



FrieslandCampina <sup>nl</sup>  
Engro Pakistan Limited

# NOURISHING PAKISTAN

HALF YEAR ENDED JUNE 2024

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# COMPANY INFORMATION

## Board of Directors

Abdul Samad Dawood (Chairman)  
Kashan Hasan (CEO)  
Ali Ahmed Khan  
Robert ter Borg  
Zouhair Abdul Khaliq  
Ehsan Ali Malik  
Liselotte Kooi

## Chief Financial Officer

Imran Husain

## Company Secretary

Muhammad Hassan AZWAR (resigned on Aug 15, 2024)  
Wajiha Hasan (w.e.f Aug 15, 2024)

## Members of the Audit Committee

Zouhair Abdul Khaliq (Chairman)  
Robert ter Borg  
Ehsan Ali 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  
JS Bank Limited

## 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) 34380104-5, 34384621-3  
Fax: +92(21) 34380106

## Registered Office

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



**FrieslandCampina Engro Pakistan Limited  
(Formerly Engro Foods Limited)**

5th Floor, The Harbor Front Building, HC-3,  
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75600 Pakistan.

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[www.frieslandcampina.com.pk](http://www.frieslandcampina.com.pk)

## **DIRECTORS' REPORT**

The Directors of FrieslandCampina Engro Pakistan Limited (a majority-owned subsidiary of FrieslandCampina Pakistan Holdings B.V.) (the "Company") are pleased to submit the report along with the condensed financial information of the Company for the half year ended 30<sup>th</sup> June 2024.

## **BUSINESS PERFORMANCE OVERVIEW**

The Company has achieved a growth of 17% in the face of a challenging economic environment. Our revenue reached PKR 55.0 billion, compared to PKR 47.0 billion in the same period last year. This robust performance was driven by a favorable portfolio mix, effective market investments, and the expansion of our distribution network.

We also witnessed a 16% growth in gross profit, maintaining our gross margins despite the inflationary pressures on commodities and energy prices. This performance demonstrates the company's resilience and ability to adapt to market conditions.

However, it is important to note that our profit after tax declined by 6%, amounting to PKR 1.25 billion compared to PKR 1.33 billion in the same period last year. This decrease is primarily due to a significant increase in interest rates.

## **DAIRY-BASED PRODUCTS SEGMENT**

The segment reported revenue of Rs. 48.87 billion, reflecting a growth of 18% compared to the same period last year.

Olper's UHT continued to maintain its presence with the 'Happy Mornings' campaign across key touchpoints, including TV, digital, and in-store. The campaign establishes Olper's as an enabler of Happy Mornings for consumers by offering high-quality milk that is nutritious, delicious, and creamy. These consistent efforts across all relevant consumer touchpoints have strengthened Olper's market and equity leadership in the category.

Our Value-added brands like Olper's Cream, Olper's Cheese, Dobala and Tarka have continued to gain volume despite competition from established players.

## FROZEN DESSERTS SEGMENT

Despite the challenging start of the year, the segment reported a revenue of 6.16 billion, a 13% growth over the same period last year.

This was enabled due to continuous investment behind the brand through our newest campaign “Wow Bharay Deserts”, creating occasions consumption outside traditional festivities and exemplary in-store execution.

## FINANCIAL PERFORMANCE

The financial performance of the company for the three months ended June 30, 2024, is summarized below:

	Half Year ended		Variation
	2024	2023	
(Rs. in million)			
Net Sales	55,024	47,015	17%
Operating Profit	4,003	3,873	+3%
% of sales	7.3%	8.2%	-96 bps
Profit / (Loss) after tax	1,253	1,326	
% of sales	2.3%	2.8%	-54 bps
Earnings / (Loss) per share (Rs.)	1.63	1.73	

## FUTURE OUTLOOK

### Sales tax on packaged milk – Effective July 1, 2024

Through the Finance Act, 2024, the Government has imposed an 18% sales tax on the sale of packaged milk. This statutory change has resulted in a significant increase in the prices of packaged milk. As milk is a necessity, this price increase will add more financial strain on consumers who are already struggling with declining purchasing power.

Furthermore, this change has widened the gap between packaged milk and loose milk, the latter of which remains untaxed and unregulated. This disparity may drive consumers towards loose milk, which could have implications for public health and safety due to the lack of regulation.

In response, the company is actively engaging with relevant stakeholders through the Pakistan Dairy Association to communicate our position and inform them of the broader impacts. We are highlighting how this tax will affect various Government priorities, including ensuring nutrition for all and expanding the documented economy.

The company remains committed to maintaining its market position and ensuring the highest quality of products for our consumers. As an agile organization, we will continue to respond to consumer needs through in-market initiatives and by offering relevant product propositions.

We will also persist in driving efficiencies across our value chains and optimizing our investments to enhance the overall financial health of the business, thereby generating greater value for our shareholders.

Leveraging its global expertise and 150 years heritage, FCEPL remains committed to the highest standards to hygiene, food safety and sustainability and providing safe, affordable, and nourishing dairy products to millions of Pakistanis, every day.



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**Abdul Samad Dawood**  
**Chairman**



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**Kashan Hasan**  
**Chief Executive Officer**



**INDEPENDENT AUDITOR'S REVIEW REPORT**

**To the members of FrieslandCampina Engro Pakistan Limited**

**Report on review of Condensed Interim Financial Statements**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of FrieslandCampina Engro Pakistan Limited as at June 30, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended June 30, 2024 and June 30, 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2024.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

**Chartered Accountants  
Karachi**

**Date: August 28, 2024**

**UDIN: RR202410069maV8Mw2I9**

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>

**FRIESLANDCAMPINA ENGRO PAKISTAN LIMITED**

**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2024**



**FRIESLANDCAMPINA ENGRO PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2024**

(Amounts in thousand)

	Note	Unaudited June 30, 2024	Audited December 31, 2023
----- Rupees -----			
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	4	11,657,967	11,393,773
Biological assets		3,277,876	3,005,743
Intangible assets		55,941	13,362
Right-of-use assets		826,075	1,020,192
Deferred tax asset - net		397,888	194,313
Long term advances and deposits		301,599	253,217
		<u>16,517,346</u>	<u>15,880,600</u>
<b>Current Assets</b>			
Stores, spares and loose tools	5	1,321,261	1,137,210
Stock-in-trade	6	16,419,082	10,182,994
Trade debts		2,781,930	1,888,698
Advances, deposits and prepayments		1,260,671	394,901
Accrued mark-up / interest		-	7,868
Other receivables		586,859	701,409
Sales tax recoverable		6,650,499	6,527,295
Taxes recoverable		1,704,962	2,087,349
Short term investments		20,000	1,000,000
Cash and bank balances		699,309	2,078,478
		<u>31,444,573</u>	<u>26,006,202</u>
<b>TOTAL ASSETS</b>		<u><u>47,961,919</u></u>	<u><u>41,886,802</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		7,665,961	7,665,961
Share premium		865,354	865,354
Remeasurement of post employment benefits - Remeasurement loss		(296,593)	(296,593)
Unappropriated profit		7,194,018	5,941,298
		<u>15,428,740</u>	<u>14,176,020</u>
<b>Non-Current Liabilities</b>			
Long term:			
- finances	7	230,000	250,000
- lease liability against right-of-use assets		416,398	583,851
		<u>646,398</u>	<u>833,851</u>
<b>Current Liabilities</b>			
Current portion of long term:			
- finances		500,000	500,000
- lease liability against right-of-use assets		401,235	423,514
Trade and other payables		12,644,948	12,255,637
Contract liabilities		507,844	1,427,299
Unclaimed dividend		6,721	6,774
Accrued interest / mark-up on:			
- long term finances		17,790	27,839
- short term finances		922,790	739,931
Supplier financing - unfunded		11,195,469	11,374,678
Short term finances	8	5,689,984	121,259
		<u>31,886,781</u>	<u>26,876,931</u>
<b>Contingencies and Commitments</b>	9		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>47,961,919</u></u>	<u><u>41,886,802</u></u>

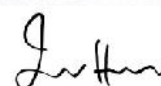
The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.




Chairman



Chief Executive Officer



Chief Financial Officer

**FRIESLANDCAMPINA ENGRO PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2024**

(Amounts in thousand except for earnings per share)

	Note	Quarter ended June 30,		Half year ended June 30,	
		2024	2023	2024	2023
		----- Rupees -----		----- Rupees -----	
Revenue from contracts with customers - net		27,560,144	24,363,985	55,023,745	47,014,911
Cost of sales		(22,722,448)	(20,772,635)	(45,554,485)	(38,843,138)
<b>Gross profit</b>		<b>4,837,696</b>	<b>3,591,350</b>	<b>9,469,260</b>	<b>8,171,773</b>
Distribution and marketing expenses		(2,354,612)	(1,901,381)	(4,522,412)	(3,857,715)
Administrative expenses		(469,625)	(425,227)	(897,259)	(854,636)
Other operating expenses		(119,212)	(117,517)	(223,617)	(382,815)
Other income		138,522	743,999	177,468	796,808
<b>Operating profit</b>		<b>2,032,769</b>	<b>1,891,224</b>	<b>4,003,440</b>	<b>3,873,415</b>
Finance cost		(1,063,674)	(831,735)	(1,928,670)	(1,322,292)
<b>Profit before taxation</b>		<b>969,095</b>	<b>1,059,489</b>	<b>2,074,770</b>	<b>2,551,123</b>
Taxation		(381,148)	(723,602)	(822,050)	(1,224,873)
<b>Profit for the period</b>		<b>587,947</b>	<b>335,887</b>	<b>1,252,720</b>	<b>1,326,250</b>
<b>Earnings per share - basic and diluted</b>	10	<b>0.77</b>	<b>0.44</b>	<b>1.63</b>	<b>1.73</b>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

**Chairman**

**Chief Executive Officer**

**Chief Financial Officer**

**FRIESLANDCAMPINA ENGRO PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2024**

(Amounts in thousand)

	Quarter ended June 30,		Half year ended June 30,	
	2024	2023	2024	2023
	----- Rupees -----		----- Rupees -----	
<b>Profit for the period</b>	587,947	335,887	1,252,720	1,326,250
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>587,947</u>	<u>335,887</u>	<u>1,252,720</u>	<u>1,326,250</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

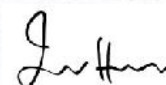




**Chairman**



**Chief Executive Officer**



**Chief Financial Officer**

**FRIESLANDCAMPINA ENGRO PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED JUNE 30, 2024**

(Amounts in thousand)

	Share capital	RESERVES				Total
		CAPITAL		REVENUE		
		Share premium	Employee share option compensation reserve	Remeasurement of post employment benefits	Unappropriated profit	
----- Rupees -----						
<b>Balance as at January 1, 2023 (Audited)</b>	7,665,961	865,354	1,267	(274,156)	4,431,245	12,689,671
Transfer of employee share option compensation reserve to unappropriated loss	-	-	(1,267)	-	1,267	-
Profit for the period	-	-	-	-	1,326,250	1,326,250
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	1,326,250	1,326,250
<b>Balance as at June 30, 2023 (Unaudited)</b>	<u>7,665,961</u>	<u>865,354</u>	<u>-</u>	<u>(274,156)</u>	<u>5,758,762</u>	<u>14,015,921</u>
<b>Balance as at January 1, 2024 (Audited)</b>	7,665,961	865,354	-	(296,593)	5,941,298	14,176,020
Profit for the period	-	-	-	-	1,252,720	1,252,720
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	1,252,720	1,252,720
<b>Balance as at June 30, 2024 (Unaudited)</b>	<u>7,665,961</u>	<u>865,354</u>	<u>-</u>	<u>(296,593)</u>	<u>7,194,018</u>	<u>15,428,740</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

Chairman

Chief Executive Officer

Chief Financial Officer

**FRIESLANDCAMPINA ENGRO PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2024**

(Amounts in thousand)

	Note	Half year ended June 30,	
		2024	2023
		----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash utilized in operations	11	(4,444,457)	(4,737,753)
Finance costs paid		(1,675,768)	(782,679)
Taxes paid		(643,238)	(732,146)
Long term advances and deposits - net		(48,382)	(20,085)
<b>Net cash utilized in operating activities</b>		<b>(6,811,845)</b>	<b>(6,272,663)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of:			
- property, plant and equipment		(1,087,591)	(1,278,976)
- intangibles		(564)	(1,594)
Proceeds from disposal of:			
- property, plant and equipment		78,380	92,875
- biological assets		180,358	131,745
Income received on short term investments		45,343	138,668
<b>Net cash utilized in investing activities</b>		<b>(784,074)</b>	<b>(917,282)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long-term finances		230,000	-
Repayment of long term finances		(250,000)	(1,319,643)
Repayment of short term finance		(121,259)	-
Dividend paid		(53)	(106)
Repayment of lease liability against right-of-use assets		(311,922)	(223,240)
<b>Net cash utilized in financing activities</b>		<b>(453,234)</b>	<b>(1,542,989)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(8,049,153)</b>	<b>(8,732,934)</b>
Cash and cash equivalents at beginning of the period		3,078,478	3,824,554
<b>Cash and cash equivalents at end of the period</b>	12	<b>(4,970,675)</b>	<b>(4,908,380)</b>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

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**Chairman**

*Handwritten signature*

**Chief Executive Officer**

*Handwritten signature*

**Chief Financial Officer**

**FRIESLANDCAMPINA ENGRO PAKISTAN LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 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. The Company is a subsidiary of FrieslandCampina Pakistan Holdings B.V. (the Holding Company) which is a subsidiary of Zuivelcoöperatie FrieslandCampina U.A. (the Ultimate Parent Company). The registered office of the Company is situated at 5th Floor, the Harbour Front Building, Plot No. HC-3, Block-4, Scheme No. 5, Clifton, Karachi.
- 1.2 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. BASIS OF PREPARATION**

- 2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34), issued by International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
  - Provisions of and directives issued under the Act.

Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.

- 2.2 The cumulative figures for the half year ended June 30, 2024, presented in these condensed interim financial statements, have been subjected to limited scope review by the auditors, as required under section 237 of the Act. These condensed interim financial statements do not include all the information required for annual financial statements and therefore should be read in conjunction with the financial statements of the Company for the year ended December 31, 2023.
- 2.3 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards 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. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty are the same as those that were applied to the financial statements for the year ended December 31, 2023, unless otherwise specified.

**3. MATERIAL ACCOUNTING POLICIES AND CHANGES THEREIN**

- 3.1 The material accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2023.



**(Amounts in thousand)**

The Institute of Chartered Accountants of Pakistan has issued application guidance on accounting of minimum and final taxes vide its circular No. 07/2024 dated May 15, 2024 (the Guidance), whereby minimum tax differential (i.e. tax charge in excess of tax liability under normal tax regime) and tax deducted at source under final tax regime are out of scope from IAS 12 'Income Taxes' and fall in the ambit of IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. However, the Company has not incorporated the impact of the Guidance in these condensed interim financial statements as the related financial impacts are not material.

**3.2 Amendments to published accounting and reporting standards which are effective during the period**

There were certain amendments to accounting and reporting standards which became effective during the current period. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

**3.3 Standards and amendments to published accounting and reporting standards that are not yet effective and have not been early adopted by the Company**

There are certain standards and amendments to accounting and reporting 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 condensed interim financial statements.

<b>Unaudited June 30, 2024</b>	<b>Audited December 31, 2023</b>
----- Rupees -----	

**4. PROPERTY, PLANT AND EQUIPMENT**

Operating assets, at net book value  
(notes 4.1, 4.2 and 4.3)  
Capital work-in-progress (note 4.3)  
Major spare parts and stand-by equipment

	10,357,182	9,494,743
	503,881	1,194,407
	796,904	704,623
	11,657,967	11,393,773

<b>Unaudited Half year ended June 30, 2024</b>	<b>Unaudited Half year ended June 30, 2023</b>
----- Rupees -----	

**4.1 Following transfers from capital work-in-progress, were made to operating assets during the period:**

Buildings on freehold land  
Plant, machinery and related equipment  
Computer equipment  
Office equipment and furniture & fittings  
Vehicles

	79,410	194,810
	1,442,318	389,110
	23,830	14,538
	25,273	28,031
	156,862	237,934
	1,727,693	864,423

**(Amounts in thousand)**

4.2 The details of operating assets disposed-off / written-off during the period are as follows:

	Cost	Accumulated depreciation / impairment	Net book value	Sales proceeds
	----- Rupees -----			
Plant, machinery and related equipment	47,307	(44,353)	2,954	18,496
Computer equipment	4,054	(3,781)	273	893
Office equipment and furniture & fittings	6,295	(5,926)	369	1,646
Freezers and Trikes	56,390	(53,988)	2,402	7,769
Vehicles	83,733	(63,275)	20,458	49,576
June 30, 2024 (Unaudited)	<u>197,779</u>	<u>(171,323)</u>	<u>26,456</u>	<u>78,380</u>
June 30, 2023 (Unaudited)	<u>550,500</u>	<u>(502,709)</u>	<u>47,791</u>	<u>92,875</u>

**Half year ended June 30,**  
**2024**                      **2023**

----- Rupees -----

4.3 Following additions were made to capital work-in-progress during the period:

Buildings on freehold land	85,516	101,753
Plant, machinery and related equipment	825,597	921,019
IS and milk automation projects	564	1,594
Office equipment, furniture & fittings and computer equipment	19,616	67,002
Vehicles	156,862	189,202
	<u>1,088,155</u>	<u>1,280,570</u>

4.4 Following transfers were made from capital work-in-progress during the period:

- Operating assets (note 4.1)	(1,727,693)	(864,423)
- Intangibles	(50,988)	(1,289)
	<u>(1,778,681)</u>	<u>(865,712)</u>

## 5. STORES, SPARES AND LOOSE TOOLS

These are net of provision against expired / obsolete stores and spares amounting to Rs. 436,585 (December 31, 2023: Rs. 373,209). Stores, spares and loose tools amounting to Nil (June 30, 2023: Rs. 82,760) have been written-off against provision during the period.

**Unaudited**                      **Audited**  
**June 30,**                      **December 31,**  
**2024**                              **2023**

----- Rupees -----

## 6. STOCK-IN-TRADE

Raw and packaging material (note 6.1)	5,638,142	5,164,982
Work in process (note 6.2)	8,234,546	3,064,608
Finished goods (notes 6.3)	2,672,870	2,050,221
	<u>16,545,558</u>	<u>10,279,811</u>
Less: Provision for expired / obsolete stock	(126,476)	(96,817)
	<u>16,419,082</u>	<u>10,182,994</u>





**(Amounts in thousand)**

- 6.1 Includes Rs. 1,133,047 (December 31, 2023: Rs. 773,853) in respect of raw and packaging material held by third parties.
- 6.2 Includes Rs. 1,944,575 (December 31, 2023: Rs. 889,632) in respect of semi-finished stock held by third parties.
- 6.3 Includes Rs. 236,922 (December 31, 2023: Rs. 484,736) in respect of finished goods held by third parties and Rs. 104,493 (December 31, 2023: 31,066) in respect of finished goods carried at net realizable value.
- 6.4 Stock amounting to Rs. 30,375 (June 30, 2023: Rs. 11,462) has been written-off against provision during the period.

**7. LONG TERM FINANCES**

During the period, the Company has entered into a long-term loan agreement under Islamic mode of financing with commercial banks i.e. Meezan Bank Limited (MBL) and Dubai Islamic Bank (DIB) under the Renewable Energy Scheme of the State Bank of Pakistan (SBP) for loan facilities of Rs. 230,000 and Rs. 88,000, respectively. As at June 30, 2024, the Company has received loan from MBL amounting to Rs. 230,000. The loan is repayable in quarterly instalments over a period of twelve years which includes a grace period of two years and will be secured by way of joint pari passu hypothecation charge over fixed assets of the Company with 16.67% margin in favor of MBL. This loan carries markup as specified in SBP Finance scheme of 3% plus spread of 3%, which is payable in arrears on quarterly basis.

**8. SHORT TERM FINANCES - secured**

- 8.1 The facilities for short term running finance available from various banks, which represents the aggregate sale price of all mark-up arrangements, amounts to Rs. 11,250,000 (December 31, 2023: Rs. 10,750,000). The unutilized balance against these facilities as at June 30, 2024 was Rs. 5,636,505 (December 31, 2023: Rs. 10,628,741). The rates of mark-up on these finances are KIBOR based and range from 21.46% to 22.87% (December 31, 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.
- 8.2 The facilities for opening letters of credit and bank guarantees as at June 30, 2024 amounts to Rs. 24,700,000 (December 31, 2023: Rs. 24,550,000), of which the amount remaining unutilized as at June 30, 2024 was Rs. 10,220,526 (December 31, 2023: Rs. 7,669,591).

**9. CONTINGENCIES AND COMMITMENTS**

There is no significant change in the matters disclosed in notes 14, 26 and 34.2 of the financial statements of the Company for the year ended December 31, 2023, except for the following:

- Commitments in respect of capital expenditure contracted for but not incurred as at June 30, 2024 amounts to Rs. 1,100,267 (December 31, 2023: Rs. 921,909).
- Commitments in respect of purchase of certain commodities as at June 30, 2024 amounts to Rs. 1,015,217 (December 31, 2023: Rs. 1,511,700).

**(Amounts in thousand)**

- The Deputy Commissioner Inland Revenue (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.
- 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 Sindh High Court (SHC) 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.
- 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. During the period, CIR (A) issued an order and remanded back proceedings to DCIR for further verification of Rs. 17,053 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.
- On December 29, 2023, the ACIR issued refund order under section 170(4) of the Ordinance for Rs. 388,936 for tax year 2022. During the period, 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.
- 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 period, CIR (A) issued an order and remanded back proceedings to DCIR for further verification of Rs. 19,436 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.
- On December 27, 2023, the ACIR issued refund order for Rs. 92,915. During the period, CIR (A) issued an order and remanded back proceedings to DCIR for further verification of Rs. 59,212 for 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.
- 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 16, 2024 has annulled the order passed by the DCIR.



**(Amounts in thousand)**

- 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 period, 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. 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.
- During the period, the Customs Department issued various orders alleging that the Company has misdeclared Harmonized System (HS) code on certain raw materials imported and is therefore, required to pay additional duties and taxes creating total demands of Rs. 541,263. The Company being aggrieved with the said demands has filed appeals before Collector of Customs (Appeal). Subsequent to the period end, the appellate tribunal decided against the Company, certain appeals wherein the total demand of Rs. 173,210 (included in above) had been challenged. The Company is in the process of filing an appeal against the aforesaid decision. However, 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 condensed interim financial statements.
- During the period, 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 SHC. SHC 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.
- 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 SHC for the year 2013 on October 25, 2017 and for years 2014, 2015 and 2016 on March 15, 2018, and had obtained an interim injunction against adverse action by tax authorities on the same day. SHC through its order dated November 18, 2020 has upheld Company's view with respect to 'Tarang' in view of the decision of the Classification Committee obtained by the Company on February 11, 2019. With respect to 'Omung' the SHC suspended the notice, advising that the Federal Board of Revenue (FBR) may refer the matter to the Classification Committee, for a decision afresh; and till such time no action can be taken against the Company. The amount of show cause notices pertaining to 'Omung' aggregate to Rs. 1,480,841. In case the Classification Committee (for Omung) decides against the Company, the Company can avail all legal remedies available to it. The Company filed an appeal against this decision with respect to Omung in the Supreme Court of Pakistan (SCP). Further, the FBR also challenged the order dated November 18, 2020 in the SCP. Subsequent to the year ended December 31, 2020, the SCP disposed-off cross appeals filed against the SHC order dated November 18, 2020. The SCP has allowed the Company's appeals and has set aside the notices related to Omung, whereas, SCP dismissed the appeals of tax department against 'Tarang'. Accordingly, show cause notices issued to the Company have been completely quashed.

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

**(Amounts in thousand)**

Following the directions of LHC, on April 04, 2023, the Customs department confirmed the earlier ruling of the CC pertaining to Tea Whiteners dated March 15, 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 on, 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 affected companies have challenged the FBR order in LHC which has suspended FBR's order and directed that previous ruling shall continue to apply in the meantime. Hence, no provision in this respect has been recognised prior to the date of the aforementioned latest CC decision.

During the period, 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 SHC. SHC has directed the DCIR to explain its position because the matter was already decided by SHC and upheld by the SCP. Subsequently, DCIR withdrew the SCNs and SHC has accordingly disposed off the case.

- DCIR issued show cause notice (SCN) against for the tax year 2017 raising various issues. The Company challenged the notice before the SHC. During the period, DCIR withdrew the SCN and SHC has accordingly disposed off the case.
- During the period, the Company received notice dated November 19, 2023 seeking information about 'Tarang' sales for the years 2019 to 2023 alleging that 'Tarang' is liable to sales tax. The Company challenged the notice before the SHC. SHC 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.

**10. EARNINGS PER SHARE - Basic and diluted**

	Quarter ended June 30,		Half year ended June 30,	
	2024	2023	2024	2023
	----- Rupees -----			
There is no dilutive effect on the basic earnings per share of the Company, which is based on:				
Profit for the period	587,947	335,887	1,252,720	1,326,250
	----- Number of shares -----			
Weighted average number of ordinary shares	766,596,075	766,596,075	766,596,075	766,596,075
Earnings per share	0.77	0.44	1.63	1.73

(Amounts in thousand)

	Unaudited	
	Half year ended June 30, 2024	2023
	----- Rupees -----	
<b>11. CASH GENERATED FROM OPERATIONS</b>		
Profit before income tax	2,074,770	2,551,123
Adjustment for non-cash charges and other items:		
- Depreciation on property, plant and equipment	841,160	751,089
- Depreciation on right-of-use assets	236,215	181,290
- Reversal of provision for impairment of operating assets - net	(2,362)	(3,296)
- Amortization of intangible assets	8,409	9,560
- Loss on death / disposal of biological assets	10,788	33,698
- Gain on disposal of operating assets	(51,924)	(45,084)
- Gain on derecognition of right of use asset	-	(1,518)
- Gain arising from changes in fair value less estimated point-of-sale costs of biological assets	(463,279)	(844,493)
- Provision for retirement and other service benefits	57,489	54,059
- Provision for impairment of stock-in-trade	60,034	57,830
- Provision for slow moving spares - net	63,376	16,307
- Reversal of provision for impairment of trade debts	(2,597)	(2,736)
- Exchange loss / (gain)	33,846	(59,835)
- Interest income on short term investments	(37,475)	(112,901)
- Finance cost on short term and long term finances including bank charges	1,848,578	1,268,292
- Finance cost on lease liability against right-of-use assets	80,092	54,000
Working capital changes (note 11.1)	(9,201,577)	(8,645,138)
	<u>(4,444,457)</u>	<u>(4,737,753)</u>
<b>11.1 Working capital changes</b>		
(Increase) / Decrease in current assets		
- Stores, spares and loose tools	(339,708)	(1,008,217)
- Stock-in-trade	(6,296,122)	(12,190,527)
- Trade debts	(890,635)	(994,590)
- Advances, deposits and prepayments	(865,770)	(862,293)
- Other receivables	114,550	(148,634)
- Sales tax recoverable	(123,204)	(988,832)
	<u>(8,400,889)</u>	<u>(16,193,093)</u>
Increase / (Decrease) in current liabilities		
- Trade and other payables	297,976	7,698,571
- Supplier financing - unfunded	(179,209)	217,469
- Contract liabilities	(919,455)	(368,085)
	<u>(800,688)</u>	<u>7,547,955</u>
	<u>(9,201,577)</u>	<u>(8,645,138)</u>

(Amounts in thousand)

	Unaudited	
	Half year ended June 30,	
	2024	2023
	----- Rupees -----	
<b>12. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	699,309	282,403
Short term investments	20,000	-
Short term finances	(5,689,984)	(5,190,783)
	<u>(4,970,675)</u>	<u>(4,908,380)</u>

**13. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

There have been no changes in the risk management policies during the period, consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

**14. FAIR VALUE MEASUREMENT**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Fair value hierarchy**

The Company classifies fair value instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: Inputs other than quoted prices within level 1 that are observable for the asset or liabilities, whether directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2024 and December 31, 2023, the Company did not have any financial instruments which were measured at fair values.

The Company has a number of financial instruments which are not measured at fair value in the statement of financial position. These include bank balances, short-term investments, loans to employees, trade debts, other receivables, markup receivable and payable and short-term and long-term finances. For the majority of these instruments, the fair values are considered not to be materially different from their respective carrying amounts since the instruments are either short-term in nature or are periodically repriced.

(Amounts in thousand)

**15. TRANSACTIONS WITH RELATED PARTIES**

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

Nature of relationship	Nature of transactions	Unaudited	
		Half year ended June 30, 2024	2023
		----- Rupees -----	
Associated companies / undertakings	Arrangement for sharing of premises, utilities, personnel and assets	13,294	9,249
	Fee for technical assistance	1,172,785	1,030,296
	Reimbursement of expenses incurred by the Company	80,003	61,586
	Reimbursement of expense paid on behalf of the Company	10,457	16,268
	Purchases of goods and services	49,966	41,072
	Sale of goods	1,512,035	91,663
	Donation	-	6,250
	Contribution for staff retirement funds	Managed and operated by Engro Corporation Limited	
- Gratuity fund		31,572	37,481
- Provident fund		271,277	246,228
Key management personnel including the Chief Executive Officer	Managerial remuneration	172,072	166,884
	Contribution for staff retirement benefits	22,257	16,782
	Bonus payment	81,603	89,458
Directors	Fee	2,789	3,115

15.2 There are no transactions with key management personnel other than under the terms of the employment.

**16. SEGMENT INFORMATION**

16.1 The basis of segmentation and reportable segments presented in these condensed interim financial statements is the same as disclosed in financial statements for the year ended December 31, 2023.

Unallocated assets include long and short term advances, deposits and prepayments, taxes recoverable and cash and bank balances.

Liabilities are not segment-wise reported to the Board of Directors. All the unallocated results and assets are reported to the Board of Directors at entity level. Inter-segment sales of processed milk and powder are made by Dairy based products to Frozen desserts, at market value.

**(Amounts in thousand)**

16.2 Information regarding the Company's operating segments is as follows:

	Unaudited Half year ended June 30, 2024			Unaudited Half year ended June 30, 2023		
	Dairy based products	Frozen desserts	Total	Dairy based products	Frozen desserts	Total
-----Rupees-----						
<b>Results for the period</b>						
Net revenue	49,488,240	6,155,045	55,643,285	42,041,520	5,443,391	47,484,911
Inter-segment revenue	(619,540)	-	(619,540)	(470,000)	-	(470,000)
	<u>48,868,700</u>	<u>6,155,045</u>	<u>55,023,745</u>	<u>41,571,520</u>	<u>5,443,391</u>	<u>47,014,911</u>
Profit for the period	<u>1,050,022</u>	<u>202,698</u>	<u>1,252,720</u>	<u>1,040,887</u>	<u>285,363</u>	<u>1,326,250</u>
-----Rupees-----						
<b>Assets</b>						
- Segment assets	31,828,277	4,529,111	36,357,388	24,574,826	4,106,254	28,681,080
- Un-allocated assets	-	-	11,604,531	-	-	13,205,722
	<u>31,828,277</u>	<u>4,529,111</u>	<u>47,961,919</u>	<u>24,574,826</u>	<u>4,106,254</u>	<u>41,886,802</u>

**17. SEASONALITY**

The Company's businesses are subject to seasonal fluctuation, with demand of frozen desserts and dairy based products increasing in summer. The Company's dairy business is also subject to seasonal fluctuation due to lean and flush cycles of milk collection. Therefore, revenues and profits for the half year ended June 30, 2024 are not necessarily indicative of the results to be expected for the full year.

**18. CORRESPONDING FIGURES**

18.1 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of annual financial statements of preceding financial year and condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the transactions of comparable period of immediately preceding financial year.

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

Financial statements line item for the half year ended June 30, 2023	Rupees	Financial statements line item for the half year ended June 30, 2024
Other income	458,688	Cost of sales

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



(Amounts in thousand)

19. **DATE OF AUTHORIZATION FOR ISSUE**

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



**Chairman**



**Chief Executive Officer**



**Chief Financial Officer**

# فریزلینڈ کمپنا اینگرو پاکستان لمیٹڈ

ڈائریکٹرز کی رپورٹ:

## DIRECTORS' REPORT

فریزلینڈ کمپنا اینگرو پاکستان لمیٹڈ (فریزلینڈ کمپنا اکستان بولڈنگز بی۔ وی۔ کی اکثریت کی ملکیت والی ذیلی کمپنی ہے) کے ڈائریکٹرز کمپنی کی 30 جون 2024 کو ختم ہونے والے نصف سال کی مختصر مالی معلومات کے ساتھ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

کاروباری کارکردگی کا جائزہ:

## BUSINESS PERFORMANCE REVIEW

کمپنی نے مشکل اقتصادی حالات کے باوجود 17 فیصد ترقی حاصل کی ہے۔ ہماری آمدنی 55 بلین روپے تک پہنچ گئی، جو پچھلے سال کے اسی عرصے کے مقابلے میں 47 بلین روپے تھی۔ اس مستحکم کارکردگی کی وجہ موزوں پورٹ فولیو مکس، مؤثر مارکیٹ سرمایہ کاری، اور ہماری ڈسٹری بیوشن نیٹ ورک کی توسیع تھی۔

ہم نے مجموعی منافع میں بھی 16 فیصد کا اضافہ دیکھا اور افراط زر کے باوجود اپنی مجموعی مارجن برقرار رکھیں۔ اس کارکردگی نے کمپنی کی لچک اور مارکیٹ کی حالات سے مطابقت کی صلاحیت کو ظاہر کیا۔

تاہم، یہ نوٹ کرنا ضروری ہے کہ ہمارا بعد از ٹیکس منافع 6 فیصد کم ہو کر 1.25 بلین روپے ہو گیا جو پچھلے سال کے اسی عرصے میں 1.33 بلین روپے تھا۔ اس کمی کی بنیادی وجہ شرح سود میں نمایاں اضافہ ہے۔

ڈیری مصنوعات کا شعبہ:

## DAIRY-BASED PRODUCTS SEGMENT

اس شعبے نے 48.87 بلین روپے کی آمدنی رپورٹ کی جو پچھلے سال کے اسی عرصے کے مقابلے میں 18 فیصد کا اضافہ ظاہر کرتی ہے۔

اولپرز یو ایچ ٹی نے "ہیبی مارننگز" مہم کے ذریعے اپنے موجودگی کو برقرار رکھاجس میں ٹی وی، ڈیجیٹل اور ان اسٹور سمیت اہم مقامات پر مہم چلائی گئی۔ یہ مہم اولپرز کو صارفین کے لیے خوشگوار صبح کا معاون قرار دیتی ہے اور اعلیٰ معیار، غذائیت بخش، مزیدار اور کریمی دودھ فراہم کرتی ہے۔ صارفین کے تمام اہم مقامات پر مسلسل کوششوں نے اولپرز کی مارکیٹ اور ایکویٹی لیڈرشپ کو مضبوط کیا ہے۔

ہمارے ویلیو ایڈڈ برانڈز جیسے کہ اولپرز کریم، اولپرز چیز، دوبالا اور تڑکا نے مقابلے کے باوجود حجم حاصل کیا ہے۔

منجمنڈ ڈیزرٹس کا شعبہ:

## FROZEN DESSERTS SEGMENT

سال کے مشکل آغاز کے باوجود، اس شعبے نے 6.16 بلین روپے کی آمدنی رپورٹ کی، جو پچھلے سال کے اسی عرصے کے مقابلے میں 13 فیصد کی ترقی ظاہر کرتی ہے۔

یہ ترقی مسلسل برانڈ پر سرمایہ کاری اور ہماری نئی مہم "واہ بھرے ڈیزرٹ" کی وجہ سے ممکن ہوئی جس نے روایتی تہواروں سے ہٹ کر استعمال کے مواقعے پیدا کیے اور ان اسٹور میں بہترین عمل درآمد کیا۔

مالی کارکردگی:

## FINANCIAL PERFORMANCE

کمپنی کی 30 جون 2024 کو ختم ہونے والی تین ماہ کی مالی کارکردگی کا خلاصہ درج ذیل ہے:

تغیر و تبدیلی فیصد میں	2023	2024	ملین روپے
خالص فروخت	47,015	55,024	
	17%		

+3%	3,873	4,003	آپریٹنگ منافع
-96 bps	8.2%	7.3%	فروخت کا فیصد (%)
	1,326	1,253	بعد از ٹیکس منافع
-54 bps	2.8%	2.3%	فروخت کا فیصد (%)
	1.73	1.63	فی حصص منافع (روپے)

مستقبل کے خود خال:

## FUTURE OUTLOOK

(پیک شدہ دودھ پر سیلز ٹیکس - یکم جولائی 2024 سے مؤثر)

فنانس ایکٹ 2024 کے ذریعے حکومت نے پیک شدہ دودھ کی فروخت پر 18 فیصد سیلز ٹیکس عائد کیا ہے۔ اس قانونی تبدیلی کے نتیجے میں پیک شدہ دودھ کی قیمتوں میں نمایاں اضافہ ہوا ہے۔ چونکہ دودھ ایک ضرورت ہے اسکی قیمت میں اضافے سے صارفین پر مزید مالی دباؤ پڑے گا جو پہلے ہی خریداری کی طاقت میں کمی کا سامنا کر رہے ہیں۔

مزید برآں، اس تبدیلی نے پیک شدہ دودھ اور کھلے دودھ کے درمیان فرق کو بڑھا دیا ہے جس پر کوئی ٹیکس نہیں ہے اور نہ ہی کوئی ضابطہ۔ اس فرق کی وجہ سے صارفین کھلے دودھ کی طرف جا سکتے ہیں جس سے عوامی صحت اور حفاظت پر اثرات مرتب ہو سکتے ہیں کیونکہ کھلے دودھ پر سیلز ٹیکس عائد نہیں کیا گیا اور کوئی باضابطہ ریگولیشن بھی نہیں ہے۔

کمپنی پاکستان ڈیری ایسوسی ایشن کے ذریعے متعلقہ اسٹیک ہولڈرز کے ساتھ فعال طور پر رابطے میں ہے تاکہ اپنی پوزیشن کو بیان کرے اور انہیں اس وسیع اثرات سے آگاہ کرے کہ یہ ٹیکس حکومت کی مختلف ترجیحات پر کیسے اثر انداز ہو گا جن میں سب کے لیے غذائیت کو یقینی بنانا اور دستاویزی معیشت کو وسعت دینا شامل ہے۔

فریز لینڈ کمپنا اینگرو پاکستان لمیٹڈ اپنی مارکیٹ پوزیشن کو برقرار رکھنے اور اپنے صارفین کے لیے مصنوعات کے اعلیٰ معیار کو یقینی بنانے کے لیے پرعزم ہے۔ کمپنی صارفین کی ضروریات کو پورا کرنے کے لیے مارکیٹ میں اقدامات کے ذریعے اور متعلقہ مصنوعات کی تجاویز پیش کرتے ہوئے ویلیو چین میں کارکردگی بڑھانے اور سرمایہ کاری کو بہتر بنا کر کاروبار کی مجموعی مالی صحت کو بہتر بنانے کے لیے کوششیں جاری رکھے گی اور ہمارے شیئر ہولڈرز کے لیے زیادہ قدر پیدا کرے گی۔

اپنی عالمی مہارت اور 150 سال کی وراثت کا فائدہ اٹھاتے ہوئے، فریز لینڈ کمپنا اینگرو پاکستان لمیٹڈ صحت، غذائی حفاظت اور پائیداری کے اعلیٰ ترین معیاروں پر پرعزم ہے اور روزانہ لاکھوں پاکستانیوں کو محفوظ، سستے اور غذائیت سے بھرپور ڈیری مصنوعات فراہم کرنے کے لیے وقف ہے۔



کاشان حسن

چیف ایگزیکٹو آفیسر



عبدالصمد داؤد

چیئر مین