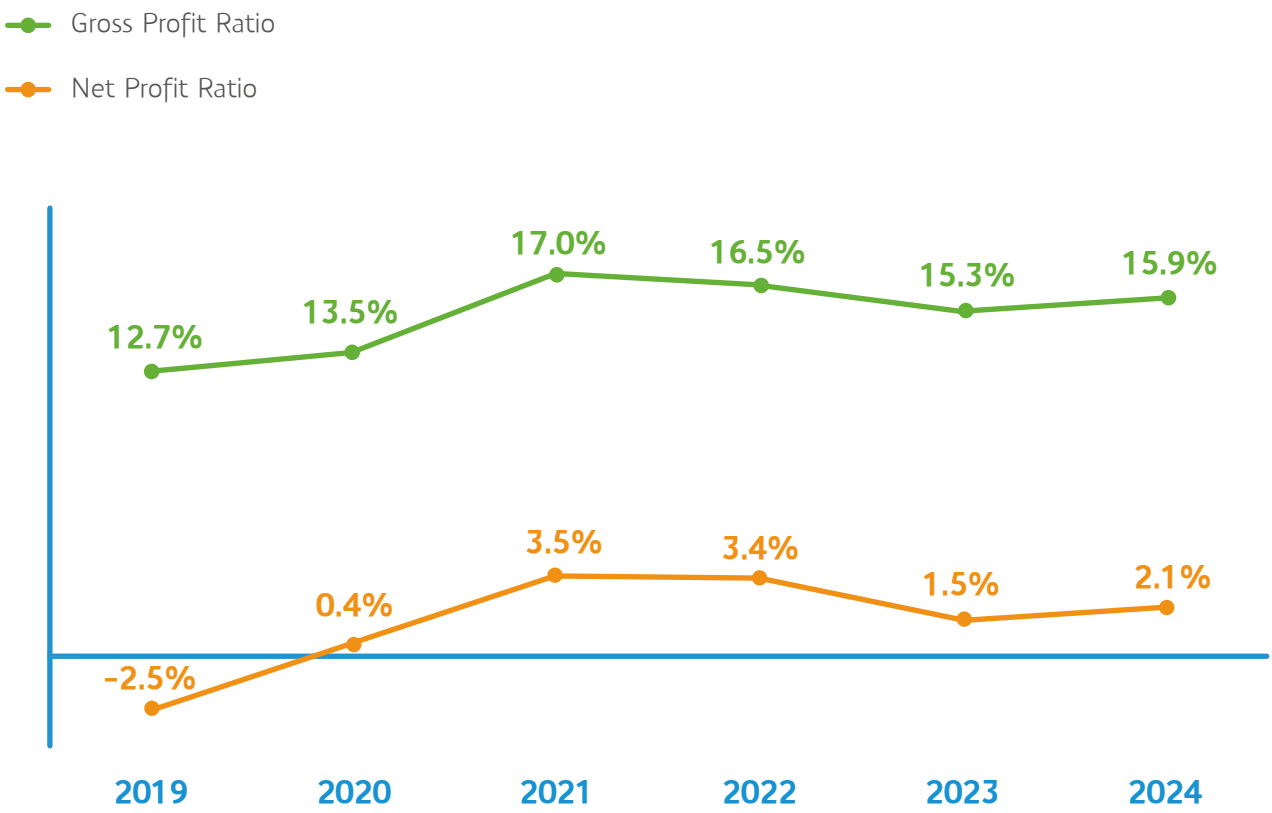
Profit/(Loss) After Tax (Rs. in millions)



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



Profitability Ratios:



STATEMENT OF VALUE ADDITION & DISTRIBUTION

WEALTH GENERATED	2024 Rs. in million	%	2023 Rs. in million	%
Total Revenue inclusive of sales-tax and other income	118,860		104,696	
bought-in material and services	(96,849)		(85,607)	
	22,011		**19,089**	
WEALTH DISTRIBUTED				
To employees				
Salaries, benefits and other costs	5,753	26.13%	4,596	24.08%
To Government				
Taxes, duties and development surcharge	8,548	38.84%	7,864	41.20%
To Society				
Donations towards education, health, environment and natural disaster	16	0.07%	44	0.23%
To Providers of Capital				
Mark up/interest expense on borrowed money	3,259	14.80%	3,127	16.38%
Retained for reinvestment and future growth, depreciation, amortization, retained profit	4,435	20.14%	3,458	18.12%
	22,011		**19,089**	

FINANCIAL SUMMARY

Description	2024	2023	2022	2021	2020	2019
	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
Remeasurement of post employment benefits - Remeasurement loss	(218)	(297)	(274)	(171)	(146)	(132)
Unappropriate profit / (loss)	8,144	5,941	4,431	1,924	62	(130)
Shareholders' funds / Equity	16,457	14,176	12,690	10,327	8,548	8,385
Long term borrowings	318	250	750	2,200	4,663	3,200
Capital employed	16,775	14,426	13,440	12,527	13,211	11,585
Property,plant & equipment	12,407	11,394	9,858	9,513	10,448	10,913
Long term advances and deposits	314	253	129	61	44	59
Statement of Profit or Loss						
Revenue from contracts with customer - net	107,052	100,235	73,474	52,094	44,155	38,567
Gross profit	17,028	15,289	12,108	8,837	5,953	4,880
Operating profit	6,835	6,117	5,331	3,442	1,507	121
Profit / (loss) before tax	3,575	2,990	3,951	2,580	268	(1,100)
Profit / (loss) after tax	2,203	1,509	2,466	1,804	177	(955)
Statement of Cash Flows						
Net cash flow from operating activities	2,861	3,344	6,223	3,683	1,934	1,522
Net cash flow from investing activities	(2,127)	(2,137)	(1,445)	(884)	(1,316)	(838)
Net cash flow from financing activities	(1,420)	(1,953)	(2,836)	(1,486)	1,703	(458)
Changes in cash & cash equivalents	(687)	(746)	1,941	1,313	2,321	226
Cash & cash equivalents – Year end	2,392	3,078	3,825	1,883	570	(1,750)
Others						
Market capitalisation	68,455	62,794	50,392	64,988	63,101	60,823
Number of shares issued	767	767	767	767	767	767
Quantitative Data	Litres in '000					
Production Capacity						
Dairy based products	697,197	592,831	581,509	533,645	617,888	610,004
Frozen desserts	37,420	37,420	37,420	37,420	37,420	37,420
Actual Production						
Dairy based products	360,204	375,894	373,722	334,986	314,979	328,627
Frozen desserts	25,760	24,820	29,392	24,218	18,157	21,392

FINANCIAL PERFORMANCE INDICATORS

RATIOS	2024	2023	2022	2021	2020	2019
Profitability Ratios:						
Gross Profit ratio	15.9%	15.3%	16.5%	17.0%	13.5%	12.7%
Net Profit to Sales	2.1%	1.5%	3.4%	3.5%	0.4%	-2.5%
EBITDA Margin to Sales	8.5%	8.0%	9.6%	11.0%	8.6%	6.3%
Return on Equity	13.4%	10.6%	19.4%	17.5%	2.1%	-11.4%
Return on Capital employed	13.5%	10.4%	18.4%	13.7%	1.4%	-7.5%
Operating leverage ratio	1.72	0.41	1.34	7.14	78.87	(4.02)
Liquidity Ratios:						
Current ratio	1.0	1.0	1.0	1.1	1.1	0.9
Quick / Acid test ratio	0.5	0.5	0.7	0.7	0.6	0.5
Cash to Current Liabilities	0.1	0.1	0.1	0.0	0.1	0.0
Cash flow from Operations to Sales	0.0	0.0	0.1	0.1	0.0	0.0
Activity / Turnover Ratios:						
No. of Days Inventory	39.7	38.1	36.4	34.6	34.7	36.5
No. of Days Receivables	5.6	6.9	8.0	7.4	7.1	6.2
No. of Days Payables*	107.1	74.7	93.4	96.1	98.6	100.8
Operating cycle	(61.8)	(52.1)	(49.0)	(54.1)	(56.8)	(58.0)
Inventory turnover	9.2	9.6	10.0	10.5	10.5	10.0
Debtors turnover	65.7	52.9	45.8	49.5	51.4	58.6
Creditors turnover*	3.4	3.8	3.9	3.8	3.7	3.6
Total Assets turnover ratio	2.6	2.4	2.1	1.9	1.9	1.6
Investment /Market Ratios:						
Earnings per Share (EPS) - basic & diluted	2.87	1.97	3.22	2.35	0.23	(1.25)
Price Earnings ratio	31.10	41.56	20.40	36.06	357.70	(63.44)
Market value per share at the end of the year	89.25	81.87	65.70	84.73	82.27	79.30
Highest market value during the year	100.00	105.00	93.52	124.24	95.32	91.49
Lowest market value during the year	57.12	52.60	63.21	76.27	43.20	42.10
Breakup value per share	21.47	18.49	16.55	13.47	11.15	10.94
Capital Structure Ratios:						
Long-term Debt to Equity	7.2%	5.9%	9.4%	23.7%	59.0%	43.1%

*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
Abdul Samad Dawood	501
Ehsan Ali Malik	100
Zouhair Abdul Khaliq	1
Ali Ahmed Khan	1

3. Executives 19,549

4. Public sector companies and corporations -

5. Banks, Development Financial Institutions, Non-Banking Financial Institutions 4,465,711

6. Insurance Companies 3,000

7. Modarabas and Mutual Funds:

Shareholder's Category	No. of shares held
Name	Holding
CDC - TRUSTEE AKD INDEX TRACKER FUND	25,784
CDC - TRUSTEE AKD OPPORTUNITY FUND	11,000
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	54,900
FIRST ELITE CAPITAL MODARABA	3,000
DCCL - TRUSTEE AKD ISLAMIC STOCK FUND	188,939
CDC - TRUSTEE GOLDEN ARROW STOCK FUND	255,000
Total	538,623

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 2024.

Name	Date of Purchase/Sale	Share puchased	Shares Sold	Rate
Ali Ahmed Khan	27-May-2024	--	14,999	72.18

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

PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2024

No. of	No. of Shareholdings		Total
Shareholders	From	To	Shares
1,090	1	100	49,203
3,066	101	500	1,366,581
1,259	501	1,000	1,173,669
1,600	1,001	5,000	4,288,875
347	5,001	10,000	2,759,285
131	10,001	15,000	1,694,587
83	15,001	20,000	1,511,750
52	20,001	25,000	1,231,200
36	25,001	30,000	1,020,493
30	30,001	35,000	993,872
23	35,001	40,000	890,285
13	40,001	45,000	563,108
26	45,001	50,000	1,273,758
7	50,001	55,000	368,208
7	55,001	60,000	400,501
12	60,001	65,000	762,867
5	65,001	70,000	341,500
7	70,001	75,000	515,125
7	75,001	80,000	546,497
2	80,001	85,000	169,811
6	85,001	90,000	528,403
3	90,001	95,000	281,000
13	95,001	100,000	1,294,037
6	100,001	105,000	610,370
1	105,001	110,000	108,000
1	110,001	115,000	112,415
3	115,001	120,000	355,640
2	120,001	125,000	247,000
1	140,001	145,000	144,500
5	145,001	150,000	741,665
2	150,001	155,000	305,000
3	155,001	160,000	473,080
2	165,001	170,000	333,268
1	170,001	175,000	175,000
1	175,001	180,000	177,500
3	180,001	185,000	546,975
1	185,001	190,000	188,939
5	195,001	200,000	1,000,000
1	200,001	205,000	200,394
1	215,001	220,000	219,500
1	220,001	225,000	222,258
1	235,001	240,000	240,000
3	245,001	250,000	750,000
1	250,001	255,000	255,000
1	255,001	260,000	260,000
2	260,001	265,000	526,683
1	270,001	275,000	270,339
1	285,001	290,000	288,500
3	295,001	300,000	898,000
1	310,001	315,000	312,011
1	345,001	350,000	350,000
1	355,001	360,000	357,474
1	370,001	375,000	372,000
1	380,001	385,000	380,550
1	410,001	415,000	415,000
1	425,001	430,000	427,458
1	465,001	470,000	466,765
1	475,001	480,000	475,400
1	495,001	500,000	500,000
1	505,001	510,000	505,190
1	550,001	555,000	554,148
1	695,001	700,000	700,000
1	865,001	870,000	866,500
1	1,735,001	1,740,000	1,738,286
1	2,785,001	2,790,000	2,789,500
1	2,840,001	2,845,000	2,842,989
1	3,670,001	3,675,000	3,673,300
1	3,945,001	3,950,000	3,946,211
1	5,905,001	5,910,000	5,907,706
1	8,300,001	8,305,000	8,301,000
1	306,075,001	306,080,000	306,075,947
1	390,960,001	390,965,000	390,963,999
7,901			766,596,075

CATEGORIES OF SHAREHOLDING

AS AT DECEMBER 31, 2024

Shareholders' Category	No. of Shareholders	No. of Shares	Percentage of Holding
Directors, Chief Executive Officer, and their spouse(s) and minor children.	5	603	0.00
Associated companies, undertakings and related parties.	3	697,039,946	90.93
Banks, Development Financial Institutions, Non-Banking Financial Institutions.	3	4,465,711	0.58
Insurance Companies	1	3,000	0.00
Modarabas and Mutual Funds	6	538,623	0.07
Shareholders holding 10% or more shares	2	697,039,946	90.93
General Public (individuals)			
a. Local b. Foreign	7,785	45,255,920	5.90
Others	99	19,292,272	2.52
Total (excluding : Share Holders Holding 10%)	7,901	766,596,075	100%

SHAREHOLDERS' INFORMATION

Annual General Meeting

The annual shareholders meeting will be held at 03:00 p.m. on April 21, 2025 at Karachi.

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

Shareholders as of April 14, 2025 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, 2024 there were 7,901, 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 2024 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 2025 are:

1st quarter: April 21, 2025
2nd quarter: August 11, 2025
3rd quarter: October 16, 2025

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 (Pvt) 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

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, 2024 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, 2024.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: March 25, 2025

UDIN: CR202410069x6Agyi09v

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, 2024

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

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

2. The composition of Board is as follows:

Category	Name
Independent Directors	Mr. Ehsan Ali Malik
	Mr. Zouhair Abdul Khaliq
Non-executive Directors	Mr. Abdul Samad Dawood (Chairman)
	Mr. Ali Ahmed Khan
	Mr. Robert ter Borg
	Ms. Liselotte Kooi (Female Director)
Executive Director	Mr. Kashan Hasan (Chief Executive Officer)

   On April 26, 2024, election for the Company's Board of Director's was held and the related requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) have also been complied with.

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 the Regulations;

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

   However, regarding the circulation of the Board meeting minutes, only the minutes of the 108th meeting were circulated on time whereas the minutes of the 105th, 106th, and 107th meetings were circulated with a delay of 50 days, 88 days, and 1 day, respectively.

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

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

10. The Board has approved the appointment of the Chief Executive Officer and Company Secretary including their remuneration and terms and conditions of employment during the year. There was no fresh appointment of Chief Financial Officer and Head of Internal Audit during the year ended December 31, 2024. 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, except as explained in paragraph 19(7) below;

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
Mr. Zouhair Abdul Khaliq (Chairman)	Mr. Ehsan Ali Malik (Chairman)
Mr. Ehsan Ali Malik	Mr. Ali Ahmed Khan
Mr. Robert Ter Borg	Mr. Kashan Hasan

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 year ended December 31, 2024;

    b. Human Resource and Remuneration Committee: one meeting during the year ended December 31, 2024;

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 program of the Institute of Chartered Accountants of Pakistan (ICAP) 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 ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or any Director of the Company;

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

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is as follows:

S. No.	Requirement	Explanation for Non-Compliance	Reg. No.
1	The anti-harassment policy aims to safeguard the rights and well-being of employees by incorporating mechanisms prescribed under the Protection Against Harassment of Women at the Workplace Act 2010 and relevant provincial laws. It includes establishing a Code of Conduct for protection against harassment at the workplace, forming an Inquiry Committee to investigate complaints, designating a competent authority to oversee the process, and displaying copies of the Code of Conduct in both English and the local language understood by the majority of employees at a conspicuous place.	Currently, the Board and Board Audit Committee are fulfilling the responsibilities of the Anti-harassment Inquiry Committee, with a policy already approved by the CEO. This Anti-harassment policy will be presented to the Board for approval in the upcoming meeting. Once approved, it will be displayed prominently in conspicuous places.	10(4) (xvi)
2	The Board is responsible for governance and oversight of sustainability risks and opportunities and takes appropriate measures to address it. Further, the Board ensures that the Company's sustainability and DE&I related strategies are periodically reviewed and monitored.	The Board will ensure that the Company has addressed sustainability-related risks and opportunities. Also, it will ensure that Company's sustainability and DE&I related strategies are periodically reviewed and monitored in future.	10A (1) (3) (4)

S. No.	Requirement	Explanation for Non-Compliance	Reg. No.
3	The Board may establish a dedicated sustainability committee or assign additional responsibilities to an existing Board committee.	The formation of a committee for DE&I and sustainability related risks is under review and will be presented to the Board for its approval. Further, the Company may consider uploading synopsis of the terms of reference of DE&I and sustainability policies on the Company's website, once approved.	10A (2) (5)
4	As per Regulation 19 of the Code, companies are encouraged to ensure that all board members obtain the prescribed certification under the Directors' Training Program (DTP) by June 30, 2022.	Among the seven directors, three have successfully completed the program in prior years, while one director qualifies for exemption from the requirement. All board members are well-versed in their roles and responsibilities as corporate directors. The Company remains committed to complying with regulatory requirements and will ensure the certification of the remaining directors as required.	19 (1) (2) (3)
5	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Board.	29 (1)
6	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a separate Risk Management Committee and the functions are being performed by the Board.	30 (1)
7	No person shall be appointed as Company Secretary unless he holds the qualification as specified under the relevant Regulations by the Commission. The Companies (General Provisions and Forms) Regulations, 2018 in this respect specifies the eligibility as follows: '..... a person holding a masters degree in business administration or commerce or being a law graduate from a university recognized by the Higher Eduction Commission of Pakistan (HEC) or in case of foreign qualification in the above disciplines, holds an equivalence certificate from HEC.....'	The Company Secretary possesses the necessary academic qualification being a law graduate from a foreign university and professional expertise to effectively fulfill the role, however, does not hold an equivalence certificate from HEC. The process for obtaining the equivalency certificate from HEC will be completed in due course.	24

ABDUL SAMAD DAWOOD
Chairman

Karachi
Date: March 13, 2025

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, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

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

Basis for Opinion

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

Key Audit 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)	**Revenue Recognition** [Refer notes 2.21.1 and 26 to the financial statements] The Company is engaged in manufacturing, processing and selling of dairy-based products and frozen desserts. The Company recognised net revenue of Rs. 107,051,450 thousand for the year ended December 31, 2024. Revenue is recognized at a point in time when performance obligations are satisfied by transferring control of promised goods to a customer which, in the case of the Company, coincides with the dispatch of goods to customers. Revenue is measured at fair value of the consideration received or receivable.	Our audit procedures amongst others, included the following: • obtained understanding and evaluated the accounting policies and the Company's procedures with respect to revenue recognition; • reviewed contracts with customers to obtain an understanding of the terms and conditions, particularly relating to timing and transfer of control of the products, and assessed the appropriateness of revenue recognition policies and practices followed by the Company; • tested revenue transactions on a sample basis by inspecting underlying documentation including dispatch documents and sales invoices;

S. No.	Key audit matter	How the matter was addressed in our audit
	The management focuses on the achievement of revenue targets as it is one of the key performance indicators of the Company. Hence, there is a presumed risk of revenue being overstated. Accordingly, we have considered that there is a high level of risk of material misstatement of financial statements relating to revenue recognition requiring significant audit efforts to address the same. Therefore, this has been considered as a key audit matter.	• performed analytical procedures over revenue transactions to identify trends and any unusual changes in revenue trends throughout the year; • compared the details of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation; • tested specific revenue transactions on a sample basis recorded before and after the reporting date with the underlying documentation to assess whether revenue has been recognised in the correct period; • obtained understanding of the types and process of discounts offered to customers and tested on a sample basis discounts provided to supporting documentation including approvals of the discounts; and • assessed the related disclosures made in the financial statements in accordance with the requirements of the applicable financial reporting framework.
(ii)	**Valuation of dairy livestock** [Refer notes 2.3, 3(b), and 5 to the financial statements] As at December 31, 2024, the fair value of the Company's biological assets; dairy livestock amounts to Rs. 3,380,848 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 and physical attributes i.e. life and health conditions 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 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; • performed physical inspection and verification of the Company's dairy livestock; • 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 in accordance with the requirements of the applicable financial reporting framework.
(iii)	**Tax related contingencies** [Refer notes 2.18, 3(g), 14, and 33.2 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 and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impacts, if any, on the Company for recognition and measurement of any provision and / or disclosure in respect of such contingent liabilities.	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;

S. No.	Key audit matter	How the matter was addressed in our audit
	Due to the significance of the amounts involved, inherent uncertainties associated with the outcome of the matters currently pending at various legal forums 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 progress, we considered income tax and sales tax related contingencies a key audit matter.	• 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 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 in accordance with the requirements of the applicable financial reporting framework.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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



A. F. Ferguson & Co.

Chartered Accountants

Karachi

Date: March 25, 2025

UDIN: AR202410069Jh0PjokOm

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

(Amounts in thousand)

	Note	2024	2023
		----------Rupees----------	
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	12,407,339	11,393,773
Biological assets	5	3,380,848	3,005,743
Intangible assets	6	51,246	13,362
Right-of-use assets	7	1,667,486	1,020,192
Deferred tax asset - net	8	715,639	194,313
Long term advances and deposits		314,269	253,217
		18,536,827	15,880,600
Current Assets			
Stores, spares and loose tools	9	962,255	1,137,210
Stock-in-trade	10	9,361,738	10,182,994
Trade debts	11	1,368,890	1,888,698
Advances, deposits and prepayments	12	665,091	394,901
Accrued mark-up / interest		34,364	7,868
Other receivables	13	922,853	701,409
Sales tax recoverable	14	5,056,428	6,527,295
Taxes recoverable		1,956,081	2,087,349
Short-term investments	15	65,000	1,000,000
Cash and bank balances	16	2,745,744	2,078,478
		23,138,444	26,006,202
TOTAL ASSETS		41,675,271	41,886,802

(Amounts in thousand)

	Note	2024	2023
		----------Rupees----------	
EQUITY AND LIABILITIES			
Equity			
Share capital	17	7,665,961	7,665,961
Share premium	18	865,354	865,354
Remeasurement of post employment benefits - Remeasurement loss		(217,897)	(296,593)
Unappropriated profit		8,144,426	5,941,298
		16,457,844	14,176,020
Non-Current Liabilities			
Long term:			
- finances	19	318,000	250,000
- lease liability against right-of-use assets	20	870,594	583,851
		1,188,594	833,851
Current Liabilities			
Current portion of long term:			
- finances	19	-	500,000
- lease liability against right-of-use assets	20	593,823	423,514
Trade and other payables	21	11,857,311	12,255,637
Contract liabilities	22	936,579	1,427,299
Unclaimed dividend		6,668	6,774
Accrued interest / mark-up on:			
- long term finances		9,793	27,839
- short term finances		475,471	739,931
Supplier financing - unfunded	23	9,838,888	11,374,678
Short term finances	24	310,300	121,259
		24,028,833	26,876,931
		25,217,427	27,710,782
Contingencies and Commitments	25		
TOTAL EQUITY AND LIABILITIES		41,675,271	41,886,802

The annexed notes 1 to 49 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, 2024

[Amounts in thousand except for earnings per share]

	Note	2024	2023
		----------Rupees---------	
Revenue from contracts with customers - net	26	107,051,450	100,235,403
Cost of sales	27	(90,023,807)	(84,946,121)
Gross profit		17,027,643	15,289,282
Distribution and marketing expenses	28	(8,289,402)	(7,780,736)
Administrative expenses	29	(1,821,635)	(1,868,638)
Other operating expenses	30	(564,394)	(353,069)
Other income	31	482,529	830,536
Operating profit		6,834,741	6,117,375
Finance costs	32	(3,259,327)	(3,126,988)
Profit before taxation		3,575,414	2,990,387
Taxation	33	(1,372,286)	(1,481,601)
Profit for the year		2,203,128	1,508,786
Earnings per share - basic and diluted	34	2.87	1.97

The annexed notes 1 to 49 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, 2024

(Amounts in thousand)

	Note	2024	2023
		Rupees	
Profit for the year		2,203,128	1,508,786
Other comprehensive income / (loss):			
Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on post employment benefits obligation	37.6	110,839	(31,602)
Less: Income tax relating to remeasurement gain / loss		(32,143)	9,165
Other comprehensive income / (loss) for the year, net of tax		78,696	(22,437)
Total comprehensive income for the year		2,281,824	1,486,349

The annexed notes 1 to 49 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, 2024

(Amounts in thousand)

	SHARE CAPITAL	RESERVES				Total
		CAPITAL		REVENUE		
		Share premium (note 18)	Employee share option compensation reserve	Remeasurement of post employment benefits	Unappropriated profit	
	----------Rupees----------					
Balance as at 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
Profit for the year	-	-	-	-	2,203,128	2,203,128
Other comprehensive income for the year	-	-	-	78,696	-	78,696
Total comprehensive income for the year	-	-	-	78,696	2,203,128	2,281,824
Balance as at December 31, 2024	7,665,961	865,354	-	(217,897)	8,144,426	16,457,844

The annexed notes 1 to 49 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, 2024

(Amounts in thousand)

	Note	2024	2023
		---------- Rupees----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35	8,170,488	7,699,348
Finance costs paid		(3,344,395)	(2,527,032)
Taxes paid		(1,794,486)	(1,599,449)
Contribution to defined benefit gratuity fund	37.8	(110,050)	(105,040)
Long term advances and deposits - net		(61,052)	(123,728)
Net cash generated from operating activities		2,860,505	3,344,099
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of:			
- property, plant and equipment	4.5	(3,238,534)	(2,613,488)
- intangible assets	4.5	(1,101)	(42,288)
- short term investment	15	(65,000)	-
Proceeds from disposal of:			
- property, plant and equipment	4.4	729,193	210,610
- biological assets		294,421	282,717
Interest Income received		153,877	25,767
Net cash utilized in investing activities		(2,127,144)	(2,136,682)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(106)	(108)
(Repayment of) / Proceeds from short term finance		(75,085)	121,259
Porceeds from long term finances		318,000	-
Repayment of long term finances	19.2	(750,000)	(1,569,643)
Repayment of lease liability against right-of-use assets		(913,030)	(505,001)
Net cash utilized in financing activities		(1,420,221)	(1,953,493)
Net decrease in cash and cash equivalents		(686,860)	(746,076)
Cash and cash equivalents at beginning of the year		3,078,478	3,824,554
Cash and cash equivalents at end of the year	36	2,391,618	3,078,478

The annexed notes 1 to 49 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, 2024

(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, milk collection centers and warehouses 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 These financial statements are presented in Pakistan Rupees which is the Company's functional currency.

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

a) Amendments to existing standards that became effective during the year

There are certain amendments to approved accounting and reporting standards applicable to the Company for the financial year beginning on January 1, 2024, however, these do not have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements, except for the following:

(Amounts in thousand)

Amendments to IAS 1 - Non-current liabilities with covenants:

These amendments aim to improve the information an entity provides when its right to defer the settlement of a liability is subject to compliance with covenants within twelve months after the reporting period, which affects the classification of that liability. These amendments introduce additional disclosure requirements that enable users of financial statements to understand the risk that the liability could become repayable within twelve months of the reporting period. These amendments did not have any impact on the measurement, recognition, or presentation and disclosure of any item in these financial statements.

Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements:

Supplier Finance Arrangements (amendments to IAS 7 and IRS 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 IRS 7 on factors an entity might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The related disclosures have been incorporated in these financial statements.

b) Standards or amendments to existing standards that are not yet effective

The following amendments and standard are not yet effective and are expected to have an impact on the classification and measurement of items in the Company's financial statements:

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments Effective for the First Time from January 1, 2026:

These amendments:

- Clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; and
- Make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

An important clarification brought about in these amendments is that a payment instruction (e.g., a cheque) that is prepared for a future payment will generally not meet the requirements for the financial liability to be discharged and hence derecognized. The previous practice of financial liabilities being derecognized upon issuance of cheques would need to be reconsidered.

There are certain standard and amendments to existing standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the Company's financial reporting in the period of initial application and, therefore, have not been disclosed in these financial statements.

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.

(Amounts in thousand)

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 flows represent 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.

(Amounts in thousand)

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 i.e. provision matrix 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 expects 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.

(Amounts in thousand)

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, appropriate 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 risks 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 based on aging and condition of items, respectively.

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 based on the specific identification.

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 savings accounts, short-term highly liquid investments with original maturities of three months or less subject to insignificant risk of changes in values, short-term running finances availed by the Company, which are payable on demand and form an integral part of the Company's cash management.

(Amounts in thousand)

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 Staff retirement and other service benefits

2.12.1 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.

2.12.2 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.

2.12.3 Compensated absences

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

2.13 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 the right at the reporting date to defer settlement of the liability for at-least twelve months after the reporting date.

2.14 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.

2.15 Lease liability and Right-of-use asset

2.15.1 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.

(Amounts in thousand)

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.

2.15.2 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.

2.16 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.

2.17 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.

(Amounts in thousand)

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

2.18 Provisions and contingent liabilities

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.

Contingent liabilities are disclosed when the Company has possible obligation that arises from past event's and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation that arises from past event but is not recognised because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability.

2.19 Taxation

2.19.1 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.

2.19.2 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.

2.20 Foreign currency transactions and translation

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.

2.21 Revenue recognition

2.21.1 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 1 20 days.

A receivable is recognised when the performance obligations are satisfied, since this is the point in time when the consideration is unconditional, because only the passage of time is required before the payment is due.

2.21.2 Other revenue

Interest income on bank deposits, term deposit receipts (TDR) and scrap sales are recognized on an accrual basis.

(Amounts in thousand)

2.22 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.

2.23 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.

2.24 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.

2.25 Dividend and appropriation to reserves

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

2.26 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-makers, who are responsible for allocating resources and assessing performance of the operating segments, have 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

The Company reviews the appropriateness of the rate of depreciation, useful lives and residual values used for recording the depreciation 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, prevalent replacement cost, physical attributes of livestock existing at the end of each reporting period, which are subject to change at each period end.

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 due to subjectivity involved in aging based provision rates might affect the carrying amounts of the respective items of stores and spares with a corresponding effect on the provision.

(Amounts in thousand)

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 as disclosed in note 37.11. The related sensitivities have also been disclosed in note 37.11. 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 and may involve opinion from / discussion with legal / tax advisors. 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 and may involve opinion from / discussion with legal / tax advisors as the outcome of future events cannot be predicted with certainty.

4. PROPERTY, PLANT AND EQUIPMENT

	2024	2023
	----------Rupees----------	
Operating assets (note 4.1)	9,940,990	9,494,743
Capital work-in-progress (CWIP) (note 4.5)	1,639,044	1,194,407
Major spare parts and stand-by equipment (note 9)	827,305	704,623
	12,407,339	11,393,773

(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, 2023							
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
Transfers from CWIP (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 (notes 4.6, 27,and 28)	-	-	(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
Year ended December 31, 2024							
Opening net book value	416,136	2,307,300	5,826,737	187,316	201,195	556,059	9,494,743
Transfers from CWIP (note 4.5)	-	162,800	2,183,141	110,005	111,753	174,330	2,742,029
Disposals (note 4.4)							
Cost	-	-	(808,837)	(11,859)	(6,677)	(244,428)	(1,071,801)
Accumulated depreciation	-	-	271,945	11,428	6,290	193,644	483,307
Accumulated impairment	-	-	-	-	-	-	-
	-	-	(536,892)	(431)	(387)	(50,784)	(588,494)
Depreciation (note 4.3)	-	(178,889)	(1,177,794)	(72,700)	(57,473)	(186,148)	(1,673,004)
Impairment charge (notes 4.6, 27, and 28)	-	(819)	(30,394)	-	(715)	(2,356)	(34,284)
Write-off							
Cost	-	-	(31,981)	-	-	(3,110)	(35,091)
Accumulated depreciation	-	-	23,859	-	-	2,324	26,183
Accumulated impairment	-	-	8,122	-	-	786	8,908
	-	-	-	-	-	-	-
Closing net book value	416,136	2,290,392	6,264,798	224,190	254,373	491,101	9,940,990
As at December 31, 2024							
Cost	416,136	5,088,050	22,506,401	629,067	627,433	1,201,988	30,469,075
Accumulated depreciation	-	(2,795,294)	(16,027,518)	(404,806)	(369,058)	(710,277)	(20,306,953)
Accumulated impairment	-	(2,364)	(214,085)	(71)	(4,002)	(610)	(221,132)
Net book value	416,136	2,290,392	6,264,798	224,190	254,373	491,101	9,940,990
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	2024 Cost	2024 Net Book Value	2023 Cost	2023 Net Book Value	Reason (note 4.2.1)
	Rupees				
Plant, machinery and related equipment	454,583	200,509	454,583	231,192	Equipment mounted on transport contractors' vehicles.
Plant, machinery and related equipment	1,959,672	689,123	2,079,461	956,694	Freezers held with third parties and retailers.
Vehicles	483,966	261,130	351,771	170,710	Trikes held with third parties for sale of frozen desserts.
	2,898,221	1,150,762	2,885,815	1,358,596	

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 individual 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:

	2024	2023
	Rupees	
- Cost of sales (note 27)	1,165,743	1,060,088
- Distribution and marketing expenses (note 28)	433,327	405,171
- Administrative expenses (note 29)	73,934	59,719
	1,673,004	1,524,978

(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	Sale proceeds	Gain / (Loss)
		----------Rupees----------				
Vehicles						
Under Company policy to existing / separating employees	- Rashid Saeed	3,085	(2,488)	597	617	20
	- Syed Hassan Raza	4,431	(1,495)	2,936	2,568	(368)
	- Syed Farzand Ali Mehdi	4,375	(1,313)	3,062	2,158	(904)
	- Saddam Haider	2,090	(784)	1,306	1,213	(93)
	- Muhammad Danish Sattar	1,796	(741)	1,055	948	(107)
	- Falak Naz	2,669	(2,052)	617	1,460	843
	- Saad Arshad Siddiqui	3,992	(1,497)	2,495	3,389	894
Sold through auction under the Company policy	- Umer Khitab	33,500	(21,356)	12,144	30,720	18,576
		55,938	(31,726)	24,212	43,073	18,861
Under Company policy to existing / separating employees having NBV less than Rs. 500	- Various	166,279	(145,178)	21,101	53,171	32,070
Insurance claim NBV more than Rs. 500	- EFU General Insurance Limited	4,204	(3,534)	670	4,305	3,635
Scrap sales NBV less than Rs. 500	- Various	18,007	(13,206)	4,801	5,817	1,016
		244,428	(193,644)	50,784	106,366	55,582
Plant, machinery and related equipment - owned						
Sold through bidding/auction under the Company policy having NBV less than Rs. 500	- Various	807,982	(271,488)	536,494	603,954	67,460
Insurance claim NBV less than Rs. 500	- Various	855	(457)	398	672	274
		808,837	(271,945)	536,892	604,626	67,734
Office Equipment & furniture						
Sold through bidding/auction under the Company policy having NBV less than Rs. 500	- Various	6,677	(6,290)	387	1,763	1,376
Computer equipment						
Under Company policy to existing / separating employees having NBV less than Rs. 500	- Various	11,859	(11,428)	431	1,970	1,539
Leased vehicles		-	-	-	14,468	14,468
December 31, 2024		1,071,801	(483,307)	588,494	729,193	140,699
December 31, 2023		806,720	(717,395)	89,325	210,610	121,285

(Amounts in thousand)

4.5 Capital work-in-progress

	Buildings & civil works on freehold land	Plant, machinery and related equipment Owned	IS and milk automation projects	Office equipment/ furniture & fittings/ Computer equipment	Vehicles	Total
	----------Rupees----------					
Year ended December 31, 2023						
Balance as at January 1, 2023	109,932	414,488	12,465	20,273	48,730	605,888
Additions	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
Year ended December 31, 2024						
Balance as at January 1, 2024	44,816	1,057,651	51,868	40,072	-	1,194,407
Additions	209,991	2,666,562	1,101	187,651	174,330	3,239,635
Transferred to:						
- operating assets (note 4.1)	(162,800)	(2,183,141)	-	(221,758)	(174,330)	(2,742,029)
- intangibles (note 6)	-	-	(52,969)	-	-	(52,969)
Balance as at December 31, 2024	92,007	1,541,072	-	5,965	-	1,639,044

4.6 During the year, the Company has recognized a net impairment charge amounting to Rs. 34,284 (2023: Rs. 9,085) 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 for impairment was recognized thereagainst. The recoverable amount of these assets amounted to Nil estimated 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

5. BIOLOGICAL ASSETS

	2024	2023
	----------Rupees----------	
Dairy livestock (note 5.1):		
- mature	2,138,488	1,634,147
- immature	1,389,664	1,472,973
	3,528,152	3,107,120
Provision for culling (note 5.1.1)	(147,304)	(101,377)
	3,380,848	3,005,743

(Amounts in thousand)

	2024	2023
	----------Rupees----------	
5.1 Reconciliation of carrying amounts of livestock		
Gross carrying amount at the beginning of the year	3,107,120	2,264,613
Add:		
Changes in fair value due to biological transformation:		
- Gain due to new births [inclusive of cost of feeding immature herd of Rs. 856,510 (2023: Rs. 880,540)]	1,067,610	1,074,975
- Loss due to increase in age of livestock	(595,594)	(456,374)
	472,016	618,601
Changes in fair value due to price changes	421,032	614,665
Net gain [inclusive of feed cost capitalized (note 31)]	893,048	1,233,266
Less:		
- Decrease due to deaths / disposals	(472,016)	(390,759)
- Provision for culling (note 5.1.1)	(147,304)	(101,377)
	(619,320)	(492,136)
Carrying amount at the end of the year, which approximates the fair value	3,380,848	3,005,743

5.1.1 The movement in culling provision is as follows:

Balance at beginning of the year	101,377	96,693
Add: Recognized (note 30)	130,093	94,153
Less: Reversed against disposal of livestock	(84,166)	(89,469)
Balance at end of the year	147,304	101,377

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

5.2 As at December 31, 2024, the Company held 3,757 (2023: 3,412) mature assets able to produce milk and 2,955 (2023: 3,212) immature assets that are being raised to produce milk in the future. During the year, the Company produced approximately 27,564,185 (2023: 25,943,144) gross litres of milk from these biological assets.

5.3 As at December 31, 2024, the Company held 78 (2023: 44) immature male calves.

5.4 The valuation of dairy livestock as at December 31, 2024 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, 2024. Further, market and replacement values of similar live stock, 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.

(Amounts in thousand)

	2024	2023
	----------Rupees----------	

6. INTANGIBLE ASSETS - Computer software

Net carrying value		
Balance at beginning of the year	13,362	29,622
Add: Additions at cost (note 4.5)	52,969	2,885
Less: Amortization charge (notes 6.1 and 29)	(15,085)	(19,145)
Balance at end of the year	51,246	13,362
Gross carrying value		
Cost	166,853	486,004
Less: Accumulated amortization	(115,607)	(472,553)
Less: Accumulated Impairment	-	(89)
Net book value	51,246	13,362

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

6.2 During the year, fully amortized intangible assets costing Rs. 372,120 were written-off.

7. RIGHT-OF-USE ASSETS

	Buildings	Plant and equipment	Vehicles	Total
	----------Rupees----------			
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
Year ended December 31, 2024				
Opening net book value	275,901	586,846	157,445	1,020,192
Additions	11,167	941,532	-	952,699
Disposals / Termination				
- Cost	(10,420)	(71,009)	(36,926)	(118,355)
- Accumulated depreciation	10,420	71,009	36,926	118,355
	-	-	-	-
Depreciation charge (note 7.1)	(184,103)	(264,148)	(61,501)	(509,752)
Remeasurement	129,390	86,240	(11,283)	204,347
Closing net book value	232,355	1,350,470	84,661	1,667,486
At December 31, 2024				
Cost	852,823	1,916,938	221,734	2,991,495
Accumulated depreciation	(620,468)	(566,468)	(137,073)	(1,324,009)
Net book value	232,355	1,350,470	84,661	1,667,486
Rate of depreciation (%)	10 - 40	9 - 52	25	

(Amounts in thousand)

		2024	2023
		----------Rupees----------	
7.1	**The depreciation charge has been allocated as follows:**		
	- Cost of sales (note 27)	261,422	214,054
	- Distribution and marketing expenses (note 28)	132,843	56,874
	- Administrative expenses (note 29)	115,487	124,647
		509,752	395,575

7.2 The Company has entered into lease arrangements for lease of plant & equipment, sale offices, registered office, warehouses and vehicles.

		2024	2023
		----------Rupees----------	
8.	**DEFERRED TAX ASSET - NET**		
	Debit balances arising due to:		
	- Provisions for stock-in-trade, stores and spares and receivables	(311,433)	(219,366)
	- Accelerated tax depreciation / amortization	(817,249)	(176,792)
	- Minimum turnover tax (note 8.1)	(985,400)	(977,590)
	- Share issuance cost, net to equity	(15,108)	(15,108)
	- Lease liability against right-of-use assets	(571,123)	(392,872)
		(2,700,313)	(1,781,728)
	Credit balances arising due to:		
	- Right-of-use assets	650,320	397,875
	- Biological assets	1,318,530	1,172,239
	- Others	15,824	17,301
		1,984,674	1,587,415
		(715,639)	(194,313)

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.

		2024	2023
		----------Rupees----------	
9.	**STORES, SPARES AND LOOSE TOOLS**		
	Stores	189,022	237,837
	Spares and loose tools, including in-transit	2,107,154	1,977,205
		2,296,176	2,215,042
	Less: Provision for slow moving spares and loose tools (note 9.2)	(506,616)	(373,209)
		1,789,560	1,841,833
	Less: Major spare parts and stand by equipment - classified under property, plant and equipment (note 4)	(827,305)	(704,623)
		962,255	1,137,210

(Amounts in thousand)

		2024	2023
		----------Rupees----------	
9.1	The movement of stores, spares and loose tools is as follows:		
	Balance at the beginning of the year	2,215,042	1,022,831
	Add: Purchases	4,375,652	4,301,482
	Less:		
	- Capitalized	(66,998)	(52,351)
	- Consumed	(4,227,520)	(3,056,920)
	Balance at end of the year	2,296,176	2,215,042
9.2	The movement in provision is as follows:		
	Balance at the beginning of the year	373,209	410,896
	Add: Provision recognized (note 27)	133,407	45,074
	Less: Reversed against disposal of stores, spares and loose tools	-	(82,761)
	Balance at end of the year	506,616	373,209

10. STOCK-IN-TRADE

	2024	2023
	----------Rupees----------	
Raw and packaging material (note 10.1)	4,949,215	5,164,982
Work in process (note 10.2)	1,772,837	3,064,608
Finished goods (note 10.3)	2,889,541	2,050,221
	9,611,593	10,279,811
Less: Provision for expired / obsolete stock (note 10.4)	(249,855)	(96,817)
	9,361,738	10,182,994

10.1 Includes Rs. 445,335 (2023: Rs. 773,853) in respect of raw and packaging material held by third parties.

10.2 Includes Rs. 368,696 (2023: Rs. 889,632) in respect of semi-finished stock held by third parties.

10.3 Includes Rs. 500,075 (2023: Rs. 484,736) in respect of finished goods held by third parties and Rs.684,878 (2023: Rs.31,066) in respect of finished goods carried at net realizable value.

	2024	2023
	----------Rupees----------	
10.4 The movement in provision is as follows:		
Balance at beginning of the year	96,817	119,859
Add: Provision recognized (note 27)	200,805	33,597
Less: Stock-in-trade written-off	(47,767)	(56,639)
Balance at end of the year	249,855	96,817

11. TRADE DEBTS - Unsecured

	2024	2023
	----------Rupees----------	
Considered good (notes 11.1 , 11.2 and 11.4)	1,368,890	1,888,698
Considered doubtful (note 11.3)	8,364	9,922
	1,377,254	1,898,620
Less: Provision for impairment (note 11.3)	(8,364)	(9,922)
	1,368,890	1,888,698

(Amounts in thousand)

11.1 As at December 31, 2024, trade debts aggregating to Rs. 142,544 (2023: Rs. 94,168) 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, 2024, trade debts aggregating to Rs. 1,226,346 (2023: Rs. 1,794,530) 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, 2024, 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. 8,364 (2023: Rs. 9,922) has been recognized thereagainst. The movement in provision during the year is as follows:

	2024	2023
	----------Rupees----------	
Balance at beginning of the year	9,922	12,235
Reversal of provision for impairment of trade debts (note 29)	(1,558)	(2,313)
Balance at end of the year	8,364	9,922

11.4 This includes trade receivable from the following related parties:

FrieslandCampina Middle East	131,964	338,073
Engro Eximp FZE	500,455	343,471
	632,419	681,544

11.5 Aging analysis for past due trade debts due from related parties is as follows:

- Upto 7 days	34,541	-
- 15-30 days	11,824	-
	46,365	-

11.6 The maximum aggregate amount due from related parties at the end of any month during the year was Rs. 849,006 (2023: Rs.1,171,939).

	2024	2023
	----------Rupees----------	

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

Advances to employees (note 12.1)	61,588	64,857
Advances to suppliers	424,922	154,366
Deposits (note 12.2)	39,364	55,040
Prepayments	139,217	120,638
	665,091	394,901

12.1 These include advances to key management personnel amounting to Rs. 802 (2023: Rs. 7,537).The maximum aggregate amount due from them at the end of any month during the year was Rs. 8,370 (2023: Rs. 19,226).

12.2 The carrying values of these deposits 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.

	2024	2023
	----------Rupees----------	

13. OTHER RECEIVABLES

Receivable from related parties (note 13.1):		
- FrieslandCampina Nederland B.V.	352,239	495,130
- Engro Corporation Limited - Provident Fund	4,059	3,949
- Engro Corporation Limited - Defined Contribution Gratuity Fund	136	-
- FrieslandCampina AMEA Pte Limited	-	85,846
	356,434	584,925
Others (note 13.2)	566,419	116,484
	922,853	701,409

(Amounts in thousand)

13.1 The maximum aggregate amount due from related parties at the end of any month during the year was Rs. 1,374,820 (2023: Rs. 911,821).

13.2 Includes Rs. 196,275 (2023: Nil) in respect of brand value recognition agreement with one of the suppliers of the Company.

13.3 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 obtained an interim injunction against adverse action by tax authorities on the same day. The HCS through its order dated November 18, 2020 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 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. Subsequently, 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 CC's 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 SCP 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.

During the year, DCIR re-issued the show cause notices (SCNs) for the tax years 2013 to 2016 based on the FBR order dated September 20, 2023. These SCNs were challenged before the HCS. HCS has directed the DCIR to explain its position because the matter was already decided by HCS and upheld by the SCP. Subsequently, DCIR withdrew the SCNs and HCS has accordingly disposed off the case.

(Amounts in thousand)

14.3 The Company received notice dated November 19, 2023 seeking information about 'Tarang' sales during the years 2019 to 2023, alleging that 'Tarang' is liable to sales tax. During the year, the Company challenged the notice before the HCS. HCS through its order dated April 30, 2024 has directed FBR not to take any adverse action against the Company as the matter is under adjudication. The Company, based on the opinion of its lawyer is confident of the favorable outcome.

14.4 DCIR issued show cause notice (SCN) for the tax year 2017 raising various sales tax issues. The Company challenged the notice before the SHC. During the year, DCIR withdrew the SCN and SHC has accordingly disposed off the case.

14.5 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.

14.6 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 and thereby creating demand of Rs. 150,402. CIR (A) remanded back the order issued by the DCIR on November 23, 2022. The Company has also filed an appeal before the ATIR on February 10, 2023, which is pending adjudication. Remand back proceedings have been initiated by the department and the Company has submitted the response. During the year, DCIR passed an order dated June 28, 2024 in remand back proceedings and raised tax demand of Rs. 112,265 including penalty. The Company has filed an appeal before ATIR against the remand back order which is pending. 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.

14.7 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 has 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. During the year DCIR has initiated remand back proceedings as directed by CIR(A). The Company has filed stay application before ATIR against these proceedings. The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeals, and accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

14.8 The DCIR passed an order on March 19, 2024, for the period July 2021 to June 2023 alleging inappropriate apportionment of input tax in the monthly sales tax returns, creating a demand of Rs.157,629. The Company filed an appeal before the CIR (A) against the order. CIR (A) vide its order dated May 15, 2024 has annulled the order passed by the DCIR and remanded back the matter to DCIR. DCIR has initiated remand back proceedings which is pending for adjudication.

14.9 The DCIR passed an order on October 03, 2024 for the period December 2021 to June 2022 alleging wrongful adjustments of certain input taxes thereby creating demand of Rs. 247,017 including penalty. The Company has filed an appeal before the ATIR against the impugned 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.

	2024	2023
	----------Rupees----------	
15. SHORT-TERM INVESTMENTS		
Term deposit receipts	65,000	1,000,000

15.1 These investments carry interest at the rate ranging from 8.25% to 20% (2023: 22.05%) per annum having maturity period of less than 12 months.

(Amounts in thousand)

	2024	2023
	----------Rupees----------	

16. CASH AND BANK BALANCES

Cash at bank in:		
- current accounts - conventional [including foreign currency account of Rs. 475,500 (2023: Rs. 124,363)	502,243	170,239
- current accounts - islamic	402,871	19,884
- savings accounts (note 16.1)	1,840,630	1,888,355
	2,745,744	2,078,478

16.1 Includes Rs. 90,000 (2023: Nil) on which lien is marked on account of long term loan (note 19.1). Therefore, cash and cash equivalents for the purpose of statement of cash flows does not include this amount.

	2024	2023
	----------Rupees----------	

17. SHARE CAPITAL

Authorized capital

850,000,000 (2023: 850,000,000) ordinary shares of Rs. 10 each	8,500,000	8,500,000

Issued, subscribed and paid-up capital

766,596,075 (2023: 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, 2024, FrieslandCampina Pakistan Holdings B.V. (the Holding Company) held 390,963,999 (2023: 390,963,999) ordinary shares of Rs. 10 each and Engro Corporation Limited held 306,075,947 (2023: 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.

(Amounts in thousand)

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

Long term finances utilized under mark-up arrangements:

	Installments			2024	2023
	Number	Commencing from	Interest Rate	----------Rupees----------	
Long term finances					
Dubai Islamic Bank Limited	32 Quarterly	September 28, 2026	6%	88,000	-
Meezan Bank Limited	40 Quarterly	September 25, 2026	6%	230,000	-
MCB Bank Limited	4 half yearly	July 31, 2023	3M KIBOR + 0.25%	-	750,000
				318,000	750,000
Less: Current portion shown under current liabilities				-	(500,000)
				318,000	250,000

19.1 The above finances are secured by registered floating charges / mortgages over the plant and machinery of the Company up to a maximum of Rs. 277,000 and lein marked over account of Rs. 90,000 (2023: floating charges/ mortgages over operating assets of the company upto a maximum of Rs. 7,500,000).

19.2 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:

	2024	2023
	----------Rupees----------	
Balance at beginning of the year	750,000	2,319,643
Add: Obtained	318,000	-
Less: Repaid	(750,000)	(1,569,643)
Balance at end of the year	318,000	750,000

20. LEASE LIABILITY AGAINST RIGHT-OF-USE ASSETS

Non-current portion	870,594	583,851
Current portion	593,823	423,514
	1,464,417	1,007,365

21. TRADE AND OTHER PAYABLES

Trade payables (note 21.1)	6,823,878	7,664,771
Accrued liabilities	4,372,678	3,764,128
Retention money	1,204	472
Suppliers' security deposits (note 21.3)	98	98
Customers' security deposits (note 21.4)	3,100	1,100
Withholding tax payable	83,435	121,496
Payable to:		
- provident fund	-	38,989
- defined benefit gratuity fund (note 37.4)	364,514	411,546
- defined contribution gratuity fund	-	6,358
Workers' profits participation fund (note 21.2)	14,360	19,304
Workers' welfare fund	110,754	100,629
Others	83,290	126,746
	11,857,311	12,255,637

(Amounts in thousand)

	2024	2023
	----------Rupees----------	
21.1 Includes payable to following related parties:		
- FrieslandCampina Nederland B.V.	2,395,235	2,108,598
- FrieslandCampina AMEA Pte Ltd	6,460	9,683
- PT Frisian Flag Indonesia	10,260	10,378
- Engro Corporation Limited	2,212	1,891
- Engro Polymer & Chemicals Limited	9,075	-
- Alaska Milk Corporation	8,572	848
	2,431,814	2,131,398

21.2 Workers' profits participation fund

Balance at beginning of the year	19,304	8,957
Add: Allocation (note 30)	193,353	159,354
Less: Amount paid to the Fund	(198,297)	(149,007)
Balance at end of the year	14,360	19,304

21.3 These represent interest free security deposits 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.

21.4 These represent interest free security deposits 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.

22. 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, 2023 amounting to Rs. 1,427,299 have been fully recognized as revenue during the current year.

23. SUPPLIER FINANCING - UNFUNDED

This represents inland letters of credit under supplier financing arrangements amounting to Rs. 9,838,888 (2023: Rs. 11,374,678).

	2024	2023
Range of payment due dates		
- Liability under supplier financing - unfunded	within 180 days after invoice date	within 180 days after invoice date
- Comparable trade payables not part of supplier financing - unfunded	within 60 days after invoice date	within 60 days after invoice date

	2024	2023
	----------Rupees----------	
Carrying amount of liabilities under supplier financing - unfunded		
- Liability under supplier financing - unfunded	9,838,888	11,374,678
- Of which the supplier has received payment	9,838,888	11,374,678

(Amounts in thousand)

	2024	2023
	----------Rupees----------	

24. SHORT TERM FINANCES - secured

Export Running Finance (ERF) Loan (note 24.1 & 24.2)	46,174	121,259
Running Finance Facilities (note 24.2)	264,126	-
	310,300	121,259

24.1 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.

24.2 The facilities for short term running finance available from various banks, which represent the aggregate sale price of all mark-up arrangements, amount to Rs.12,000,000 (2023: Rs. 10,750,000). The unutilized balance against these facilities as at December 31, 2024 was Rs. 11,689,700 (2023: Rs. 10,628,741). The rates of mark-up on these finances other than ERF are KIBOR based and range from 14.86% to 16.59% (2023: 22.31% to 22.84%) per annum. These facilities are secured by way of floating charge upon all the present and future current assets of the Company.

24.3 The facilities for opening letters of credit and bank guarantees as at December 31, 2024 amount to Rs. 26,500,000 (2023: Rs. 24,550,000), of which the amount remaining unutilized as at December 31, 2024 was Rs.14,678,365 (2023: Rs. 7,669,591).

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 The Company has provided bank guarantees to:

- Sui Southern Gas Company Limited amounting to Rs. 128,123 (2023: Rs. 88,232) under the contract for supply of gas;
- Sui Northern Gas Pipeline Company Limited amounting to Rs. 40,447 (2023: Rs. 40,447) under the contract for supply of gas;
- Collector of Sales Tax, Large Tax Payers Unit (LTU), Karachi amounting to Rs. 258,712 (2023: 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 (2023: Rs. 90,820) have been received to date;
- Parco Pearl Gas Co. (Private) Limited amounting to Rs. 1,000 (2023: Rs. 1,000) as collateral against supplies;
- Collector, Model Customs Collectorate Port Qasim, Karachi amounting to Rs. 224,742 (2023: Rs. 9,773) as collateral against provisional release of imported raw materials;
- The Nazir, High Court of Sindh, Karachi amounting to Rs. 62,175 (2023: Rs. 50,731) as collateral against provisional release of imported raw materials; and
- The Government of Sindh, amounting to Rs. 468,387 (2023: Rs. 403,387) 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.

25.1.2 On December 18, 2024, the Company received an order from Competition Commission of Pakistan (CCP), imposing a penalty of Rs. 75,000 in respect of Company's marketing activities relating to one of its brands. The Company filed an appeal with the Competition Appellate Tribunal against the aforementioned order on January 14, 2025, which is pending adjudication. Further, subsequent to year end, the Company has obtained a stay order from the Islamabad High Court. The Company, based on opinion of its legal advisor, expects a favourable outcome, therefore, no provision has been recognized in this respect.

(Amounts in thousand)

25.1.3 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.

25.1.4 On March 05, 2024 Sindh Revenue Board (SRB) issued notice to recover Workers Welfare Fund (WWF) for the year 2022. The Company being a transprovincial entity has discharged its WWF liability under the federal law, therefore, it filed a case thereagainst before the HCS. HCS vide interim order dated April 03, 2024 has directed SRB to not recover the amount till the decision of the case. The Company, based on the opinion of its legal consultant, is confident of a favorable outcome.

25.1.5 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. During the year Collector of Customs appeal issued an order against the appeal filed and allowed in favor of the Comany and waived off penalty.

25.1.6 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 was dismissed by order dated April 30, 2024. The Company has filed further appeal against this order before Customs Appellate Tribunal Lahore. The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal.

25.1.7 The Company imported a sample consignment and got clearance thereof by availing benefit of zero rating of customs duty. Principal Appraiser Customs Lahore unilaterally reassessed Goods Declaration (GD) denying the benefit of zero rating of customs duty on the aforesaid sample consignment and redetermined duties and taxes. Aggrieved with the reassessment made by Principal Appraiser, the Company filed appeal before Collector of Customs (Appeals) Lahore which was dismissed through order dated May 30, 2024. The Company has filed further appeal against this order before Customs Tribunal. The Company, based on the opinion of its consultant, is confident of a favorable outcome of the appeal.

25.1.8 The Customs Department (the 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 total demands of Rs. 599,764 (2023: Rs. 420,834). The Company being aggrieved with the said demands has filed appeals before the relevant forum. During the year, Collector of Customs (Appeal) ['CCA'] decided majority of the appeals having total demand of Rs. 215,404 and set aside the orders of the Department with the direction to refer the cases to the Classification Committee and decide the cases according to the findings of the Committee. However, the Department has not yet referred the cases to the Committee. Further, both the Company and and the Department has also filed appeals against the CCA orders. The appellate tribunal decided appeals against the Company wherein the total demand of Rs. 308,850 had been challenged. The Company has filed an appeal against the aforesaid decisions in the Sindh High Court, which is pending adjudication.

Subsequent to the year end, the CCA issued another order against the Company having demand of Rs. 7,577. The Company intents to file appeal to Customs Appellate Tribunal agianst the order passed by CCA. The Company, based on the opinion of its legal consultant, is confident of a favorable outcome of the appeals and, therefore, has not recognised the provision in the financial statements.

25.1.9 Details of the tax related matters are given in notes 14 and 33.2 of these financial statements.

25.2 Commitments

25.2.1 Commitments in respect of capital expenditure contracted for but not incurred as at December 31, 2024 amount to Rs. 595,425 (2023: Rs. 921,909).

25.2.2 Commitments in respect of purchase of certain commodities as at December 31, 2024 amount to Rs. 1,738,422 (2022: Rs. 1,511,700).

(Amounts in thousand)

	2024	2023
	----------Rupees----------	

26. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

Revenue from contracts with customers - gross (note 26.1)	127,023,909	111,510,423
Less:		
- Sales tax	(11,325,040)	(3,629,706)
- Trade discounts and others	(8,647,419)	(7,645,314)
	107,051,450	100,235,403

26.1 This includes export sales amounting to Rs. 3,666,949 (2023: Rs. 1,800,167).

	2024	2023
	----------Rupees----------	

27. COST OF SALES

Raw and packaging material consumed (note 27.1)	73,280,950	72,687,646
Salaries, wages, and staff welfare (note 27.2)	3,187,216	2,333,305
Fuel and power	3,258,443	2,736,710
Repair and maintenance	1,755,764	1,367,987
Freight inwards	1,737,241	1,775,883
Depreciation on operating assets (note 4.3)	1,165,743	1,060,088
Depreciation on right-of-use assets (note 7.1)	261,422	214,054
Impairment / (Reversal of impairment) of operating assets (note 4.6)	11,221	(13,145)
Travelling	240,385	237,616
Communication and other office expenses	179,728	176,296
Insurance	307,940	248,983
Rent and utilities (note 27.3)	445,808	429,344
Research and business development	16,530	21,980
Fee for technical assistance (note 27.4)	2,215,216	2,121,310
Legal and professional	15,560	15,702
Purchased services	1,157,977	1,040,631
Provision against:		
- expired/obsolete stock-in-trade (note 10.4)	200,805	33,597
- slow moving stores, spares and loose tools (note 9.2)	133,407	45,074
Manufacturing cost	89,571,356	86,533,061
Add: Opening stock of work-in-process	3,064,608	1,177,704
Less: Closing stock of work-in-process	(1,772,837)	(3,064,608)
Cost of goods manufactured	90,863,127	84,646,157
Add: Opening stock of finished goods manufactured	2,050,221	2,350,185
Less: Closing stock of finished goods manufactured	(2,889,541)	(2,050,221)
	90,023,807	84,946,121

27.1 Raw and packaging material consumed

Opening stock of raw and packaging material	5,164,982	4,158,358
Add: Purchases	73,065,183	73,694,270
Less: Closing stock of raw and packaging material	(4,949,215)	(5,164,982)
Raw and packaging material consumed	73,280,950	72,687,646

(Amounts in thousand)

27.2 These include Rs. 287,969 (2023: Rs. 214,157) in respect of staff retirement benefits.

27.3 These include rentals for short-term leases, rentals for leases of low-value assets and variable lease payments amounting to Rs. 7,464, Rs. 47,273 and Rs. 348,523 (2023: Rs. 7,355, Rs. 43,341 and Rs. 343,738), respectively.

27.4 This represents charges for technical assistance paid/payable to FrieslandCampina Nederland B.V., related party (note 42.2.1).

28. DISTRIBUTION AND MARKETING EXPENSES

	2024	2023
	----------Rupees----------	
Salaries, wages and staff welfare (note 28.1)	1,486,686	1,253,153
Advertising	2,338,291	2,523,695
Freight outward	3,302,238	2,832,336
Travelling	249,621	277,691
Communication and other office expenses	84,224	234,032
Depreciation on operating assets (note 4.3)	433,327	405,171
Depreciation on right-of-use assets (note 7.1)	132,843	56,874
Impairment of operating assets (note 4.6)	23,063	22,230
Fuel and power	12,662	10,041
Repairs and maintenance	105,270	91,597
Rent, rates and taxes	13,304	10,810
Insurance	32,913	27,248
Software maintenance	40,771	19,594
Research and business development	825	234
Legal and professional	851	2,814
Purchased services	32,513	13,216
	8,289,402	7,780,736

28.1 These include Rs. 109,459 (2023: Rs. 100,971) in respect of staff retirement benefits.

29. ADMINISTRATIVE EXPENSES

	2024	2023
	----------Rupees----------	
Salaries, wages and staff welfare (note 29.1)	1,078,524	1,009,272
Training and development	7,293	15,572
Communication and other office expenses	116,047	195,017
Rent, rates and taxes (note 29.2)	56,707	36,173
Travelling	44,336	112,975
Depreciation on operating assets (note 4.3)	73,934	59,719
Depreciation on right-of-use assets (note 7.1)	115,487	124,647
Amortization of intangible assets (note 6)	15,085	19,145
Fuel and power	4,155	3,291
Repairs and maintenance	7,204	8,821
Insurance	5,920	5,910
Legal and professional	97,364	67,201
Auditor's remuneration (note 29.3)	8,934	7,434
Software maintenance and license cost	3,482	13,482
Reversal of provision for impairment of trade debts (note 11.3)	(1,558)	(2,313)
Purchased services	188,721	192,292
	1,821,635	1,868,638

(Amounts in thousand)

29.1 These include Rs. 66,324 (2023: Rs. 97,228) in respect of staff retirement benefits.

29.2 These include rentals for short-term leases amounting to Rs. 386 (2023: Nil).

	2024	2023
	----------Rupees----------	
29.3 Auditor's remuneration		
Fee for:		
- audit of annual financial statements and group reporting	5,698	4,741
- review of half yearly financial information	996	829
- review of compliance with the Code of Corporate Governance	205	171
- special certifications and other services	1,463	1,218
	8,362	6,959
Out-of-pocket expenses and taxes	572	475
	8,934	7,434

30. OTHER OPERATING EXPENSES

Workers' welfare fund	98,300	37,343
Donations (note 30.1)	15,705	43,646
Provision for culling of biological assets (note 5.1.1)	130,093	94,153
Loss on disposal of biological assets	93,429	18,573
Loss on disposal of right of use assets	15,598	-
Workers' profits participation fund (note 21.2)	193,353	159,354
Exchange loss - net	17,916	-
	564,394	353,069

30.1 These includes donations to Engro Foundation, a related party amounting to Nil (2023: Rs. 6,250), CARE Foundation Pakistan amounting to Rs. 5,092 (2023: 27,963), Indus Resource Center amounting to Rs. 3,190 (2023: Nil) and The Blessing Foundation amounting to Rs. 7,159 (2023: 4,858). The directors including Chief Executive Officer, and their spouses do not have any interest in the donees.

	2024	2023
	----------Rupees----------	
31. OTHER INCOME		
From financial assets		
Interest on bank deposits / savings accounts	176,016	163,281
Interest income on term deposit receipts	4,357	7,868
	180,373	171,149
From other than financial assets		
Gain arising from changes in fair value of biological assets (note 5.1)	36,538	352,726
Gain on disposal of operating assets (note 4.4)	140,699	121,285
Gain on disposal of right of use assets	-	13,089
Exchange gain	-	43,133
Scrap sales	110,975	92,573
Others	13,944	36,581
	302,156	659,387
	482,529	830,536

(Amounts in thousand)

32. FINANCE COSTS

	2024	2023
	----------Rupees----------	
Mark-up on:		
- Short-term finances (note 32.1)	2,926,668	2,727,555
- Long-term finances	95,527	236,142
- Lease liability against right-of-use assets	197,438	133,124
	3,219,633	3,096,821
Bank charges	39,694	30,167
	3,259,327	3,126,988

32.1 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 14.86% to 16.59% (2023: 16.43% to 23.11%) per annum.

33. TAXATION

	2024	2023
	----------Rupees----------	
Current (note 33.1)		
- for the year	1,923,619	1,546,323
- for prior years	(30,007)	171,188
	1,893,612	1,717,511
Deferred (note 33.1)	(521,326)	(235,910)
	1,372,286	1,481,601

33.1 Section 4C 'Super tax on high earning persons' of the Income Tax Ordinance 2001, (Ordinance) was introduced through the Finance Act, 2023 whereby super tax has been levied at the rate of 10%, in case the income exceeds Rs. 500,000. The Company as recognised super tax charge at the rate of 10% for tax year 2025 (i.e. financial year 2024).

Deferred tax has also been recognised at the rate of 39% (including 10% super tax) (2023: 39% including 10% 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.

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

33.2.1 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)

33.2.2 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.

33.2.3 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.

33.2.4 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.

33.2.5 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. Being aggrieved with the impugned order, the Company has filed appeal before the ATIR on May 15, 2017, which is pending adjudication. 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. On December 28, 2024, DCIR passed rectification order and converted aforementioned demand into refund of Rs 397,730.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.

33.2.6 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.

33.2.7 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)

33.2.8 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.

33.2.9 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. During the year, CIR (A) issued an order and remanded back proceedings to DCIR for reverification of the credits disallowed/short allowed against refund order u/s 170(4) passed by the DCIR for the tax year 2015. The DCIR has not yet initiated the remand back proceedings. 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.

33.2.10 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.

33.2.11 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.

33.2.12 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 under section 170 (4) of the Ordinance for Rs. 106,215 for tax year 2019. During the year, CIR (A) issued an order and remanded back proceedings to DCIR for re-verification of the credits disallowed/short allowed against aforementioned refund order passed by the DCIR. The DCIR has not yet initiated the remand back proceedings. 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)

33.2.13 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.

33.2.14 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 was paid by the Company under protest and an appeal was filed with the Commissioner Inland Revenue of Appeals [CIR (A)] on January 26, 2023 against the order. On March 19, 2024, CIR (A) issued an order against the appeal filed and remanded back the order to DCIR for re-verification. DCIR has not initiated the remand back proceedings. The Company, based on the opinion of its tax consultant, is confident of a favorable outcome, and, accordingly taxes recoverable have not been reduced by the effect of the aforementioned demand.

33.2.15 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.

33.2.16 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.

33.2.17 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.

33.2.18 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.

33.2.19 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, the Additional Commissioner Inland Revenue (ACIR) issued refund order under section 170(4) of the Income Tax Ordinance,2001 (the Ordinance) for Rs. 66,299 for tax year 2020.

(Amounts in thousand)

During the year, CIR (A) issued an order and remanded back proceedings to DCIR for re-verification of the credits disallowed/short allowed against aforementioned refund order passed by the DCIR. The DCIR has not yet initiated the remand back proceedings. 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.

33.2.20 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.

33.2.21 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. During the year, CIR (A) issued an order and remanded back proceedings to DCIR for further verification of Rs. 214,947 for the credits disallowed/short allowed against aforementioned refund order passed by the DCIR. The DCIR has not yet initiated the remand back proceedings. 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.

33.2.22 On May 29, 2024, the Additional Commissioner (ADC) raised a tax demand of Rs. 348,855 for the tax year 2022 by restricting adjustment of minimum tax credit brought forward from prior years against the tax liability. The Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order which is pending adjudication. The Company has also obtained stay from the HCS against the demand. 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.

33.2.23 On December 20, 2024, DCIR passed an order against the recovery of Super tax for tax year 2024 of Rs. 157,485. The Company has filed an appeal before the ATIR against the order, which is pending adjudication. However, the Company is carrying the adequate super tax provision in this respect.

33.3 Relationship between tax expense and accounting profit

	2024	2023
	----------Rupees----------	
Profit before taxation	3,575,414	2,990,387
Tax at the applicable tax rate of 29% (2023: 29%)	1,036,870	867,212
Tax effect of:		
- transactions taxed at different rates including super tax	474,860	385,192
and change in deferred tax rate	(30,007)	171,188
- prior year charge	(109,437)	58,009
- others	335,416	614,389
	1,372,286	1,481,601

34. EARNINGS PER SHARE - Basic and diluted

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

	2024	2023
	----------Rupees----------	
Profit for the year	2,203,128	1,508,786
	Number of shares in thousand	
Weighted average number of ordinary shares in issue during the year	766,596	766,596

(Amounts in thousand)

35. CASH GENERATED FROM OPERATIONS

	2024	2023
	----------Rupees----------	
Profit before taxation	3,575,414	2,990,387
Adjustment for non-cash charges and other items:		
- Depreciation on operating assets (note 4.3)	1,673,004	1,524,978
- Depreciation on right-of-use assets (note 7.1)	509,752	395,575
- Impairment of operating assets - net (note 4.1)	34,284	9,085
- Amortization of intangible assets (note 6)	15,085	19,145
- Gain on disposal of operating assets (note 31)	(140,699)	(121,285)
- Gain on disposal of right of use assets (note 31)	-	(13,089)
- Loss on disposal of right of use assets (note 30)	15,598	-
- Gain arising from changes in fair value of biological assets inclusive of feed cost capitalized	(893,048)	(1,233,266)
- Loss on death / disposal of biological assets (note 30)	93,429	18,573
- Provision for culling of biological assets (note 5.1.1)	130,093	94,153
- Provision for staff retirement and other service benefits (note 37.10)	173,857	137,708
- Provision for impairment of stock-in-trade (note 10.4)	200,805	33,597
- Provision for impairment of slow moving spares (note 9.2)	133,407	45,074
- Provision / (Reversal of provision) for impairment of trade debts (note 11.3)	(1,558)	(2,313)
- Interest income (note 31)	(180,373)	(7,868)
- Finance costs on short term and long term finances including bank charges (note 32)	3,061,889	2,993,864
- Finance costs on lease liability against right-of-use assets (note 32)	197,438	133,124
- Exchange (gain) / loss (notes 31 and 32)	17,916	(43,133)
Working capital changes (note 35.1)	(445,805)	725,039
	8,170,488	7,699,348

35 .1 Working capital changes

Decrease / (Increase) in current assets:		
- Stores, spares and loose tools	(81,134)	(1,274,972)
- Stock-in-trade	620,451	(2,650,203)
- Trade debts	521,366	15,756
- Advances, deposits and prepayments	(360,190)	261,600
- Other receivables	(221,444)	(345,662)
- Sales tax recoverable	1,470,867	(1,636,106)
	1,949,916	(5,629,587)
Increase / (Decrease) in current liabilities:		
- Trade and other payables	(369,211)	1,641,723
- Supplier financing - unfunded	(1,535,790)	4,051,052
- Contract liabilities	(490,720)	661,851
	(445,805)	725,039

(Amounts in thousand)

36. CASH AND CASH EQUIVALENTS

	2024	2023
	----------Rupees----------	
Cash and bank balances (note 16 and 16.1)	2,655,744	2,078,478
Short term investments (note 15)	-	1,000,000
Short term running finances (note 24)	(264,126)	-
	2,391,618	3,078,478

37. STAFF RETIREMENT AND OTHER SERVICE BENEFITS

37.1 As stated in notes 2.12.1 and 2.12.2, Engro Corporation Limited (ECL) operates and maintains an approved defined contribution gratuity scheme and an approved defined benefit funded gratuity scheme (the Fund) on behalf of the Company, for all its permanent employees subjected to minimum prescribed period of service.

37.2 During the year, an amount of Rs. 54,881 (2023: Rs. 65,037) has been charged in respect of defined contribution gratuity scheme maintained by ECL.

37.3 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, 2024 using the Projected Unit Credit Method. Details of the Fund as per the actuarial valuation are as follows:

37.4 Reconciliation for statement of financial position

	2024	2023
	---------Rupees---------	
Present value of defined benefit obligation (note 37.7)	(1,409,847)	(1,264,437)
Fair value of plan assets (note 37.8)	1,045,333	852,891
Net liability at end of the year	(364,514)	(411,546)

37.5 Movement in net liability in the statement of financial position

Net liability at beginning of the year	(411,546)	(347,276)
Charge (note 37.9)	(173,857)	(137,708)
Contribution (note 37.8)	110,050	105,040
Remeasurement loss recognized in other comprehensive income (note 37.6)	110,839	(31,602)
Net liability at end of the year	(364,514)	(411,546)

37.6 Remeasurement recognized in Other Comprehensive Income

Gain / (Loss) from changes in financial assumptions	4,322	(3,090)
Experience loss	(21,739)	(58,443)
Remeasurement of defined benefit obligation	(17,417)	(61,533)
Actual return on plan assets	258,578	135,324
Expected return on plan assets	(130,322)	(105,393)
Remeasurement of fair value of plan assets	128,256	29,931
	110,839	(31,602)

(Amounts in thousand)

	2024	2023
	---------Rupees---------	
37.7 Movement in present value of defined benefit obligation		
Present value of defined benefit obligation at beginning of the year	1,264,437	1,150,604
Current service cost	99,341	92,365
Interest cost	204,838	150,709
Benefits paid	(176,186)	(190,774)
Remeasurement loss on obligation (note 37.6)	17,417	61,533
Present value of defined benefit obligation at end of the year	1,409,847	1,264,437
37.7.1 Analysis of present value of defined benefit obligation		
Vested benefits	1,409,847	1,264,437
Non-vested benefits	-	-
	1,409,847	1,264,437
Accumulated benefit obligation	536,962	387,710
Amounts attributed to future salary increases	872,885	876,727
	1,409,847	1,264,437
37.8 Movement in fair value of plan assets		
Fair value of plan assets at beginning of the year	852,891	803,328
Expected return on plan assets	130,322	105,366
Contribution	110,050	105,040
Benefits paid	(176,186)	(190,774)
Remeasurement gain (note 37.6)	128,256	29,931
Fair value of plan assets at end of the year	1,045,333	852,891
37.9 Cost charged to profit or loss:		
Current service cost	99,341	92,365
Net interest cost	74,516	45,343
Cost for the year	173,857	137,708
37.10 Charge for the year has been allocated as follows:		
Cost of sales (note 27)	130,529	80,347
Distribution and marketing expenses (note 28)	36,383	22,953
Administrative expenses (note 29)	6,945	34,408
	173,857	137,708

37.11 Principle actuarial assumptions used are as follows:

	2024	2023
Financial assumptions		
- Discount rate - per annum compound	12.50%	16.00%
- Expected rate of increase in salaries - per annum		
- First year	11.50%	15.00%
- Long-term	11.50%	15.00%
Demographic assumptions		
- Expected mortality rate	SLIC (2001-05)	SLIC (2001-05)
- Withdrawal rates / rate of employees turnover	Moderate	Moderate

(Amounts in thousand)

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

		Impact on defined benefit obligation -(Decrease) / Increase	
	Change in assumption	Increase in assumption	Decrease in assumption
		----------Rupees----------	
Discount rate	1%	(131,780)	152,819
Expected rate of increase in salaries - long term	1%	152,819	(133,993)

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.

37.13 Plan assets comprise of following:

	2024				2023			
	Quoted	Un-Quoted	Total	(%)	Quoted	Un-Quoted	Total	(%)
	----------Rupees----------				----------Rupees----------			
Equity Instruments								
Quoted Shares	100,399	-	100,399	10%	75,198	-	75,198	9%
Debt Instruments								
Government Bonds	-	273,821	273,821	26%	-	683,643	683,643	80%
Treasury Bills		500,403	500,403	47%	-	-	-	-
Cash and cash equivalents	-	18,201	18,201	2%	-	11,132	11,132	1%
Other assets	-	156,499	156,499	15%	-	95,601	95,601	11%
Other liabilities	-	(3,990)	(3,990)	(0%)	-	(12,683)	(12,683)	(1%)
Total	100,399	944,934	1,045,333	100%	75,198	777,693	852,891	100%

37.14 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.

37.15 Expected contribution to the Fund for the year ending December 31, 2025 is Rs. 147,138.

37.16 The weighted average duration of the defined benefit obligation is 10.04 years (2023: 9.99 years).

(Amounts in thousand)

37.17 Historical information of staff retirement benefits:

	2024	2023	2022	2021	2020	2019
	----------Rupees----------					
Present value of obligations	(1,409,847)	(1,264,437)	(1,150,604)	(969,092)	(868,008)	(750,529)
Fair value of plan assets	1,045,333	852,891	803,328	754,741	696,823	521,214
Deficit	(364,514)	(411,546)	(347,276)	(214,351)	(171,185)	(229,315)

38. 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:

	2024			2023		
	Directors			Directors		
	Chief Executive	Others	Executives	Chief Executive	Others	Executives
	----------Rupees----------					
Managerial remuneration	86,550	-	2,516,413	74,091	-	2,214,475
Contribution for staff retirement benefits	11,795	-	259,787	-	-	233,712
Bonus	-	-	396,141	66,556	-	357,668
Fees	-	5,020	-	-	4,835	-
	98,345	5,020	3,172,341	140,647	4,835	2,805,855
Number of persons, including those who worked part of the year	2	9	590	1	6	551

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

38.2 Premium charged in respect of non-executive directors indemnity insurance amounts to Rs. 1,618 (2023: Rs. 1,331).

39. FINANCIAL INSTRUMENTS BY CATEGORY

39.1 Financial assets at amortized cost

	2024	2023
	----------Rupees----------	
Long term advances and deposits	314,269	253,217
Trade debts	1,368,890	1,888,698
Advances and deposits	100,952	119,897
Accrued mark-up / interest	34,364	7,868
Other receivables	922,853	701,409
Short term investments	65,000	1,000,000
Cash and bank balances	2,745,744	2,078,478
	5,552,072	6,049,567

(Amounts in thousand)

39.2 Financial liabilities at amortized cost

	2024	2023
	----------Rupees----------	
Long term finances	318,000	750,000
Lease liability against right-of-use assets	1,464,417	1,007,365
Trade and other payables	11,284,248	11,557,315
Unclaimed dividend	6,668	6,774
Accrued interest / mark-up	485,264	767,770
Supplier financing - unfunded	9,838,888	11,374,678
Short term finances	310,300	121,259
	23,707,785	25,585,161

39.3 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.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

40.1 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 program 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, 2024, 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.

At the reporting date, the Company's interest rate risk arises primarily from short term borrowings, lease liabilities, short term investments, and cash with banks in savings accounts. 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 borrowings at variable rates, the rates are determined in advance for stipulated periods with reference to KIBOR.

(Amounts in thousand)

At December 31, 2024, 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. 78,109 (2023: Rs. 62,471) 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, advances to employees, deposits, other receivables, accrued mark-up / interest and short term investments. 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 including related parties 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. Deposits are held with parties which have long association with the Company and have a good credit history assessed with reference to their historical performance.

Further, the accured mark-up / interest, 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 cash flows.

	2024			2023		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
	---------- Rupees ----------					
Long term finances	-	318,000	318,000	500,000	250,000	750,000
Lease liability against right-of-use assets	593,823	870,594	1,464,417	423,514	583,851	1,007,365
Trade and other payables	11,284,248	-	11,284,248	11,557,315	-	11,557,315
Accrued interest / mark-up	485,264	-	485,264	767,770	-	767,770
Supplier financing - unfunded	9,838,888		9,838,888	11,374,678		11,374,678
Unclaimed dividend	6,668	-	6,668	6,774	-	6,774
Short term finances	310,300	-	310,300	121,259	-	121,259
	22,519,191	1,188,594	23,707,785	24,751,310	833,851	25,585,161

(Amounts in thousand)

40.2 Fair value estimation

40.2.1 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.

40.2.2 The Company's biological assets are carried at fair values through profit or loss using valuation level 2. The fair value determination methodoly is disclosed in note 5.4. There were no changes in valuation techniques during the year.

41. 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:

	2024	2023
	----------Rupees----------	
Long term:		
- finances (note 19)	318,000	750,000
- lease liability against right-of-use assets (note 20)	1,464,417	1,007,365
Total long term debt	1,782,417	1,757,365
Total equity	16,457,844	14,176,020
Total capital	18,240,261	15,933,385
Debt to equity ratio	0.10:1	0.11:1

(Amounts in thousand)

42. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

42.1 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
Engro Polymer & Chemicals Limited	N/A	Associated Company
FrieslandCampina West Africa Ltd	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
Mr. Kashan Hasan	N/A	CEO / Director
Ms. Liselotte Kooi	N/A	Director
Mr. Ehsan Malik	N/A	Director
Mr. Robert ter Borg	N/A	Director
Mr. Zouhair Abdul Khaliq	N/A	Director
Mr. Ali Ahmed Khan	N/A	Director
Mr. Abrar Hasan	N/A	Former Director
Mr. Roel van Neerbos	N/A	Former Director
Ms. Petra Zinkweg	N/A	Former Director
Mr. Robert Paul	N/A	Former Director
Mr. Imran Husain	N/A	Key Management Personnel
Mr. Faisal Razi Azeem	N/A	Key Management Personnel
Mr. Muhammad Mudassar Cheema	N/A	Key Management Personnel
Mr. Muhammad Sohail Sarwar Chaudhary	N/A	Key Management Personnel
Mr. Laraib Zafar Chaudhary	N/A	Key Management Personnel
Ms. Maria Umar Memon	N/A	Key Management Personnel
Ms. Wajiha Hasan	N/A	Key Management Personnel
Ms. Tamkeen Faisal	N/A	Key Management Personnel
Mr. Mohammad Nasir	N/A	Key Management Personnel
Mr. Mohammad Ali Khan	N/A	Key Management Personnel
Mr. Muhammad Shoaib	N/A	Key Management Personnel
Syed Talha Imam	N/A	Key Management Personnel
Syed Saud Ahmad Pasha	N/A	Former Key Management Personnel
Mr. Muhammed Ali Ata	N/A	Former Key Management Personnel
Mr. Ali Tanveer Khan	N/A	Former Key Management Personnel
Mr. Muhammad Hassan Azwar	N/A	Former Key Management Personnel

(Amounts in thousand)

42.2 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
FrieslandCampina West Africa Ltd	Ghana	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

42.2.1 Registered address of FrieslandCampina Nederland B.V. is Stationsplein 4, 3818 LE, Amersfoort, the Netherlands (note 27.4).

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

		2024	2023
		----------Rupees----------	
Nature of relationship	**Nature of transactions**		
Associated companies / undertakings	Arrangement for sharing of premises, utilities, personnel and assets	26,589	21,777
	Fee for technical assistance	2,215,216	-
	Purchase of goods and services	126,395	93,438
	Sale of goods	3,666,949	1,785,942
	Reimbursement of expenses incurred on behalf of the Company	370,260	334,336
	Reimbursement of expenses paid by the Company	45,818	156,803
Contribution for staff retirement funds	Managed and operated by Engro Corporation Limited		
	- Provident fund	451,759	488,304
	- Gratuity fund	164,931	172,511
Key management personnel including the Chief Executive Officer but not other Directors	Managerial remuneration	335,892	320,724
	Contribution for staff retirement benefits	46,343	32,121
	Bonus	81,603	156,014
	Other benefits	-	1,331

42.4 The related party status of outstanding receivables and payables as at December 31, 2024 / 2023 are included in respective notes of the financial statements.

43. SEGMENT INFORMATION

43.1 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.

(Amounts in thousand)

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, 2024 / 2023 and asset information regarding operating segments as at December 31, 2024 / 2023:

	2024			2023		
	Dairy based products	Frozen desserts	Total	Dairy based products	Frozen desserts	Total
	----------Rupees----------					
Results for the year						
Revenue from contracts with customers - net	98,362,635	9,669,258	108,031,893	92,435,043	8,560,888	100,995,931
Inter-segment revenue	(980,443)	-	(980,443)	(760,528)	-	(760,528)
	97,382,192	9,669,258	107,051,450	91,674,515	8,560,888	100,235,403
Depreciation, impairment and amortization	1,613,809	618,341	2,232,150	1,471,117	477,677	1,948,794
Finance cost	2,904,489	354,838	3,259,327	2,580,716	546,272	3,126,988
Profit for the year	1,951,558	251,570	2,203,128	1,468,178	40,608	1,508,786
Assets						
- Segment assets	25,626,605	3,911,104	29,537,709	24,574,826	4,106,254	28,681,080
- Un-allocated assets	-	-	12,137,562	-	-	13,205,722
	25,626,605	3,911,104	41,675,271	24,574,826	4,106,254	41,886,802

43.2 There were no major customers of the Company which formed part of 10% or more of the Company's Revenue.

44. 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.

45. PRODUCTION CAPACITY

	Designed Annual Capacity (note 45.1)		Actual Production		Remarks
	2024	2023	2024	2023	
	----------Liters in thousand----------				
Dairy based products	697,197	592,831	360,204	375,894	Production planned as per market demand
Frozen desserts	37,420	37,420	25,760	24,820	

45.1 Represents capacity as at the reporting date.

(Amounts in thousand)

46. NUMBER OF EMPLOYEES

	Number of employees as at		Average number of employees	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Management employees	658	738	695	1,037
Non-management employees	507	524	515	247
	1,165	1,262	1,210	1,284

47. 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.

48. SHARIAH DISCLOSURES

	Note	2024			2023		
		Coventional	Shariah Compliant	Total	Coventional	Shariah Compliant	Total
		Rupees					
Short term investment	15	65,000	-	65,000	1,000,000	-	1,000,000
Cash and bank balances (note 48.1)	16	2,342,873	402,871	2,745,744	2,058,594	19,884	2,078,478
Statement of financial position - liability							
Long term finances	19	-	318,000	318,000	750,000	-	750,000
Lease liabilities	20	765,198	699,219	1,464,417	650,159	357,206	1,007,365
Supplier financing - unfunded	23	9,838,888	-	9,838,888	11,374,678	-	11,374,678
Short term finances	24	310,300	-	310,300	121,259	-	121,259
Accrued interest / mark-up:		475,471	9,793	485,264	767,770	-	767,770
Statement of profit or loss and other comprehensive income							
Revenue from contracts with customers - net	26	-	107,051,450	107,051,450	-	100,235,403	100,235,403
Other Income:	31						
- Profit earned from bank deposits and bank balances		176,016	-	176,016	163,281	-	163,281
- Profit earned from short term investments		4,357	-	4,357	7,868	-	7,868
- Gain arising from changes in fair value of biological assets		-	36,538	36,538	-	352,726	352,726
- Gain on disposal of operating assets		-	140,699	140,699	-	121,285	121,285
- Gain on disposal of right of use assets		-	-	-	-	13,089	13,089
- Exchange gain		-	-	-	43,133	-	43,133
- Scrap sales		-	110,975	110,975	-	92,573	92,573
- Others		13,944	-	13,944	36,581	-	36,581
Mark-up / Profit on:	32						
- Short-term finances		2,926,668	-	2,926,668	2,727,555	-	2,727,555
- Long-term finances		85,835	9,692	95,527	236,142	-	236,142
- Lease liability against right-of-use assets		87,916	109,522	197,438	78,716	54,408	133,124

(Amounts in thousand)

49. GENERAL

49.1 CORRESPONDING FIGURES

Corresponding figures have been reclassified wherever considered necessary, for better presentation. Following reclasssification has been made within the statement of profit or loss, considering more appropriate reflection in the financial statements:

Financial statements line item for the year ended December 31, 2023	Rupees	Financial statements line item for the year ended December 31, 2024
Other income (note 31)	880,540	Cost of sales (note 27)

The aforementioned reclassification is in respect of expenditure related to feed cost incurred on the immature biological assets.

49.2 Non-adjusting events after the reporting date

The Board of Directors of the Company proposed a final cash dividend for the year ended December 31, 2024 of Rs. 2.8 per share, amounting to Rs. 2,146,469 at their meeting held on February 13, 2025 for approval of the members at the Annual General Meeting to be held on April 21, 2025. These financial statements do not reflect this dividend payable which will be accounted for in the period in which it is approved.

49.3 Date of authorization for

These financial statements were authorized for issue on February 13, 2025 by the Board of Directors of the Company.

Abdul Samad Dawood
Chairman

Syed Kashan Hasan
Chief Executive Officer

Imran Husain
Chief Financial Officer

This page left blank intentionally

ANNEXURE

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 21 day of April, 2025 and at any adjournment thereof.

Signed this _____ day of _____ 2025.

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.
FAMCO Share Registration Services (Pvt) 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

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 hardcopy 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 Harbour 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 (پرائیوٹ) لمیٹڈ
8-F، نزد ہوٹل فاران، نرسری، بلاک 6، پی ای سی ایچ ایس،
شاہراہ فیصل، کراچی۔
ٹیلی فون نمبر 34380101-5,34384621-3
ای میل: info.shares@famcosrs.com.pk
ویب سائٹ: www.famcosrs.com

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

محترم گرامی،

میں ----------ولد/دختر/زوجہ----------بطور فریزلینڈ کیمپینا اینگرو پاکستان کا/ کی رجسٹرڈ شیئر ہولڈر، حامل درج ذیل کوائف، اپنا نام اس فہرست میں شامل کروانا چاہتا/ چاہتی ہوں جنہیں کمپنی کی سالانہ رپورٹ ہارڈ کاپی کی شکل میں ارسال کی جائے، لہٰذا میری گزارش ہے کہ مجھے سالانہ رپورٹ بذریعہ ای میل بھیجنے کے بجائے اس کی ہارڈ کاپی ممبران کے رجسٹر میں موجود میرے رجسٹرڈ پتہ پر ارسال کی جائے۔

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

آپ کا مخلص
شکریہ

شیئر ہولڈر کے دستخط

نقل برائے:
کمپنی سیکریٹری، فریزلینڈ کیمپینا اینگرو پاکستان لمیٹڈ،
پانچویں منزل، دی ہاربر فرنٹ، ڈولمن سٹی، ایچ سی۔3، بلاک 4، کلفٹن، کراچی-75600
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 کیمپنا اینگرو پاکستان لمیٹڈ کے رکن اور عام شیئر
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
۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔یا۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔کے۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
کو کمپنی کے سالانہ عام اجلاس 21 اپریل 2025 کو منعقد ہوگا، میں میرے/ہمارے لیے اور میری/ہماری طرف سے بحیثیت اپنا پراکسی، ووٹ دینے کے لیے نامزد کرتا ہوں/کرتے ہیں۔

۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ 2025 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۔

بورڈ کی تشکیل اور گورننس

Board Composition and Governance

31 دسمبر 2024 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 اور جناب کاشان حسن چیف ایگزیکٹو آفیسر ہیں۔ 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 مخصص معاملات کو شیڈول کرتا ہے۔ بورڈ کی سیکرٹری محترمہ وجیہہ حسن ہیں، جو جنرل منیجر لیگل 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:

احسان علی ملک	چیئرمین
کاشان حسن	ممبر
علی احمد خان	ممبر

کمیٹی کی سیکرٹری محترمہ تمکین فیصل، HR بزنس پارٹنر برائے پاکستان 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 لئے 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 2024 کے دوران کمیٹی کا اجلاس 4 مرتبہ ہوا۔ کمیٹی میں درج ذیل ممبران شامل ہیں۔

زوہیر عبدالخالق	چیئرمین
احسان علی ملک	ممبر
رابرٹ پی ٹیر بورگ	ممبر

کمیٹی کی سیکرٹری محترمہ ماریہ عمر میمن، جنرل منیجر انٹرنل آڈٹ ہیں۔

مستقبل کے خدوخال

Future Outlook

2016 میں، رائل فریزلینڈ کیمپنا نے پاکستان کے ڈیری سیکٹر میں 450 ملین امریکی ڈالر کی ایک بڑی براہِ راست غیر ملکی سرمایہ کاری کی۔ اس وقت سے کمپنی نے غذائیت تک رسائی بڑھانے اور کسانوں کی زندگی بہتر بنانے کے لیے نمایاں سرمایہ کاری کی ہے۔ تاہم، پیکیجڈ دودھ پر جاری سیلز ٹیکس پیکیجڈ دودھ کی صنعت کے لئے ایک بڑا چیلنج ہے اور اس سرمایہ کاری کو جاری رکھنے کی کمپنی کی صلاحیت کو متاثر کر رہا ہے۔

کمپنی حکومتِ پاکستان کے ساتھ مل کر ایسے سولیوشنز تلاش کرنے کے لئے سرگرم عمل ہے جو پیکیجڈ ڈیری صنعت کے پائیدار مستقبل کو یقینی بنائیں، اور یہ سولوشنز دودھ کی مصنوعات پر عالمی ٹیکسیشن پریکٹسز کے مطابق ہوں جہاں ٹیکس کی شرح عام طور پر صفر یا کم ہوتی ہے، چاہے وہ ترقی یافتہ ممالک ہوں یا ترقی پذیر ممالک ہوں۔ یہ شراکت عوامی صحت کے تحفظ کے لئے محفوظ اور غذائیت سے بھرپور دودھ تک رسائی کو فروغ دینے، کسانوں کی زندگی میں بہتری لانے کے مقصد سے ترقیاتی پروگراموں میں سرمایہ کاری جاری رکھنے، اور بین الاقوامی مارکیٹ میں پاکستان کی مسابقتی حیثیت کو مستحکم کرنے کے لئے نہایت اہم ہے۔

کاشان
چیف ایگزیکٹو آفیسر

عبدالصمد داؤد
چیئرمین

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 ہوتے ہیں، مالیاتی گوشواروں کی تیاری میں ان کی پیروی کی گئی ہے اور ان 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

2024 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					
ڈائریکٹرز کا نام	4 15 فروری 2024	3 26 اپریل 2024	2 15 اگست 2024	1 17 اکتوبر 2024	ٹوٹل
عبدالصمد داؤد***	✓	✓	✓	✓	4
علی احمد خان***	✓	✓	✓	✓	4
کاشان حسن*	✓	✓	✓	✓	4
احسان علی ملک*	×	×	✓	×	2
لائسلوٹ کوئی*	×	×	✓	✓	2
زوہیر عبدالخالق***	✓	✓	✓	×	4
رابرٹ پی ٹیربورگ***	✓	✓	✓	✓	4
پیٹیر الٹجے زنک ویگ**	✓	✓	×	×	2
ابرار حسن**	✓	✓	×	×	2
روئیل وان نیربوس**	✓	✓	×	×	2

* 26 اپریل 2024 کو منتخب کیے گئے

** 26 اپریل 2024 کو ریٹائر ہوئے

***26 اپریل 2024 کو دوبارہ منتخب کیے گئے

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 2024 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
Dividend

کمپنی کے ڈائریکٹرز نے سال 2024 کے لئے 2.8 روپے فی شیئر (یعنی 28 فیصد) حتمی نقد ڈیویڈنڈ کی تجویز دی ہے۔

اندرونی کنٹرول کا فریم ورک
Internal Control Framework

ذمہ داری
Responsibility

بورڈ بنیادی طور پر کمپنی کے اندرونی کنٹرول کے نظام کے قیام اور اس کی مؤثر کارکردگی کا جائزہ لینے کا ذمہ دار ہے۔ تاہم، یہ نظام کاروباری مقاصد کے حصول میں ناکامی کے خطرے کو مکمل طور پر ختم کرنے کے بجائے اس کا انتظام و انصرام کرنے کے لئے ڈیزائن کیا گیا ہے اور یہ کسی بھی بڑے انحراف یا نقصان کے خلاف مکمل نہیں بلکہ معقول حد تک یقین دہانی فراہم کرسکتا ہے۔ بورڈ، اگرچہ کمپنی کے اندر خطرے کے انتظام و انصرام کی مجموعی ذمہ داری برقرار رکھتا ہے، لیکن اندرونی کنٹرول کے نظام کے تفصیلی ڈیزائن اور عمل درآمد کی ذمہ داری چیف ایگزیکٹو کو سونپ دی گئی ہے۔

فریم ورک
Framework

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۔

جائزہ
Review

بورڈ کمپنی کی مالی کارکردگی، مالیاتی اور آپریٹنگ بجٹ اور پیشین گوئیوں کے ساتھ کاروبار کی ترقی اور ترقیاتی منصوبوں، سرمائے کے اخراجات کی تجاویز اور کارکردگی کے دیگر اہم اشاریوں پر غور کرنے کے لئے 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 خود مختار شعبہ ہے۔ بورڈ آڈٹ کمیٹی ہر سال اس فنکشن کے وسائل اور اختیار کی موزونیت 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

کمپنی وسیع تر سیاسی اور میکرو اکنامک ماحول کے تناظر میں درپیش خطرات کا اندازہ لگانے کے لیے ایک رسمی رسک مینجمنٹ فریم ورک کی حامل 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 تحکمانہ 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 کے 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 کرسکتا ہے۔ معاوضہ کسی بھی طرح سے ڈائریکٹرز کی آزادی پر سمجھوتہ نہیں کرے گا اور نہ ہی اس پر اثر انداز ہوگا۔

اکاؤنٹنگ کے معیارات

Accounting Standards

کمپنی کی اکاؤنٹنگ پالیسیاں کمپنیز ایکٹ 2017 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 کئے گئے ہیں۔

پنشن، گریجویٹی اور پروویڈنٹ فنڈ

Pension, Gratuity and Provident Fund

کمپنی کے ملازمین اینگرو کارپوریشن کے زیر انتظام ریٹائرمنٹ فنڈز میں حصہ لیتے ہیں۔ کمپنی ان منصوبوں میں حصہ ڈالتی ہے جو اس کے ملازمین کے لئے بعد از ملازمت اور ریٹائرمنٹ کے فوائد مہیا کرتی ہے۔ ان میں ڈیفائنڈ کنٹریبیوشن پروویڈنٹ پلان، ڈیفائنڈ کنٹریبیوشن گریجویٹی 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:

	آڈٹ شدہ مالیاتی بیانات کے مطابق خالص اثاثے	ڈی پی گریجویٹی فنڈ روپے ملین میں 30 جون 2024 908
	خالص اثاثوں کی تقسیم:	
1	حکومتی ٹریژری بلز:	501
2	پاکستان انویسٹمنٹ بانڈز:	269
3	شیئرز:	87
4	بینک ڈپازٹس:	34
5	قابل وصولی:	35
6	قابل ادائیگی:	(18)
	کل:	908

مذکورہ منصوبہ ٹیکس حکام کے ذریعہ تسلیم شدہ ایک سرمایہ کاری کا منصوبہ ہے۔ گریجویٹی اسکیم کی تازہ ترین قیمت کا تخمینہ 31 دسمبر 2024 کو انجام دیا گیا تھا اور ان کے مالی گوشواروں کی پڑتال 30 جون 2024 تک گئی ہے۔



ہمارے انسانی وسائل
Our Human Resource

فریزلینڈ کیمپینا اینگرو پاکستان لمیٹڈ (FCEPL) میں کمپنی کی سب سے بڑی طاقت اس کے ملازمین ہیں۔ ایک مثبت اور فاتحانہ رجحان کے ساتھ وہ توقعات سے بڑھ کر کارکردگی دکھانے اور صارفین اور کسانوں، دونوں کے لئے بہتر نتائج حاصل کرنے میں پیش پیش رہتے ہیں۔ FCEPL ایک ایسا ماحول فراہم کرتی ہے جہاں ملازمین اپنی صلاحیتوں کو نکھار سکیں، اعتماد اور احترام کے ساتھ مل کر کام کر سکیں، اور ڈیری کے مستقبل کی تشکیل میں اپنا کردار ادا کر سکیں۔

2024 میں فریزلینڈ کیمپینا نے اپنی نئی کمپنی اقدار متعارف کرائیں: **احترام کے ساتھ عمل، بلند مقاصد پر نظر، اور مل کر کامیابی کا حصول**، جو اس کے ماحول اور حکمت عملی کی ارتقائی سمت میں ایک اہم پیش رفت تھی۔ ان اقدار کو مزید مستحکم کرنے کے لئے ملازمین کی شمولیت کے مختلف اقدامات کئے گئے، جیسے کہ سہ ماہی اعتراف کارکردگی پروگرام، جس کے تحت ان ملازمین کو سراہا جاتا ہے جو ان اقدار کی عملی مثال بنتے ہیں اور بہترین کارکردگی کا مظاہرہ کرتے ہیں۔

FCEPL کی ٹیمیں مجموعی کارکردگی کو بہتر بنانے کے لئے کھل کر گفتگو کرنے اور اظہار رائے کے فروغ پر زور دیتی ہیں۔ عالمی سطح پر، کمپنی نے سالانہ آرگنائزیشنل ہیلتھ سروے منعقد کیا، جس میں FCEPL کی شرکت 90 فیصد سے زیادہ رہی۔ اس سروے سے اعتراف کارکردگی، ملازمین کی فلاح و بہبود، شمولیت اور ترقی کے حوالے سے قیمتی فہم و آراء حاصل ہوئیں۔

ایف سی ای پی ایل میں ''کمپاس'' (بہتر کاروباری اخلاقیات کا ضابطہ) کا عزم اس کی مجموعی حکمت عملی کا ایک لازمی حصہ ہے۔ تعمیل کے کلچر کو فروغ دینے کے لئے آٹھ (8) مقامی قابل اعتماد نمائندوں پر مشتمل ایک متنوع گروپ کو نامزد اور تربیت یافتہ کیا گیا تا کہ جہاں ضرورت ہو، ملازمین کو رہنمائی اور مشاورت فراہم کی جا سکے۔

ڈائیورسٹی اینڈ انکلوجن
Diversity and Inclusion

کمپنی شمولیتی تنوع کے عزم پر قائم ہے اور ایک ایسا محفوظ اور جامع ماحول پیدا کرنے کے لئے کوشاں ہے جہاں تمام ملازمین اپنی اصل پہچان کے ساتھ کام کر سکیں۔ سال 2024 میں، کمپنی نے اس عزم کو مزید آگے بڑھایا اور اپنے فلیگ شپ خواتین انٹرنس شپ پروگرام کے تحت فیکٹریوں میں 26 خواتین انٹرنس کی شمولیت کی۔ اس کے علاوہ، ثقافتی تہواروں (عید، دیوالی، کرسمس) کی تقریبات اور آگاہی مہمات جیسے کہ بریسٹ کینسر کی آگاہی سے متعلق پنک ٹوبر بھی منعقد کی گئیں۔ کمپنی نے خواتین کی خودمختاری کے اقدامات جاری رکھتے ہوئے اپنے ڈیری ڈویلپمنٹ پروگرام کے ذریعے 25 خواتین دودھ اکٹھا کرنے والی ایجنٹس اور 250 سے زائد خواتین ڈیری فارمرز کا ایک مؤثر نیٹ ورک تشکیل دیا۔



ملازمین کی فلاح و بہبود اور مشغولیت
Employee Wellness and Engagement

فریزلینڈ کیمپینا اینگرو پاکستان لمیٹڈ کو اس بات کا بخوبی ادراک ہے کہ ملازمین کی فلاح و بہبود اس کی کامیابی کے لئے ناگزیر ہے۔ ملازمین کی شمولیت کو فروغ دینے کے لئے کمپنی نے اپنے تمام کاروباری مقامات پر متعدد سرگرمیوں کا انعقاد کیا، جن میں اسپورٹس فیسٹیولز اور فیملی گالا شامل تھے۔ کمرشل اور سیلز ٹیمیں سیلز سمٹ 2024 میں شرکت کے لئے اکٹھا ہوئیں، جہاں انہوں نے نمایاں کامیابیوں کا جشن منایا اور مستقبل کے چیلنجز کے لئے تیاری کی۔



سیکھنا اور ترقی
Learning and Development

مسلسل ترقی پر توجہ کے ساتھ، سیکھنا اور ترقی FCEPL کی بنیادی اقدار میں شامل ہے۔ سال 2024 میں، کمپنی نے لائن مینیجرز کے لیے ٹیلنٹ اسیسمنٹ اور پرفارمنس مینجمنٹ پر آگاہی سیشنز منعقد کئے، جبکہ پلانٹ ٹیموں نے 300 سے زائد ملازمین کے لئے مخصوص تربیتی منصوبوں کے ذریعے شاپ فلور کی مہارتوں کو بہتر بنایا۔





بہتر فطرت: ذمہ دار ماحولیاتی طرز عمل کو یقینی بنانا

Better Nature: Ensuring Responsible Environmental Practices

ایف سی ای پی ایل ماحولیاتی تحفظ کے لئے پُرعزم ہے اور ماحول پر اپنے اثرات کو کم سے کم کرنے اور وسائل کے ضیاع کو روکنے کے لئے کوشاں ہے۔ کمپنی کا یہ عزم اس کے درج ذیل کلیدی اقدامات کے ذریعے ظاہر ہوتا ہے:

- پروسیس آپٹیمائزیشن کے ذریعے پانی اور توانائی کی کھپت میں 2 فیصد کمی لائی گئی۔
- قابل تجدید توانائی:
  - REON کے اشتراک سے ساہیوال پلانٹ پر 3.4 میگاواٹ کے سولر پروجیکٹ کا قیام عمل میں لایا گیا، جو تقریباً 2,500 کلوگرام CO_2 کے اخراج کی روک تھام میں معاون ہوگا۔
  - 98 نارمز پر سولر پینلز اور دودھ جمع کرنے کے 7 مراکز پر سولر پاور سسٹمز کی تنصیب کی گئی۔
  - ایریا دفاتر میں سولر سے چلنے والے گیزر اور پیداواری یونٹس میں ماحول دوست اے سی نصب کئے گئے۔
  - کولڈ اسٹورز میں سولر سیٹ اپ لگائے گئے۔
- بہتر کارکردگی اور ایندھن کی کھپت کو کم کرنے کے لئے ان باؤنڈ لاجسٹکس فلیٹ کو بہتر بنایا گیا اور دودھ کے ٹینکرز کی گنجائش میں اضافہ کیا گیا۔
- سندھ اور پنجاب بھر میں 25 ہزار سے زائد پودے لگائے گئے۔
- توانائی کی بچت کے اقدامات پر عمل درآمد کیا گیا جس میں ایک نیا آئس۔واٹر سسٹم، فیول مکس آپٹیمائزیشن، اور ویسٹ ہیٹ اسٹیم جنریشن کے ذریعے فوسل فیول کے استعمال میں کمی شامل ہے۔
- ملازمین اور مقامی برادریوں کے لئے ماحولیاتی آگاہی سیشن (ماحولیات کا دن، زمین کا دن، ارتھ آور، پائیداری ہفتہ) کا انعقاد کیا گیا۔

بہتر سورسنگ

Better Sourcing

FCEPL پائیدار اور ذمہ دارانہ سورسنگ کو یقینی بناتے ہوئے خام مال کی خریداری میں بہترین کارکردگی کے لیے پرعزم ہے۔ اہم خام مال، بشمول کوکو پاؤڈر، پام آئل، اور چینی، عالمی سطح پر تسلیم شدہ پائیداری کے سرٹیفکیشنز کی پابندی کرتے ہوئے یا سپلائرز کے ساتھ مل کر پائیدار ترقیاتی منصوبے تیار کرتے ہوئے احتیاط سے منتخب کیے جاتے ہیں۔



کسانوں کے لیے بہتر زندگی:

Better Living for Farmers

سال 2024 میں FCEPL نے اپنے ڈیری ڈیولپمنٹ پروگرام (DDP) کے ذریعے پاکستانی ڈیری فارمرز کی معاونت کے لئے درج ذیل اقدامات کئے:

- 41,000 سے زائد کسانوں کو جانوروں کی صحت، غذائیت، اور فارم کے انتظام سے متعلق تربیت دی۔
- 2,300 سے زائد خواتین کسانوں کو بہتر ڈیری طریقوں کی تربیت فراہم کی۔
- خواتین کی زیر قیادت دودھ جمع کرنے کے 25 مراکز قائم کئے۔
- 200 سے زائد ترقی پسند صارفین کو شیڈز کی تعمیر اور بحالی کے لئے معاونت فراہم کی اور 100 سے زائد کسانوں کو سبسڈی والے نرخوں پر دودھ مہیا کرنے والی مشینوں کی خریداری میں معاونت کی۔
- کسانوں کو سائیلج میکنگ کے لئے بینکوں کے ذریعے 172 ملین روپے کی مالی معاونت فراہم کی۔
- مخصوص شدہ فارمر ہیلپ لائن کے ذریعے 85 سے زائد تصفیہ طلب سوالات کے جواب فراہم کئے۔
- FCEPL 'اسکالرز انیشی ایٹو' کے تحت کسانوں کے 7 بچوں کو اعلیٰ تعلیم کے لئے اسکالرشپ فراہم کی۔

بہتر غذائیت

Better Nutrition

کمپنی کا تحفظ اور غذائیت سے بھرپور دودھ فراہم کرنے، اور صحت مند غذائیت سے متعلق آگاہی کے فروغ کا عزم درج ذیل اقدامات سے ظاہر ہوتا ہے:

- فریزلینڈ کیمپینا انسٹیٹیوٹ (FC انسٹیٹیوٹ):

Frieslandcampina Institute (FC Institute)

جون 2024 میں فریزلینڈ کیمپینا انسٹیٹیوٹ (FC انسٹیٹیوٹ) نے غذائیت اور صحت کے موضوعات پر تربیتی اور تعلیمی پروگرامز، سائنسی، معلوماتی اور پریکٹیکل ٹولز کی فراہمی کے مقصد کے ساتھ کام کا آغاز کیا۔ اپنے اس نصب العین کو مزید آگے بڑھاتے ہوئے FC انسٹیٹیوٹ نے پاکستان میڈیکل ایسوسی ایشن اور پاکستان نیوٹریشن اینڈ ڈائیٹیٹک کونسل کے ساتھ شراکت داری کی۔

- اسکول آگاہی پروگرام:

School Awareness Program

پاکستان ڈیری ایسوسی ایشن (PDA) کے اشتراک سے FCEPL نے لاہور کے 20 اسکولوں میں اسکول آگاہی پروگرام کا انعقاد کیا اور اس اقدام کے تحت 600 طلبہ کو دودھ کی فراہمی یقینی بنائی گئی۔

- اسکول ایکٹیویشنز

اپنے اسکول ایکٹیویشن پروجیکٹ کے تحت کمپنی نے 170,000 طلباء کو غذائیت سے متعلق آگاہی فراہم کی اور صحت مند دودھ کے استعمال کی عادات اپنانے کی حوصلہ افزائی کی۔

- راست اسکول

RAAST School

کمپنی نے کراچی میں RAAST اسکول کے ساتھ شراکت داری کا سلسلہ جاری رکھا اور قیوم آباد کے 360 کم مراعات یافتہ بچوں کو غذائیت سے بھرپور دودھ فراہم کیا۔

ڈائریکٹرز رپورٹ

DIRECTORS' REPORT

ہم، فریزلینڈ کمپینا اینگرو پاکستان لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کے 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے رپورٹ اور عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

کاروبار کا جائزہ

Business Overview

جولائی 2024 میں پیکیجڈ یو ایچ ٹی دودھ پر 18 فیصد سیلز ٹیکس کے نفاذ سے شدید منفی اثرات مرتب ہوئے، جس کے نتیجے میں سال کی دوسری ششماہی میں ہمارے پیکیجڈ دودھ کے حجم میں 16 فیصد کمی واقع ہوئی۔ اس کا نتیجہ کمپنی کے سالانہ مجموعی حجم میں 3 فیصد کمی کی صورت میں ظاہر ہوا۔ اس کے باوجود، کمپنی نے اپنے برانڈ کے مستحکم اقدامات جاری رکھے اور صارفین کی آگاہی اور ان کی ضروریات پر مبنی پیشکشوں سے بھرپور فائدہ اٹھاتے ہوئے ڈیری شعبے کی سالانہ فروخت میں 6.4 فیصد نمو حاصل کی۔

جی ایس ٹی کے نفاذ سے حکومت کی محفوظ غذائیت تک رسائی کو بہتر بنانے اور کسانوں کے روزگار میں معاونت کی ترجیحات کو براہِ راست نقصان پہنچا ہے۔ پیکیجڈ اور کھلے دودھ کے درمیان قیمت کا فرق صارفین کو ممکنہ طور پر غیر محفوظ کھلے دودھ کے استعمال کی جانب راغب کرتا ہے، جو عوامی صحت کے لئے خطرہ ہے۔ پاکستان میں پیکیجڈ دودھ اب کئی ترقی یافتہ ممالک کے مقابلے میں زیادہ مہنگا ہو گیا ہے، اور اس شعبے میں ہونے والی فروخت کی کمی نے حکومت کی ٹیکس آمدنی بڑھانے کے مقصد کو نقصان پہنچایا ہے۔
اس ٹیکس نے ڈیری کمپنیوں کی کسانوں کی استعداد کار بڑھانے اور مالی معاونت فراہم کرنے والے ضروری ڈیری ترقیاتی پروگراموں میں سرمایہ کاری جاری رکھنے کی صلاحیت کو بھی محدود کر دیا ہے، جس سے کسانوں کے روزگار کو بھی خطرہ لاحق ہو گیا ہے۔ اس کے علاوہ، اس ٹیکس کے نفاذ سے غیر دستاویزی ڈیری شعبے کی نمو کو مزید فروغ ملتا ہے، جس سے مستحکم ڈیری کمپنیوں کی لاگت کے مؤثر ڈھانچے کو برقرار رکھنے کی صلاحیت متاثر ہوتی ہے اور برآمدی منڈیوں میں مسابقت کمزور پڑتی ہے۔
ڈیری کا ابھرتا ہوا برآمدی شعبہ، جس نے حال ہی میں نمایاں پیش رفت کا مظاہرہ کیا تھا، اب سنگین چیلنجز کا سامنا کر رہا ہے، جو پاکستان کی ڈیری صنعت کے مستقبل پر منفی اثر ڈالے گا۔ لہٰذا، 18 فیصد سیلز ٹیکس کے نفاذ سے نہ حکومت کو فائدہ پہنچا ہے اور نہ ہی صارفین، کسان اور پیکیجڈ ڈیری کمپنیاں اس سے مستفید ہو پائی ہیں۔



مالیاتی کارکردگی

جائزہ

Financial Perfomance Overview

31 دسمبر 2024 کے ختم ہونے والے سال کے لئے کمپنی کی مالیاتی کارکردگی کا مختصر جائزہ درج ذیل ہے:

	مکمل سال کا خلاصہ (31 دسمبر 2024 تک)		فرق (%)
	2024	2023	
مجموعی فروخت	107,051	100,235	7%
آپریٹنگ منافع	6,835	6,117	12%
فروخت کا تناسب (%)	6.4%	6.1%	28 بیسس پوائنٹس
ٹیکس کے بعد منافع	2,203	1,509	55 بیسس پوائنٹس
فروخت کا تناسب (%)	2.1%	1.5%	
فی حصص آمدنی (روپے)	2.87	1.97	

2024 میں کاروبار کے ڈیری شعبے نے 6.4 فیصد نمو کا مظاہرہ کیا، جبکہ اسی مدت میں منجمد میٹھوں کے شعبے میں 13 فیصد نمو سامنے آئی۔

صحت، تحفظ اور ماحول

Health, Safety and Environment

فریزلینڈ کیمپینا اینگرو پاکستان لمیٹڈ (FCEPL) اپنے ملازمین، شراکت داروں اور کمیونٹی کی فلاح و بہبود کو یقینی بنانے کے لئے صحت، تحفظ اور ماحولیات (HSE) کے اعلیٰ ترین معیارات پر عمل پیرا ہے۔ کمپنی کے HSE مینجمنٹ سسٹم بہترین بین الاقوامی طریقہ ہائے کار سے ہم آہنگ ہیں اور کمپنی ڈوپونٹ مطابقت کے ذریعے پیشہ ورانہ تحفظ اور صحت کا انتظام (OSHA USA) کی تعمیل حاصل کر چکی ہیں۔

کمپنی نے سال 2024 کے دوران 8,000 سے زائد گھنٹوں پر مشتمل سیفٹی ٹریننگ فراہم کی اور سیفٹی ویک، آگاہی مہمات، اور سیفٹی چیمپئن ریکگنیشن پروگرامز کا انعقاد کیا گیا۔ کمپنی نے FAT Trap پروجیکٹ مکمل کیا، جس سے نیشنل انوائرمینٹل کوالٹی اسٹینڈرڈز (NEQS) کی تعمیل کو یقینی بنایا گیا اور ساہیوال اور سکھر سائٹس پر امونیا ڈیٹیکشن سسٹم نصب کئے گئے۔ 300 سے زائد ان باؤنڈ کھلے دودھ کی ترسیل پر مامور ٹرک ڈرائیوروں کو محفوظ ڈرائیونگ کی تربیت دی گئی تاکہ سڑکوں پر حفاظت کو بہتر بنایا جا سکے۔

عوام الناس میں تحفظ کے شعور کو اجاگر کرنے کے لئے مقامی اسکولوں میں سیفٹی ٹریننگ سیشنز منعقد کئے گئے، جن میں روڈ سیفٹی، گھریلو سیفٹی، کچن سیفٹی اور دیگر اہم موضوعات پر تربیت دی گئی۔

فریزلینڈ کیمپینا اینگرو پاکستان لمیٹڈ میں استحکام

Sustainability at FrieslandCampina Engro Pakistan Limited

کمپنی کی پائیداری ''نورش پاکستان'' کے عہد میں شامل ہے جو ایف سی ای پی ایل کے عالمی عزم کا منہ بولتا ثبوت 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 کر کے پروان چڑھانے کے لئے وقف ہے۔


FrieslandCampina
Engro Pakistan Limited