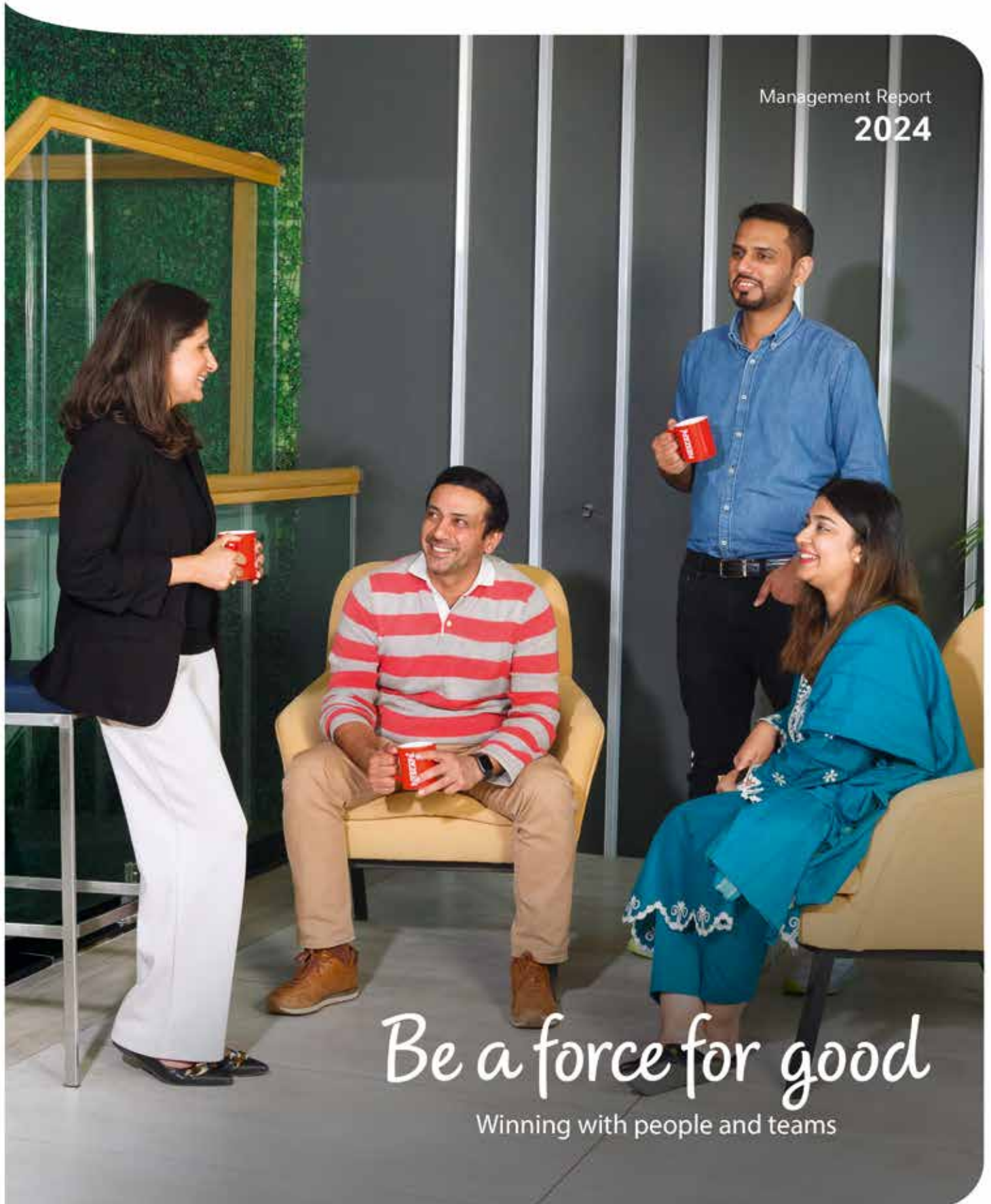




Nestlé Good food, Good life

Management Report
2024



Be a force for good

Winning with people and teams



About the Cover

At Nestlé, we develop diverse leaders and teams through an agile & winning culture

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OUR PURPOSE

Unlocking the power of food to enhance quality of life for everyone, today and for generations to come.

OUR AMBITION

Globally, we have defined three overarching ambitions for 2030 which guide our work and support the achievement of the United Nations Sustainable Development Goals.



Help

50 MILLION
children live healthier lives



Help to improve

30 MILLION
livelihoods in communities directly connected to our business activities



Strive for

ZERO
environmental impact in our operations





Apple farmers in Hunza learning regenerative agriculture practices

DIRECTORS' REPORT

To the Shareholders

The Directors of Nestlé Pakistan Limited (the "Company") are pleased to submit the Annual Report along with the audited financial statements of the Company for the year ended December 31, 2024.

Financial Performance:

Nestlé Pakistan reported its full year financial results for the year 2024, recording a decrease of 3.69% in revenue as compared to prior fiscal year. The decrease in revenue was mainly due to the implementation of 18% Sales Tax, on majority of portfolio, introduced through the 2024-25 Finance Bill which was passed on to consumers through price increases. However, a favorable product mix, along with value chain efficiencies led to an improvement in overall gross profit margin. The Company continued to invest strongly behind brands to sustain volumes, which coupled with a lower topline, resulted in a lower operating profit.

Nestlé is a Good Food, Good Life company, and our Purpose – to unlock the power of food to enhance quality of life, today and for generations to come – is embedded in everything we do. We remained steadfast in the face of challenges and continued our focus on innovation and renovation to develop products that meet consumer needs, while also intensifying our efforts to reduce environmental impact.

Summary of Financial Performance:

PKR Million	2024	2023	Change
Net sales – PKR million	193,206	200,605	-3.69%
Gross profit margin	36.0%	35.3%	+71 bps
Operating profit margin	15.3%	17.2%	-193 bps
Net profit after tax	7.7%	8.2%	-56 bps
Net profit after tax – PKR million	14,808	16,493	-10.2%
Earnings per share - PKR	327	364	-10.2%

Dividends:

In view of the financial performance of the Company, the Board of Directors has recommended to pay final cash dividend of Rs.30 per share, in addition to the interim cash dividend of Rs.136 per share already paid, which brings the total dividend for the year to Rs.166 per share for 2024 compared to Rs.193 per share in 2023.

Investment Projects:

In 2024, Nestlé Pakistan made an investment of PKR 4.4 billion including projects focused on sustainability. Highlights are as under:

Description	PKR Million
Sheikhupura Factory	2,026
Kabirwala Factory	937
Water Plants	511
Distributions and Sales	487
Others	441

Corporate & Financial Reporting Framework:

Nestlé Pakistan is committed to maintain high standards of corporate governance without any exception. The Directors are pleased to state that the Company is compliant with the provisions of the Code of Corporate Governance as required by Securities & Exchange Commission of Pakistan (SECP) and formed as part of stock exchange listing regulations. The Company's Statement of Compliance with Code of Corporate Governance is as below:

The Directors confirm that:

- The financial statements of the company as prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flow and changes in equity
- Proper books of accounts of the Company have been maintained
- Appropriate accounting policies have been consistently applied in preparation of financial statements and the company's accounting estimates are based on reasonable and prudent judgment
- International Financial Reporting Standards, as applicable in Pakistan and the requirements of the Companies Act, 2017 have been followed in the preparation of the financial statements; and any departure thereof has been adequately disclosed and explained
- The system of internal control of the company is sound in design and has been effectively implemented and monitored
- There are no significant doubts as to the Company's ability to continue as a going concern
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations



- h) Statements regarding the following are annexed or disclosed in the notes to the accounts:
 - (i) Key financial data for the last six years
 - (ii) Pattern of shareholding
 - (iii) Trading in shares of the Company by its Directors, CEO, CFO and Company Secretary
 - (iv) Number of Board meetings held during the year and attendance by each director

Remuneration Policy of Non-Executive Directors and Disclosure of Remuneration of Directors

The fee of the Non-Executive and Independent Directors for attending the Board and Committee meetings of the Company is determined by the Board. The detail of the remuneration, including other benefits paid during the year 2024, to the Chief Executive Officer, Executive Directors, and Non-Executive Directors of the Company, are described in Note 42 of the financial statements.

External Auditors:

Messrs. Ernst & Young, Chartered Accountants have completed their assignment for the year 2024 and retire at the conclusion of the 47th Annual General Meeting. Being eligible, they have offered themselves for re-appointment.

Holding Company and Principal Activity:

Société des Produits Nestlé SA (SPN), a Company incorporated in Switzerland (the holding company), holds 27,936,173 ordinary shares representing 61.6% equity interest in the Company. The principal activity of the Company is manufacturing, processing, and sale of food products, including imported products. No change has occurred during the financial year relating to the nature of the business of the Company.

Human Resources Management & Employee Relations:

At Nestlé Pakistan, we are driven by a purpose—to empower our people, foster inclusivity, and create a workplace where everyone thrives. 2024 has been a testament to this commitment, as we strengthened our focus on financial literacy, talent development, diversity, well-being, and employee engagement.

From equipping women with financial confidence to shaping future leaders through learning and youth development, our initiatives have been designed to inspire growth and unlock potential. We championed diversity through Kero Aitemaad and Hai Tum Pe Yakeen, enhanced employee benefits to support well-being, and cultivated a workplace culture that celebrates collaboration and excellence.

This year, our flagship, WiN (Women in Nestlé) hosted three impactful Connect sessions designed to equip women with essential financial literacy skills. These sessions delivered actionable insights on budgeting, investment strategies, and long-term financial planning.

We championed Leadership Development and Inclusion through Multigenerational Workforce Management Workshops, Nestlé Leadership with Purpose, GALLUP Clifton Strengths, and PMDAC for feedback and conversations. The Career SuperDrive game further inspired reflection and career discovery. We empowered employees through tailored programs like the “Personified Learning Catalogue” and “NESLEARN” – Become Future Fit, addressing the Mind-Heart-Body dimensions with AI, Design Thinking, Yoga, and boot camps. With 90% of talent and 1,300+ managers engaged, our refreshed Nestlé Leadership Framework and ambassador-driven campaigns strengthened our culture of learning and growth.

In 2024, we strengthened our commitment to the Nestlé Needs YOUth initiative, engaging over 30,000 young individuals through apprenticeships, traineeships, job opportunities, and essential skills development.

The NESTERNSHIP program was relaunched, attracting 19,000+ applicants from diverse backgrounds. From this pool, 135 top students were selected for internships in Sales, Supply Chain, Nutrition, Agricultural Services, and Shared Services, participating in a comprehensive orientation and career-building activities. This year, we also launched Nespire, an educational program designed to cultivate the next generation of supply chain leaders. With over 5,500 applications, the program selected 25 exceptional candidates through a rigorous process of assessments and interviews. The program combines virtual learning with a six-week internship, offering real-world experience and leadership training.

Launched in 2016, our Kero Aitemaad initiative empowers young female professionals for success in unconventional roles across Supply Chain, Field Sales, Technical, Nutrition, and Agri Services. In October 2024, it attracted 3,000+ applicants, selecting 30 associates to join key functions. The program included a two-day orientation with visits to the Sheikhpura Factory, Distribution Centers, and Nestlé Head Office.

Through the "Hai Tum Pe Yakeen" program, Nestlé Pakistan remains committed to providing equal employment opportunities for People of Determination. In 2024, we received over 1,300 applications, hiring 12 associates in permanent roles, further strengthening our diverse, inclusive workplace. At Nestlé, employee well-being is a top priority. In 2024, we strengthened our commitment through initiatives supporting physical and mental health. We marked Mental Health Day, emphasizing emotional well-being and offering support. Our new PLEAZ website encourages active breaks, mindfulness, and physical routines to enhance focus and wellness. In October, we celebrated Pinktober, raising breast cancer awareness by hosting a session on early detection and prevention.

In 2024, we continued our focus on cultivating a workplace that transcends simple connections, aiming to foster a dynamic and inclusive community. Throughout the year, we curated a series of thoughtful events designed to inspire joy, camaraderie, and a sense of belonging. Highlights of the year included Functional Happy Hours, Independence Day, and International Coffee Day, among others. Key initiatives like the NesClubs Fair, Bring Your Kids to Work Day, Bring Your Parents to Work Day, and the International Day of Persons with Disabilities offered meaningful opportunities to honor the special people in our lives while providing refreshing breaks from the routine. Events like Table Tennis and Cricket Tournaments added to the spirit of teamwork, sparking enthusiasm and friendly competition that strengthened bonds across teams.

At Nestlé, our employees are the heart of our success, fueling innovation and driving growth. In 2023, their feedback inspired us to push the boundaries of what it means to invest in people. In 2024, we proudly unveiled a new suite of benefits designed to elevate employee experience and strengthen our collective bond.

Looking ahead, we will continue to thrive as a united and empowered community, with employee well-being at the heart of everything we do. Together, we aspire to uphold our shared values, celebrate our achievements, and make the year ahead even more remarkable.

At Nestlé, we firmly uphold the significance of addressing the gender pay gap and are dedicated to ensuring equitable remuneration for all employees. Annually, we conduct a comprehensive statistical analysis termed Gender Equal Pay, which accounts for variables such as grade, function, performance, and age to precisely evaluate the influence of gender on compensation. Our 2024 findings have demonstrated the absence of gender bias, with the results as follows*:

*Gender pay gap statement under SECP Circular No.10 of 2024

Gender Equal Pay	
Male:Female	1.01:1

Creating Shared Value (CSV) and Community Work:

Nestlé embraces the philosophy of Creating Shared Value (CSV), which emphasizes that to generate value for shareholders, a company must also create value for society. Nestlé's global CSV focus areas are deeply rooted in its purpose to "Unlock the power of food to enhance the quality of life for everyone, now and for future generations". The Company is dedicated to being a force for good throughout its value chain by creating shared value for communities and fulfilling its sustainability commitments. This approach not only adds value to the business but also supports the socioeconomic development of the communities.

As a signatory to the UN Global Compact for Ethical Business, Nestlé is committed to fostering mutual growth and sustainability with its stakeholders and communities. The Company ensures the delivery of quality products to consumers and maintains a fair and diverse work environment for employees. Nestlé also implements responsible sourcing models with partners and raw material providers, supports underprivileged communities, and collaborates with small farmers. Additionally, the Company enhances the sustainability and environmental friendliness of its operations while embedding ethical and transparent business practices throughout its value chain.

This past year, we delivered value and contributed to the United Nations Sustainable Development Goals (SDGs) through our focus areas – helping to protect, renew, and restore natural resources, contributing to nutritious and sustainable diets and strengthening communities.

The key CSV initiatives of 2024 include:

- Continuation of our Market Sustainability Roadmap as part of our global commitment to become a Net Zero company by 2050
- An investment of PKR 875 million towards renewable energy for our efforts to reduce greenhouse gas emissions across our operations
- Collection of more than 3,100 tons of waste under our "Clean Gilgit Baltistan Project" to encourage waste collection and management in Gilgit Baltistan in alignment with our vision of a waste-free future

- We trained more than 500 hospitality professionals and aired a public awareness campaign across FM radios under 'Travel Responsibly for Experiencing Ecotourism in Khyber Pakhtunkhwa' (TREK) – a collaboration between KP Government, World Bank Group and Nestlé Pakistan
- Nutrition awareness for another 40,000 school children in the rural, suburban and urban areas under Nestlé for Healthier Kids (N4HK), extending the overall outreach to more than 400,000 kids and 2,600 teachers in 450 schools in the country
- Enhancing enrollment of 3,500 women as Nestlé BISP Rural Women Sales Program, that we run in partnership with Benazir Income Support Program (BISP)
- Provision of Clean and Safe Drinking Water to more than 90,000 people on a daily basis through 9 facilities in our operational areas
- Installation of water sensors on 16 farms and drip irrigation on 243 acres of land in Punjab and Sindh while working with farmers and partners including Lahore University of Management Sciences and Pakistan Agriculture Research Council to help reduce water wastage in agriculture
- Continued support for programs involving dairy farmers and rural women for skill enhancement related to dairy and livestock sector
- Continued product support through Nutrition Support Program for underprivileged institutions and to the areas affected by natural calamities
- Continuation of Chaunsa Project and Apple Sourcing Project with integration of fruit farmers in our value chain
- Support for Driver Trainings at the National Highways & Motorways Police Training Institute, Sheikhpura and Road Safety Institute, Karachi
- Development of Nestlé's first Urban Forest in Lahore with plantation of 50,000 trees

Subsequent Events

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this Statement of Financial Position relates and the date of the Directors' Report.

Principal Risks & Uncertainty:

- Increase in input cost due to rising inflation and devaluation of the currency
- Macro economic uncertainties which might affect consumer demand
- Increase in existing sales tax rates and levy of new taxes / duties

Future Outlook:

In light of the pressure on consumer demand, the Company maintains a cautious outlook for 2025 in terms of business performance, while continuing to leverage on strong brand equity and invest behind key brands, keeping a relentless pursuit on operational excellence, future proofing our supply chain, investing in our people to drive a high performing, future ready workforce and driving our sustainability agenda to be a force for good.

Acknowledgements:

We take this opportunity to thank our valued consumers who have trust in our products and continue to provide sustained support in ensuring the progress of the Company. Our people are our greatest strength, and they have demonstrated their commitment once again throughout the year by ensuring timely supply and availability of our products. Our purpose and values are the reasons why we all work for Nestlé's success. They are fundamental to everything we do, particularly in times of significant changes in the external environment.

Nestlé Pakistan brings the highest quality products to its consumers through its iconic brands. 'Achai se Bana, Achai ke Liye' (made with goodness, for goodness) our Corporate Campaign truly resonates with our purpose of unlocking the power of food to enhance quality of life for everyone; today and for generations to come.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Joselito Jr. Avanceña
Chief Executive Officer



Syed Yawar Ali
Chairman

Dated: February 13, 2025

نیسلے SA پوائنٹ گولڈ کمپیکٹ فارماٹھیکل برنس کے شرکا اور نیسلے پاکستان پوائنٹ گولڈ کمپیکٹ پاکستان چیئر کارکن ہونے کے ناطے سٹیک ہولڈرز اور طبقات کی ترقی اور پائیداری کیلئے اپنے عہد کی تجدید کرتا ہے۔ کمپنی صارفین کو معیاری مصنوعات کی فراہمی اور ملازمین کے لئے منصفانہ اور متنوع کام کے ماحول کی دستیابی یقینی بناتی ہے۔ اس کے علاوہ نیسلے شراکت داروں اور خام مال دہندگان کے ساتھ ذمہ دارانہ سوسائٹی ماڈلز پر عملدرآمد، پسماندہ طبقات کی معاونت اور چھوٹے کسانوں کے ساتھ شراکت داری بھی یقینی بناتا ہے۔ اس کے ساتھ ساتھ کمپنی اپنی ویلیو چین میں اخلاقی اور شفاف کاروباری مشقوں کے ساتھ امور میں پائیداری اور ماحول دوستی میں اضافہ کیلئے اقدامات عمل میں لاری ہے۔

- نمیشنل ہائی ویر اینڈ موٹروے پولیس ٹریڈنگ انسٹیٹیوٹ شیٹو پورہ اور روڈ سیفٹی انسٹیٹیوٹ کراچی میں ڈرائیور ٹریڈنگ مرکز کیلئے معاونت
- 50,000 پودے لگا کر لاہور میں نیسلے کے سپلائی چین فورسٹ کی ڈولپمنٹ۔

ما بعد واقعات:

مالی سال کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ تک دیگر ایسی کوئی بھی مادی تبدیلی یا واقعہ رونما نہیں ہوا جو کمپنی کی مالی حالت پر اثر انداز ہو۔

بنیادی خطرہ اور عدم یقینی:

- مہنگائی بڑھنے اور کرنسی کی قدر میں مزید متوقع کمی کی وجہ سے لاگت میں اضافہ
- میکرو اکنامک عدم یقینی جو کہ صارف کی طلب پر اثر انداز ہو سکتی ہے
- موجودہ سٹریٹجی میں اضافہ اور نئے سیکسز/ڈیویژن کا نفاذ

مستقبل کا نقطہ نظر:

کمپنی صارف کی طلب پر دباؤ کے پیش نظر 2025 کیلئے کاروباری ترقی میں ایک مختلط نقطہ نظر رکھتی ہے۔ جبکہ اس سفر میں مضبوط برانڈ ایکویٹی، کلیدی برانڈز پر سرمایہ کاری، کاروباری ایکسی لینس کیلئے انتھک کاوشیں، مستقبل میں سپلائی چین کے مزید استحکام، بہترین کارکردگی کیلئے ہمارے لوگوں پر سرمایہ کاری، مستقبل کیلئے تیار افرادی قوت اور اچھائی کی امید پر مبنی پائیداری ایجنڈا زریعہ ہے۔

اظہار تشکر:

ہم اس موقع پر اپنے معزز صارفین کے انتہائی مشکور ہیں جنہوں نے ہماری پراڈکٹس پر اپنے اعتماد کی مہر ثبت کرتے ہوئے کمپنی کی ترقی یقینی بنائی۔ ہم اپنے ملازمین کے بھی شکر گزار ہیں جو صحیح معنوں میں ہماری طاقت ہیں اور اس کا مظاہرہ انہوں نے ایک بار پھر اس سال ہماری مصنوعات کی بروقت سپلائی اور دستیابی یقینی بنا کر کیا۔ ہمارا مقصد اور ہماری افرادی قوت سے ہم نیسلے کی کامیابی کیلئے شب و روز محنت کرتے ہیں۔ یہ ہمارے ہر کام کا اہم جزو ہے، بالخصوص کمپنی کے باہر رونما ہونے والی اہم تبدیلیوں کے دوران یہی سنہرے اصول ہماری بنیاد ہوتے ہیں۔

نیسلے پاکستان پراڈکٹس میں بین الاقوامی مہارتیں اور معیارات متعارف کرواتا ہے۔ "اچھائی سے بنا، اچھائی کیلئے" (Made with Goodness, for Goodness) ہماری کارپوریٹ مہم کے طور پر ہمارے نصب العین کی صحیح معنوں میں ترجمانی کرتی ہے جو ہر فرد کیلئے، آج اور آئندہ نسلوں کیلئے خوراک کی غذائیت کے سہارے بہتر معیار زندگی کی فراہمی پڑتی ہے۔

Ayed Yawar Ali

سید یار علی
چیئر مین

Ayaz

حوزہ ٹیبلٹ جو نیر ایسٹیا
چیف ایگزیکٹو آفیسر
13 فروری 2025

اس گزشتہ سال ہم نے قدر میں اضافہ ممکن بنایا اور قدرتی وسائل کی حفاظت، تجدید اور بحالی میں مدد، غذائیت سے بھرپور اور فرحت بخش خوراک کی فراہمی اور طبقات کی مضبوطی جیسے تمام شعبوں پر توجہ مرکوز کرتے ہوئے اقوام متحدہ کے پائیدار ترقی کے اہداف (SDGs) میں اپنا کردار ادا کیا۔

سال 2024 میں ایم CSV سرگرمیاں درج ذیل ہیں:

- 2050 تک نیٹ زرو کمپنی کے بین الاقوامی ہدف کے حصول کیلئے ہمارے Market Sustainability Roadmap کا تسلسل۔

- ہمارے امور کی انجام دہی کے دوران گرین ہاؤس گیس کے اخراج میں کمی کیلئے ریونیو ایبل انرجی میں 875 ملین روپے کی سرمایہ کاری۔

- "آلودگی سے پاک مستقبل" کے مشن میں گلگت بلتستان میں کوڑا کرکٹ کو اکٹھا کرنے اور ٹھکانے لگانے کی ذمہ داری کو فروغ دینے کیلئے ہمارے "کلین گلگت بلتستان پراجیکٹ" (CGBP) کے تحت 3,100 ٹن کوڑا کرکٹ تلف کیا گیا

- "Travel Responsibly for Experiencing Ecotourism in Kyber

-"Pakhtunkhwa (TREK) حکومت خیبر پختونخوا، ورلڈ بینک گروپ اور نیسلے پاکستان کا اشتراک، کے تحت اب تک ہم نے 500 میزبان پیشہ ورانہ کوریج، دی اور مختلف ایف ایم ریڈیو چینلز پر عوامی آگاہی مہم چلائی

- Nestle for Healthier Kids (N4HK) پروگرام کے تحت دیہی، نیم دیہی اور شہری علاقوں میں مزید 40,000 سکول کے بچوں کو غذائی شعور فراہم کیا گیا اور اس مہم کے دوران مجموعی طور پر اب تک ملک بھر میں 450 سکولوں میں 400,000 بچوں اور 12,600 اساتذہ تک رسائی حاصل کی گئی

- بے نظیر انکم سپورٹ پروگرام کے اشتراک سے تقریباً 3,500 خواتین کا بطور نیسلے پی آئی ایس پی رولر ویمن ہیلز پروگرام انتخاب۔

- ہمارے دائرہ کار میں آنیوالے علاقوں میں 9 مراکز کے ذریعے 90,000 سے زائد لوگوں کو روزانہ بنیادوں پر پینے کے صاف پانی کی فراہمی یقینی بنائی گئی

- پنجاب اور سندھ میں کسانوں اور شراکت داروں بشمول لاہور یونیورسٹی آج منجمنٹ سائنسز اور پاکستان ایگریکلچرل ریسرچ کونسل کے تعاون سے پانی کے شیاک کارو کے کیلئے 16 فارمز پر واٹر سٹریٹریٹ اور 333 ایکڑ زریعہ ارتحی پر ڈرپ آبی گیشن کی تنصیب۔

- ڈبری اور لاہور نیسلے کے شعبہ میں ڈبری فارمز زارو دیہی خواتین کی صلاحیتوں میں نکھار لانے کیلئے معاونتی پروگرام جاری رکھے گئے۔

- نیوٹریشن سپورٹ پروگرام کے تحت پسماندہ اداروں اور قدرتی آفات سے متاثرہ علاقوں کیلئے تعاون جاری رکھا گیا۔

- آم کے پیداوار کنندگان کے ذریعے ہماری ویلیو چین میں نیسلے چونسہ پراجیکٹ اور اپیل سوسائٹی پراجیکٹ کا تسلسل۔

ہولڈنگ کمپنی اور بنیادی کاروبار:

Société des Produits Nestlé SA (SPN) سوئٹزرلینڈ میں قائم کی گئی ایک کمپنی (دی ہولڈنگ کمپنی) ہے۔ جس کے پاس 27,936,173 عوامی شیئرز ہیں جو کمپنی میں 61.6 فیصد یا کیوٹی اسٹرسٹ کے عکاس ہیں۔ کمپنی کا بنیادی کاروبار میٹو، چیکرنگ، پراسیسنگ اور کھانے کی پراڈکٹس بشمول درآمدی پراڈکٹس کی فروخت ہے۔ مالی سال کے دوران کمپنی کی کاروباری نوعیت میں کمی قسم کی تبدیلی رونما نہیں ہوئی۔

ہیومن ریسورس مینجمنٹ اینڈ ایمپلائی ریلیشنز:

ٹیسٹل پاکستان اپنے لوگوں کی خودمختاری، شمولیت اور کام کیلئے ایک ایسا ماحول جہاں ہر کسی کو ترقی کے مواقع میسر آئیں، کے مقصد پر کاربند ہے۔ سال 2024 میں مالی خواندگی، ہنر، کھار، تنوع، فلاح و بہبود اور ایمپلائی انگیجمنٹ پر نوجوان عزم کی ترجمانی ہے۔

خواندگی کو مالی اعتماد سے ہم آہنگ کرنے سے لے کر نوجوانوں کی قابلیت میں کھار کے ذریعے مستقبل کے لیڈروں کی تیاری تک ہمارے اقدامات ترقی کے فروغ اور صلاحیتوں میں اضافہ کیلئے ڈیزائن کیے گئے ہیں۔ ہم نے "کروا عائد" اور "ہے تم پہ یلین" کے ذریعے تنوع کو فروغ دیا، ملازمین کی فلاح و بہبود کیلئے نوآبادی میں اضافہ کیا اور کام کی جگہ پر شراکت اور ایکسی لینس پر مبنی کلچر کو ترمیم دی۔

اس سال ہمارے فلگ شپ WiN (Women in Nestle) نے تین متاثر کن سیشنز منعقد کیے، جو خواندگی میں مالی خواندگی کی صلاحیتوں میں کھار کیلئے ڈیزائن کیے گئے تھے۔ ان سیشنز نے نوجوان سازی، سرمایہ کاری کی حکمت عملی اور طویل مدتی مالیاتی منصوبہ بندی کے بارے میں مفید علم فراہم کیا۔

ہم نے آرام اور بحث و مباحثہ کیلئے لیڈرشپ ڈیولپمنٹ اور انکوٹن بڈ ریج Multigenerational Workforce Management Workshops، Gallup، Nestle Leadership with Purpose اور Clifton Strengths and PMDAC جیسے سیشنز منعقد کروائے۔ کیریئر سپورٹ ڈرائیو گیم نے خود شناسی اور کیریئر کی شناخت کے عمل کو مزید بہتر بنایا۔ ہم نے NESLEARN اور Personified Learning Catalogue، Become Future Fit، Addressing the MindHeart Body Dimensions with AI، Design Thinking، Yoga and Boot Camps جیسے پروگراموں کے ذریعے ملازمین کو بااختیار بنایا۔ 90 فیصد ٹیلنٹ اور 1,300 سے زائد نوجوانوں کو انگیج کر کے ہمارے حالیہ ٹیسٹل لیڈرشپ فریم ورک اور ایمپلیڈر پمپٹی مہمات نے ہمارے سیکشنز اور ترقی کے کلچر کو استحکام بخشا۔

سال 2024 میں ہم نے Nestle Needs YOUTH پروگرام کو مزید مضبوط کیا، جس میں ایپنٹس شپ، ٹرینی شپ، ملازمت کے مواقع اور ضروری مہارتوں کی ترویج کے ذریعے 30,000 سے زائد نوجوانوں کو شامل کیا گیا۔ NESTERSHIP پروگرام کو از سر نواں بنایا گیا، جس میں متنوع پس منظر کے حامل 19,000 سے زائد امیدوار شامل ہوئے۔ ان میں سے 135 سرفہرست طلباء، کولمبوس، پلانٹی چین، نیوٹریشن، ایگریکلچرل سروسز اور شیئرڈ سروسز میں انٹرن شپ کیلئے منتخب کیا گیا جنہوں نے orientation اور کیریئر ہولڈنگ پمپٹی سرگرمیوں میں حصہ لیا۔ اس سال ہم نے پلانٹی چین لیڈریز کی ایک نسل تیار کرنے کے لئے Nespire تعلیمی پروگرام کا بھی آغاز کیا۔ 5,500 سے زائد نوجوانوں میں سے اس پروگرام میں 25 سب سے ہونہار امیدواروں کو مخت جاب پڑتال اور انٹرویوز کے بعد منتخب کیا گیا۔ اس پروگرام میں وچل رننگ اور 6 مہینوں کی انٹرن شپ شامل ہے جو تحقیقی دنیا کے تجربے اور لیڈرشپ ٹریننگ سے روشناس کرواتا ہے۔

سال 2016 میں شروع کیا گیا کروا عائد پروگرام نوجوان خواتین کو پلانٹی چین، فیلڈ سٹیل، سٹینڈنگ، نیوٹریشن اور ایگری سروسز جیسے نیچر ڈائیورسٹی کے کاروبار میں کامیابی کیلئے بااختیار بنا رہا ہے۔ اکتوبر 2024 کے دوران اس پروگرام میں شمولیت

کیلئے 3,000 سے زائد نوجوانوں کو شامل کیا گیا۔ اس سال ہم نے 30 امیدواروں کو ان کی صلاحیتوں کی بنیاد پر ایم ذمہ داریوں کیلئے منتخب کیا گیا۔ یہ پروگرام دوروزہ اور ٹینٹیشن بشمول شیئروہ کیلبرٹی، ڈسٹری بیوشن سنٹرز اور ٹیسٹل ہیڈ آفس کے دورہ پر مشتمل تھا۔ "ہے تم پہ یلین" پروگرام کے ذریعے ٹیسٹل پاکستان قابل افراد کو روزگار کے مساوی مواقع فراہم کرنے کیلئے پرعزم ہے۔ سال 2024 کے دوران ہمیں 1,300 سے زائد نوجوانوں کو شامل کیا گیا، جن میں سے 12 امیدواروں کے انتخاب کے ذریعے ہم نے متنوع کام کی جگہ پر شمولیت کو اجاگر کیا۔ ٹیسٹل میں ملازمین کی فلاح و بہبود اولین ترجیح ہے۔

سال 2024 میں ہم نے جسمانی اور ذہنی صحت کی نشوونما پر مبنی اقدامات کے ذریعے اپنے عزم کو مستحکم کیا۔ ہم نے emotional well-being اور سپورٹ کی پیشکش کے ساتھ مینٹل ہیلتھ ڈے منایا۔ ہماری نئی PLEAZ ویب سائٹ توجہ اور تندرستی بڑھانے کیلئے فعال و تقویٰ، ذہن سازی اور جسمانی معاملات کی ترمیم دیتی ہے۔ اکتوبر میں ہم نے چھاتی کی کینسر بارے آگاہی پھیلائے کیلئے Pinktober منایا۔ اس سلسلہ میں مرض کی بروقت تشخیص اور پچھاؤ کیلئے ایک سیشن منعقد کیا گیا۔

اس سال ہم نے کام کی جگہ کو محض روباہ سے بڑھ کر ایک متحرک اور شمولیت پر مبنی کمیونٹی کے طور پر فروغ دینے کیلئے کاوشیں جاری رکھیں۔ سال بھر ہم نے فکر انگیز ایپنٹس پمپٹی ایک سلسلہ تیار کیا جو خوشی، دوستی اور رابطے کا احساس کی حوصلہ افزائی کرتا ہے۔ سال کے اہم واقعات میں فنکشنل پی ٹی آرز، یوم آزادی اور بین الاقوامی کافی ڈے اور دیگر شامل ہیں۔ NesClubs، Bring Your Parents to Work Day اور بین الاقوامی دن برائے معذوران نے ہماری زندگیوں میں شامل اہم لوگوں کو روزمرہ معاملات سے وقفہ لے کر خارج تھیں پیش کرنے کا اہم معنی موقع فراہم کیا۔ ٹیل ٹیس اور کرکٹ ٹورنامنٹس جیسے ایپنٹس نے مل کر کام کرنے کے جذبہ، جوش و خروش اور دوستانہ مقابلے کی فضا کو فروغ دیا اور ان کی بدولت ٹیموں کے درمیان باہمی ہم آہنگی میں اضافہ ہوا۔

ٹیسٹل میں ہماری افرادی قوت ہماری کامیابی کی کئی ہے جو جدت اور ترقی کو فروغ دینے کا سبب بنتے ہیں۔ سال 2023 میں ان کی آراء نے ہمیں لوگوں پر سرمایہ کاری میں اضافہ کرنے کی ترمیم دی۔ سال 2024 میں ہم نے پورے نچر سے اس سے وابستہ نوآبادی کے نئے منصوبے کو دیکھا جو کہ ملازمین کے تجربے میں اضافہ اور باہمی روابط میں استحکام کیلئے ڈیزائن کیا گیا۔ مستقبل کے سفر میں ہم ایک متحد اور بااختیار کمیونٹی کے طور پر ترقی کی منازل طے کرتے رہیں گے، جہاں ایمپلائیز کی فلاح و بہبود ہمارا توجہ کا پہلو ہے۔ مل جل کر ہم اپنی مشترکہ اقدار پر عملدرآمد، کامیابیوں کے جشن اور مستقبل کے سالوں کو یاد دہانہ بنانے کیلئے کاوشیں جاری رکھیں گے۔

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صنعتی مساوی معاوضہ	مرد: خاتون
1:1.01	

کریننگ شیئر ڈیویڈنڈ (CSV) اور کمیونٹی ورک:

ٹیسٹل پاکستان طبقات کیلئے کریننگ شیئر ڈیویڈنڈ (CSV) کے تصور پر یقین رکھتا ہے۔ جو کسی بھی کمپنی کو اپنے شیئر ہولڈر کیلئے قدر پیدا کرنے کیلئے اسے طبقات کیلئے قدر پیدا کرنے پر زور دیتا ہے۔ ٹیسٹل گروپ کے CSV توجہ کے شعبہ جات اس کے ہر فرد کیلئے آج اور آئندہ نسلوں کیلئے خوراک کی طاقت کے سہارے معیار زندگی کی بہتری کے مقصد سے مضبوطی اور نفاذ میں استوار ہے۔ کمپنی طبقات کیلئے کریننگ شیئر ڈیویڈنڈ (CSV) کے ذریعے اپنی ویلیو چین میں اچھائی کی ایک امید بننے اور اپنے وعدوں کی تکمیل کیلئے انتہائی پرعزم ہے۔ یہ ناصرف کاروباری قدر میں اضافہ بلکہ طبقات کی سماجی و اقتصادی ترقی کیلئے معاون ہے۔

* 2024 کے لیے ایس ای سی پی ریکارڈنگ 10 تحت صنعتی معاوضہ کے فرق کا پابندی

ڈائریکٹران کی رپورٹ

برائے شیئر ہولڈرز

نیسلے پاکستان لمیٹڈ ("کمپنی") کے ڈائریکٹران کیلئے یہ بات باعث خوشی ہے کہ وہ 31 ستمبر 2024 کو ختم ہونے والے سال کی سالانہ رپورٹ بشمول آڈٹ شدہ مالیاتی گوشوارے پیش کر رہے ہیں۔

مالیاتی کارکردگی:

نیسلے پاکستان نے سال 2024 کیلئے مکمل نتائج پیش کر دیے ہیں، جس کے مطابق کمپنی گزشتہ سال کی اسی مدت کے مقابلہ میں 3.69 فیصد کم آمدن حاصل ہوئی۔ آمدن میں کمی کی بنیادی وجہ زیادہ تر مصنوعات پر 18 فیصد سیلز ٹیکس کا نفاذ تھا جو کہ فنانس مل 25-2024 کے ذریعے متعارف کروایا گیا اور اس کے اثرات قیمتوں میں اضافے کی صورت میں صارفین پر مرتب ہوئے۔ تاہم، ایک سازگار پراڈکٹ کس بشمول ویلیو چین کی استعداد کی بدولت مجموعی منافع میں بہتری دیکھنے میں آئی۔ کمپنی نے حجم برقرار رکھنے کیلئے براؤنڈ میں سرمایہ کاری جاری رکھی، جس کی وجہ سے Topline کے ساتھ آپریٹنگ منافع میں کمی ہوئی۔

نیسلے Good Food, Good Life کے ویژن پر کار بند کمپنی ہے اور ہمارا مقصد خوراک کی بیش قیمت طاقت کے ذریعے موجودہ اور آنے والی نسلوں کے معیار زندگی میں نمایاں بہتری لانا ہے اور یہ ہماری ہر کاروباری سرگرمی کا مرکزی جزو ہے۔ ہم چیلنجز سے بہتر آواز مارتے ہوئے ثابت قدم رہے اور صارف دوست مصنوعات کی تیاری میں جدت اور تزئین و آرائش پر توجہ برقرار رکھی۔ اس سب کے ساتھ ساتھ ہم نے ماحولیاتی اثرات کو کم سے کم کرنے کیلئے اپنی کادشوں میں اضافہ کیا۔ کی تیاری کیلئے جدت اور تنظیم نو کاراستہ اپنایا، جبکہ ماحولیاتی اثرات کو کم سے کم کرنے کیلئے کادشوں میں تیزی لائی گئی۔

مالی کارکردگی کا خلاصہ:

روپے (ملین)	2023	2024	فرق
خالص سیلز	200,605	193,206	-3.69%
مجموعی منافع کا مارجن	35.3%	36%	+71bps
آپریٹنگ منافع کا مارجن	17.2%	15.3%	-193bps
خالص منافع ٹیکس کے بعد (فیصد)	8.2%	7.7%	-56bps
خالص منافع ٹیکس کے بعد - ملین روپے	16,493	14,808	-10.2%
آمدن فی شیئر	364	327	-10.2%

ڈیویڈنڈز:

کمپنی کی مالیاتی کارکردگی دیکھتے ہوئے بورڈ آف ڈائریکٹرز نے 30 روپے فی شیئر حتمی منافع منقسمہ تجویز کیا ہے اس کے علاوہ عبوری نقد منافع منقسمہ 136 روپے فی شیئر سپلے ادا کیا جا چکا ہے جس کے بعد سال 2024 کا مجموعی منقسمہ 166 روپے فی شیئر ہے جو کہ سال 2023 میں 193 روپے فی شیئر تھا۔

سرمایہ کاری کے منصوبے:

نیسلے پاکستان نے سال 2024 کے دوران سرمایہ کاری کیلئے 4.4 ارب روپے مختص کیے، جبکہ پائیداری کے منصوبوں پر توجہ مرکوز رہی۔ سرمایہ کاری کی تفصیلات حسب ذیل ہیں:

پراجیکٹ کی تفصیل	سرمایہ کاری (ملین روپے)
شیئروں پورہ ٹیکسٹری	2,026
کبیرو والا ٹیکسٹری	937
واٹر پائپس	511
ڈسٹری بیوٹن اینڈ سیلز	487
دیگر	441

کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک:

نیسلے پاکستان کسی بھی استثنیٰ کے بغیر کارپوریٹ گورننس کے بہترین معیارات پر عملدرآمد کیلئے پرعزم ہے۔ ڈائریکٹرز کو یہ بیان کرتے ہوئے انتہائی خوش محسوس ہو رہی ہے کہ کمپنی ایس۔ای۔سی۔ پی کے قواعد کو مد نظر رکھتے ہوئے کوڈ آف کارپوریٹ گورننس کی دفعات اور اسٹاک ایکسچینج لسٹنگ کے قواعد و ضوابط پر مکمل عمل پیرا ہے۔ کوڈ آف کارپوریٹ گورننس پر عملدرآمد کا بیانیہ درج ذیل ہے۔

ڈائریکٹرز نے تصدیق کی ہے کہ

الف۔ کمپنی بینکنگ کی جانب سے تیار کیے جانے والے مالی گوشواروں میں امور کی انجام دہی، اپنے امور کے نتائج، کیش فلور اور ایکویٹی میں تبدیلی کے بارے میں درست انداز میں بتایا گیا ہے

ب۔ کمپنی کی اکاؤنٹس بکس کی تفصیلات کو درست انداز میں برقرار رکھا گیا ہے

ج۔ فنانشل اسٹیٹمنٹ کی تیاری میں مناسب اکاؤنٹنگ حکمت عملیوں کو متواتر لایا گیا ہے اور اکاؤنٹنگ تخمینہ معقول اور آئینہ انداز فیصلہ پر مبنی ہے

د۔ فنانشل اسٹیٹمنٹ کی تیاری میں پاکستان میں لاگو اینڈ فیٹل فنانشل رپورٹنگ اسٹیٹنڈرڈز اور گینیز ایکٹ 2017 کی ضروریات کی مکمل پیروی کی گئی ہے اور اس کے انحراف کو مناسب انداز میں ظاہر اور بیان کیا گیا ہے

ح۔ اندرونی کنٹرول کا ڈھانچہ مضبوط ہے اور یہ موثر انداز میں نافذ العمل اور زیر نگرانی ہے

ف۔ کمپنی کے جاری رہنے کی صلاحیت پر کوئی واضح شکوک نہیں ہیں

ک۔ لسٹنگ ریگولیشنز میں اندراج کے مطابق کارپوریٹ گورننس کے قواعد سے کوئی مادی انحراف نہیں کیا گیا

ع۔ درج ذیل سے متعلق اسٹیٹمنٹ اکاؤنٹس کے نوٹس سے منسلک اور واضح ہیں:

i۔ پچھلے چھ سال کے اہم مالیاتی اعداد و شمار

ii۔ شیئر ہولڈنگ کا پتھر

iii۔ ڈائریکٹرز، ای۔ای۔سی۔ ایف اور کمپنی سیکرٹری کی جانب سے کمپنی کے شیئرز میں ٹریڈنگ

iv۔ سال میں ہونے والی بورڈ میٹنگز کی تعداد اور ہر ڈائریکٹر کی حاضری

نان ایگزیکٹو ڈائریکٹرز کیلئے مشاہرے کی پالیسی اور ڈائریکٹرز کے مشاہرے کو واضح کرنا:

کمپنی کی بورڈ اور کمپنی مینڈیٹ میں شرکت کیلئے نان ایگزیکٹو ڈائریکٹرز اور خود مختار ڈائریکٹرز کے مشاہرے کا تعین بورڈ کی طرف سے کیا جاتا ہے۔ سال 2024 میں کمپنی کے چیف ایگزیکٹو آفیسر، ایگزیکٹو ڈائریکٹرز، اور نان ایگزیکٹو ڈائریکٹرز کو ادا کیے گئے مشاہرے کی تفصیلات بشمول دیگر مراعات مالی گوشواروں کے نوٹ 42 میں بیان کی گئی ہیں۔

بیرونی آڈیٹرز:

میسرز ارنسٹ اینڈ یوگن فورڈ رابن سونڈرچا رڈز اکاؤنٹنٹس نے سال 2024 کے اپنے امور کی انجام دہی مکمل کر لی ہے اور سینٹا ایسوس سالانہ اجلاس عام کے اختتام پر ریٹائر ہونے کے بعد اہل ہونے کی وجہ سے انہوں نے اپنی دوبارہ تقرری کی پیشکش کی ہے۔





















ANNEXURE TO DIRECTORS' REPORT

On Corporate Governance

Board of Directors' Meetings

During the year the Board of Directors had the following meetings:

Number of Board Meetings held for the financial year 2024 = 4

 Date of Meeting  Time  Nestlé Pakistan Limited, Packages Mall, Shahrah-e-Roomi, Lahore	 Date of Meeting  Time  Nestlé Pakistan Limited, Packages Mall, Shahrah-e-Roomi, Lahore
 26-Feb-24  11:00 A.M	 26-Apr-24  11:00 A.M
 Date of Meeting  Time  Nestlé Pakistan Limited, Packages Mall, Shahrah-e-Roomi, Lahore	 Date of Meeting  Time  Nestlé Pakistan Limited, Packages Mall, Shahrah-e-Roomi, Lahore
 25-Jul-24  11:00 A.M	 24-Oct-24  11:00 A.M

Detail of the attendance of Directors at Board Meetings is summarized below:

Name of Director	Date of appointment	No. of Meetings Attended
Mr. Joselito Jr Avanceña	01.03.2023	4
Mr. Syed Yawar Ali	19.07.2022	4
Mr. Syed Babar Ali	19.07.2022	4
Mr. Syed Hyder Ali	19.07.2022	3
Mr. Maqsood Anjum	01.11.2024	1
Mr. Faisal Nadeem	01.01.2023	4
Mr. Angelo Giardini	18.10.2023	3
Mr. David A. Carpenter	19.07.2022	4
Mr. Omar Saeed	19.07.2022	4
Ms. Romana Abdullah	18.10.2023	3
Ms. Komal Altaf (Resigned)	01.08.2022	4

Role and Responsibilities of the Chairman and the Chief Executive

The roles of the Chairman and the Chief Executive are segregated and they have distinct responsibilities. The Chairman of the Board has responsibilities and powers vested in him by law and the Articles of Association of the Company, as well as duties assigned to him by the Board. In particular, the Chairman coordinates the activities of the Board and presides over the meetings of the Board of Directors and Shareholders.

The Managing Director is the Chief Executive Officer of the Company and is responsible for the day-to-day operations and conduct of its business in accordance with the powers vested in him by law, the Articles of Association of the Company and authority delegated to him through the Board of Directors' resolutions from time to time. The Managing Director recommends policy and strategic directions and annual business plans for the Board of Directors' approval. The Managing Director is also responsible for exercising the overall control, discretion, administration, and supervision for sound and efficient management and conduct of the business of the Company.

Audit Committee

The Audit Committee comprises of three members including the Chairman of the Committee, who is an Independent Director. Two members are Non-Executive Directors. The terms of reference of the Committee, which is in line with the Code of Corporate Governance, has been presented and approved by the Board of Directors.

The Audit Committee held four meetings in 2024. The Chief Financial Officer, Internal Auditors as well as External Auditors were invited to the meetings.

Human Resources and Remuneration Committee

The Company has established this Committee in accordance with requirements of the Code of Corporate Governance. All issues of remuneration are fully disclosed, deliberated, and decided at the meetings of the Directors.

Strategic Planning

The Company's strategic direction was reviewed at the meeting of the Directors. A process has been put in place whereby long term Market Business Strategies and Annual Operational Plans established by the Management are regularly reviewed by the Directors in line with the Company's overall business objectives. Part of the process involves setting of the measurable Key Performance Indicators (KPIs).

REVIEW REPORT BY THE CHAIRMAN

It is my privilege to present this report to the Shareholders of Nestlé Pakistan Board's performance and its effectiveness in achieving the Company's objectives.

The Company has established a strong governance framework that ensures the effective and prudent management of business operations, which is essential for long-term success.

Throughout the year, the Board Committees demonstrated exceptional proficiency. After a thorough review, the Board collectively confirms that the Annual Report and Financial Statements are accurate, balanced, and clear.

An annual self-assessment of the Board's effectiveness and performance was conducted, encompassing key components such as Strategic Planning, Board Composition, Committee Operations, Procedural Adherence, Interactions, Compensation, Information Distribution, and Effectiveness of both the Board and CEO.

The Board of Directors received meeting agendas and supporting documentation well in advance of Board and Committee meetings. Meetings were convened with sufficient frequency to fulfill responsibilities adequately. Non-executive and Independent directors played an active role in pivotal decision-making processes.



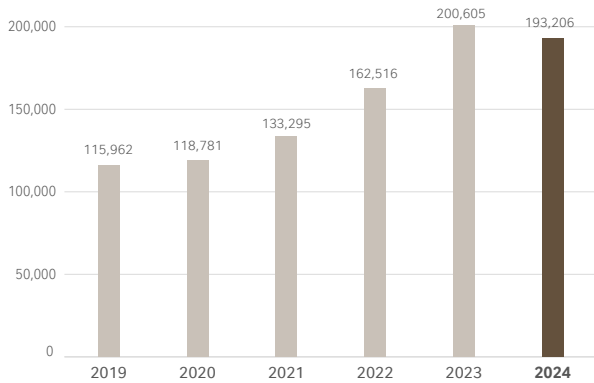
Syed Yawar Ali

Chairman

COMPANY PERFORMANCE 2024

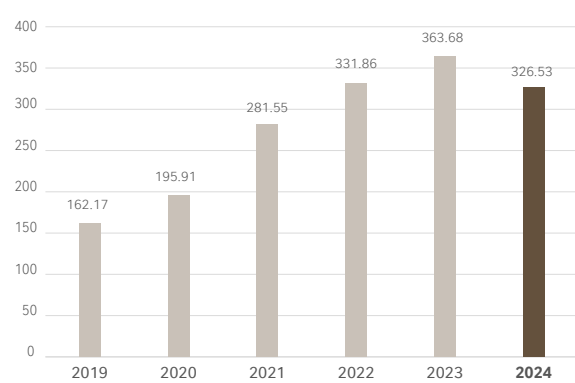
SALES

Rupees in million



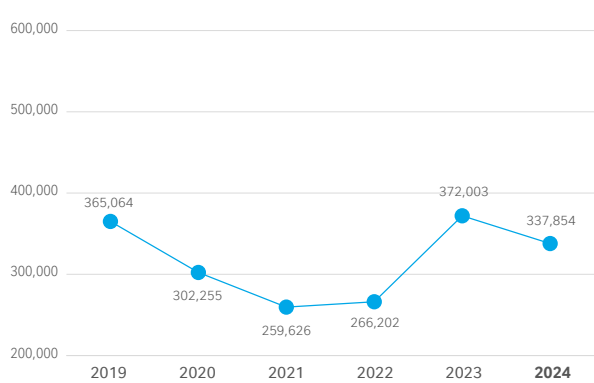
EARNING PER SHARE

Rupees



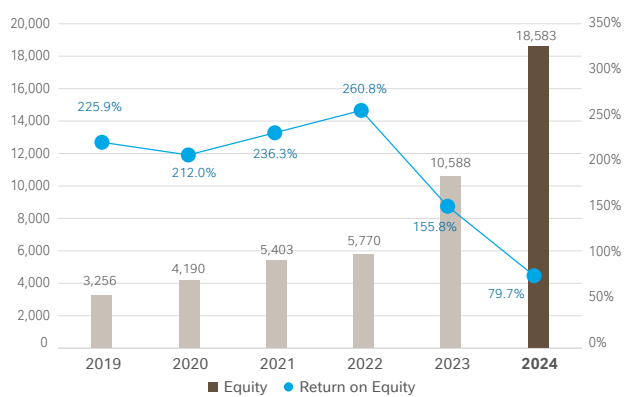
MARKET CAPITALIZATION

Rupees in million



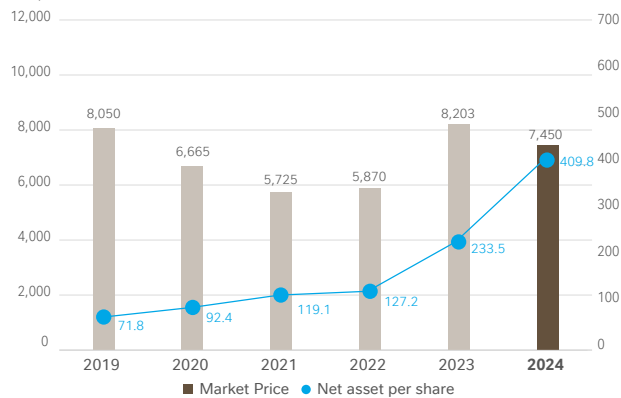
RETURN ON EQUITY

Rupees in million



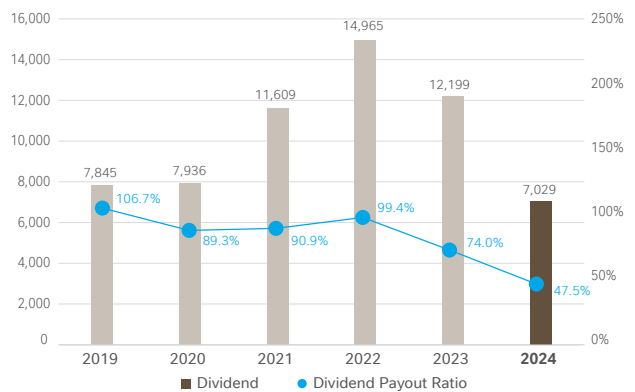
MARKET PRICE PER SHARE VS. NET ASSETS PER SHARE

Rupees



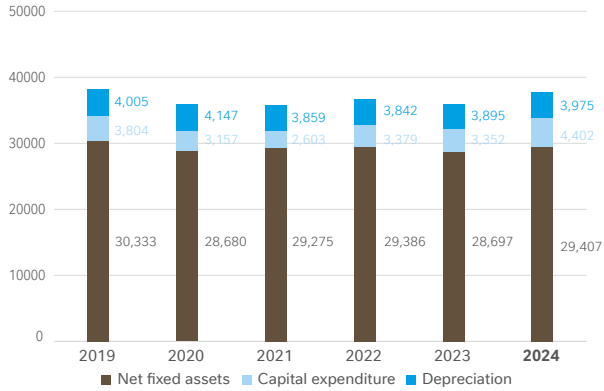
DIVIDEND PAYOUT RATIO

Rupees in million



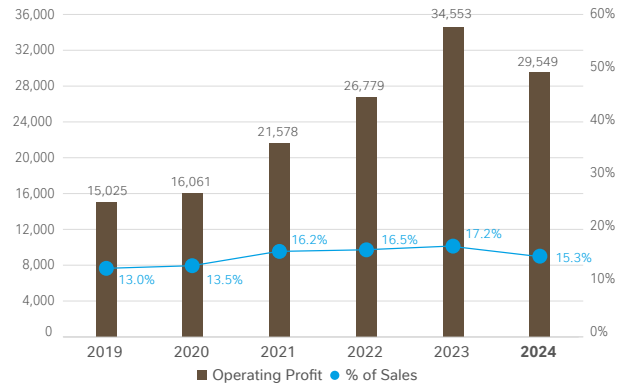
NET FIXED ASSETS, FIXED CAPITAL EXPENDITURE AND DEPRECIATION

Rupees in million



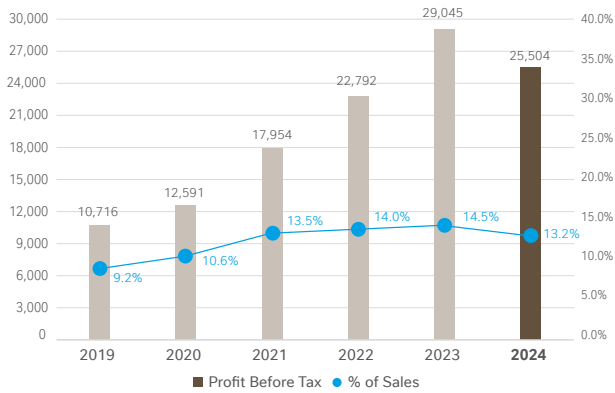
OPERATING PROFIT

Rupees in million



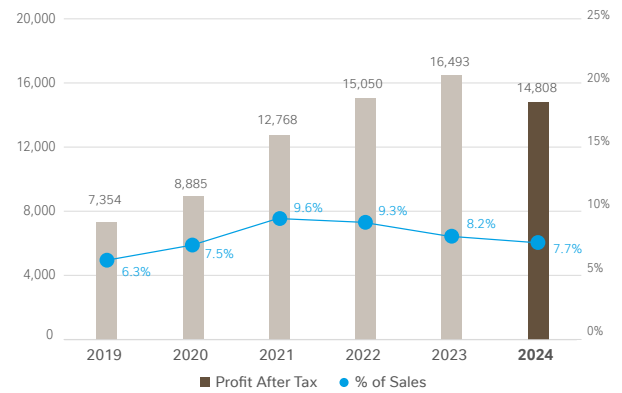
PROFIT BEFORE TAX

Rupees in million



PROFIT AFTER TAX

Rupees in million



STATEMENT OF WEALTH CREATION AND ITS DISTRIBUTION

(PKR in 000)	2024		2023	
Wealth Generated / Value Added:				
Net turnover including sales tax	241,582,205		234,176,715	
Purchased materials and services	(155,053,724)		(158,467,973)	
Value added	86,528,481		75,708,742	
Other income	615,611		499,497	
Wealth created	87,144,092	100%	76,208,239	100%
Wealth distribution:				
To Employees:				
Salaries, benefits and other costs	19,788,366	22.7%	17,457,727	22.9%
To Government:				
Income tax, sales tax, excise & custom duty, WWF, WPPF	53,474,142	61.4%	39,732,249	52.1%
To Society and Development Initiatives:				
Donations and CSR Projects	18,038	0.0%	24,250	0.0%
*Dairy Development (Non-business returns)	270,159	0.3%	276,412	0.4%
To Providers of Capital:				
Dividend to Shareholders	7,029,186	8.1%	12,199,043	16.0%
Mark-up / interest expenses on borrowed funds	2,589,499	3.0%	2,623,853	3.4%
To Company:				
Depreciation and amortisation	3,974,702	4.6%	3,894,705	5.1%
	87,144,092	100.1%	76,208,239	100.1%

* This represents contribution of the Company towards development of the society and dairy sector in Pakistan.

KEY FINANCIAL DATA

Six Years at a Glance

(Rupees in million)	2024	2023	2022	2021	2020	2019
Operating Performance						
- Sales	193,206	200,605	162,516	133,295	118,781	115,962
- Gross profit	69,524	70,760	49,630	40,492	34,765	33,349
- Operating profit	29,549	34,553	26,779	21,578	16,061	15,025
- Profit before tax	25,504	29,045	22,792	17,954	12,591	10,716
- Profit after tax	14,808	16,493	15,050	12,768	8,885	7,354
Balance Sheet						
- Net assets	18,583	10,588	5,770	5,403	4,190	3,256
- Reserves	18,130	10,135	5,317	4,950	3,737	2,802
- Operating fixed assets	29,407	28,697	29,386	29,275	28,680	30,333
- Net working capital	6,208	10,714	6,082	9,193	8,464	18,708
- Long term liabilities*	11,015	12,758	20,356	16,864	20,302	12,057
Investor Information for Six Years						
- Gross profit ratio	36.0%	35.3%	30.50%	30.4%	29.3%	28.8%
- Operating profit ratio	15.3%	17.2%	16.5%	16.2%	13.5%	13.0%
- Profit before tax ratio	13.2%	14.5%	14.0%	13.5%	10.6%	9.2%
- Profit after tax ratio	7.7%	8.2%	9.3%	9.6%	7.5%	6.3%
- Inventory turnover ratio	4.1 : 1	4.3 : 1	4.9 : 1	5.3 : 1	4.8 : 1	4.3 : 1
- Total assets turnover ratio	2.1 : 1	2.2 : 1	2.2 : 1	2.1 : 1	1.9 : 1	1.8 : 1
- Price earning ratio	22.8	22.6	17.7	20.3	34.0	49.6
- Return on capital employed	132%	153%	125%	101%	88%	97%
- Market value per share	7,450	8,203	5,870	5,725	6,665	8,050
- Debt equity ratio	22:78	61:39	77:23	81 : 19	85 : 15	90 : 10
- Current ratio	0.8:1	0.9:1	0.8:1	0.8 : 1	0.7 : 1	0.6 : 1
- Interest cover ratio	10.8 : 1	12.1 : 1	10.8 : 1	10.8 : 1	5.5 : 1	4.4 : 1

PATTERN OF SHAREHOLDING

As at December 31, 2024

No. of Shareholders	Shareholdings			Total Shares Held
	From		To	
1,008	1	to	100	20,594
209	101	to	500	55,303
86	501	to	1000	65,941
83	1001	to	5000	182,540
20	5001	to	10000	157,218
4	10001	to	15000	48,724
1	15001	to	20000	16,949
5	20001	to	25000	115,780
1	30001	to	35000	31,800
1	35001	to	40000	38,137
2	40001	to	45000	86,304
1	50001	to	55000	54,910
1	65001	to	70000	66,707
1	80001	to	85000	84,745
1	95001	to	100000	98,000
1	130001	to	135000	132,678
1	155001	to	160000	157,461
1	170001	to	175000	170,745
1	210001	to	215000	210,865
1	220001	to	225000	224,720
1	370001	to	375000	375,000
1	380001	to	385000	384,142
1	385001	to	390000	387,334
1	430001	to	435000	430,551
1	495001	to	500000	495,916
1	535001	to	540000	538,235
1	830001	to	835000	830,467
1	1240001	to	1240500	1,240,821
1	1290001	to	1295000	1,294,334
1	1330001	to	1335000	1,334,283
1	3645001	to	3650000	3,649,248
1	4435000	to	4439999	4,432,959
1	27935000	to	27939999	27,936,173
1,442				45,349,584

CLASSIFICATION OF SHARES BY CATEGORIES

As at December 31, 2024

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children	8	1,475,107	3.25
Associated companies, undertakings and related parties	8	36,973,747	81.53
Executives	4	75	0.00
NIT and ICP	-	-	-
Banks Development Financial Institutions, Non-Banking Financial Institutions	4	525,912	1.16
Insurance Companies	4	6,474	0.01
Modarabas and Mutual Funds	4	103,866	0.23
General Public			
a. Local	1,262	6,130,793	13.52
b. Foreign	68	1,395	0.00
Foreign Companies	2	23,923	0.05
Others	78	108,292	0.24
Totals	1,442	45,349,584	100.00

Shareholders holding 10% or above	Shares Held	Percentage
M/S. SOCIÉTÉ DES PRODUITS NESTLÉ S.A.	27,936,173	61.60
IGI INVESTMENTS (PVT) LIMITED	4,432,959	9.78
PACKAGES LIMITED	3,649,248	8.05

KEY SHAREHOLDING AND SHARES TRADED

As at December 31, 2024

S.No.	Folio #	Name of shareholder	Number of shares	Per %
Associated companies, undertakings and related parties				
		SOCIÉTÉ DES PRODUITS NESTLÉ S.A.	27,936,173	61.60
		IGI INVESTMENTS (PVT) LIMITED	4,432,959	9.78
		PACKAGES LIMITED	3,649,248	8.05
		GURMANI FOUNDATION	538,235	1.19
		NATIONAL MANAGEMENT FOUNDATION	224,720	0.50
		BABAR ALI FOUNDATION	170,745	0.38
		INDUSTRIAL TECHNICAL & EDUCATIONAL INSTITUTE	21,666	0.05
		IGI FINEX SECURITIES LIMITED	1	0.00
			8	36,973,747
				81.51
Directors, Chief Executive Officer and their spouse(s) and minor children				
		SYED BABAR ALI	100	0.00
		SYED HYDER ALI	1,240,821	2.74
		SYED YAWAR ALI	23,220	0.05
		OMAR SAEED	20	0.00
		ROMANA ABDULLAH	20	0.00
		DAVID ALEXANDER CARPENTER	1	0.00
		PERWIN BABAR ALI (W/O SYED BABAR ALI)	210,865	0.46
		SYEDA NIGHAT ALI (W/O SYED YAWAR ALI)	60	0.00
			8	1,475,107
				3.25
Executives				
			4	75
				0.00
Banks Development Financial Institutions, Non-Banking Financial Institutions and Public Sector Companies				
		ZARAI TARAQIATI BANK LIMITED	430,551	0.95
		MCB BANK LIMITED - TREASURY	84,745	0.19
		EMPLOYEES OLD AGE BENEFITS INSTITUTION	10,560	0.02
		NATIONAL BANK OF PAKISTAN	56	0.00
			4	525,912
				1.16
Modarabas and Mutual Funds				
		CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	98,000	0.22
		CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND	2,626	0.01
		CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	2,482	0.00
		CDC - TRUSTEE AKD INDEX TRACKER FUND	758	0.00
			4	103,866
				0.23

Details of Sale / Purchase of Nestlé Pakistan's shares by Directors, Company Secretary, Executives, and their spouses during the year 2024 and the following Gift-In / Gift-Out transactions of Nestlé Pakistan's shares held by the respective Directors, and respective spouse(s) during the year 2024

Name	Nature of Transaction	Number of Shares	Date
Syed Babar Ali	Buy	9,447	3 September 2024
Syed Babar Ali	Buy	1	3 September 2024
Syed Babar Ali	Buy	2	3 September 2024
Syed Babar Ali	Gift-out	9,450	13 September 2024

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance)

Regulations, 2019 (“Regulations” or “CCoG”) For the Year ended December 31, 2024

Nestlé Pakistan Limited (“Company”) has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors is 10 as per the following:

- i. Male: **09**
- ii. Female: **01**

2. The composition of the Board is as follows:

Independent Directors:

- i. Mr. David A. Carpenter
- ii. Mr. Omar Saeed
- iii. Ms. Romana Abdullah

Executive Directors:

- i. Mr. Joselito Jr Avanceña
- ii. Mr. Maqsood Ahmad Anjum
- iii. Mr. Faisal Nadeem

Non-Executive Directors:

- i. Mr. Syed Yawar Ali
- ii. Mr. Syed Babar Ali
- iii. Mr. Syed Hyder Ali
- iv. Mr. Angelo Giardini

Female Directors:

- i. Ms. Romana Abdullah

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 for the Company. The Board has ensured that a 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 (“Act”) and these Regulations;

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

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

9. The Directors of the Company have attended the Directors’ Training program who were required as per the applicable CCoG prescribed timelines;

10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary, and Head of Internal Audit, including their remuneration and terms and conditions of employment, and complied with relevant requirements of the Regulations;

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

12. The Board has formed the following committees comprising of members given below:

BOARD AUDIT COMMITTEE:

Name of the Committee Member	Designation
Mr. Omar Saeed	Chairman / Independent Director
Mr. Syed Babar Ali	Member / Non-Executive Director
Mr. Syed Hyder Ali	Member / Non-Executive Director
Mr. Mudassar Ashraf	Secretary / Head of Internal Audit

HUMAN RESOURCES AND REMUNERATION COMMITTEE

Name of the Committee Member	Designation
Ms. Romana Abdullah	Chairperson / Independent Director
Mr. Joselito Jr Avanceña	Member / Executive Director
Mr. Syed Hyder Ali	Member / Non-Executive Director
Ms. Hajra Omer	Secretary / Head of Human Resources

13. The 'Terms of Reference' of the aforesaid Committees have been formed, documented and advised to the Committee for Compliance;
14. The frequency of meetings of the Committee were as follows:
- i. Audit Committee: **04**
 - ii. Human Resources and Remuneration Committee: **02**
15. The Board has set up an effective Internal Audit Function who are considered suitably qualified and experienced for the purpose and 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 and 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



Joselito Jr Avanceña
Chief Executive Officer



Syed Yawar Ali
Chairman

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

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement, and the Auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with.
19. Regulation 6(1) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (CoCG-2019), requires that "each listed company shall have at least two or one-third members of the Board, whichever is higher, as independent directors"; further the CoCG-2019 Regulations' apply to the listed companies based on "comply or explain approach". The Company's total number of directors results in a fractional number (3.33) and the fraction had not been rounded up to one therefore, the Board currently has 3 Independent Directors. The Company considers that the existing composition of the Board of Directors is in compliance with CoCG regulations, and the existing composition of the Board of Directors brings in the relevant experience and valuable contributions to the Board.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Nestlé Pakistan Limited

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

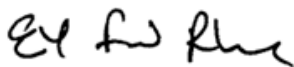
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations), prepared by the Board of Directors of Nestlé Pakistan Limited (the Company) for the year ended 31 December 2024 in accordance with the requirements of regulation 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 31 December 2024.



EY Ford Rhodes

Chartered Accountants
Engagement Partner: Omer Chughtai
Lahore: 24th March 2024
UDIN: CR202410120Xk5uBvZfH

BOARD OF DIRECTORS

As on December 31, 2024



Mr. Syed Yawar Ali

Chairman
Non-Executive Director



Mr. Joselito Jr Avanceña

Director & Chief Executive Officer



Mr. Syed Babar Ali

Non-Executive Director



Mr. Syed Hyder Ali

Non-Executive Director



Mr. Maqsood Ahmad Anjum

Director & Chief Financial Officer



Mr. Angelo Giardini

Director



Mr. Faisal Nadeem

Director



Mr. Omar Saeed

Independent Director



Mr. David A. Carpenter

Independent Director



Ms. Romana Abdullah

Independent Director

Officers

Mr. Joselito Jr Avanceña

Chief Executive Officer

Mr. Maqsood Ahmad Anjum

Chief Financial Officer

Mr. Ali Sadozai

Company Secretary

Mr. Mudassar Ashraf

Head of Internal Audit

Audit Committee

Mr. Omar Saeed

Chairman / Independent Director

Mr. Syed Hyder Ali

Non-Executive Director / Member

Mr. Syed Babar Ali

Non-Executive Director / Member

Mr. Mudassar Ashraf

Head of Internal Audit / Secretary

Human Resources & Remuneration Committee

Ms. Romana Abdullah

Chairperson / Independent Director

Mr. Syed Hyder Ali

Non-Executive Director / Member

Mr. Joselito Jr Avanceña

Executive Director / Member

Ms. Hajra Omer

Head of Human Resources / Secretary

COMPANY DIRECTORY

Registered and Corporate Office

Packages Mall,
Shahrah-e-Roomi,
PO Amer Sidhu
Lahore - 54760, Pakistan.
PABX: (042) 111 637 853
Fax: (042) 35789303-4

Resident Corporate Office

Tenancy # 2, 4th Floor,
Corporate Office Block
Dolmen City, Pakistan.
Plot No. HC-3 Block 4 Clifton
Karachi, Pakistan.
Phone: (021)-35291571-5

Auditors

EY Ford Rhodes
Chartered Accountants

Share Registrar / Transfer Agent

Central Depository Company Share
Registrar Services Limited (CDCSRSL)
CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahra-e-Faisal
Karachi, Pakistan. - 74400
Phone: 0800-23275
PABX: (021) 111-111-500
Fax: (021) 34326053
Email: info@cdcsrsl.com
Website: www.cdcsrsl.com

Legal Advisors

Chima & Ibrahim.
Advocates
Corporate Counsel

Bankers

- Habib Bank Limited
- Standard Chartered Bank (Pakistan) Limited
- MCB Bank Limited
- Citi Bank N.A
- Deutsche Bank AG
- Dubai Islamic Bank Pakistan
- Habib Metropolitan Bank Limited
- JS Bank Limited
- Meezan Bank Ltd.
- Bank Al Habib

Factories

SHEIKHUPURA

29-km Lahore - Sheikhpura Road,
Sheikhpura, Pakistan.
Phone: (056) 3406615-29

KABIRWALA

10-km, Khanewal Road, Kabirwala,
District Khanewal, Pakistan.
Phone: (065) 2559226
Fax: (065) 241143

ISLAMABAD

Plot No. 32, Street No. 3, Sector I-10/3,
Industrial Area Islamabad, Pakistan.
Phone: (051) 4445991-3

KARACHI

Plot No. A23, North Western
Industrial Area, Port Qasim Karachi,
Pakistan.
Phone: (021) 38402086

Regional Sales Offices

South Zone

QUETTA

Ground Floor, Serena Bazar
Serena Hotel, Zarghoon Road
Quetta, Pakistan.
Phone: (081)-2834887, (081)-2821543,
(081)-2823946

HYDERABAD

Fortune Arcade, Plot No.79, Block-H,
Commercial Premises No.2, Main
Jamshoro Road, Hyderabad, Sindh,
Pakistan.
Phone: (022)-2100725 -8

Centre Zone

GUJRANWALA

3rd Floor, State Life Building
G.T Road Gujranwala, Pakistan.
Phone: (055)-3733415, (055)-3733243

FAISALABAD

6/C, Al Fahad Plaza, Koh-e-Noor City,
Jaranwala Road, Faisalabad, Pakistan.
Phone: (041)-8719131-2

MULTAN

Office No. 507, 5th Floor, United Mall,
Abdali Road, Multan Cantt, Pakistan.
Phone: (061)-4540560

North Zone

ISLAMABAD

Plot 102, Street 7, Chambeli Road,
Industrial Area, I-10/3, Islamabad,
Pakistan.
Phone: (051)-4104400

PESHAWAR

Office No. 302, Block A, 2nd Floor, JB
Towers, University Road, Peshawar,
Pakistan.
Phone: (091)-5703017

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 47th Annual General Meeting of Nestlé Pakistan Limited ("Company"); will be held at 12:00 noon on Tuesday, April 22, 2025, at Company's Head Office, Packages Mall, Shahrah-e-Roomi, PO Amer Sidhu, Lahore, to transact the following business:

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

Ordinary Business:

- 1- To confirm minutes of the 46th Annual General Meeting of the Company held on April 18, 2024.
- 2- To receive, consider, and adopt the Audited Accounts of the Company for the year ended December 31, 2024, together with the Directors' and Auditors' reports thereon.
- 3- To appoint Auditors for the term ending at the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring Auditors M/s. EY Ford Rhodes, Chartered Accountants being eligible have offered themselves for re-appointment.
- 4- To approve payment of Final Cash Dividend of Rs. 30 per share i.e. 300% to those who are Shareholders as at the close of business on April 14, 2025, in addition to the 1360% Interim Cash Dividend (i.e. Rs. 136 per share) already paid during the year 2024, as recommended by the Directors.

Any Other Business:

- 4- To transact any other business with the permission of the Chair.

BY ORDER OF THE BOARD



Ali Sadozai

Company Secretary

Dated: March 26, 2025

NOTES:

- i) In accordance with Section 223 of the Companies Act, 2017 and pursuant to SECP's SRO 389(I)/2023, the Company has obtained shareholders' approval in the 46th Annual General Meeting (AGM) of the Company held on April 18 2024 for the transmission of audited Annual account through QR enabled Code and Weblink. The Annual Report is available through the following QR Code and Weblink:



SCAN ME

<https://www.nestle.pk/investors/financialreports>

- ii) Share Transfer Books of Nestlé Pakistan Limited ("Company") shall remain closed from April 15, 2025, to April 22, 2025 (both days inclusive) and no transfer will be registered during that time. Share transfer deeds received in order with the Share Registrar of the Company, i.e. CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 at the close of business on April 14, 2025, will be treated in time for entitlement of payment of Final Cash Dividend.
- iii) A member entitled to attend and vote at the Annual General Meeting ("Meeting") is entitled to appoint another member as a proxy to attend and vote on his / her behalf. In case of a corporate entity, being a member, may appoint as its proxy any of its official or any other person whether a member of the Company or not through Board Resolution / Power of Attorney.
- iv) The instrument appointing a proxy duly stamped/ signed and witnessed and must be received at the Registered Office of the Company at Nestlé Pakistan Limited, Packages Mall, Shahrah-e-Roomi, Amer Sidhu, Lahore, or email scanned copies of the same at not later than forty-eight (48) hours before the Meeting.
- v) Shareholders whose shares are registered in their account / sub-account with Central Depository System (CDS) are requested to e-mail copy of the CNIC along with their account number in CDS and participants ID number for verification. In case of appointment of proxy by such account holders it must be accompanied with participants' ID number and Account / Sub-account number along with attested photocopies of CNIC or the Passport of the beneficial owner. Representatives of Corporate Members should e-mail the usual documents required for such

purposes through the e-mail address, through which they are appointed as Proxy of the respective Shareholder.

- vi) Members should quote their Folio. / CDS Account number in all correspondence with the Company and at the time of attending the Annual General Meeting. The proxy shall produce his / her valid original CNIC or original passport at the time of the AGM.
- vii) Shareholders are requested to notify the change of address, Zakat Declaration and Tax Exemption Status with its valid certificate, if any, immediately to our Share Registrar.
- viii) In case of joint holders, only one member whose name will appear as main title shareholder in our list of shareholders, will be allowed to attend the General Meeting.
- ix) There was no investment made by the Company in its Associated Companies / Undertaking during the year 2024, hence no update is required to be made as part of the Annual Report which is required under Regulations 4 and 6 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2019.

SPECIAL NOTES TO THE SHAREHOLDERS:

x) WITHHOLDING OF PAYMENT OF DIVIDEND - SUBMISSION OF COPIES OF CNIC (URGENT & MANDATORY):

As per SECP directives the dividend of shareholders whose valid CNICs, are not available with the Share Registrar could be withheld. All shareholders having physical shareholding are therefore advised to submit a photocopy of their valid CNICs immediately, if already not provided, to the Share Registrar, M/s. CDC Share Registrar Services Limited (CDCSRSL), CDC House 99-B, Block 'B', Sindhi Muslim Cooperative Housing Society (S.M.C.H.S), Main Shahra-e-Faisal, Karachi - 74400 without any further delay.

xi) DEDUCTION OF INCOME TAX FROM DIVIDEND UNDER SECTION 150 OF INCOME TAX ORDINANCE 2001:

As per the provisions of Section 150 of the Income Tax Ordinance, 2001 ("Ordinance"), whereby, different rates are prescribed for the deduction of withholding tax on the amount of dividend paid by the Companies.

The current withholding tax rates are as under:

- (a) For Filers of Income Tax Returns: 15%
- (b) For Non-Filers of Income Tax Returns: 30%

To facilitate the Company in implementing a reduced tax deduction rate of 15% for Cash Dividends instead of 30%, shareholders classified as Filers, but not listed in the Active Tax-payers List (ATL) by the Federal Board of Revenue (FBR) on its website, are urged to ensure their inclusion in the ATL before the issuance of Dividend Warrants. Failure to do so will result in a tax deduction rate of 30% on their Cash Dividends.

Corporate Shareholders with CDC accounts must update their National Tax Numbers (NTN) with their participants, while physical shareholders should send NTN certificates to the Company or its Share Registrar, CDCSRSL. When submitting NTN or certificates, shareholders must include the company name and their respective Folio Numbers.

A valid Tax Exemption Certificate under Section 159 of the Ordinance is mandatory to claim exemption of withholding tax under Clause 47B of Part-IV of the Second Schedule to the Ordinance. Those who fall in the category mentioned in the above Clause must provide a valid Tax Exemption Certificate to the Company's Shares Registrar timely to avoid tax deduction.

Further, withholding tax on jointly held shares is determined based on both the "Filer / Non-Filer" status of the Principal shareholder and the Joint-holder(s) as well as their respective shareholding proportions. Shareholders holding shares jointly must provide shareholding proportions to the Company's Share Registrar timely in writing as follows:

FOLIO / CDC ACCOUNT NO.	TOTAL SHARES	PRINCIPAL SHAREHOLDER		JOINT SHAREHOLDER(S)	
		NAME AND CNIC NO.	SHAREHOLDING PROPORTION (NO. OF SHARES)	NAME AND CNIC NO.	SHAREHOLDING PROPORTION (NO. OF SHARES)

xii) PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE: (MANDATORY)

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company including Nestlé Pakistan Limited to pay cash dividend to its shareholders ONLY through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividend directly into their bank account,

shareholders are requested to fill in ELECTRONIC CREDIT MANDATE FORM (Form) available at Company's website and send form duly signed along with a copy of CNIC to the Share Registrar (CDCSRSL) of the Company in case of physical shares. In case of shares held in CDC then ELECTRONIC CREDIT MANDATE FORM (Form) must be submitted directly to shareholder's broker / participant / CDC account services.

ELECTRONIC CREDIT MANDATE FORM:

Folio Number	
Name of Shareholder	
Title of Bank Account	
Name of Bank	
Name of Bank Branch and Address	
International Bank Account Number (IBAN)	
Cellular and Landline Number of Shareholder	
E-mail Address	
CNIC / NTN number (Attach copy)	
Signature of Shareholder	

In case of non-receipt of IBAN detail, the Company will be constrained to withhold payment of dividend under Companies (Distribution of Dividends) Regulations, 2017.

xiii) UNCLAIMED DIVIDENDS AND SHARES (IMPORTANT & MANDATORY)

Shareholders of the Company are hereby informed that as per the record, there are some unclaimed / uncollected / unpaid dividends and shares. Shareholders who could not collect their dividends / shares are advised to contact Nestlé Share Registrar, CDCSRSL to collect / enquire about their unclaimed dividend or shares, if any. In compliance with Section 244 (2) of the Companies Act, 2017, after having completed the stipulated procedure, of three (3) years or more from the date due and payable, shall be deposited to the credit of Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to SECP.

xiv) TRANSMISSION OF ANNUAL REPORT:

The Audited Financial Statements of the Company for the year ended December 31, 2024, have been made available on the Company's website (<https://www.nestle.pk/>) in addition to the Annual and Quarterly financial statements for the previous years.

Additionally, the Annual Report of the Company for the year ended December 31, 2024, has been e-mailed to the respective shareholders with valid e-mail IDs registered with the Share Registrar of the Company (CDSRSL), and dispatched Notice of the AGM with a QR Code to access the same to those without updated email ID's.

However, if a shareholder, requests for a hard copy of the Annual Audited Financial Statements, the same shall be provided free of cost within seven (07) days of receipt of such request. For convenience of shareholders, a "Standard Request Form for provision of Annual Audited Accounts" has also been made available at the Company's website

xv) CONVERSION OF PHYSICAL SHARES INTO CDC ACCOUNT:

The Shareholders having physical shareholding are encouraged to place their physical shares into scripless form as defined in Section 72(2) of the Act i.e., "Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the commencement of the Act." (i.e., May 31, 2017)

The Shareholders having physical shareholding may open CDC sub-account with any of the broker or investor account directly with CDC to place their physical share into scripless form, this will facilitate them in many forms including safe custody, and trade in shares anytime they want, as the trading of physical shares is not permitted as per existing regulations of the Stock Exchange.

xvi) PARTICIPATION IN AGM

Shareholders must update their valid e-mail addresses with the Share Registrar, CDSRSL latest by March 31, 2025. Detailed procedure to attend the Annual General Meeting shall be communicated through e-mail directly to the shareholders with valid e-mail IDs, and the same shall be placed at the Company's website.

Shareholders who have updated their e-mail addresses with the Company or its Share Registrar (CDSRSL) and wish to attend the AGM must send verification information from their registered email address to investor.relations@pk.nestle.com latest by April 9,2025.

S. NO.	NAME OF THE SHAREHOLDER	CNIC NUMBER	FOLIO NUMBER	CELL NUMBER	REGISTERED E-MAIL ADDRESS

In case of appointment of a proxy, please communicate the above information for the individual who has been appointed as a proxy of the Shareholder to participate and vote on behalf of the respective shareholder along with the duly signed proxy form.

In accordance with Section 132(2) of the Companies Act, 2017, if the companies receive consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 7 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to the availability of such facility in that city.

ABOUT NESTLÉ PAKISTAN

We are the Good food, Good life company.

Nestlé Pakistan is the leading food and beverage company in Pakistan, reaching out to the remotest areas, offering products and services for all stages of life, every moment of the day. We are headquartered in Lahore, with four production facilities across the country. We started our operations in Pakistan in 1988 under a joint venture with Milk Pak Ltd, whose management we took over in 1992.

For the last several years, Nestlé Pakistan has been consistently placed among the top companies of the Pakistan Stock Exchange.

Nestlé Pakistan continues to make its operations more sustainable. We are working hard to achieve a waste-free future by ensuring that more than 95% of our packaging will be designed for recycling by 2025, with a commitment to achieve 100%.





MANAGEMENT COMMITTEE



Standing – From Left to Right

Shakeel Ahmad	Head of Sales
Muhammad Fahad	Business Executive Officer, Coffee & Juices
Mohammad Ali Sadozai	General Counsel & Company Secretary
Faisal Nadeem	Head of Technical

Abdullah Jawaid Ahmad	Business Executive Officer - Nestlé Waters
Sheikh Waqar Ahmad	Head of Corporate Affairs & Sustainability
Asad Ahmed	Head of Supply Chain



Sitting – From Left to Right

Nausheen Jaffery	Business Executive Officer - Nestlé Professional
Babar Hussain Khan	Business Executive Officer - Infant Nutrition
Khurram Zia	Business Executive Officer - Dairy
Joselito Jr Avanceña	Chief Executive Officer & Managing Director

Maqsood Ahmad Anjum	Chief Financial Officer
Samra Maqbool	Head of Strategy & Business Development
Fuad Ghazanfar	Head of Communications & Marketing Services
Hajra Omer	Head of Human Resources

HUMAN RESOURCES

At Nestlé Pakistan, we are driven by a purpose—to empower our people, foster inclusivity, and create a workplace where everyone thrives. 2024 has been a testament to this commitment, as we strengthened our focus on talent development, diversity, financial literacy, well-being, and employee engagement.



In 2024, we empowered employees through financial literacy, leadership development, and youth enablement programs while advancing diversity with Kero Aitemaad for women in STEM and Hai Tum Pe Yakeen for People with Disabilities programs. Enhanced benefits and a culture of collaboration reinforced our commitment to well-being and inclusion, and moving forward, we remain dedicated to fostering a workplace where everyone thrives.

Thriving Together: Empowering Women Through Financial Literacy

This year, WiN (Women in Nestlé) ERG hosted three impactful connect sessions, equipping women with **financial literacy skills in budgeting, investments, and long-term planning**. By fostering financial confidence, we empowered them to take charge of their growth, reinforcing our commitment to meaningful empowerment.

Winning Through Learning: Shaping a Future-Ready Workforce

In 2024, we empowered employees through tailored programs like the **Personified Learning Catalogue** and **NESLEARN – Become Future Fit Academy**, addressing the **Mind-Heart-Body** dimensions of learning with AI, Design Thinking, Yoga, and boot camps.

We advanced Leadership Development and Inclusion through **Multigenerational Workforce Management Workshops, Nestlé Leadership with Purpose, GALLUP CliftonStrengths Finder, and People Manager Development Assessment Center (PMDAC)** for feedback and conversations. The **Career SuperDrive** game further inspired reflection and career discovery.

With 90% of talent and 1,300+ managers engaged, our refreshed **Nestlé Leadership Framework** and ambassador-driven campaigns strengthened our culture of learning and growth.

Shaping Tomorrow: Driving Youth Development in 2024

In 2024, we advanced the Nestlé Needs YOUth initiative, reaching 45,000+ young individuals through apprenticeships, traineeships, and job opportunities. The **NESTERNSHIP** program attracted 19,000+ applicants, with 135 top students selected for internships across key functions, gaining hands-on experience and career development.

Shaping Tomorrow's Leaders: Nespire – Supply Chain Edition

Launched in 2024, Nespire is an educational program aimed at developing future supply chain leaders. Out of 5,500+ applications, 25 exceptional candidates were selected through assessments and interviews. The journey began with an inspiring onboarding event, featuring a fireside chat with industry leaders and motivational speeches. The program combines virtual learning with a six-week internship, offering real-world experience and leadership training.

Nespire goes beyond education—it's about shaping a future-ready supply chain workforce and empowering future leaders to drive innovation and transformation.

Fostering Diversity, Elevating Talent:

Launched in 2016, the Kero Aitemaad initiative empowers young female professionals for success in unconventional roles. In October 2024, the program attracted over 3,000+ applicants and selected 30 associates for a one-year traineeship program. Through the "Hai Tum Pe Yakeen" program, we provide equal opportunities for People with Disabilities (People of Determination). In 2024, we received 1,300+ applications and hired 12 associates, strengthening our diverse, and inclusive workplace.



45,144

YOUTH engaged through Campus Drives & Job Fairs



150+

Internships were offered



27.4%

Females in A-H



34.6%

Females in Management



15.8%

Females in the workforce

Investing in Wellbeing: Cultivating a Healthier Workforce

In 2024, Nestlé prioritized **employee well-being** through initiatives supporting both **physical and mental health**. This included observing Mental Health Day, launching the PLEAZ website for mindfulness and wellness, and celebrating Pinktober with a breast cancer awareness session. Throughout the year, various health awareness sessions were held to promote healthy lifestyles and proactive health management.

Engaging with Purpose: Building a Thriving Workplace Community

In 2024, Nestlé focused on building an inclusive and dynamic workplace through events like **Functional Happy Hours**, **Independence Day**, and **International Coffee Day**, promoting joy and camaraderie. Initiatives such as the **NesClubs Fair**, **Bring Your Kids to Work**, **Bring Your Parents to Work**, and **International Day of Persons with Disabilities** celebrated special individuals in our lives. Team-building activities like **Table Tennis** and **Cricket Tournaments** strengthened connections, while Remember December provided a chance to reflect on and celebrate collective achievements.

Promoting Excellence: Elevating Employee Benefits in 2024

At Nestlé, our employees are the heart of our success, fueling innovation and driving growth. In 2023, their feedback inspired us to push the boundaries of what it means to invest in people. In 2024, we proudly unveiled a new suite of benefits designed to elevate employee experience and strengthen our collective bond.

- **Recognition of Top Performers:** Thank-you cards and monetary rewards to celebrate achievements.
- **Parents Medical Fund:** To ensure quality care for employees' loved ones.
- **Parental Leave:** Expanded to 180 days for primary caregivers, 126 for others, and 30 for secondary caregivers.
- **Childcare Support and Nanny Assistance:** On-site daycares, remote location support, and nanny assistance up to 20,000 rupees.
- **Wellness & Virtual Work Support:** Reimbursements for home office, IT, and family expenses promote well-being.

These initiatives are more than benefits; they reflect our ongoing investment in the well-being and success of our people.

SUPPLY CHAIN

A Year of Resilience: Nestlé Supply Chain's continued commitment to Ensuring Supply, Customer Centricity, Agile Planning and Operational Efficiency, while driving substantial cost optimization and optimum availability



As we reflect in 2024, we faced many challenges that tested our operational capabilities and strategic foresight. The landscape was characterized by persistent inflationary pressures, followed by an increase in taxation both on product categories and income, posing further complications. Despite that, our Supply Chain team demonstrated agility, resilience and exceeded expectations with notable success in each facet within the function.

Significant strides were made to further strengthen demand and supply planning. By leveraging AI/ML based analytics, we have advanced our forecasting methodologies to analyze both linear and non-linear trends, providing deeper insights into rapidly changing demand. The team helped in data-driven decision-making by offering an in-depth analysis of features and impacts to optimize the pricing and promotional strategies. Ensuring accurate forecasts coupled with strong cross-functional collaboration and restructured event management helped surpass operational complexity and enabled on-shelf presence of twice as many promotions as in 2023. The Pakistan market continues to be a leader in Nestlé Zone AOA in delivering high-quality sell-out forecasts with 91% accuracy at M-1 and 85% at M-3.

In the past year, our Physical Logistics team successfully implemented AI enabled cameras throughout our dedicated fleet of trucks and distribution centers, allowing us to monitor safety violations in real-time and take immediate action.

This is helping us take significant corrective and preventive measures enhancing safety within our operations and on the roads for others. We have reduced unsafe behaviors by 65% to date. We also established the Road Safety Forum in collaboration with industry players to enable the sharing of safety-related learnings. Despite challenging circumstances, we remained steadfast in our commitment to seamless supply, achieving 100% of our targets. Continuous focus on the sustainability agenda, and multiple initiatives within the function led to a 32% reduction in GHG emissions. These accomplishments reflect our dedication to excellence and our unwavering commitment to our customers and the environment.

The Customer Supply Chain team remained resilient and sustained a high service level throughout the year, resulting in a Customer Order Fulfilment (COF) rate of over 99%. More significantly, Distributor Stock Availability (DSA) was enhanced



from 90% last year to 93.6% in 2024 which ensured optimum stock availability throughout the market. Furthermore, the team continued to focus on customer centricity as a key driver to add value for both Nestlé and our customers. By effectively utilizing Nestlé's Customer Logistics Excellence Review (C-LER) framework and technology solutions, we enhanced direct dispatches, multi-drop shipments, vehicle rightsizing, and customer Electronic Data Interchange (EDI) integration, achieving operational efficiency and cost savings. This also enabled the Customer Supply Chain team to achieve the highest automation adherence across the order to cash (O2C) stream in zone AOA.

We continued on our journey to diversify and localize our supplier base to secure supply, reduce foreign exchange requirements for the market, and reduce costs. The team strategically diversified suppliers across critical categories to effectively mitigate the risks of price escalation and supply disruptions. Synergies among sourcing flexibility and LEAN Framework (Reduce, Remove, Replace) for cost optimization helped in saving PKR 278 Mio, improved sourcing flexibility to 83.2%, positioning Pakistan among the top markets in Zone AOA. Our imports team has transformed the operations

with drastic improvement in all KPI's to provide an impetus for working capital and cost. This helped in working capital benefit of PKR 800 Mio and cost avoidance of PKR 244 Mio. Overall, the Procurement team took on the challenges and successfully delivered PKR 5.9 Mio bio savings, overachieving all savings targets. The team ensured 100% compliance on Tier 1 local supplier and ensured procurement best practices were followed.

Supply Chain attributes its achievements to the unwavering passion and dedication of our team members. We have prioritized the growth and development of our workforce by addressing the common gaps through training programs led by SC leadership team, empowering them with the skills necessary to tackle emerging challenges while ensuring these initiatives align with our business objectives. Furthermore, multiple initiatives like cross-functional workshops, regular forums for women, and leadership engagements were conducted to nurture a vibrant culture of open dialogue and inclusivity, fostering a safe and supportive environment for everyone.

TECHNICAL

Safety

Respect for the employees and stakeholders

In 2024, Nestlé Pakistan made significant progress in strengthening its safety culture. We showcased our commitment of strengthening the zero-harm culture with caring leadership through a range of initiatives. These include the implementation of "Safety Key Standard Routines (KSR) for front-line leaders", which involve strengthening the effectiveness of Lock Out, Tag Out (LOTO) and Permit to Work (PTW) efficacy checks through leadership on the shop floor. Furthermore, we have integrated safety routines on the shop floor operations to solidify our commitment of maintaining a safe working environment. Further, we have strengthened the safety tagging system for both permanent employees and contractors to effectively identify and eliminate unsafe conditions. We have also introduced a Behavior-Based Compliance (BBC) portal specifically for third-party workers in operations, enabling them to actively contribute to creating a safe work environment.

Throughout the year, we conducted cultural change programs and campaigns, with a notable focus on "Know Your LSR (Life-Saving Rules)" and "Take care of yourself and others". These initiatives also include forklift safety, defensive driving, and fire safety drills, equipping our workforce with essential safety skills.

In 2024, we achieved multi-site international certifications, including ISO 45001 (Occupational Health & Safety) and ISO 14001 (Environmental Management Systems) for our factories, Head Office, Supply Chain, Agriculture Services and Sales offices. All four factories of Nestlé Pakistan successfully maintained AWS (Alliance for Water Stewardship) certification.

Acknowledging the persistent challenge of road safety, we implemented an innovative Artificial Intelligence-based camera initiative in our fresh milk transport operations, which was recognized and awarded the "Global Safety by Design Award" for its outstanding contribution to road safety and we have extended the implementation of our replication strategy to include finished goods transport and staff shift vans. Looking ahead, our priorities for the coming year will continue to focus on competence-building, encompassing overall risk assessment, machine safety, life-saving rules, and fostering a mindset shift through behavioral modification. We are also committed to the ongoing implementation of digital solutions and artificial intelligence to further enhance our safety efforts.



Quality

Passion for the best consumer experience

We are dedicated to providing the best consumer experience by delivering high-quality products and services. Our goal is to build trust and preference among consumers through our passion and expertise. This commitment is evident in every aspect of our value chain activities, with a strong emphasis on quality culture. We believe that knowledge, skills, and the right behaviors are essential for sustaining and strengthening our commitment to quality. Competency development is a priority for our team, suppliers, and co-manufacturers.

To ensure the highest quality, we actively engage with farmers and suppliers of raw and packaging materials. We have worked closely with them to keep them informed about emerging quality, and food safety challenges and guide them in eliminating any key defects.

Our dedication to quality and food safety is reflected in our strong culture. We maintain certifications for FSSC 22000 (Food Safety Management Systems), ISO 9001 (Quality Management Systems), and ISO 17025 (Competence of Testing and Calibration Laboratories). We also have Halal certification from IFANCA, a not-for-profit organization committed to helping consumers and industry source authentic halal products. Our factories and milk collection centers are continuously monitored and verified by local food regulatory authorities to ensure the highest standards of quality.



Sheikhupura Factory

Sheikhupura Factory made notable strides in reinforcing its safety culture. Our focus is on elevating employees' skills while emphasizing the importance of life-saving rules. Further, we have successfully integrated artificial intelligence into our safety protocols, enabling proactive identification of potential hazards and behaviors. Our efforts foster a workplace environment where employees feel empowered to prioritize their safety and that of their colleagues.

Sheikhupura Factory is on its journey towards excellence, delivering 99.5% Customer Order Fulfillment with one of the lowest unplanned stoppages, making manufacturing processes more reliable and agile while optimizing Total Delivered Cost.

Owing to business needs, the factory has restructured its manufacturing footprints improving productivity significantly.

Factory continued its drive for digitalization aiming "Every day, A Perfect Day" for our operators by deploying Digital Manufacturing Operations, Digital Tagging Application and Key Standard Routines of Total Performance Management ensuring more agile and reliable operations.

We continued to strengthen our community presence through consistent engagement with key stakeholders throughout the year.

Our drive on Diversity, Equity & Inclusion continued to make the factory a preferred choice for female professionals and differently abled people, fostering a more inclusive culture at Sheikhupura Factory.

Keeping people at the heart of our operations, we continued to build the capability of our employees through training programs like operator centricity, world-class operation methodologies, and leadership development.

Kabirwala Factory

Kabirwala Factory has exhibited a strong commitment to enhancing its safety culture, prioritizing employee skills and reinforcing life-saving protocols. Through comprehensive training sessions and ongoing refresher courses, we have tailored our efforts to enhance machine safety techniques within the factory.

Kabirwala Factory rigorously worked to deliver the right quality products to our consumers and was certified by Bureau Veritas and SGS. Additionally, we have achieved Halal Certification from the IFANCA to ensure compliance and to support our export business. Our consistent excellent rating in Laboratory Proficiency Tests since 1999 and Sustained Laboratory Accreditation from Pakistan National Accreditation Council further validate our unwavering pursuit of excellence. This year we remained steadfast in our commitment to digitalize processes. To enhance our operational efficiency,



we have embraced digital tools in our daily activities. We utilize tools like Digital Manufacturing Operations modules and Predictive Maintenance Dashboard to streamline our processes. The implementation of Power BI dashboards has been particularly beneficial as it provides real-time data on our solar setup. This digital integration has significantly strengthened our governance and decision-making capabilities. Our continuous efforts were focused on assessing the impact of these initiatives in driving operational efficiencies across our value stream, all while navigating the challenges posed by inflation and additional taxation. Our unwavering dedication to maintaining a high level of asset intensity has been pivotal in our mission to reduce Total Delivered Cost.

We are deeply committed to environmental sustainability and have made significant progress in reducing greenhouse gas emissions through our energy savings initiatives. One notable achievement is the successful installation of the biomass boiler, which provides steam under a purchase agreement. This biomass boiler caters to approximately 80,000 tons of steam consumption per year and will result in a reduction of approximately 11,000 tCO₂e greenhouse gas emissions. In line with our 2025 sustainability goals, we are actively expanding our solar setup to optimize our fuel source mix for electricity generation, with the aim of further reducing emissions. In the realm of innovation and renovation, we have successfully launched a range of export products and introduced innovative offerings. Furthermore,

we have optimized the recipe of our Popularly Positioned Portfolio products, showcasing our commitment to continuous innovation and enhancing product quality.

Our people remain at the forefront of our priorities, and we have invested in their growth and development through comprehensive training programs. By focusing on operator centricity, world-class operation methodologies, and leadership development, we have fortified their capabilities and equipped them with the necessary skills to excel in their roles.

Port Qasim Factory

Port Qasim Factory has continued to thrive and achieve remarkable results consistently. Through the dedication and collaboration of our team, we have made significant strides in various areas, ensuring that we maintain our position as a leader in the industry. Our commitment to excellence, safety, and sustainability has been the driving force behind our success.

Our team has achieved the best-in-market number for bottle damages, we have maximized the water usage efficiency and have successfully completed the commissioning of recycled PET project. This project aligns with Nestlé's commitment to sustainability by significantly reducing plastic consumption. By incorporating recycled PET into our production process, we are actively contributing to the reduction of plastic waste and promoting a circular economy.



Another highlight of our factory's achievements is our focus on digitalization. We have leveraged various tools and technologies to improve our processes and enhance operator training. By embracing digital solutions, we have streamlined our operations, increased efficiency, and empowered our operators with the necessary skills and knowledge to excel in their roles.

We have placed a strong emphasis on extensive training to enhance the quality and safety mindset among our team members. Through these trainings, we have equipped our employees with the necessary knowledge and skills to ensure the highest standards of quality and safety in our operations. As a result, we have successfully led a zero-safety incident journey, creating a safe and secure work environment for all our employees.

Islamabad Factory

In 2024, the Islamabad Factory made significant strides in various areas, showcasing its dedication to continuous improvement, sustainability, and positive impact. The transformation of employee facilities to a modern social block, along with the expansion of the Raw and Pack (R&P) store has greatly improved the working environment. Upgraded facilities, which include locker rooms, a mosque, and washrooms, further demonstrate Nestlé's commitment to employee comfort and hygiene, boosting morale and productivity.

The implementation of a new reverse osmosis system increased the water recovery rate from 83% to 90%. The system effectively treats waste streams, recovering and reusing a higher percentage of water, aligning with our commitment to sustainability and resource conservation.

Digital initiatives like the launch of Digital Manufacturing Operations and paperless log sheets improved production capabilities, data access, and security, reflecting Nestlé's commitment to innovation.

The "Technical Operators Development Program" enhanced operators' skills, promoting autonomy and contributing to improved machine performance. In the pilot phase, three operators completed their competence development plans, gaining hands-on experience in welding and inspection, contributing to improved machine performance, and demonstrating our commitment to employee growth and development.

Employee engagement has been a central focus characterized by the celebration of various events and successes. These initiatives are designed to motivate employees and promote their well-being, fostering a positive and supportive workplace culture.

AGRICULTURE SERVICES

Agriculture Services is one of Nestlé Pakistan's integral pillars, contributing towards improvement in socioeconomic conditions and farmers' livelihoods. Nestlé provides innovative solutions on dairy and agriculture to farmers through its trained team of professionals.



Nestlé is committed to a net zero carbon journey and is continuously exploring opportunities for the socio-economic benefits of farmers and to minimize the climate change impact. We have been promoting alternate energy sources, particularly among dairy farmers. In 2024, Nestlé installed 46 solar systems at dairy farms to introduce renewable energy to reduce Greenhouse Gas (GHG) emissions and energy costs. If not handled properly, cow dung can increase GHG emissions. However, proper treatment of cow dung through biodigester not only provides alternate energy biogas but also provides a good source of organic matter to agricultural land, reducing the use of synthetic fertilizers. In 2024, we supported the installation of 4 biogas digesters at supplier farms. With cost and environmental benefits, these farms with solar and biogas installations served as a lighthouse for their surrounding areas.

Nestlé, together with its partners, developed a low-cost soil moisture sensor that helps farmers to decide when, and how much to irrigate their crops. Our initial field estimates have shown considerable water saving in irrigation with crop yield improvement. Till the end of 2024, we maintained 16 farms

with soil moisture sensors at various locations in our agriculture value chain. These are not only helping farmers save irrigation but also serving as a lighthouse of an efficient irrigation system. Similarly, Nestlé Pakistan supported farmers in installing drip irrigation. By 2024, drip irrigation was operational across 214 acres in Sindh and 29 acres in Punjab and smart soil sensors were deployed across 724 acres.

While reducing the impact of greenhouse gases, we also explored ways for carbon sequestration. This is an important element in our aim to achieve net zero in the food value chain. We have initiated the implementation of regenerative agriculture practices on 150 farms which helped farmers gain better yields with fewer GHG emissions. To further strengthen our knowledge, Nestlé Pakistan signed Memorandum of Understanding (MOUs) with the University of Agriculture-Faisalabad, Mian Nawaz Sharif University of Agriculture-Multan and University of Veterinary & Animal Sciences-Lahore to conduct various studies on regenerative agriculture practices and cow breed improvement.



Nestlé Pakistan is also helping farmers in improving crop yield and productivity. One of our major initiatives is supporting the import of high-efficiency cows. To date, Nestlé Pakistan has helped farmers import more than 10,000 cows, which reduced GHG emissions while increasing productivity of the herd and income of local farmers.

To further bring efficiencies in the farm ecosystems, we have also developed local machine solutions such as Total Mix Ration wagon for animal feed preparation and manure dewatering machine to maintain hygiene of the farms.

While we continue to source fruit from Punjab, we are now working closely with farmers from Gilgit-Baltistan, Khyber Pakhtunkhwa and Balochistan to source high-quality fruit including apples, peaches, and red grapes. These initiatives are not only helping to improve the income of local farmers but also helping the country save precious foreign exchange.

PLANS FOR 2025



Increase Efficiencies



Renewable Energy Sources



Waste Reduction at Source



Water and Energy Conservation



Research & Development for Packaging

SALES

In 2024, despite facing significant economic challenges, our sales team demonstrated exceptional resilience while focusing on strengthening our distributor capabilities and advancing digitization across our value chain, reinforcing our commitment to operational excellence and sustainable growth.

Winning With Shoppers

Our new “Power Plays” initiative elevated shopper engagement and trade visibility through innovative, shopper-centric strategies. Key highlights included ramping up our Picture of Success, dynamic in-store executions, a nationwide town-storming campaign across 45 towns, and a 360-degree tourist activation drive in 28 towns across northern Pakistan. These initiatives, paired with exceptional consumer promotions and successful product launches, drove increased shopper engagement and purchase intent across channels, ensuring strong growth in priority channels including supermarkets, pharmacies and minimarts.

Winning With Customers

With a robust portfolio and a pipeline of innovative product launches, we solidified our position as the preferred supplier in the modern trade segment. Our channel team executed impactful initiatives, including Ramadan promotions and category-specific events for Dairy, Juices, and Nutrition, in partnership with key retail customers. By prioritizing enhanced collaboration in logistics, planning, and commercial execution, we strengthened our commitment to delivering exceptional value, operational excellence, and consistently exceeding customer expectations.

Focus on Rural Pakistan

We have prioritized best-in-class availability and visibility, particularly in rural areas, while deepening our impact on rural communities through the Benazir Income Support Program (BISP) under our Creating Shared Value (CSV) philosophy. Through targeted promotional activities and impactful Nutrition, Health, and Awareness sessions, we empowered rural shoppers to make informed choices for healthier lives and smarter purchasing decisions.



CONSUMER COMMUNICATIONS & MARKETING SERVICES



Driving Consumer Centricity

As the world rapidly changes, a new landscape of consumer behavior has emerged. Consumers face numerous challenges that compel changes in their lifestyles, purchasing habits, and thought processes. They are allocating more resources towards essentials, striving to balance what they want and what they need. To remain attuned to shifting consumer preferences in the marketplace, we are committed to attain a deep understanding of Pakistani consumers.

The Consumer & Marketplace Insights (CMI) team empowers brands by providing insights and monitoring market trends to help them stay relevant in the competitive landscape. We identify strategic opportunities through data and analytics to optimize marketing spends, track ROI, and foster innovation.

The CMI function continues to evolve by embracing digital tools and methodologies, such as AI integration and partnerships, enabling brands to connect with consumers quickly, cost-effectively, and efficiently to understand their behaviors. We are progressing well towards our vision of exploring new tools, transitioning from conventional methods to contemporary research practices, and aiming to evolve in tandem with advancing technology.

Enriching Brand Experiences

Excellence is at the core of our work at Nestlé. To support this, Brand Building the Nestlé Way (BBNW) is our proprietary approach to achieving exceptional results in brand building.

We enhance the way Commercial Teams operate by introducing new global tools, ensuring the teams remain relevant, agile, innovative, and efficient in a dynamic business environment.

Consumer Engagement Services

The Consumer Engagement Services (CES) team plays an integral role in building trust in Nestlé, its products and services by effectively managing consumer complaints, queries and feedback.

CES provides consumers with an omni-channel access through our 24/7 toll-free hotline, WhatsApp, Live-chat, email and active social media support, all housed under "NAATA", Nestlé's flagship customer engagement platform.

The unit continues to handle thousands of consumer contacts every year with each contact perceived as an opportunity to reinforce trust, advocacy and brand love.

Media & Digital Acceleration

In 2024, we witnessed a significant acceleration of our brand presence across various media platforms, including TV (which maintained steady viewership), Digital (with expanding platforms), and Out of Home (OOH - by adding more digital screens).

To thrive in this dynamic landscape, we adapted our strategies toward essential digital channels and platforms, focusing on collaboration, experience, and experimentation to boost effectiveness and efficiency. Our digital-first approach, which integrates the exploration of new opportunities in TV and digital realms, has contributed to an increase in brand value. Additionally, our pioneering use of consented consumer data (first-party data) in digital media activations has further elevated our precision and enhanced the consumer experience.

We also invested in experimentation, data analytics, and audience-first strategies within a multi-screen environment, aiming to create more immersive brand experiences.

NUTRITION, HEALTH & WELLNESS

Nutrition, Health & Wellness

We are Nestlé, THE GOOD FOOD, GOOD LIFE COMPANY

Nutrition has been in the DNA of our company since Henri Nestlé created the 'Farine Lactée'.

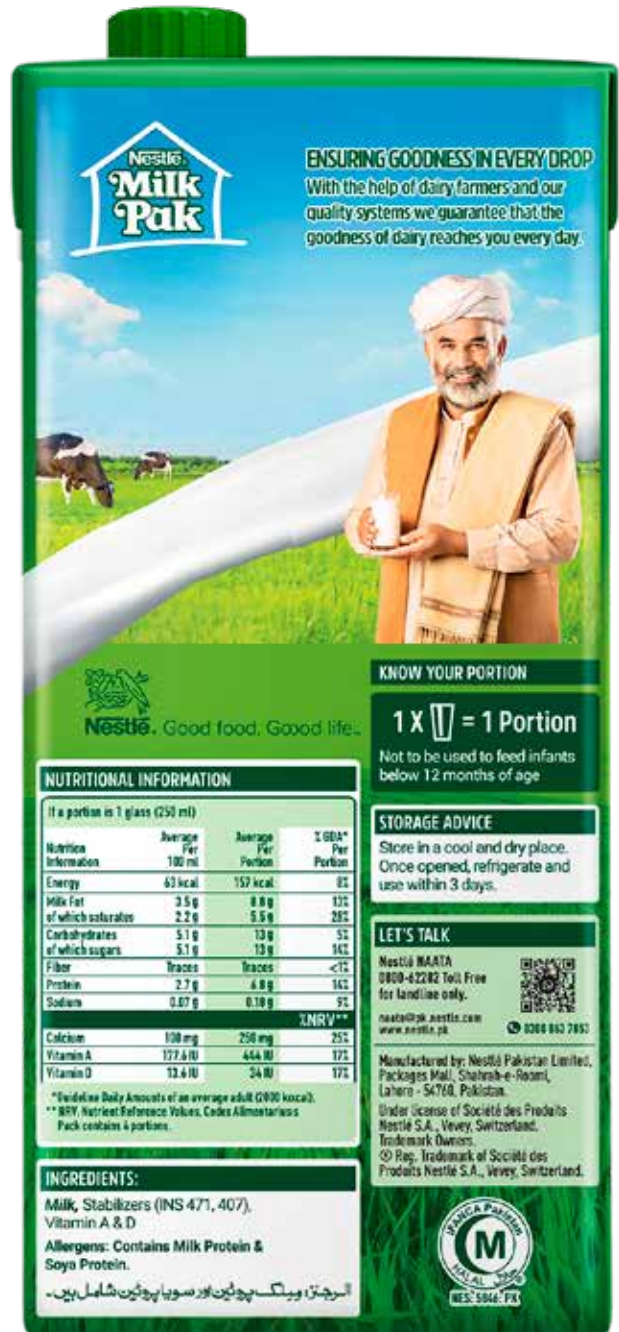
Nestlé launched "Good for You" in 2023; an evolution of our Nutrition, Health, and Wellness (NHW) strategy. It puts consumers at the heart of our approach to nutrition, supporting them to embrace a tasty and balanced diet. The approach highlights our key strategic pillars, priorities, actions, commitments, and tools to support the delivery of our ambition.

OUR AMBITION: Bringing tasty & balanced diets within reach for billions, sustainably.

We believe that all products can contribute to a balanced diet, which includes regular consumption of nutritious foods while enjoying indulgent options in moderation. It is important to ensure that we live up to our promise to always deliver tastier choices within the categories where we operate, drive innovation and renovation, and strengthen our communications on product attributes.

We take our responsibility seriously to help consumers enjoy everything from the most nutrient-packed to the most indulgent products appropriately in the context of a balanced diet. We effectively communicate the goodness of our products. We invest in clear, informative labeling and marketing strategies that highlight the quality, health benefits, and taste of our products. Nestlé Pakistan has a strong product portfolio that caters to the needs of most age groups from all income levels.

Nestlé offers a diverse product portfolio that meets the needs of various age groups across different income levels. Our products are fortified with essential micronutrients to help combat common deficiencies within the community. In 2024, we delivered nearly 2 billion fortified servings. We also leverage our NHW expertise by collaborating with reputable organizations to raise awareness and emphasize the importance of nutrition in society.



NUTRITIONAL INFORMATION

(If a portion is 1 glass (250 ml))

Nutrition Information	Average Per 100 ml	Average Per Portion	% DDA* Per Portion
Energy	63 kcal	157 kcal	8%
Milk Fat	3.5 g	8.8 g	13%
of which saturated	2.2 g	5.5 g	28%
Carbohydrates	5.1 g	13 g	5%
of which sugars	5.1 g	13 g	16%
Fiber	Traces	Traces	<1%
Protein	2.7 g	6.8 g	14%
Sodium	0.07 g	0.18 g	5%

%NRV**

Calcium	108 mg	258 mg	25%
Vitamin A	177.6 IU	454 IU	17%
Vitamin D	13.4 IU	34 IU	17%

* % Daily Values are based on a diet of other people's secrets.
 ** %NRV, Nutrient Reference Values. Codes Alimentarius Pack contains 4 portions.

INGREDIENTS:
 Milk, Stabilizers (INS 471, 407), Vitamin A & D
Allergens: Contains Milk Protein & Soya Protein.
 - سریش، ویلک پروٹین اور سویا پروٹین شامل ہیں۔

FINANCE & CONTROL AND INFORMATION TECHNOLOGY

Our vision is to be the credible business partner, providing business insights & data analytics support to drive decision making and accelerate profitable growth. We strive to be a trusted and agile finance organization by leveraging on technology, embracing artificial intelligence, putting a robust governance in place and be a proactive change agent driving process improvement and innovations.

Proactive Business Partnering

Despite facing challenges related to consumer sentiment, demand fluctuations, purchasing power, and increased taxation, the Finance team played a pivotal role in enabling swift, data-driven decision-making. We contributed to margin improvement through responsible pricing strategies, an optimized portfolio mix, and spearheading value chain efficiency initiatives to offset cost pressures. We maximized the value for our shareholders by prioritizing investment in high-value portfolio and ensuring smarter resource allocation. Additionally, we remained committed to cost reduction through waste elimination and advancing localization efforts.

Embracing Technology

We continue to remain focused and drive the transformation of our finance organization by leveraging advanced technology, automation and data analytics. Our commitment to standardization and simplification led to the adoption of enhanced analytical tools, the automation of manual processes and the elimination of redundant processes where required. We also developed comprehensive dashboards, enhancing visibility and decision-making across the organization. Furthermore, we prioritized upskilling and knowledge sharing by conducting masterclasses on key business processes, hosting NesGPT hackathons, promoting use of Microsoft Co-pilot and training champions in data analytics. These initiatives have solidified our foundation for future-ready financial excellence.

Governance and Risk Management

A robust controls framework is essential for ensuring compliance, operational efficiency and risk mitigation. These controls are designed to safeguard Company's assets, prevent fraud and maintain the accuracy & reliability of our financial reporting. Through regular internal audits, internal control reviews and self-assessments, we continuously evaluate the effectiveness of our controls over processes and make necessary improvements to enhance our control environment, where relevant. In 2024, we conducted company-wide roadshows across all sites, focusing on importance of controls & compliance and enhancing people's awareness. We also conducted a comprehensive enterprise risk assessment exercise covering both internal and external risks and identifying relevant mitigating actions.

Digital Transformation

With the goal of ensuring consumer success through long-lasting digital transformation, we launched our initial digital transformation plan to smoothly incorporate advanced capabilities into our fundamental operations. With a strategic emphasis on data management and automation, we intend to make substantial investments in digital platforms that will yield a return on investment of 65% within the next four years.

In 2024, security and compliance remained a top priority. The Information & Technology (IT) function at Nestlé Pakistan achieved a remarkable milestone, maintaining an outstanding 95% score in ISMS (Information Security & Management System) and placing us among the top 5 global Nestlé entities in Zone AOA, as measured through IT Security & Compliance Index. Our commitment to excellence was further validated as we successfully passed the Information Security Management Systems (ISMS) Surveillance audit for ISO 27001-2022 with flying colors. We have successfully deployed the state-of-the-art SDWAN project in the organization. This cutting-edge technology has not only resulted in significant cost savings but has also greatly enhanced our performance and network availability. With reduced failovers and improved network stability, we are now better equipped to meet the demands of our business operations.

We have also embraced the power of the GenAI solutions, revolutionizing our operations. By empowering our users with Microsoft Co-Pilot and NesGPT, we have significantly improved efficiency and effectiveness in their daily tasks. This innovative technology has empowered us to optimize workflows, minimize dependence on manual processes, and achieve extraordinary leaps in productivity.

EXPORTS; SERVING BEYOND BORDERS



“From Pakistan to the World: A Journey of Growth and Excellence

Since 2020, Nestlé Pakistan Exports have been on an accelerated growth trajectory, achieving exponential success year after year. In 2024, our exports business reached new heights. A remarkable milestone was achieved this year as we expanded our geographical footprint to **26 countries**, driven by robust strategies to unlock potential in new markets while building strong partnerships.

Gulfood Expo

One of the highlights in 2024 was Nestlé Pakistan’s participation in the Gulfood Expo, a premier global food and beverage trade event. This participation allowed us to showcase our iconic brands, connect with international stakeholders, and open doors to new opportunities, enabling exponential growth.

Key Achievements in 2024

Key achievements this year include securing major customer chains such as **Costco, Sainsbury’s, Loblaws, Fresh Co.,** and **Sobeys**, which have propelled high-volume growth and enhanced our presence in competitive global markets. This success is underpinned by relentless efforts to curate an export-fit portfolio that meets diverse consumer needs,

ensuring readiness for continued growth in evolving markets. In addition to operational and product advancements, impactful consumer-facing activations remained a cornerstone of our strategy. Initiatives such as wet sampling, digital airing campaigns, and branding at critical consumer touchpoints—winning at the “moment of truth”—have played a crucial role in strengthening brand equity and driving consumer engagement globally.

Limitless Possibilities

To close the year, we hosted a prestigious event titled ‘Limitless Possibilities’, which brought together key stakeholders, including senior government representatives, representatives of the Swiss Embassy, and our trusted business partners. This event provided highlighted our progress and shared our vision 2030, which was wholeheartedly embraced and propagated by all attendees. The overwhelming support and alignment with our vision have further strengthened our resolve to continue serving consumers globally with passion and commitment.

Nestlé Pakistan Exports team take pride in making a difference in the country and we remain deeply committed to enhancing consumer satisfaction through our high-quality products in even more countries. With **strong collaborations, efficient distribution networks,** and **innovative activations,** our exports business is well-positioned to achieve even greater milestones in the years ahead.”

HOUSE OF NESTLÉ MILKPAK



NESTLÉ MILKPAK

Nature's gift of dairy has a fascinating taste. With over three and a half decades of dairy expertise and leadership in Pakistan, NESTLÉ MILKPAK has perfected processes to capture this smooth, rich, and creamy experience, the way nature meant it to be. Guaranteed by Nestlé's quality systems and dairy expertise, NESTLÉ MILKPAK provides wholesome nourishment. Whether it is a glass of milk for your children, a creamy cup of tea with your loved ones, or a dairy dessert for your family, NESTLÉ MILKPAK makes you fall in love with the taste of dairy goodness and enhances the quality of life of the people of Pakistan.

NESTLÉ MILKPAK Hi-Calcium Low Fat Milk

NESTLÉ MILKPAK High Calcium Low Fat UHT milk includes Calcium, Vitamin D, and other essential nutrients and minerals that allow you to have stronger bones, joints, and muscles so that you can keep moving forward in life. Just two glasses of NESTLÉ MILKPAK High Calcium Low Fat UHT milk help meet 80% of an adult's daily requirement for calcium intake, with less than 1% fat.

NESTLÉ MILKPAK CREAM

As Pakistan's pioneer and favorite cream brand, NESTLÉ MILKPAK CREAM encapsulates a strong heritage with contemporary usage of this rich dairy product. NESTLÉ MILKPAK CREAM believes in inspiring its consumers to weave their culinary magic and create delicious meals and desserts by igniting the spark of creativity through delicious easy-to-make recipes.

NESTLÉ MILKPAK WHIPPING CREAM

As Pakistan's first dairy whipping cream in retail, NESTLÉ MILKPAK WHIPPING CREAM is the perfect solution to decorate and layer desserts. It gives the perfect texture to create flawless swirls.

NESTLÉ MILKPAK YOGURT

NESTLÉ MILKPAK YOGURT is your perfect cooking partner in the kitchen. With NESTLÉ MILKPAK YOGURT, we bring the authentic taste of traditional yogurt that you are accustomed to. Its thick texture and richness offer versatility, quality, and a great taste that balances the spices in cooked food while delivering a signature mouth-watering taste for you and your loved ones' every time you cook.

NESTLÉ MILKPAK DAIRY BUTTER

NESTLÉ MILKPAK DAIRY BUTTER, filled with dairy goodness, aims to make your breakfast special with its rich & creamy taste and easy spread-ability. It is available in both salted and unsalted variants to complement all your cooking and baking creations.

CHILLED DAIRY



NESTLÉ SWEET 'n' TASTY YOGURT

NESTLÉ SWEET 'n' TASTY YOGURT is your daily dose of delight that makes your everyday experiences more exciting through its irresistibly rich and creamy taste of pure dairy goodness. It guarantees consistent delicious taste, nutritional goodness, and hygiene. So whether you are looking for quick hunger relief or making your breakfast more scrumptious and healthy by adding cereals and nuts, NESTLÉ SWEET 'n' TASTY YOGURT is your partner.

NESTLÉ UNSWEETENED YOGURT

NESTLÉ UNSWEETENED YOGURT offers a great option for meal accompaniment to those who prefer plain yogurt with their desi cuisines. It enhances the overall experience without altering the taste of the main dish, not to mention the health benefits of adding yogurt to the daily meal consumption.

NESTLÉ PODINA & ZEERA RAITA

Often, one seeks to enhance their food experience, whether it is at the dining table or an outdoor grill. NESTLÉ RAITA with Zeera and Podina offers unique mouth-watering flavors, guaranteed hygiene and convenience, promising to treat your taste buds and transform your meal into a culinary delight.

NESTLÉ LABAN

NESTLÉ LABAN is a rich, smooth yogurt drink made with fresh milk, and has an irresistible creamy and sweetened taste. So if you are looking for a healthy, refreshing, and tasty drink to beat the summer heat, NESTLÉ LABAN is your go-to drink.

TEA CREAMING



NESTLÉ EVERYDAY, with its 30 years of heritage, is Pakistan's beloved tea creaming partner, known for delivering an exceptional cup of tea every day. Just like couples complete each other, NESTLÉ EVERYDAY completes your tea experience and brings you the perfect flavor every time. Ranging from bulk packs to sachets, experience the timeless delight of this Tea Creamer range offering a signature KHAAS taste that generations have grown to love. With its perfect balance of rich creamy notes, velvety mouthfeel, and irresistible flavor, it keeps you coming back for more.

Within this extensive brand, NESTLÉ EVERYDAY pays homage to the various cherished traditions of tea with its Instant Tea Mix range. This range is ready to be consumed by simply mixing in hot water. The carefully curated selection of our five indulgent flavours - Kashmiri, Karak, Cardamom, Masala and Vanilla Chai Latte - is inspired by beloved tea preferences across the nation and is crafted to ensure perfect taste, aroma and colour, instantly.

CHILDREN HEALTH & GROWTH SOLUTIONS



NESTLÉ NIDO GUF

At NESTLÉ NIDO Growing Up Formulas (GUFs), we are deeply committed to ensuring high quality standards for our products while empowering toddlers to explore the world around them with confidence. Our mission is to nurture a mother's love by supporting her toddlers embark on a beautiful journey of self-discovery.

NESTLÉ NIDO 1+ and NESTLÉ NIDO 3+ are growing-up formulas that provide Triple Action Protection for children between the ages of 1 and 5. These formulas contain a blend of essential vitamins and minerals such as Iron, Zinc, Vitamin A & C with probiotic 'L. Rhamnosus', which supports the healthy development of a toddler's immune system, respiratory system, and gut defenses in the absence of breast milk. The commitment to prioritizing the health and well-being of children is at the heart of NESTLÉ NIDO GUFs.



NESTLÉ BUNYAD

NESTLÉ BUNYAD believes that no child deserves to be left behind because of nutritional deficiencies. Nine out of ten children in Pakistan have insufficient iron in their diet (School Age Children Health & Nutrition Survey 2020) resulting in iron deficiency which could lead to tiredness and lack of concentration among children. Such deficiencies can hold them back, especially during their formative years. NESTLÉ BUNYAD is working on a long-term mission to fight iron deficiency and strengthen Pakistani children for a better life. Starting from 2022, NESTLÉ BUNYAD has strengthened its promise of iron fortification since the launch of IRON+, a proprietary iron source developed in collaboration with Nestlé Research Center Switzerland and Massey University New Zealand, which is 3 times more absorbent in human body than any other iron.

NESTLÉ BUNYAD with IRON+ is striving to provide 'Behtar Zindagi ki Mazboot Bunyad.'



NESTLÉ NIDO School Age Nutrition

NESTLÉ NIDO School Age Nutrition believes in supporting every mother's love to nurture a healthy future for her child. A mother goes the extra mile to ensure her child's growth and development for a happy and successful life. Backed by Nestlé's global experience of 150 years in child nutrition, Nestlé has developed NESTLÉ NIDO School Age Nutrition; a specialized formula to meet specific needs of school-going children between 5-12 years of age. Special combination of macro and micronutrients in NESTLÉ NIDO School Age Nutrition helps children to GROW and fulfil their potential, learning abilities and improves their immunity.



NESTLÉ MILO

NESTLÉ MILO is a unique drink with its signature chocolaty taste that stands for wholesome and balanced nutrition with the goodness of malt, milk, cocoa, vitamins & minerals. NESTLÉ MILO believes that sports are a great teacher, and the lessons learned through sports help kids succeed in life. With this belief, MILO has consistently invested in grass-root sports in Pakistan especially football to inspire kids to pursue their passion for sports. In 2024, MILO engaged with half a million kids in healthy sports and the brand aims to inspire even more kids in 2025.

MILO's nutrition and energy give children the 'energy to go further'. MILO ALL-in-1 was launched in 2024 as a value proposition providing the added goodness of milk – all you need to do is add water to prepare a delicious glass of MILO!

NESTLÉ BEVERAGES



NESTLÉ FRUITA VITALS

Experience pure fruit bliss with Nestlé Fruita Vitals, the premium fruit beverage that takes taste to the extraordinary! Crafted with the world's finest sun-ripened fruits, Fruita Vitals delivers a superior drinking experience that is bursting with natural goodness and flavour. It's more than just a drink; it's a taste adventure.

Experience a flavour explosion with Fruita Vitals Sparkling, the exciting new addition to Nestlé Fruita Vitals! This vibrant taste of real fruit and exhilarating fizz takes refreshment to the max. It's the perfect way to enjoy the playful fizz of a soft drink combined with the delicious taste and invigorating refreshment of real fruit – pure taste, pure fun!

With its revitalising taste, Fruita Vitals inject a burst of energy and deliciousness into any moment, making it the go-to beverage for millions across Pakistan.

NESTLÉ NESFRUTA

Nestlé Nesfruta, the iconic still drink of Pakistan, captures the vibrant energy and authentic spirit of youth. It fuels their drive, empowering them to live each moment to the fullest, embracing every experience with their own unique twist.

Nesfruta is the ultimate expression of individuality and self-expression. Its dynamic "NEWISM" platform inspires young people to unleash their creativity, express their authentically, and make their mark on the world. Be bold and be you with Nesfruta.



NESCAFÉ

NESCAFÉ HOT PILLAR

NESCAFÉ offers the perfect blend of expertly roasted Robusta and Arabica beans, delivering a rich taste and aroma that energize your day and ignite your passion. Whether you're seeking a quick brew with our single-serve packs or prefer the value of our economy-sized options, NESCAFÉ provides convenient, affordable options for any setting—home, office, or on the go.

With our new brand identity, Banao Apni Dunya, we empower the youth to turn their dreams into reality. Each sip of NESCAFÉ is a step towards realizing your potential.



NESCAFÉ CHILLED RTD

Our perfectly blended on-the-go cold coffees are the ideal pick-me-up, offering a smooth and velvety taste to help you recharge and unwind. Choose from a wide range of irresistible flavors to suit your mood. Whether you're taking a break during a busy day or sharing a refreshing treat with friends, this delicious selection of ready-to-drink (RTD) cold coffees offers both convenience and indulgence. With each sip, you'll experience the perfect balance of flavor and refreshment, making it the ideal choice for any time of day.

NESTLÉ WATERS



CHAMPIONING WATER FOR HEALTHIER GENERATIONS

NESTLÉ PURE LIFE was introduced in Pakistan in 1998. Staying true to its mission, the brand remains committed to ensure access to clean and safe water for healthier generations.

Healthy hydration contributes to the well-being of our body and functioning of our vital organs. Drinking water enhances body performance and helps us stay hydrated in our daily routine. NESTLÉ PURE LIFE achieves this through offering various pack sizes suitable for different occasions.

Our communication focuses on promoting healthy hydration under the tagline “Behtar Piyo Barh Ke Jiyo”.

NESTLÉ PURE LIFE also takes ownership in driving product innovations in the category. Recognizing the vital role electrolytes play in fundamental bodily functions like muscle movement and ensuring effective hydration of body cells, NESTLÉ PURE LIFE ACTIVE was introduced in convenient 500ml bottle. Later it was launched in the 18.9-litre format for in - home consumption, available in Lahore, Islamabad and some areas of Karachi.



NESTLÉ PURE LIFE Sparkling Water is the perfect companion for mealtime and social moments. This zero-calorie, carbonated beverage is the ultimate choice for health-conscious individuals seeking a refreshing alternative to sugary drinks. Infused with fizz, it delivers a crisp, refreshing taste that uplifts every sip. Whether at home, dining out, or enjoying outdoors, NESTLÉ PURE LIFE Sparkling Water Elevate Every Moment.

Our waters business aims to lead the regeneration of the water cycle to help create a positive water impact everywhere it operates by 2025. Along with this, we are also driving water stewardship by enabling farmers to save water using drip irrigation techniques in collaboration with key public and private partners including Pakistan Agriculture Research Council (PARC), Sustainable Development Policy Institute (SDPI) and Lahore University of Management Sciences (LUMS). In addition to this, all our retail bottles are recyclable by design.

NESTLÉ BREAKFAST CEREALS



Nestlé Breakfast Cereals offer a variety of delicious whole grain breakfast cereals to suit people of all ages and lifestyles. They are a tasty and nutritious way for you and your family to start your day! In 2024, we introduced exciting new products like Koko Krunch Cookie Cereals, Koko Krunch DUO, and Koko Krunch Cereal Bars, as well as reintroduced the fan-favorite TRIX brand. To add even more fun to breakfast, we launched engaging consumer promotions, including dart games, coloring books and pencils with our 450g boxes along with multiple bursts of digital airing! Our portfolio:



Koko Krunch: Chocolatey Delight, Every Bite

Koko Krunch is the ultimate chocolate breakfast cereal that combines the irresistible taste of cocoa with the wholesome benefits of whole grains. Each bite delivers a satisfying crunch that kids love while providing key nutrients to support their growth and development. Koko Krunch makes mornings more exciting and keeps families coming back for its iconic chocolatey goodness.

MILO Cereals: Fuel for Active Minds and Bodies

MILO Cereals are packed with the goodness of whole grains, malt, and cocoa, providing a delicious and energy-rich breakfast option. Designed to fuel active lifestyles, they are fortified with essential vitamins, minerals, and iron to help kick-start the day with energy and focus. Loved by kids and trusted by parents, MILO Cereals are the perfect companion for growing champions.



Gold Cornflakes: Classic Simplicity, Pure Nutrition

Gold Cornflakes are a timeless breakfast staple, made from the finest quality corn to ensure a light, crispy texture in every spoonful. Naturally fortified with essential vitamins and minerals, they offer a simple yet nourishing start to the day. Whether paired with milk or enjoyed as a healthy snack, Gold Cornflakes remain a trusted choice for balanced mornings.

TRIX: Brightening Breakfasts with Fruity Fun

TRIX cereal brings joy to breakfast tables with its vibrant colors, fruity flavors, and fun shapes. Made from whole grain corn and fortified with essential vitamins and minerals, TRIX is a nutritious and delicious way to start the day. Whether enjoyed with milk or as a snack on the go, TRIX continues to delight families while maintaining our commitment to quality and nutrition.



NUTRITION



NESTLÉ CERELAC

NESTLÉ CERELAC, with its deep-rooted heritage in Pakistan, has become a trusted name among households and healthcare professionals. It has been the preferred choice for generations of mothers when it comes to weaning their babies onto solid food at 6 months of age while continuing breastfeeding. Our product range is designed to cater the evolving nutritional requirements of infants, categorized according to their age and breastfeeding journey. This is aimed at emphasizing the nutritional benefits and affordability of our new sachets, ensuring that every mother can provide her child with the right nutrition.

NESTLÉ CERELAC is crafted using rice or wheat and is fortified with essential vitamins and minerals such as iron, calcium, and vitamin D, which contribute to the cognitive and physical development of babies. Each year, we provide over half a billion fortified servings at an affordable price, assisting countless mothers in providing their children with the right nutrition. NESTLÉ CERELAC takes pride in nurturing infants, ensuring their optimal growth, and laying the groundwork for a joyful and healthy life through essential nutrients and meticulous attention to developmental needs.

In response to modern needs and to uphold our brand's mission of 'Together, Passionately Nourishing Babies to Blossom', NESTLÉ CERELAC introduced Nature's Selection in 2020. This line offers nutritious blends of premium fruits and multi-grains for babies aged 6, 8, and 10 months. In addition to the standard wheat and rice found in all NESTLÉ CERELAC variants, Nature's Selection brings the benefits of oats, quinoa, and exotic fruits like pomegranate, cherries, pineapple, dates, mango, and more.





NESTLÉ NANGROW Nourish Your Child's Every Possible

NESTLÉ NANGROW is a scientifically advanced formulation with the cutting-edge science of 2'-FL HMO to support immunity and Optipro to support adequate growth and development. This premium formula also includes DHA and ARA for brain and eye development. NANGROW's history is built on groundbreaking advancements, drawing on over 150 years of Nestlé's scientific leadership in children's nutrition. It represents the concept of unlocking a child's full potential, recognizing that children grow up in the blink of an eye, and this period, as short as it is, is integral for their growth and future. This specialized formulation offers support when breastfeeding isn't an option.

Even with economic headwinds, NESTLÉ NANGROW has seen substantial growth in 2024. We believe our focus on quality and dedication to providing nutritious products will ensure continued success in the coming years.



Breastmilk is best.

NESTLÉ LACTOGROW Nourish Your Child's Growth At Every Stage With Activgro

In the quest to cultivate a rewarding and active childhood, NESTLÉ LACTOGROW places great emphasis on a child's physical growth and mental development. With over 100 years of understanding parents and children, we use our expertise in nutrition and parenting to empower parents in raising active children.

NESTLÉ LACTOGROW 3, formulated with ActivGro, is a unique blend of nutrients including L.reutri, ALA, Iron, Calcium, Magnesium & zinc for strong body growth, immunity, and active mind development.

These formative years, from one to five, are when children grow the most, both physically and mentally. The secret to enhancing this growth is keeping them active. With specifically designed nutrition like ActivGro to activate their body and mind, LACTOGROW empowers parents to stimulate their child's development.

NESTLÉ LACTOGROW (in the absence of breastfeeding) provides nourishment and support, ensuring every child's journey is filled with health, joy, success, and activity. With LACTOGROW, active kids make the world their playground.

NESTLÉ PROFESSIONAL



Nestlé Professional Pakistan continuously strives to become an inspirational and trusted partner for our Out-of-Home customers. We see it as our mission to utilize our expertise in providing efficient, innovative food and beverage solutions to all our business partners, helping them win by 'Making More Possible'.

At Nestlé Professional, we continuously invest in advancing our understanding of customer and consumer tastes; experimenting and innovating to enhance product performance; and relentlessly developing solutions to the latest nutritional and sustainability challenges. This is the expertise we put in the hands of chefs, operators, restaurants, and entrepreneurs across the Out-of-Home sector as part of our dedication to making it more possible for their business, every day. We serve both commercial & institutional channels through our specialized food & beverage solutions and services.

The product portfolio is divided into two categories:

BRANDED FOOD:

1. Dessert Solutions

Nestlé Professional has a range of culinary creams with different fat-compositions catering to the diverse needs of our Out-of-Home customers including DOCELLO DESSERT MAGIC, SHAKE & SUNDAE MIX & KHEER MIX offer a quick & convenient solution ensuring our place at the center of the plate in Pakistan.

2. Meal Compliments & Chilled Dairy

Nestlé Professional offers chilled dairy solutions including bulk butter, unsweetened NESTLÉ MILKPAK YOGURT and Raitas, NESTLÉ EASY WHIP cream for cakes and KITKAT spread which are tailor-made for our Out-of-Home customers.

BRANDED BEVERAGES:

1. Hot Beverage Solutions

A range of hot beverages that complement varied menus, with a variety of flavorful options. All restaurants get to serve a complete range of hot drinks, be it a temptingly hot NESCAFÉ Cappuccino, a creamy mug of NESCAFÉ Latte, a richly intense taste of NESCAFÉ Espresso, or a strongly aromatic NESCAFÉ Long Black. The hot drinks range also comprises of teas including NESTEA Karak Chai, NESTEA Cardamom Chai and NESTEA Kashmiri Chai along with NESTLÉ Hot Chocolate, which are some of the most sought-after hot drinks!

The list does not end there! NESTLÉ Roast and Ground Coffee beans give a distinct flavor and aroma to every cup, providing baristas with a perfect blend to create a masterpiece with NESCAFÉ EXCELLENTE (100% Arabica beans) to cater to different taste preferences.

2. Cold Beverage Solutions

Nestlé Professional offers exciting flavors in powder format including MANGO, LEMON, ORANGE, NESTEA PEACH, LYCHEE & MINT MARGARITA that can be enjoyed in liquid form, prepared using machines, or consumed in slush form using blenders.

FINANCIAL STATEMENTS

For the year ended December 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Nestlé Pakistan Limited

Report on the Audit of the Financial Statements as at 31 December 2024

Opinion

We have audited the annexed financial statements of Nestlé Pakistan Limited (the Company), which comprise the statement of financial position as at 31 December 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, 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 31 December 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 is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1	<p>Revenue Recognition</p> <p>During the year ended 31 December 2024, the Company recognized net revenue of Rs. 193.2 billion from sale of goods as disclosed in Note 27 and according to the accounting policy described in Note 2.4.8 to the financial statements (2023: Rs. 200.6 billion).</p> <p>The Company generates revenue from a wide range of products which are sold through different sales channels.</p> <p>The Company also offers various discounts/allowances and incurs trade-spend from time to time on several product categories for the various types of customers.</p>	<p>Our audit procedures amongst others included the following:</p> <p>Understood the Company's sales processes for various sales types, including the processes for agreeing trade spend deductions and the design and implementation of relevant internal controls;</p> <p>Understood the Company's revenue recognition policies and procedures to assess compliance with International Financial Reporting Standards ("IFRS") as applicable in Pakistan;</p> <p>Performed substantive analytical procedures using dis-aggregated data in order to gain assurance over the revenue recognized and focused our testing on outliers and unusual trends;</p>

S. No.	Key audit matter	How the matter was addressed in our audit
	<p>Due to the above factors requiring significant auditor attention on occurrence and considering the significance of revenue as a key performance indicator for users of financial statements, we have considered revenue recognition as a key audit matter.</p>	<p>Performed analytical review of sales by various product and customer categories in order to identify any inconsistencies with key performance indicators, operational activities of the Company and overall external economic environment;</p> <p>Understood the significance of trade spend deductions, the diversity of arrangements by cluster of customers, the process flow by nature of arrangement and the timing for accounting for estimates considering any conditionality inherent in the trade spend arrangements;</p> <p>Performed trend analysis and correlation between revenue total trade spend and assessed the reasonableness in the context of local environment along with relating the same to movement in receivables and cash;</p> <p>Performed procedures to identify and review underlying documentation of any manual adjustments at year end impacting revenue and total trade spend estimates to identify significant or unusual items;</p> <p>Tested supporting evidence in relation to a sample of sales transactions including but not limited to dispatch documentation, correspondence / acknowledgment by customers and performing other tests of details;</p> <p>Ensured that revenue items are correctly classified with reference to guidance in International Financial Reporting Standard 15 ("IFRS 15");</p> <p>Performed procedures around the cut off of revenue;</p> <p>Reviewed credit notes and other transactions subsequent to the year end to identify whether any events causing reversal of revenue occur after year end including transactions related to trade spend to address the completeness and reasonableness of accruals as at year end; and</p> <p>We considered the accuracy and the adequacy of the disclosure provided in Note 27 to the financial statements in relation to the relevant accounting standards.</p>

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

Management is responsible for the other information. The other information comprises the annual report for the year ended 31 December 2024, 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 and 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 the 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 to 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:

- proper books of account have been kept by the Company as required by the Companies Act, 2017(XIX of 2017);
- 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company’s business; and
- zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor’s report is Omer Chughtai.



EY Ford Rhodes
Chartered Accountants
Lahore: 24 March 2025
UDIN: AR202410120JkD0iGKeq

STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

(Rupees in 000)	Note	2024	2023
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
75,000,000 (2023: 75,000,000) ordinary shares of PKR 10 each		750,000	750,000
Issued, subscribed and paid up capital	3	453,496	453,496
Share premium – capital reserve	4	249,527	249,527
General reserve – revenue reserve		280,000	280,000
Accumulated profits – revenue reserve		17,600,015	9,605,034
		18,583,038	10,588,057
Non-current liabilities			
Long-term finances – secured	5	1,420,350	7,922,288
Lease liabilities	6	1,434,907	1,602,346
Long-term employee benefits	7	5,030,182	3,108,871
		7,885,439	12,633,505
Current liabilities			
Current portion of long-term liabilities	8	3,129,449	124,596
Short-term borrowings – secured	9	200,000	5,500,000
Running finance under mark-up arrangements – secured	10	660,550	3,038,001
Trade and other payables	11	51,542,606	56,858,675
Contract liabilities	12	1,019,490	708,464
Interest and mark-up accrued	13	183,410	469,982
Customer security deposits	14	334,804	241,973
Income tax payable		–	121,746
Unclaimed dividend		90,081	90,081
Unpaid dividend		–	7,514,831
		57,160,390	74,668,349
Contingencies and commitments	15		
		83,628,867	97,889,911

The annexed notes 1 to 49 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

(Rupees in 000)	Note	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	16	29,407,234	28,697,131
Capital work-in-progress	17	2,754,932	3,091,540
Intangible assets	18	15,775	–
Deferred taxation	19	3,370,938	2,000,463
Long-term loans	20	256,939	270,633
		35,805,818	34,059,767
Current assets			
Current portion of long-term loans	20	143,475	149,709
Stores and spares	21	4,446,312	4,011,709
Stock-in-trade	22	26,549,290	33,438,484
Trade debts	23	2,121,563	2,232,611
Tax refunds due from Government	24	9,041,779	17,168,509
Advances, deposits, prepayments and other receivables	25	3,198,229	5,729,408
Cash and bank balances	26	2,322,401	1,099,714
		47,823,049	63,830,144
		83,628,867	97,889,911



MAQSOOD AHMAD ANJUM
Chief Financial Officer



JOSELITO JR AVANCENA
Chief Executive Officer



SYED YAWAR ALI
Chairman / Director

STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2024

(Rupees in 000)	Note	2024	2023
Revenue from contracts with customers – net	27	193,205,756	200,605,005
Cost of goods sold	28	(123,681,762)	(129,845,135)
Gross profit		69,523,994	70,759,870
Distribution and selling expenses	29	(32,973,536)	(29,849,578)
Administration expenses	30	(7,001,233)	(6,356,994)
Operating profit		29,549,225	34,553,298
Finance cost	31	(2,589,499)	(2,623,853)
Other expenses	32	(2,071,201)	(3,384,073)
		(4,660,700)	(6,007,926)
Other income	33	615,611	499,497
Profit before final tax, minimum tax differential and income tax		25,504,136	29,044,869
Final tax	34	(24,785)	(59,748)
Minimum tax differential	34	(199,104)	–
Profit before income tax		25,280,247	28,985,121
Income tax	34	(10,472,276)	(12,492,322)
Profit after taxation		14,807,971	16,492,799
Earnings per share basic and diluted (Rupees)	35	326.53	363.68

The annexed notes 1 to 49 form an integral part of these financial statements.



MAQSOOD AHMAD ANJUM
Chief Financial Officer



JOSELITO JR AVANCENA
Chief Executive Officer



SYED YAWAR ALI
Chairman / Director

STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2024

(Rupees in 000)	2024	2023
Profit after taxation	14,807,971	16,492,799
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss (net of tax)		
Remeasurement loss on	-	(4,628)
cash flow hedges – effective portion		
Related tax	-	2,339
	-	(2,289)
Items that will not be reclassified subsequently to profit or loss (net of tax)		
Remeasurement gain on	304,501	741,329
net long-term employee benefit liability		
Related tax	(88,305)	(214,985)
	216,196	526,344
Other comprehensive income for the year	216,196	524,055
Total comprehensive income for the year	15,024,167	17,016,854

The annexed notes 1 to 49 form an integral part of these financial statements.



MAQSOOD AHMAD ANJUM
Chief Financial Officer



JOSELITO JR AVANCENA
Chief Executive Officer



SYED YAWAR ALI
Chairman / Director

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

(Rupees in 000)	Share capital	Capital reserves		Revenue reserves		Total
		Share premium	General reserve	Cash flow hedge reserve	Accumulated profits	
Balance as at January 01, 2023 (audited)	453,496	249,527	280,000	2,289	4,784,934	5,770,246
Total comprehensive income for the year ended December 31, 2023						
Profit after taxation	-	-	-	-	16,492,799	16,492,799
Other comprehensive income	-	-	-	(2,289)	526,344	524,055
	-	-	-	(2,289)	17,019,143	17,016,854
Transaction with owners directly recognized in equity						
Final dividend for the year ended December 31, 2022 (Rs. 95 per share)	-	-	-	-	(4,308,212)	(4,308,212)
Interim dividend for the six-month period ended June 30, 2023 (Rs. 121 per share)	-	-	-	-	(5,487,302)	(5,487,302)
Interim dividend for the nine-month period ended September 30, 2023 (Rs. 53 per share)	-	-	-	-	(2,403,529)	(2,403,529)
Balance as at December 31, 2023 (audited)	453,496	249,527	280,000	-	9,605,034	10,588,057
Total comprehensive income for the year ended December 31, 2023						
Profit after taxation	-	-	-	-	14,807,971	14,807,971
Other comprehensive income	-	-	-	-	216,196	216,196
	-	-	-	-	15,024,167	15,024,167
Transaction with owners directly recognized in equity						
Final dividend for the year ended December 31, 2023 (Rs. 19 per share)	-	-	-	-	(861,642)	(861,642)
Interim dividend for the six-month period ended June 30, 2024 (Rs. 111 per share)	-	-	-	-	(5,033,804)	(5,033,804)
Interim dividend for the nine-month period ended September 30, 2024 (Rs. 25 per share)	-	-	-	-	(1,133,740)	(1,133,740)
Balance as at December 31, 2024	453,496	249,527	280,000	-	17,600,015	18,583,038

The annexed notes 1 to 49 form an integral part of these financial statements.



MAQSOOD AHMAD ANJUM
Chief Financial Officer



JOSELITO JR AVANCENA
Chief Executive Officer



SYED YAWAR ALI
Chairman / Director

STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

(Rupees in 000)	Note	2024	2023
Cash flow from operating activities			
Profit before taxation		25,280,247	28,985,121
Adjustment for non-cash charges and other items:			
Depreciation on property, plant and equipment	16.4	3,974,702	3,894,705
Amortization of intangible assets	18	544	–
Impairment (reversal) / charge – net	32 & 33	(20,277)	43,508
Gain on disposal of property, plant and equipment – owned	33	(70,544)	(10,622)
Loss / (gain) on termination of lease	32 & 33	50	(6,302)
Provision for Workers' Profit Participation Fund	32	1,303,641	1,485,591
Provision for Workers' Welfare Fund	32	576,254	666,953
Increase in provision for stores and spares	21.1	475,477	227,806
(Reversal) / charge of provision for stock in trade – net	22.1	(519,036)	971,578
Allowance for expected credit losses	32	(1,570)	–
Exchange gain – unrealized	32	(47,071)	(23,220)
Final tax and minimum tax differential	34	223,889	59,748
Provision for defined benefits plans		2,893,104	482,778
Finance cost	31	2,589,499	2,623,853
Profit before working capital changes		36,658,909	39,401,497
Effect on cash flow due to working capital changes:			
(Increase) / decrease in current assets:			
Stores and spares		(910,080)	(947,844)
Stock-in-trade		7,408,230	(7,315,511)
Trade debts		112,618	(243,253)
Advances, deposits, prepayments and other receivables		2,531,179	894,320
Tax refunds due from Government		8,838,563	(5,397,397)
Increase / (decrease) in current liabilities:			
Trade and other payables		(5,081,846)	12,700,660
Contract liabilities		311,026	(57,690)
		13,209,690	(366,715)
Cash generated from operations		49,868,599	39,034,782
Decrease / (increase) in long-term loans – net			
		19,928	(80,375)
Increase in customer security deposits – interest free		92,831	17,748
Contributions by the Company – net		(667,292)	(20,490)
Workers' Profit Participation Fund paid	11.3	(1,420,562)	(1,178,817)
Workers' Welfare Fund paid	11.4	(648,422)	(536,793)
Finance cost paid		(2,662,466)	(2,243,699)
Final tax and minimum tax differential paid		(223,889)	(59,748)
Income taxes paid		(12,764,635)	(16,686,870)
Net cash generated from operating activities		31,594,092	18,245,738

STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

(Rupees in 000)	Note	2024	2023
Cash flow from investing activities			
Purchase of property, plant and equipment	17.1	(4,402,187)	(3,352,290)
Sale proceeds from disposal of property, plant and equipment	16.6	91,704	36,436
Net cash used in investing activities		(4,310,483)	(3,315,854)
Cash flow from financing activities			
Long-term loans obtained		–	1,422,288
Long-term loans repaid		(3,500,000)	(9,000,000)
Short-term borrowings obtained		17,300,000	9,019,260
Short-term borrowings repaid		(22,600,000)	(4,038,520)
Lease rentals paid	6.2	(339,454)	(341,206)
Dividends paid		(14,544,017)	(10,716,100)
Net cash used in financing activities		(23,683,471)	(13,654,278)
Net increase in cash and cash equivalents		3,600,138	1,275,606
Cash and cash equivalents at beginning of the year		(1,938,287)	(3,213,893)
Cash and cash equivalents at end of the year	38	1,661,851	(1,938,287)

The annexed notes 1 to 49 form an integral part of these financial statements.



MAQSOOD AHMAD ANJUM
Chief Financial Officer



JOSELITO JR AVANCENA
Chief Executive Officer



SYED YAWAR ALI
Chairman / Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

1 Legal status and nature of business

Nestlé Pakistan Limited (“the Company”) is a public limited company incorporated in Pakistan – under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) – and its shares are quoted on Pakistan Stock Exchange. The Company is a subsidiary of Société des Produits Nestlé S.A. (SPN), the Holding Company, which in turn is a wholly owned subsidiary of Nestlé S.A., the Ultimate Parent Company, incorporated in Switzerland.

The Company is principally engaged in manufacturing, processing and sale of dairy, nutrition, beverages and food products including imported products. Registered office (which is also the Head Office) of the Company is situated at Packages Mall, Shahrah-e-Roomi, PO Amer Sidhu, Lahore.

The geographical locations and addresses of the Company’s manufacturing facilities are as under:

Manufacturing Facilities	Address
Sheikhupura factory	29-km Lahore – Sheikhupura Road, Sheikhupura, Pakistan
Kabirwala factory	10-km, Khanewal Road, Kabirwala, District Khanewal, Pakistan
Port Qasim factory	Plot No. A23, North Western Industrial Area, Port Qasim Karachi, Pakistan
Islamabad factory	Plot No. 32 Street No 3 Sector I-10/3 Industrial Area Islamabad, Pakistan.

2 Basis of preparation and material accounting policy information

2.1 Statement of compliance

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

- International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Islamic Financial Accounting Standards (“IFAS”) issued by the Institute of Chartered Accountants of Pakistan (“ICAP”) as notified under the Companies Act 2017;
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention, except for recognition of certain employee benefits on the basis mentioned in note 2.4.1.

2.3 Significant estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates that have a significant risk and result in material adjustments to the Company’s financial statements or where judgments, that had the significant effect on the amounts that have been recognized in the period, were exercised in application of accounting policies are as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

2.3.1 Judgements

Lease term

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

The Company has several lease options that include extension and termination options. The Company applies judgements in evaluating whether it is reasonably certain whether to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal or termination. After the commencement period, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects the ability to exercise or not to exercise the option to renew or to terminate.

2.3.2 Significant estimates and assumptions

Company applies the estimates in following areas to determine the amounts in financial statements:

- Defined benefit plans 2.4.1
- Discounts, allowances and promotional rebates 2.4.8

Other areas, where estimates are involved to determine the amounts, are mentioned in their respective notes.

2.4 Material accounting policy information

The significant accounting policies adopted in preparation of these financial statements are set out below and have been applied consistently to all periods presented in these financial statements.

2.4.1 Long-term employee benefits

2.4.1.1 Defined benefit plan

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When calculation results in potential assets for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reduction in future contributions to the plan.

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

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds, as set by Pakistan Society of Actuaries, and interpolated linearly as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

Long-term service award

With effect from January 01, 2024, the Company's net obligation in respect of long-term service award, as described in note 7.4, is also calculated separately for each plan by estimating the present value of amount of future benefits that employees have earned in current and prior periods, as the impact of related transactions / conditions was expected to become material by the end of reporting period. The above mentioned accounting policy and method of measurement for the defined employee benefits is also applicable for the long-term service award, except for recognition of remeasurement gain / losses in the statement of profit or loss.

2.4.1.2 Defined contribution plan

The Company operates a recognized provident fund for all its regular employees, excluding expatriates. Equal monthly contributions are made to the fund both by the Company and the employees at the rate of 12% (2023: 12%) of the basic salary plus cost of living allowance. All regular employees are eligible for provident fund upon their confirmation. Obligation for contributions to defined contribution plan is recognized as an expense in the statement of profit or loss as and when incurred.

2.4.2 Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether it depends on a specified asset, whether the Company obtains substantially all the economic benefits from the use of that asset, and whether the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date, except for short-term leases of 12 months or less and leases of low value items, which are expensed in the statement of profit or loss on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payment that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate (IBR) applicable in the market for such leases. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The lease liability is subsequently measured at amortized cost using the effective interest rate method and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

At inception, the ROU asset comprises the initial lease liability, initial direct costs and the obligations to refurbish the asset, less any incentives granted by the lessors. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator for impairment, as for owned assets.

2.4.3 Provisions and contingencies

Provisions are recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past events and it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate. Where the outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

2.4.4 Fixed capital expenditure and depreciation / amortization

2.4.4.1 Property, plant and equipment

Property, plant and equipment, except freehold land, are stated at cost less accumulated depreciation and any identified accumulated impairment loss. Freehold land is stated at cost less any identified impairment loss. Cost in relation to self constructed assets includes direct cost of material, labour, applicable manufacturing overheads and borrowing costs on qualifying assets.

Depreciation is charged to statement of profit or loss, unless it is included in the carrying amount of another asset, on straight line method whereby cost of an asset is written off over its estimated useful life at the rates given in note 16.

Residual value and the useful life of an asset are reviewed at least at each financial year-end.

2.4.4.2 Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment loss, if any. It consists of all expenditure and advances connected with specific assets incurred and made during installation and construction period. These are transferred to relevant property, plant and equipment as and when assets are available for use.

2.4.5 Inventories

Inventories are valued as per below mentioned valuation basis:

2.4.5.1 Stores and spares

Useable stores and spares except for in-transit, are valued principally at moving average method, while items considered obsolete are carried at nil value. Provision is made against slow moving or obsolete stores and spares on a systematic basis.

2.4.5.2 Raw and packing material

Value in relation to raw and packing materials except for in-transit is arrived at using FIFO basis. Provision for unusable raw and packing material is made on an estimated basis, wherever required.

2.4.5.3 Finished goods and work-in-process

Value of finished goods and work-in-process both manufactured and purchased, is determined on weighted average basis, except for in-transit goods. In-transit goods and materials are valued at cost comprising invoice value plus other charges thereon. Cost in relation to work-in-process and finished goods includes an appropriate portion of production overheads. Finished goods are valued at cost or net realizable value, whichever is lower.

2.4.5.4 Allowance for write-down of inventories to net realizable value

Provision for stores and spares and stock-in-trade is made on the basis of management's estimate of net realizable value and ageing analysis prepared on an item-by-item basis. Net realizable value calculations are estimated based on last recently-held transactions and values expected to be recovered for sale in normal course of business less an estimate for selling costs.

2.4.6 Trade receivables

Trade receivables are stated at invoice value less any provisions for specific credit losses with objective evidence of impairment. Further, the Company also determines the need for any expected credit loss provisions at each reporting date in terms of the requirements of IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

2.4.7 Sales tax refundable

Sales tax refundable primarily includes input sales tax related to zero rated taxable supplies for prior years for which refunds have been lodged with the Federal Board of Revenue. These arise in the usual trade cycle of the Company and are settled accordingly. Management has classified the sales tax refundable as current asset as this refund is part of the normal operating cycle of the Company.

2.4.8 Revenue recognition

Sales represent amounts received and receivable from third parties for goods supplied to the customers and are recognized at point in time when a customer obtains control of the goods under the contract, usually when the product is delivered to the customers.

Revenue is measured based on the consideration specified in a contract with a customer, net of returns, amounts collected on behalf of third parties (sales taxes etc.), pricing allowances, other trade discounts, volume rebates and couponing, price promotions to customers / consumers and any other consideration payable to customers (referred as trade spend). The level of discounts, allowances and promotional rebates are recognized, on estimated basis using historical experience and the specific terms of the arrangement, as a deduction from revenue at the time that the related sales are recognized or when such incentives are offered to the customer / consumer.

2.4.9 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax.

2.4.9.1 Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income and the decisions of appellate authorities on certain cases issued in past. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

In accordance with the Circular issued by ICAP, all final taxes / minimum tax differentials, payable under the Income Tax Ordinance, 2001, calculated with reference to anything other than "taxable income" have been treated as a levy within the scope of IAS 37 and IFRIC 21 before sub-head "Profit before income tax" in the statement of profit or loss. Previously, such a charge was recognized as "Current income tax".

2.4.9.2 Deferred

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

2.5 Standards, interpretations and amendments to published approved accounting standards

The accounting policies adopted are consistent with those of the previous financial period, except for the following new and amended standards and interpretations effective for annual period beginning on January 01, 2024, as listed below:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

2.5.1 New standards, interpretations and amendments effective in the reporting period

IFRS 16	Lease Liability in a Sale and Leaseback – (Amendments)
IAS 1	Classification of Liabilities as Current or Non-current – (Amendments)
IAS 7 & IFRS 7	Supplier Finance Arrangements – (Amendments)
IAS 12	Accounting for Minimum Taxes and Final Taxes – (Application)

The adoption of above new amendments applied for the first time in the period did not have any material impact on the financial statements of the Company. The Company has not early-adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.5.2 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation		Effective date (annual periods beginning on or after)
IAS 21	Lack of exchangeability – (Amendments)	January 01, 2025
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments — (Amendments)	January 01, 2026
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity — (Amendments)	January 01, 2026
IFRS 17	Insurance Contracts	January 01, 2026
IAS 7	Adjustments resulting from adoption of IFRS 18 Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its associate or Joint Venture — (Amendments)	Not yet finalized

The above amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2024.

The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan for the purpose of applicability in Pakistan.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

Standard or Interpretation		IASB Effective date (annual periods beginning on or after)
IFRS 1	First time adoption of International Financial Reporting Standards	July 01, 2009
IFRS 18	Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 01, 2027

The Company expects that above mentioned standards will not have any material impact on the Company's financial statements in the period of initial application.

3 Issued, subscribed and paid up capital

2024 (Number of shares)	2023		2024 (Rupees in 000)	2023
		Ordinary shares of PKR 10 each as		
29,787,058	29,787,058	fully paid in cash	297,870	297,870
		Ordinary shares of PKR 10 each as		
15,476,867	15,476,867	fully paid bonus shares	154,769	154,769
		Ordinary shares of PKR 10 each issued		
85,659	85,659	other than cash (under schemes of	857	857
		arrangement for amalgamation)		
45,349,584	45,349,584		453,496	453,496

3.1 As at December 31, 2024, Société des Produits Nestlé SA (SPN), Switzerland ("the Holding Company"), holds 27,936,173 (2023: 27,936,173) ordinary shares representing 61.60% (2023: 61.60%). In addition, 9,028,281 (2023: 9,028,281) ordinary shares are held by the following related parties as at December 31, 2024:

Name of related party	2024 (Number of shares)	2023
IGI Investments (Pvt.) Limited	4,423,666	4,423,666
Percentage of equity held 9.76% (2023: 9.76%)		
Packages Limited	3,649,248	3,649,248
Percentage of equity held 8.05% (2023: 8.05%)		
Gurmani Foundation	538,235	538,235
Percentage of equity held 1.19% (2023: 1.19%)		
National Management Foundation	224,720	224,720
Percentage of equity held 0.50% (2023: 0.50%)		
Babar Ali Foundation	170,745	170,745
Percentage of equity held 0.38% (2023: 0.38%)		
Industrial Technical and Educational Institution	21,666	21,666
Percentage of equity held 0.05% (2023: 0.05%)		
IGI Finex Securities Limited	1	1
Percentage of equity held 0.0% (2023: 0.0%)		
	9,028,281	9,028,281

3.2 The holders of voting ordinary shares are entitled to receive dividends as declared (if any), and are entitled to one vote per share at meetings of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

4 Share premium

This reserve can be utilized by the Company only for the purposes specified in section 81(2) of the Companies Act, 2017.

(Rupees in 000)	Note	2024	2023
5 Long-term finances – secured			
Long-term finances utilized under mark-up arrangements:			
Term Loan I	5.1	–	3,500,000
Term Loan II	5.2	3,000,000	3,000,000
Term Loan III	5.3	1,420,350	1,422,288
		4,420,350	7,922,288
Interest and mark-up accrued		163,683	301,479
Amortised cost		4,584,033	8,223,767
Less: current maturity	8	(3,000,000)	–
Less: interest and mark-up accrued shown under current liabilities	13	(163,683)	(301,479)
		1,420,350	7,922,288

5.1 The loan was obtained from Habib Bank Limited to meet the working capital requirement of the Company, with the principal repayment to take place in a single lump sum instalment after 3 years in May 2025. The entire amount of the loan has been repaid during the year. Mark-up was payable quarterly at a flat rate of 13.10% per annum.

5.2 The loan obtained from Meezan Bank Ltd. under diminishing musharakah arrangement with the principal repayment to take place in a single lump sum instalment after 3 years in August 2025. Mark-up is payable semi annually at a flat rate of 15.00% per annum. Mark-up was revised to 11.00% per annum from November 2024. This loan is secured by first joint pari passu hypothecation charge over fixed assets, amounting to PKR 6,000 million, and current assets, amounting to PKR 4,500 million of the Company excluding land and building.

5.3 The Foreign IntraGroup (FIG) loan obtained amounting to USD 5.1 million from Nestle Treasury Centre Middle East and Africa under Foreign Currency Trade Financing from abroad (FTFA) – import loans with the principal repayment to take place in a single lump sum instalment after 3 years in March 2026. Mark-up is payable quarterly at SOFR +350 Basis Point. SOFR rate will reset first day of each period.

(Rupees in 000)	Note	2024	2023
6 Lease liabilities			
Present value of minimum lease payments		1,564,356	1,726,942
Less: current maturity	8	(129,449)	(124,596)
		1,434,907	1,602,346

6.1 The effective interest rate used as the discounting factor (i.e. incremental borrowing rate) ranges from 10.00% to 20.3% (2023: 9.26% to 20.3%). Minimum Lease Payments (MLP) and their Present Value (PV) are as follow:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Rupees in 000)	31-Dec-24		
	MLP	Future Finance Charges	PV of MLP
Due not later than 1 year	323,877	(41,791)	282,086
Due later than 1 year but not later than 5 years	1,299,833	(469,298)	830,535
Due later than 5 years	797,541	(345,806)	451,735
	2,421,251	(856,895)	1,564,356

(Rupees in 000)	31-Dec-23		
	MLP	Future Finance Charges	PV of MLP
Due not later than 1 year	341,910	(18,641)	323,269
Due later than 1 year but not later than 5 years	1,348,654	(444,512)	904,142
Due later than 5 years	1,123,694	(624,163)	499,531
	2,814,258	(1,087,316)	1,726,942

6.2 Set out below are the carrying amounts of lease liabilities and the movement during the year:

(Rupees in 000)	2024	2023
Opening balance	1,726,942	1,465,437
Lease liabilities acquired during the year	–	427,379
Markup on lease liabilities	213,605	207,461
Reassessment of leases	(13,757)	–
Termination of leases	(22,980)	(32,129)
	1,903,810	2,068,148
Less: lease rentals paid	(339,454)	(341,206)
Closing balance	1,564,356	1,726,942

6.3 The Company had entered into lease agreements with Packages Real Estate Limited (Related Party) and Babar Ali Foundation (Related Party). The closing lease liability amounts to PKR 1,121.27 million (2023: 1,159.24 million) and PKR 57.11 million (2023: 106.61 million).

(Rupees in 000)	Note	2024	2023
7 Long-term employee benefits			
Gratuity fund	7.1 & 7.3	1,904,373	1,969,228
Pension fund	7.2 & 7.3	1,420,437	1,139,643
Long Service Award (LSA)	7.4	1,705,372	–
		5,030,182	3,108,871

7.1 Gratuity plan comprises of two types i.e. A and B. Type A members are those who have joined the plan and have not opted to become members of Type B. Type B members are those who joined the Type A and opted to become members of Type B.

- Type A represents old plan, which is only available to employees having joining date before December 31, 2020, that entitles an eligible employee to receive a lump sum amount equal to last drawn basic salary multiplied by number of completed years of service with the Company, at the time of cessation of employment. An eligible employee means the employee who has successfully completed one year of service with the Company. In case if the employee leaves the employment before successful completion of 10 years of service then he / she shall be entitled to 50% of gratuity amount.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

- Type B represents cash plan that entitles the members to have their gratuity balance calculated from their date of joining till December 31, 2020 based on Type A formula. Thereafter, the gratuity balance so calculated is locked and profit is credited to employees' account, annually based on performance of gratuity fund. The locked balance of gratuity together with interest thereon will be paid to employee at the time of separation from the Company. Besides this, cash plan member is also entitled to a monthly cash allowance of 7.8% of basic salary.

7.2 Pension plan comprise of two types i.e. A and B. Type A members are those members who have joined the plan and who have not opted to become members of Type B. Type B members are those members who fulfil the criteria and opted to become member of Type B.

- Type A members are required to make a contribution of 5% of pensionable salary whereas the Company makes contribution based on actuarial recommendations. The annual benefit amount of a Type A member shall be 2.75% of his / her pensionable salary at the time of retirement multiplied by number of years of pensionable service subject to a maximum of 82.5% of pensionable salary.
- Type B member can make a contribution of 3% or 5% of his / her pensionable salary and the Company will make a contribution equal to employee contribution +2%. In case of those members who are transferred from Type A to Type B, such members are required to make a contribution of 5% of pensionable salary and the Company will make a contribution of 11.4%. Type B member shall be entitled to 30% of employer benefit after successful completion of three years of pensionable service and thereafter additional 10% for each successful year till 10th year when they are entitled to 100% of the benefit.

7.3 Gratuity and pension plans are administered through separate funds that are legally separated from the Company. The Trust of the funds comprises of seven and five employees acting as Trustees for pension and gratuity fund respectively, out of which one Trustee is the Chairman. The Trustees of the funds are required by law to act in the best interests of the plan and are responsible for making all the investments and disbursements out of the funds.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk. As at reporting date, an actuarial valuation has been performed by M/s Nauman Associates (Actuarial experts) for valuation of defined benefit obligation. The disclosure made in notes 7.5 to 7.17 are based on the information included in the actuarial report.

These defined benefit plans are funded by the Company. The funding requirements are evaluated by the management using the funds' actuarial measurement framework set out in the funding policies of the plans. The funding of each plan is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from time to time. The investments out of provident fund and pension fund are governed by and are compliant in all material aspects with the requirements of section 218 of the Companies Act 2017.

The Company is responsible to manage the deficit in the defined benefit obligation towards fair value of the plan assets. The Company has devised an effective periodic contribution plan to maintain sufficient level of plan assets to meet its obligations. Further, the Company also performs regular maturity analysis of the defined benefit obligation and manage its contributions accordingly.

7.4 Long-term service award comprise of two types i.e. A and B. Type A is available to both management and non-management staff. Type B is a plan only for management staff.

- Type A represents old scheme, which was available to both management and non-management employees until December 31, 2024. From January 01, 2025, this plan will only be available for non-management staff. The scheme provides different weight of 24 karat gold coins and shields to employees according to their service years starting from completion of minimum 10 years of service with the Company. There weight of gold coins varies (15–30 gram) on addition of every 5 years (up to 30 year) to the minimum service requirement as per the approved Company policy.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

- Type B represents new scheme, which will only be available for management staff from January 01, 2025, that entitles an eligible employee to receive a lump sum amount starting from PKR 400,000 up to PKR 850,000, based on number of completed years of service with the Company as per the approved Company policy. An eligible employee means the employee who has successfully completed minimum of 10 years of service (up to 30 years) with the Company in accordance with the approved Company policy.

(Rupees in 000)	Gratuity		Pension		LSA	
	2024	2023	2024	2023	2024	2023
7.5 Present value of funded obligations						
Amounts recognized in statement of financial position are as follows:						
Present value of defined benefit obligation	4,878,375	4,532,691	7,868,923	6,652,103	1,705,372	–
Fair value of plan assets	(2,974,002)	(2,563,463)	(6,448,486)	(5,512,460)	–	–
Net retirement benefit obligation	1,904,373	1,969,228	1,420,437	1,139,643	1,705,372	–
7.6 Movement in net obligation						
Net liability as at January 01	1,969,228	1,687,099	1,139,643	1,700,813	–	–
Charge to statement of profit or loss	601,036	493,901	497,410	505,210	1,794,658	–
Charge to other comprehensive income	(407,261)	31,381	102,760	(772,710)	–	–
Contribution made by employees	–	–	189,666	172,781	–	–
Contribution made by Company	(258,629)	(243,153)	(509,042)	(466,451)	(89,286)	–
Net liability as at December 31	1,904,374	1,969,228	1,420,437	1,139,643	1,705,372	–
7.7 Movement in the liability for funded defined benefit obligations						
Liability for defined benefit obligations as at January 01	4,532,691	3,903,315	6,652,103	6,323,811	–	–
Benefits paid by the plan	(604,112)	(315,272)	(1,220,992)	(440,898)	(89,286)	–
Current service cost	305,416	269,820	534,597	465,332	134,603	–
Past service (credit) / cost (Note 2.4.1.1)	–	–	(5,240)	–	1,209,594	–
Interest cost	676,902	533,759	966,657	869,729	226,892	–
Losses arising on plan settlements	–	–	12,167	–	–	–
Remeasurements on obligation:						
Actuarial losses / (gains) due to:						
– Changes in financial assumptions	(22,212)	9,011	669,019	(288,524)	420,974	–
– Changes in demographic assumptions	–	–	–	6,033	(86,317)	–
– Experience adjustments	(10,310)	132,058	260,612	(283,380)	(111,088)	–
	(32,522)	141,069	929,631	(565,871)	223,569	–
Liability for defined benefit obligations as at December 31	4,878,375	4,532,691	7,868,923	6,652,103	1,705,372	–
7.8 Movement in fair value of plan assets						
Fair value of plan assets as at January 01	2,563,463	2,216,216	5,512,460	4,622,998	–	–
Contributions paid into the plan	258,629	243,153	509,042	466,451	–	–
Benefits paid by the plan	(604,112)	(315,272)	(1,220,992)	(440,898)	–	–
Interest income on plan assets	382,516	310,672	825,038	660,598	–	–
Actuarial gain on plan assets	374,739	109,688	826,871	206,839	–	–
Other administrative expenses by fund	(1,233)	(994)	(3,933)	(3,528)	–	–
Fair value of plan assets as at December 31	2,974,002	2,563,463	6,448,486	5,512,460	–	–

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For the year ended December 31, 2024

(Rupees in 000)	Gratuity		Pension		LSA	
	2024	2023	2024	2023	2024	2023
7.9 Plan assets consist of the following:						
In terms of amount:						
– Equity instruments	711,287	4,443	1,461,368	4,871	–	–
– Debt instruments	1,518,697	1,216,472	3,007,758	2,654,668	–	–
– Cash at bank and other deposits	744,018	1,342,548	1,979,360	2,852,921	–	–
	2,974,002	2,563,463	6,448,486	5,512,460	–	–
7.9.1 Plan assets						
Plan assets comprise:						
Equity instruments by sector						
Mutual funds	711,287	4,443	1,461,368	4,443	–	–
Others	–	–	–	428	–	–
	711,287	4,443	1,461,368	4,871	–	–
Debt instruments						
Government bonds	1,518,697	1,216,472	3,007,758	2,654,668	–	–
Cash and other deposits						
Balance in saving bank accounts	109,515	662,378	646,874	1,224,078	–	–
Treasury bills	625,868	671,533	1,316,483	1,612,137	–	–
Others	8,635	8,637	16,003	16,706	–	–
	744,018	1,342,548	1,979,360	2,852,921	–	–
	2,974,002	2,563,463	6,448,486	5,512,460	–	–

The Trustees ensure that the investment positions are managed within an Asset–Liability Matching (ALM) framework to ensure alignment with the obligations under the defined benefit plans. Risk analysis of each category is done to analyse the impacts of the interest rate risk and longevity risk.

(Rupees in 000)	Gratuity		Pension		LSA	
	2024	2023	2024	2023	2024	2023
7.10 Statement of profit or loss includes the following in respect of retirement benefits:						
Interest cost	725,231	533,759	1,064,336	869,729	226,892	–
Current service cost	305,416	269,820	534,597	465,332	134,603	–
Past service (credit) / cost (Note 2.4.1.1)	–	–	(5,240)	–	1,209,594	–
Interest income on plan assets	(410,154)	(310,672)	(881,994)	(660,598)	–	–
Contributions made by the employees	–	–	(189,666)	(172,781)	–	–
Net interest income on expected contributions and benefits paid	(20,690)	–	(40,723)	–	–	–
Losses arising on plan settlements	–	–	12,167	–	–	–
Gains arising on present value of defined benefit obligation	–	–	–	–	223,569	–
Other administrative expense by Fund	1,233	994	3,933	3,528	–	–
	601,036	493,901	497,410	505,210	1,794,658	–

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(Rupees in 000)	Gratuity		Pension		LSA	
	2024	2023	2024	2023	2024	2023
7.11 Charge for the year has been allocated as follows:						
Cost of goods sold	267,754	227,139	221,589	222,296	799,496	-
Distribution and selling expenses	227,878	194,716	188,590	181,289	680,432	-
Administration expenses	105,404	72,046	87,231	101,625	314,730	-
	601,036	493,901	497,410	505,210	1,794,658	-

(Rupees in 000)	Gratuity		Pension		
	2024	2023	2024	2023	
7.12 Actuarial losses and (gains) recognized directly in other comprehensive income					
Cumulative amount as at January 01		863,752	832,371	334,817	1,107,527
Remeasurements on obligation					
Actuarial losses / (gains) due to:					
- Changes in financial assumptions		(22,212)	9,011	669,019	(288,524)
- Changes in demographic assumptions		-	-	-	6,033
- Experience adjustments		(10,310)	132,058	260,612	(283,380)
		(32,522)	141,069	929,631	(565,871)
Remeasurements on fair value of plan assets		(374,739)	(109,688)	(826,871)	(206,839)
Losses / (gains) recognized during the year		(407,261)	31,381	102,760	(772,710)
Cumulative amount as at December 31		456,491	863,752	437,577	334,817

(Rupees in 000)	2024	2023	2022	2021	2020
7.13 Historical information for Gratuity plan					
Present value of defined benefit obligation	4,878,375	4,532,691	3,903,315	3,408,390	3,185,483
Fair value of plan assets	(2,974,002)	(2,563,463)	(2,216,216)	(1,973,324)	(1,845,206)
Deficit in the plan	1,904,373	1,969,228	1,687,099	1,435,066	1,340,277
Experience adjustments arising on plan liabilities	(10,310)	132,058	36,372	(70,053)	(175,134)
Actuarial gain / (losses) arising on plan assets	374,739	109,688	(26,910)	(9,738)	(7,242)
7.14 Historical information for Pension plan					
Present value of defined benefit obligation	7,868,923	6,652,103	6,323,811	6,093,029	5,527,708
Fair value of plan assets	(6,448,486)	(5,512,460)	(4,622,998)	(4,151,998)	(3,750,325)
Deficit in the plan	1,420,437	1,139,643	1,700,813	1,941,031	1,777,383
Experience adjustments arising on plan liabilities	260,612	(283,380)	25,211	(171,007)	(115,679)
Actuarial gain / (losses) arising on plan assets	826,871	206,839	(42,708)	(40,574)	(13,503)

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For the year ended December 31, 2024

(Rupees in 000)	2024			2023		
	Gratuity fund	Pension fund	LSA	Gratuity fund	Pension fund	LSA
7.15 Significant actuarial assumptions used for valuation of these plans are as follows:						
Discount rate used for profit and loss charge	16.00%	16.00%	16.75%	14.25%	14.25%	-
Discount rate used for year-end obligation	12.00%	12.00%	12.00%	16.00%	16.00%	-
Expected rate of salary increase	12.00%	12.00%	-	16.00%	16.00%	-
Expected rate of return on plan assets	12.00%	12.00%	-	16.00%	16.00%	-
Gold price increase used for year end obligation	-	-	10.60%	-	-	-
Mortality rate	SLIC 2001-2025	SLIC 2001-2025	SLIC 2001-2025	SLIC 2001-2025	SLIC 2001-2025	-
	Setback 1 year	Setback 1 year	Setback 1 year	Setback 1 year	Setback 1 year	-

7.16 Actuarial assumptions sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 50 bps (for LSA by 100 bps) with all other variables held constant, the impact on the present value of the defined benefit obligation would have been as follows:

(Rupees in 000)	Impact on present value of defined benefit obligation as at December 31, 2024		
	Change	Increase	Decrease
Gratuity			
Discount rate	50 bps	(230,981)	248,760
Future salary increase	50 bps	250,499	(234,699)
Expected mortality rates	1 year	(1,671)	1,797
Pension			
Discount rate	50 bps	(200,024)	215,909
Future salary increase	50 bps	104,709	(99,884)
Indexation rate	50 bps	123,029	(114,222)
Expected mortality rates	1 year	(42,662)	41,778
LSA			
Discount rate	100 bps	(93,467)	103,416
Gold price	100 bps	88,593	(81,236)

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the statement of financial position.

7.17 Weighted average duration of the defined benefit obligation is 10 years for gratuity, 5 years for pension plan and 6 years for LSA.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Rupees in 000)	Note	2024	2023
8 Current portion of long-term liabilities			
Current maturity of long-term finances	5	3,000,000	–
Current maturity of lease liabilities	6	129,449	124,596
		3,129,449	124,596
9 Short-term borrowings – secured			
Money market deals	9.1	–	5,500,000
Export refinance facility	9.2	200,000	–
		200,000	5,500,000
Interest and mark-up accrued		7,389	34,966
Amortized cost		207,389	5,534,966
Less: interest and mark-up accrued	13	(7,389)	(34,966)
		200,000	5,500,000

9.1 This represents money market deals that were obtained from Standard Chartered Bank (Pakistan) Ltd. and Citi Bank N.A., having limits of PKR 6,000 million (2023: PKR 2,500 million) and PKR 3,000 million (2023: PKR 3,000 million) respectively and carry mark-up ranging from 13.13% to 21.45% (2023: 20.94% to 22.18%) per annum. These deals were obtained for a period ranging from 22 to 91 days and were secured by a hypothecation charge over fixed and current assets of the Company as stated in Note 9.3.

9.2 The Company has obtained export refinance facilities from Standard Chartered Bank (Pakistan) Ltd. and Habib Bank Ltd. having an aggregate limit of PKR 1,800 million (2023: PKR 519 million) and PKR 200 million (2023: Nil) respectively. The mark-up on these facilities are ranging from 14.50% to 19.00% (2023: 9.40% to 16.40%) per annum. The deals are secured by a hypothecation charge over fixed and current assets of the Company as stated in Note 9.3.

9.3 The loan obtained from Habib Bank Ltd., Standard Chartered Bank (Pakistan) Ltd. and Citi Bank N.A. is secured by first joint pari passu hypothecation charge over fixed assets, excluding land and building, amounting to PKR 15,328 million and 5,965 million respectively, and current assets amounting to PKR 4,000 million and PKR 6,100 million respectively of the Company.

(Rupees in 000)	Note	2024	2023
10 Running finance under mark-up arrangements – secured			
Running finance under mark-up arrangements – secured	10.1	660,550	3,038,001
Interest and mark-up accrued		12,338	133,537
Amortized cost		672,888	3,171,538
Less: interest and mark-up accrued	13	(12,338)	(133,537)
		660,550	3,038,001

10.1 The Company has obtained short-term running finances from various banks under mark-up arrangements having an aggregate limit of PKR 47,845 million (2023: PKR 35,532 million). The mark-up on these facilities ranges from 14.76% to 22.37% (2023: 16.30% to 23.04%) per annum. These facilities are secured by a first joint pari passu hypothecation charge amounting to PKR 28,293 million (2023: PKR 29,043 million) over fixed assets and PKR 21,700 (2023: PKR 20,450 million) over current assets of the Company.

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(Rupees in 000)	Note	2024	2023
11 Trade and other payables			
Trade creditors:			
Related parties		9,357,896	7,245,416
Others		13,193,493	16,470,423
		22,551,389	23,715,839
Accrued and other liabilities	11.1	24,450,935	21,252,130
General licensing fee payable	11.2	1,955,029	7,854,895
Workers' Profit Participation Fund payable	11.3	1,297,240	1,414,161
Workers' Welfare Fund payable	11.4	594,785	666,953
Withholding taxes payable		677,650	1,917,890
Others		15,578	36,807
		51,542,606	56,858,675

11.1 This includes provisions held for contingencies and uncertainties in respect of various tax related interpretational issues where the Company maintains a differing position with the Tax authorities. Due to these uncertainties, the Company has made provisions without prejudice of defending its legal position in the various appellate forums / courts of law.

11.2 Licensing fee is payable to Société Des Produits Nestlé S.A. the "Holding Company" having its registered office at Avenue Nestlé 1800 Vevey, Switzerland. During the year, gross licensing fee amounting to PKR 14,039.05 million (2023: PKR 4,065.89 million) has been paid.

(Rupees in 000)	Note	2024	2023
11.3 Workers' Profit Participation Fund payable			
Balance as at January 01		1,414,161	1,107,387
Provision for the year	32	1,303,641	1,485,591
		2,717,802	2,592,978
Payments made during the year – net		(1,420,562)	(1,178,817)
Balance as at December 31		1,297,240	1,414,161
11.4 Workers' Welfare Fund payable			
Balance as at January 01		666,953	536,793
Provision for the year	32	576,254	666,953
		1,243,207	1,203,746
Payments made during the year – net		(648,422)	(536,793)
Balance as at December 31		594,785	666,953
12 Contract liabilities			
Advances from customers in respect of revenue recognized at a point in time		1,019,490	708,464

12.1 This represents advance received from customers for future sale of goods. The balance of contract liability as at 31 December 2024, is expected to be recognized as revenue within one year.

12.2 The contract liabilities outstanding as at December 31, 2023 amounting to PKR 708.46 million (2022: PKR 766.15 million) have been recognized as revenue during the year.

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For the year ended December 31, 2024

(Rupees in 000)	Note	2024	2023
13 Interest and mark-up accrued			
Long-term finances – secured	5	163,683	301,479
Short-term borrowings – secured	9	7,389	34,966
Running finance under mark-up arrangements – secured	10	12,338	133,537
		183,410	469,982

14 Customer security deposits

This represents security deposits obtained from customers and have been kept in a separate bank account. These deposits are payable on the completion / termination of contract. These customer deposits are short-term in nature.

15 Contingencies and commitments

15.1 By way of the decision of the Honourable Supreme Court of Pakistan in suo moto case no. 26 of 2018, the Company is subject to a potential water charge of PKR 1/- per liter on water extraction. The Company is contesting this decision of the Honourable Supreme Court of Pakistan and has filed a review petition. Keeping in view subsequent developments and follow up court hearings and orders, and on the representations of various affected companies, the Supreme Court vide its order dated June 10, 2019, ordered, as an interim measure, the collection of charge of PKR 0.25/- per liter of water produced based on the sales tax data / return of each company, on the basis whereof bills were to be issued by authorities (nationwide), till the framing of legislation by all the federal and provincial authorities. During the year, the Company has recognized an expense of PKR 124.16 million (2023: PKR 153.08 million) in line with the Honourable Supreme Court's interim order. However, for the remaining potential charge, the Company, based on the opinion of its legal counsel is confident of the favourable outcome. Hence, no provision has been recognized for remaining potential charge and the matter is considered as a contingency.

(Rupees in 000)		2024	2023
15.2 Guarantees			
Outstanding guarantees		630,732	720,895
15.3 Commitments			
15.3.1 Outstanding letters of credit		8,755,356	9,890,632
15.3.2 Commitments in respect of capital expenditure		667,920	325,031

NOTES TO THE FINANCIAL STATEMENTS

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16 Property, plant and equipment

	Assets (including right-of-use assets)						
	Land and building (on-freehold land)	Plant and machinery	Furniture and fixtures	Vehicles	IT equipment	Right-of-use assets (Note 16.3)	Total
(Rupees in 000)							
Cost							
Balance as at January 01, 2024	10,519,930	52,847,829	798,581	209,967	2,390,820	1,920,487	68,687,614
Additions during the year	772,074	3,571,517	20,962	25,457	352,742	-	4,742,752
Reassessment (Note 16.3)	-	-	-	-	-	(13,757)	(13,757)
Disposals	(7,968)	(488,851)	(47,277)	(28,151)	(109,223)	-	(681,470)
Terminations	-	-	-	-	-	(129,354)	(129,354)
Balance as at December 31, 2024	11,284,036	55,930,495	772,266	207,273	2,634,339	1,777,376	72,605,785
Balance as at January 01, 2023	10,309,522	51,387,899	778,739	209,449	2,183,412	1,640,484	66,509,505
Additions during the year	211,732	2,016,792	56,565	6,918	581,166	427,379	3,300,552
Transfers	-	63,999	-	-	-	(63,999)	-
Disposals	(1,324)	(620,861)	(36,723)	(6,400)	(373,758)	-	(1,039,066)
Terminations	-	-	-	-	-	(83,377)	(83,377)
Balance as at December 31, 2023	10,519,930	52,847,829	798,581	209,967	2,390,820	1,920,487	68,687,614
Depreciation and impairment losses							
Balance as at January 01, 2024	3,395,369	33,764,143	628,654	183,463	1,650,100	368,754	39,990,483
Depreciation for the year	301,945	3,015,645	52,546	14,033	344,732	245,801	3,974,702
Disposals	(4,117)	(472,551)	(46,932)	(28,150)	(108,560)	-	(660,310)
Terminations	-	-	-	-	-	(106,324)	(106,324)
Balance as at December 31, 2024	3,693,197	36,307,237	634,268	169,346	1,886,272	508,231	43,198,551
Balance as at January 01, 2023	3,106,130	31,289,447	627,300	168,830	1,697,747	233,618	37,123,072
Depreciation for the year	293,538	2,963,867	66,252	21,032	324,398	225,618	3,894,705
Depreciation on transfers during the year	-	32,932	-	-	-	(32,932)	-
Net impairment charged during the year	-	43,508	-	-	-	-	43,508
Disposals	(4,299)	(565,611)	(64,898)	(6,399)	(372,045)	-	(1,013,252)
Terminations	-	-	-	-	-	(57,550)	(57,550)
Balance as at December 31, 2023	3,395,369	33,764,143	628,654	183,463	1,650,100	368,754	39,990,483
Net book value as at December 31, 2024	7,590,839	19,623,258	137,998	37,927	748,067	1,269,145	29,407,234
Net book value as at December 31, 2023	7,124,561	19,083,686	169,927	26,504	740,720	1,551,733	28,697,131
Rate of depreciation in %	2.5-10	4-33.3	20-33.3	20	10-50	10-50	

16.1 Plant and machinery includes trade assets having cost and net book value of PKR 2,997.65 million and PKR 1,017 million respectively (2023: PKR 2,623.72 million and PKR 810.09 million) that are located at customers' premises.

16.2 There are fully depreciated assets, having cost of Rs. 16,957 million (2023: Rs.16,186.25 million) that are still in use as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

16.3 Property, plant and equipment contains the following in respect of right-of-use assets:

	Building on lease hold land	Plant and machinery	Furniture and fixtures	Total
Cost				
Balance as at January 01, 2024	1,906,985	8,005	5,497	1,920,487
Additions during the year	–	–	–	–
Reassessment	(13,757)	–	–	(13,757)
Transfer	–	–	–	–
Terminations	(129,354)	–	–	(129,354)
Balance as at December 31, 2024	1,763,874	8,005	5,497	1,777,376
Balance as at January 01, 2023	1,562,983	72,004	5,497	1,640,484
Additions during the year	427,379	–	–	427,379
Transfer	–	(63,999)	–	(63,999)
Terminations	(83,377)	–	–	(83,377)
Balance as at December 31, 2023	1,906,985	8,005	5,497	1,920,487
Depreciation				
Balance as at January 01, 2024	355,466	7,791	5,497	368,754
Depreciation for the year	245,587	214	–	245,801
Transfer	–	–	–	–
Depreciation on terminations	(106,324)	–	–	(106,324)
Balance as at December 31, 2024	494,729	8,005	5,497	508,231
Balance as at January 01, 2023	190,954	37,167	5,497	233,618
Depreciation for the year	222,062	3,556	–	225,618
Transfer	–	(32,932)	–	(32,932)
Depreciation on terminations	(57,550)	–	–	(57,550)
Balance as at December 31, 2023	355,466	7,791	5,497	368,754
Net book value as at December 31, 2024	1,269,145	–	–	1,269,145
Net book value as at December 31, 2023	1,551,519	214	–	1,551,733

(Rupees in 000)	Note	2024	2023
16.4 Depreciation charge for the year has been allocated as follows:			
Cost of goods sold	28	3,062,527	2,946,494
Distribution and selling expenses	29	528,344	599,163
Administration expenses	30	383,831	349,048
		3,974,702	3,894,705

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

16.5 Particulars of immovable property i.e. land and buildings:

Description of asset	Purpose	Location / Address within Pakistan	Area
Land and building	Manufacturing facility	Sheikhupura Factory	63.46 Acre
Land and building	Manufacturing facility	Kabirwala Factory	85.58 Acre
Land and building	Manufacturing facility	Port Qasim Factory	5 Acre
Land and building	Manufacturing facility	Islamabad Factory	8.72 Kanal
Land and building	Milk collection centre	Bhawana, District Chiniot	1 Acre
Land and building	Milk collection centre	Renala, District Okara	1 Acre
Land and building	Milk collection centre	Pindi Bhattian, District Hafizabad	17.9 Kanal
Land and building	Milk collection centre	Ludden, District Vehari	7.8 Kanal
Land and building	Milk collection centre	More Mandi, District Jhang	2 Kanal
Land and building	Milk collection centre	Kalowal, District Chiniot	1 Kanal
Land and building	General purpose	Korangi Industrial Area, Karachi	2.85 Kanal
Land	General purpose	Korangi Industrial Area, Karachi	1.6 Kanal

16.6 Detail of property, plant and equipment sold during the year is as follows:

Description	Cost	Book value	Sale proceeds	(Loss)/ gain	Mode of disposal	Particulars of purchasers	Relationship with the company
Plant and machinery							
Fixtures of New Zonal							
Office Lahore	4,781	2,311	462	(1,849)	Negotiation	Third party	None
Diesel Generator 150 KVA with							
Canopy & ATS Panel	3,200	1,520	309	(1,211)	Negotiation	Third party	None
Tote Tilt Unit-Sh/Ga For Bins							
Cam110-(P Line)	3,261	963	816	(147)	Negotiation	Third party	None
Cooling Tower Upgradation							
Power Stacker 2-UP	2,822	792	564	(228)	Negotiation	Third party	None
Assets with book value							
less than PKR 500,000	665,815	14,739	89,253	74,514			
2024	681,470	21,160	91,704	70,544			
2023	1,039,066	25,814	36,436	10,622			

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Rupees in 000)	2024	2023
17 Capital work-in-progress		
Civil works	196,217	281,475
Plant and machinery	2,204,913	3,113,526
Others	922,452	285,466
	3,323,582	3,680,467
Less: Provision for impairment loss	(568,650)	(588,927)
	2,754,932	3,091,540
17.1 Movement in capital work-in-progress		
Balance as at January 01	3,091,540	2,612,423
Additions to capital work-in-progress during the year	4,402,187	3,352,290
Transfers to property, plant and equipment during the year	(4,738,795)	(2,873,173)
Balance as at December 31	2,754,932	3,091,540
17.2 Provision for impairment loss on capital work-in-progress		
Balance as at January 01	588,927	588,927
Reversed during the year	(20,277)	-
Balance as at December 31	568,650	588,927
18 Intangible assets		
Cost		
Balance as at January 01	272,655	272,655
Additions during the year	16,319	-
Balance as at December 31	288,974	272,655
Amortization		
Balance as at January 01	272,655	272,655
Charge for the year	544	-
Accumulated amortization as at December 31	273,199	272,655
Net book value as at December 31	15,775	-
Amortization rate	20%	20%

Intangibles comprises of software, including fully amortized assets having cost of PKR 272.66 million (2023: PKR 272.66 million) that are still in use as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Rupees in 000)	Note	2024	2023
19 Deferred taxation			
Deferred tax assets on deductible temporary differences			
Allowance for write down of stores and spares to net realizable value		(953,670)	(963,884)
Allowance for write-down of stock-in-trade to net realizable value		(18,994)	(32,584)
Allowance for expected credit losses		(16,792)	(16,912)
Lease liability recognized under IFRS 16		(597,601)	(663,813)
Other provisions		(6,505,139)	(5,128,289)
		(8,092,196)	(6,805,482)
Deferred tax liability on taxable temporary differences			
Accelerated tax depreciation including right-of-use assets		4,720,216	4,805,019
Accelerated tax amortization		1,042	–
		(3,370,938)	(2,000,463)
19.1 Movement in deferred tax liability / (asset) is as follows:			
Balance as at January 01		(2,000,463)	2,290
Charge to OCI related to cash flow hedges		–	(2,339)
Charge to statement of profit or loss	34	(1,370,475)	(2,000,414)
Balance as at December 31		(3,370,938)	(2,000,463)
20 Long-term loans			
To employees – considered good		400,414	420,342
Less: current portion shown under current assets		(143,475)	(149,709)
		256,939	270,633

20.1 These represent long-term interest free loans to employees for the purchase of cars and motor cycles as per the Company policy and are repayable within a period of 5 years. Loans are secured by the crossed cheques from employees of the full loan amount in the name of the Company without mentioning any date as part of collateral. The effect of discounting as per the requirements of IFRS 9 is considered immaterial.

20.2 No loan has been given to the Chief Executive Officer or any other Director of the Company.

20.3 The amount of loans to employees and the period in which these will become due are as follows:

(Rupees in 000)	2024	2023
Less than one year	143,475	149,709
More than one year but not more than 3 years	106,826	237,200
More than 3 years	150,113	33,433
	400,414	420,342

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Rupees in 000)	Note	2024	2023
21 Stores and spares			
Stores		431,245	646,683
Spares, including in transit amounting to PKR 69.24 million (2023: PKR 19.29 million)		5,695,554	4,570,036
		6,126,799	5,216,719
Less: Allowance for write down of stores and spares to net realizable value	21.1	(1,680,487)	(1,205,010)
		4,446,312	4,011,709
21.1 Allowance for write down of stores and spares to net realizable value			
Balance as at January 01		1,205,010	977,204
Provision charged during the year		475,477	227,806
Balance as at December 31		1,680,487	1,205,010
22 Stock-in-trade			
Raw and packing materials including in transit amounting to PKR 2,033.92 million (2023: PKR 2,821.33 million)		13,719,515	19,000,830
Work-in-process		6,022,401	7,142,388
Finished goods		5,944,943	7,156,473
Goods purchased for resale including in transit amounting to PKR 258.56 million (2023: PKR 182.80 million)		1,719,534	1,514,932
		27,406,393	34,814,623
Less: Allowance for write-down of stock-in-trade to net realizable value	22.1	(857,103)	(1,376,139)
		26,549,290	33,438,484
22.1 Allowance for write-down of stock-in-trade to net realizable value			
Balance as at January 01		1,376,139	404,561
Provision during the year		857,103	1,376,139
Written off / adjusted during the year		(1,376,139)	(404,561)
		(519,036)	971,578
Balance as at December 31		857,103	1,376,139
23 Trade debts			
Considered good – unsecured		2,113,592	2,227,612
Considered doubtful – unsecured		45,378	43,808
Less: allowance for expected credit losses	23.1	(45,378)	(43,808)
		2,113,592	2,227,612
Related parties – considered good	23.2	7,971	4,999
		2,121,563	2,232,611

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Rupees in 000)	Note	2024	2023
23.1 Allowance for expected credit losses			
Balance as at January 01		43,808	52,876
Provision charged during the year	32	1,570	–
Provision written off during the year		–	(9,068)
Balance as at December 31		45,378	43,808
23.2 Trade debts include the following amounts due from the given related parties:			
Lahore University of Management Sciences		4,804	2,285
Systems Limited		2,432	–
Bulleh Shah Packaging (Pvt.) Limited		735	80
Packages Convertors Limited		–	2,634
		7,971	4,999

The maximum aggregate amount of receivable due from related parties at the end of any month during the year was PKR 14.30 million (2023: PKR 6.30 million).

23.3 Aging of overdue balances for related parties is as follows:

(Rupees in 000)	Total balance	Balance not yet due	Balance overdue	Below 30 days	31 Days & above
Party name					
Lahore University of Management	4,804	4,238	566	566	–
Bulleh Shah Packaging (Pvt.) Ltd.	735	69	666	666	–
Packages Convertors Limited	2,432	2,061	371	371	–
Total	7,971	6,368	1,603	1,603	–

(Rupees in 000)	Note	2024	2023
24 Tax refunds due from Government			
Sales tax refundable		8,329,946	17,168,509
Income tax receivable		711,833	–
		9,041,779	17,168,509
25 Advances, deposits, prepayments and other receivables			
Advances to suppliers – unsecured – considered good	25.1	750,670	3,191,837
Due from related parties – unsecured – considered good	25.2	1,105,770	982,268
Cash margin held against imports		386,858	636,841
Deposits and prepayments		548,749	137,622
Other receivables		406,182	780,840
		3,198,229	5,729,408

25.1 These arise from normal course of business of the Company and are interest free.

25.2 Due from related parties (including foreign affiliates on the basis of a common Holding Company) include the following amounts, mainly on account of advances for purchases and shared services in ordinary course of business:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Rupees in 000)	2024	2023
Party name		
Tetra Pak Pakistan Limited	489,062	434,500
Nestrad S.A.	276,302	167,893
Nestlé Philippines Inc.	130,505	89,052
Wyeth Philippines, INC.	31,088	314
Nestlé Operational Services Worldwide S.A.	25,693	65,773
Nestle Bangladesh PLC	24,448	10
Nestle Cameroun	23,784	22,121
Nestlé Pakistan Ltd (Fair Price Shop)	16,992	231
Nestle Purina Petcare	16,201	–
Societe des Produits Nestlé S.A.	13,977	15,784
Nestle Waters Management	12,859	–
Nestlé South Africa	11,178	7,116
Nestle Central And West Africa	7,943	2,546
Nestle Caribbean Inc.	5,828	5,864
Nestrad S.A. Malaysia Branch	4,469	724
Nestlé Australia Ltd	3,699	–
Nestle Nigeria Plc	3,387	205
Nestlé Middle East FZE	2,671	11,320
Nestlé Manufacturing (Malaysia)	1,240	–
Nestlé UAE L.L.C.	977	–
Nestle Singapore (Pte) Ltd	908	1,098
Quality Coffee Products Ltd	681	–
Nestlé Gabon	679	1,167
PT Nestle Indonesia	569	–
Nestle Japan Ltd.	484	–
Nestle Regional Service Centre	146	1,384
Nestle Afghanistan Limited	–	100,765
Nestlé Burkina Faso S.A.	–	23,581
Nestle Zimbabwe (Private) Limited	–	12,515
Nestle Dubai Manufacturing LLC	–	5,713
Nestle Romania SRL	–	1,422
Nestle Saudi Arabia	–	836
Nestlé ROH (Thailand) Ltd.	–	692
	1,105,770	982,268

25.2.1 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was PKR 1,105.77 million (2023: PKR 982.27 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

25.2.2 Aging of overdue balances for related parties is as follows:

(Rupees in 000)	Total balance	Balance not yet due	Balance overdue	Below 30 days	31 Days & above
Nestrade S.A.	276,302	-	276,302	110,322	165,980
Nestlé Philippines Inc.	130,505	44,811	85,694	85,694	-
Nestle Bangladesh PLC	24,448	-	24,448	12,106	12,342
Nestle Purina Petcare	16,201	-	16,201	16,201	-
Nestle Central And West Africa	7,943	-	7,943	4,698	3,245
Nestle Caribbean Inc.	5,828	-	58,334	-	5,828
Nestrade S.A. Malaysia Branch	4,469	3,293	1,176	1,176	-
Nestle Nigeria Plc	3,387	-	3,387	3,387	-
Nestlé Middle East FZE	2,671	-	2,671	1,821	850
Nestlé Manufacturing (Malaysia)	1,240	-	1,240	-	1,240
Quality Coffee Products Ltd	681	-	681	681	-
Nestlé Gabon	679	-	679	-	679
Total	474,354	48,104	426,250	236,086	190,164

(Rupees in 000)	Note	2024	2023
26 Cash and bank balances			
Cash in bank			
– Local currency – current accounts		553,053	37,944
– Local currency – saving accounts	26.1	504,796	411,326
– Foreign currency – current accounts (USD denominated)	26.2	1,253,872	639,623
		2,311,721	1,088,893
Cash in hand		10,680	10,821
		2,322,401	1,099,714

26.1 The balance in saving accounts carry rate of return ranging from 6.50% to 20.51% (2023: 7.50% to 20.51%) per annum.

26.2 Cash at bank in USD denominated account as at reporting date was US\$ 4,503,433.95 (2023: US\$ 2,309,906.48)

26.3 The security deposits obtained from customers have been kept in saving accounts maintained by the Company.

(Rupees in 000)	2024	2023
27 Revenue from contracts with customers		
Own manufactured		
– Local	232,169,894	225,440,294
– Export	7,099,150	5,974,840
	239,269,044	231,415,134
Goods purchased for resale	2,313,161	2,761,581
Less:		
– Sales tax	(27,977,522)	(15,305,069)
– Discounts, incentives and allowances	(20,398,927)	(18,266,641)
	193,205,756	200,605,005

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Rupees in 000)	Note	2024	2023
28 Cost of goods sold			
Raw and packing material consumed and other variable expenses	28.1	94,189,529	110,286,385
Salaries, wages, amenities and training	28.2	8,880,467	8,303,578
Energy and power		7,095,206	7,477,287
Repairs, maintenance and vehicle running		4,916,004	4,326,361
Depreciation of property, plant and equipment	16.4	3,062,527	2,946,494
Communication and technology		573,051	495,562
Quality assurance and environmental expenses		608,680	580,447
Rent, rates, taxes and insurance		308,917	311,878
Legal and professional		21,496	35,472
Other expenses		239,504	372,834
		119,895,381	135,136,298
Decrease / (increase) in work-in-process		1,119,987	(5,143,392)
Cost of goods manufactured		121,015,368	129,992,906
Decrease / (increase) in finished goods		1,211,530	(1,530,634)
Cost of goods sold – own manufactured		122,226,898	128,462,272
Cost of goods sold – purchased for resale		1,454,864	1,382,863
		123,681,762	129,845,135

28.1 This includes current year provisions of PKR 2.02 billion (2023: PKR 3.45 billion) as referred to in Note 11.1.

28.2 This includes PKR 267.75 million (2023: 227.14 million) in respect of gratuity, PKR 221.59 million (2023: PKR 222.30 million) in respect of pension, PKR 799.50 million (2023: Nil) in respect of LSA and PKR 225.07 million (2023: PKR 102.45 million) in respect of provident fund.

(Rupees in 000)	Note	2024	2023
29 Distribution and selling expenses			
Marketing and promotion		9,866,771	8,578,415
Freight outward and handling charges		5,942,552	5,863,595
Salaries, wages, amenities and training	29.1	7,002,599	5,646,228
General licensing fee (including related taxes)		8,139,182	7,983,560
Depreciation of property, plant and equipment	16.4	528,344	599,163
Communication and technology		105,293	90,836
Repairs, maintenance and vehicle running		714,484	496,484
Utilities and other office expenses		207,396	174,939
Legal and professional		73,714	113,101
Rent, rates, taxes and insurance		30,373	29,774
Amortization of intangible assets	18	544	–
Other expenses		362,284	273,483
		32,973,536	29,849,578

29.1 This includes PKR 227.88 million (2023: 194.72 million) in respect of gratuity, PKR 188.59 million (2023: PKR 181.29 million) in respect of pension, PKR 680.43 million (2023: Nil) in respect of LSA and PKR 191.55 million (2023: PKR 162.19 million) in respect of provident fund.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Rupees in 000)	Note	2024	2023
30 Administration expenses			
Salaries, wages, amenities and training	30.1	3,905,300	3,507,921
Depreciation of property, plant and equipment	16.4	383,831	349,048
Legal and professional	30.2	331,175	601,984
Communication and technology		1,639,477	1,491,660
Utilities and other office expenses		309,807	191,974
Repairs, maintenance and vehicle expenses		377,087	186,753
Rent, rates, taxes and insurance		25,950	24,533
Other expenses		28,606	3,121
		7,001,233	6,356,994

30.1 This includes PKR 105.40 million (2023: 72.05 million) in respect of gratuity, PKR 87.23 million (2023: PKR 101.62 million) in respect of pension, PKR 314.73 million (2023: Nil) in respect of LSA and PKR 88.60 million (2023: PKR 195.00 million) in respect of provident fund.

(Rupees in 000)	Note	2024	2023
30.2 Legal and professional charges include the following in respect of auditor's services for:			
Statutory audit fee including half year review		7,500	6,376
Other certificates		3,250	1,420
Out of pocket expenses		750	700
		11,500	8,496

31 Finance cost			
Mark-up on long-term financing – secured		920,068	1,636,712
Mark-up on short-term borrowings – secured		925,875	138,907
Mark-up on short-term running finance – secured		425,441	449,255
Mark-up on lease liabilities		213,605	207,461
Bank charges		104,510	191,518
		2,589,499	2,623,853

32 Other expenses			
Workers' profit participation fund	11.3	1,303,641	1,485,591
Workers' welfare fund	11.4	576,254	666,953
Exchange loss realized		171,648	1,163,403
Donations and gifts	32.1	18,038	24,250
Allowance for expected credit losses		1,570	–
Loss on termination of lease		50	–
Impairment of property, plant and equipment and capital work-in-progress	32.2	–	43,508
Others		–	368
		2,071,201	3,384,073

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Rupees in 000)		2024	2023
32.1 Donations			
Party wise breakup of donations where any director or his / her spouse has interest in the donee, is as follows:			
Lahore University of Management Sciences (LUMS)		4,000	4,000

(Syed Babar Ali, Director is also Pro Chancellor of LUMS)

(Syed Hyder Ali, Director is also a member of Executive Committee of LUMS)

32.2 Impairment of plant and machinery and capital work-in-progress

The Company charged impairment on certain plant and machinery and capital work-in-progress after considering the potential usage of these assets.

(Rupees in 000)	Note	2024	2023
Segment-wise break-up of this impairment is as follows:			
– Powdered and Liquid Beverages		–	43,508

33 Other income

Income from financial assets:

Return on bank accounts		173,032	371,779
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Income from non-financial assets:

Sale of scrap		304,687	87,574
Gain on disposal of property, plant and equipment	16.6	70,544	10,622
Gain on termination of lease		–	6,302
Exchange gain unrealized		47,071	23,220
Reversal of impairment	33.1	20,277	–
		615,611	499,497

33.1 This pertains to reversal of impairment charged on capital work-in-progress in Dairy and Nutrition Products segment.

(Rupees in 000)	Note	2024	2023
34 Final tax, minimum tax differential and income tax			
34.1 Final tax	34.1.1	24,785	59,748

34.1.1 This represents final tax under the section 154 of the Income Tax Ordinance, 2001 (the Ordinance), being a levy under the requirements of IFRIC 21 / IAS 37.

(Rupees in 000)	Note	2024	2023
34.2 Minimum tax differential	34.2.1	199,104	–

34.2.1 This represents minimum tax differential under the section 153(3) of the Ordinance, being a levy under the requirements of IFRIC 21 / IAS 37.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Rupees in 000)	Note	2024	2023
34.3 Income tax			
Current tax			
For the year		12,160,254	12,762,874
Prior year		(317,503)	1,729,862
		11,842,751	14,492,736
Deferred tax	19.1	(1,370,475)	(2,000,414)
		10,472,276	12,492,322

%	Note	2024	2023
34.4 Average effective tax rate charged to statement of profit or loss			
Numerical reconciliation between the average effective tax rate and the applicable tax rate:			
Applicable tax rate		29.00	29.00
Tax effect of amounts that are:			
– Tax impact related to prior year including super tax and risk based provision	34.4.1	1.83	5.96
– Tax impact of rate change		0.06	0.00
– Tax impact due to current year super tax	34.4.1	9.90	9.54
– Others		0.63	(1.40)
		12.42	14.10
Average effective tax rate based on profit before income tax		41.42	43.10
– Impact of levies under the requirements of IFRIC 21 / IAS 37		(0.36)	(0.09)
Average effective tax rate based on profit before final tax, minimum tax differential and income tax		41.06	43.01

34.4.1 The Company is subject to super tax according to Division IIB, Part I of First Schedule of Income Tax Ordinance, 2001. Super tax rate for the year is 10% (2023: 10%).

34.5 Reconciliation between total income tax chargeable under the Ordinance and its categorization as 'Income Tax' under IAS 12 and 'Levy' in terms of requirements of IFRIC 21 / IAS 37.

(Rupees in 000)	2024	2023
Income Tax liability for the year as per applicable tax laws	10,696,165	12,552,070
Portion of Income Tax liability as per tax laws, representing:		
Income Tax under IAS 12	10,472,276	12,492,322
Levy in terms of requirements of IFRIC 21 / IAS 37	223,889	59,748
	10,696,165	12,552,070
Difference	–	–

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(Rupees in 000)		2024	2023
35 Earnings per share			
35.1 Basic earnings per share			
Profit after taxation available for distribution to ordinary shareholders	Pak Rupees in '000'	14,807,971	16,492,799
Weighted average number of ordinary shares	Number in '000'	45,350	45,350
Basic earnings per share	Pak Rupees	326.53	363.68

35.2 Diluted earnings per share

There is no dilution effect on the basic earnings per share as the Company has not issued instruments that cause dilution.

36 Provident fund

Investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act 2017 and the rules formulated for this purpose.

37 Transactions with related parties

The related parties comprise of Holding Company, Associated Companies, other related Companies, key management personnel and employees retirement benefit funds. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables and remuneration to key management personnel is disclosed in note 42. Other significant transactions with related parties are disclosed in note 37.1.

(Rupees in 000)		Note	2024	2023
37.1 Transactions during the year				
Associated undertakings				
General licensing fee			7,024,352	6,850,192
Dividends			5,729,491	9,943,442
Long-term loan including interest			125,447	1,451,999
Purchase of assets, goods, services and reimbursable expenses			20,202,313	25,451,867
Sale of goods			560,213	724,011
Insurance premium paid			325,993	272,920
Insurance claims received			29,695	38,735
Donations	32.1		4,000	4,000
Other related parties				
Contribution to staff retirement benefit plans			1,778,130	1,628,879

37.2 All transactions with related parties have been carried out on mutually agreed terms and conditions except for donations.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

37.3 Following is a list of foreign associated undertakings with whom the Company has entered into transactions during the year. All foreign affiliates (except for Nestlé S.A. “the Ultimate Parent Company”) are related to the Company due to common holding of the Ultimate Parent Company.

Name	Country of Operations
Nestlé S.A.	Switzerland
Nestrade S.A.	Switzerland
Sofinol S.A.	Switzerland
Nestec S.A.	Switzerland
Nestle Philippines Inc.	Philippines
Nestle Vietnam Ltd.	Vietnam
Nestle Australia Ltd	Australia
Nestle Egypt S.A.E.	Egypt
Nestle Dubai Manufacturing Llc	UAE
Nestle Middle East Manufacturing	UAE
Nestlé Operational Services	Switzerland
Nestle Singapore (Pte) Ltd	Singapore
Nestle Waters Management & Issy Les Moulineaux	France
Nestle Manufacturing (Malaysia)	Malaysia
Nestle Business Services AOA, Inc.	Philippines
Nestle Nederland B.V.	Netherlands
Nestle R&D Centre (Pte) Ltd	Singapore
PT Nestle Indonesia	Indonesia
Nestlé France	France
Nestle Brasil Ltda.	Brazil
Nestle Regional Service Centre	Malaysia
Nestle Asean (Malaysia) Sdn. Bhd.	Malaysia
Nestle USA Inc	USA
Nestle Central And West Africa	Ghana
Nestle Lanka Limited	Sri Lanka
Nestle (Thai) Ltd.	Thailand
Nestle Suisse S.A.	Switzerland
Nestle Bangladesh Limited	Bangladesh
Nestle Afghanistan Limited	Afghanistan
Cereal Partners (Malaysia) Sdn Bhd	Malaysia
Cereal Partners Poland	Poland
Nestle Cameroun	Cameroon
Nestle Burkina Faso S.A.	Burkina Faso
Wyeth Philippines, INC.	Philippines
Nestle Gabon	Central Africa
Nestle Senegal	Senegal

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

37.4 Following is a list of local associated undertakings with whom the Company has entered into transactions during the year:

Name	Basis of Association
Associated undertakings	
Babar Ali Foundation	Common directorship
Bulleh Shah Packaging Private Limited	Common directorship
Pakistan Dairy Association	Common directorship
Packages Convertors Limited	Common directorship
Packages Limited	Common directorship
Packages Real Estate (Pvt) Ltd	Common directorship
Syed Maratib Ali Religious and Charitable Trust Society	Common directorship
Tetra Pak Pakistan Limited	Common directorship
Lahore University of Management	Common directorship
Aitchison College Lahore	Common directorship
Systems Limited	Common directorship
The Pakistan Business Council	Common directorship
Swiss Business Council	Common directorship
Overseas Investors Chamber of Commerce and Industries	Common directorship
World Wide Fund for Nature	Common directorship
Other related parties	
Nestlé Pakistan Limited Employees' Gratuity Fund	Retirement benefit plan
Nestlé Pakistan Limited Employees' Pension Fund	Retirement benefit plan
Nestlé Pakistan Limited Employees' Provident Fund	Retirement benefit plan

(Rupees in 000)	Note	2024	2023
38 Cash and cash equivalents			
Cash and bank balances	26	2,322,401	1,099,714
Running finance under mark-up arrangements – secured	10	(660,550)	(3,038,001)
		1,661,851	(1,938,287)

	2024	2023
39 Number of employees		
Average number of employees during the year	3,576	3,718
Number of employees as at December 31	3,394	3,732

40 Capacity and production of industrial units

(Kgs in 000)	Capacity		Production	
	2024	2023	2024	2023
Sheikhupura & Kabirwala factory	1,275,939	1,279,924	555,806	638,099
Port Qasim & Islamabad factory	593,545	593,545	234,031	252,237
Total	1,869,484	1,873,469	789,837	890,336

40.1 Utilization of capacity is in line with seasonal impact of products and demand conditions arising from overall economic environment.

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For the year ended December 31, 2024

41 Segment reporting

Segment information is presented in respect of how the Company's chief decision maker allocates resources and monitors performance based on business segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Company's operations comprise of the following main business segments and product categories:

- i) **Dairy and Nutrition Products** – milk based products
- ii) **Powdered and Liquid Beverages** – juices, drinking water and powdered drinks
- iii) **Other Products** – confectionery, cereals and other products

41.1 Segment analysis and reconciliation for the year ended and as at December 31

(Rupees in 000)	Dairy and Nutrition Products		Powdered and Liquid Beverages		Other Products		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenue from contracts with customers	152,506,474	159,074,852	39,958,333	40,582,468	740,949	947,685	193,205,756	200,605,005
Depreciation and amortization	2,786,373	2,751,773	1,171,425	1,142,932	16,904	-	3,974,702	3,894,705
Operating profit before tax and unallocated expenses	26,755,183	30,189,925	2,725,333	4,305,957	68,709	57,416	29,549,225	34,553,298
Unallocated corporate expenses:								
Finance cost							(2,589,499)	(2,623,853)
Other expenses							(2,071,201)	(3,384,073)
Other income							615,611	499,497
Final tax							(24,785)	(59,748)
Minimum tax differential							(199,104)	-
Taxation							(10,472,276)	(12,492,322)
Profit after taxation							14,807,971	16,492,799
Segment assets	59,512,110	72,876,780	20,384,963	23,014,611	163,161	478,464	80,060,234	96,369,855
Unallocated assets							3,568,633	1,520,056
Total assets							83,628,867	97,889,911
Segment equity and liabilities	24,469,811	38,063,821	8,468,878	11,608,001	108,695	280,714	33,047,384	49,952,536
Unallocated equity and liabilities							50,581,483	47,937,375
Total equity and liabilities							83,628,867	97,889,911

(Rupees in 000)	2024	2023
41.2 Geographical segments		
Sales are made by the Company in the following countries:		
Pakistan	186,465,276	194,960,356
Afghanistan	3,121,169	2,289,323
United States of America	1,791,875	1,287,804
Other foreign countries	1,827,436	2,067,522
	193,205,756	200,605,005

The Company manages and operates manufacturing facilities and sales offices in Pakistan only.

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(Rupees in 000)		2024	2023
41.2.1 Export sales to foreign related parties			
Country	Party Name		
Philippines	Nestle Philippines Inc.	345,177	409,640
Philippines	Wyeth Philippines, INC.	61,462	37,058
Bangladesh	Nestle Bangladesh Limited	38,426	40,071
Cameroon	Nestle Cameroun	–	70,707
Burkina Faso	Nestle Burkina Faso S.A.	–	53,484
Gabon	Nestle Gabon	–	9,837
Senegal	Nestle Senegal	–	4,536

42 Remuneration of Chief Executive Officer, Directors and Executives

The aggregate amounts charged in these financial statements during the year for remuneration, including certain benefits, to the chief executive officer, executive directors, non-executive directors and executives of the Company are as follows:

(Rupees in 000)	Chairman		Chief Executive Officer		Executive Directors		Executives	
	2024	2023	2024	2023	2024	2023	2024	2023
Managerial remuneration / fee	9,528	8,660	127,251	129,251	71,889	66,655	3,736,163	2,976,945
Bonus	–	–	16,372	21,237	14,099	17,569	716,709	762,405
Retirement benefits	–	–	–	–	8,682	4,265	623,911	515,298
Housing	–	–	25,200	18,356	4,450	5,405	96,103	55,591
Reimbursable expenses	1,673	1,746	130,386	184,825	56,545	53,442	2,822,991	2,265,881
	11,201	10,406	299,209	353,669	155,665	147,336	7,995,877	6,576,120
Number of persons	1	1	1	1	2	2	921	756

42.1 The chairman and chief executive of the Company are provided with use of Company maintained vehicles.

42.2 The aggregate amount charged in these financial statements in respect of contribution to provident fund of key management personnel is PKR 295.77 million (2023: PKR 239.45 million).

42.3 A meeting fee amounting to PKR 8,000,000/- (2023 PKR 3,750,000) was paid to 6 (2023: 6) directors during the year.

42.4 Remuneration to key management personnel includes PKR 103.4 million (2023: PKR 192.2 million) in respect of share based payments made by the Holding Company and charged back to the Company.

43 Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks, market risks (including currency risks, other price risks and interest rate risks), credit risks and liquidity risks. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. The Company follows an effective cash management and planning policy and maintains flexibility in funding by keeping committed credit lines available. Market risks are managed by the Company through the adoption of appropriate policies to cover currency risks and interest rate risks. The Company applies credit limits to its customers and obtains advances from them.

NOTES TO THE FINANCIAL STATEMENTS

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43.1 Market risk

43.1.1 Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to various currencies. Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable from / payable to the foreign entities. The Company's major exposure to currency risk is as follows:

Particulars	Currency	2024	2023
Assets			
Foreign currency bank accounts	USD	4,502,234	2,309,907
Cash in hand	USD	29,915	29,915
	EUR	6,985	6,985
Receivables	USD	3,376,263	1,956,694
	EUR	982,849	537,949
	TRY	2,151	-
	AUD	15,628	-
	CHF	193,634	247,984
Liabilities			
Net (payables) / advances	USD	(33,085,963)	(24,211,773)
	EUR	906,553	(1,752,592)
	CHF	(3,989,984)	(4,858,633)
	GBP	(10,359)	(19,122)
	CNY	(1,122,082)	(4,336,089)
	NZD	-	(1,587)
	SAR	(60,641)	(60,641)
	AED	(78,120)	(55,411)
	AUD	(33,695)	(33,695)
	TRY	(16,494)	-
	GBP	(19,852)	-
	LKR	(19,071,389)	-
	PHP	(2,183,998)	-
	VND	(496,115,642)	-
	SGD	(3,523,739)	(3,309,978)
	PKR ('000)	(8,444,700)	(8,427,960)

NOTES TO THE FINANCIAL STATEMENTS

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43.1.1.1 The following significant exchange rates were applied during the year:

	2024		2023	
	Average Rate	Reporting date rate	Average Rate	Reporting date rate
(Rupees per currency unit)				
US Dollar	280.20	278.50	280.36	281.89
Swiss Franc	320.98	308.19	312.29	333.76
Euro	300.40	289.97	303.14	310.82
Great Britain Pound	354.54	349.74	348.72	359.34
Chinese Renminbi	38.84	38.15	39.57	39.53
New Zealand Dollar	–	–	172.04	177.88
Saudi Riyal	74.65	74.13	74.73	75.17
U.A.E Dirham	76.29	75.82	76.33	76.76
Australian Dollar	182.87	173.24	186.11	192.49
Turkish Lira	3.94	7.88	–	–
Sri Lankan Rupee	0.48	0.95	–	–
Vietnamese Dong	0.01	0.01	–	–
Philippine Peso	2.46	4.93	–	–
Singapore Dollar	209.09	204.91	208.72	213.27

Currency rate sensitivity analysis

If the functional currency, at reporting date, had increased by 20% (2023: 20%) against the foreign currencies with all other variables held constant, the impact on profit before taxation would have been as follows:

(Rupees in 000)		2024	2023
Effect on profit and loss:			
US Dollar	USD	(1,402,390)	(1,122,800)
Swiss Franc	CHF	(234,003)	(307,771)
Singapore Dollar	SGD	(144,408)	(141,181)
Euro	EUR	109,981	(75,072)
Chinese Renminbi	CNY	(8,562)	(34,278)
Great Britain Pound	GBP	(2,113)	(1,374)
Australian Dollar	AUD	(626)	(1,297)
Saudi Riyal	SAR	(899)	(912)
U.A.E Dirham	AED	(1,185)	(851)
Turkish Lira	TRY	(23)	–
Sri Lankan Rupee	LKR	(3,627)	–
Vietnamese Dong	VND	(1,085)	–
New Zealand Dollar	NZD	–	(56)
		(1,688,940)	(1,685,592)

The effect may be respectively lower / higher, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments.

Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

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For the year ended December 31, 2024

43.1.2 Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency 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.

43.1.3 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at fixed and variable interest rates.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments is:

(Rupees in 000)	2024	2023
Variable rate instruments		
Liabilities		
Long-term finances	1,420,350	1,422,288
Running finance under mark-up arrangements – secured	(660,550)	(3,038,001)
Lease liabilities	(1,564,356)	(1,726,942)
Assets		
Bank balances – saving accounts	504,796	411,326
	(299,760)	(2,931,329)

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates on loans from borrowings from banks, at the year end date, fluctuate by 500 (2023: 500) bps higher / lower with all other variables, in particularly foreign exchange rates held constant, profit before taxation for the year and 2023 would have been affected as follows:

(Rupees in 000)	2024	2023
Effect on profit and loss of an increase	(14,988)	(146,566)
Effect on profit and loss of a decrease	14,988	146,566

The effect may be higher / lower, mainly as a result of higher / lower mark-up income on floating rate loans / investments.

The sensitivity analysis prepared is not necessarily indicative of the effects on the profit for the year and assets / liabilities of the Company.

43.1.4 Fair value measurement of financial instruments

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.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to analyse assets carried at fair value by valuation method. The different levels have been defined as follows:

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

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts of financial assets and financial liabilities. None of them are currently measured at fair value since their carrying amount is a reasonable approximation of their fair value.

	Carrying Amount		
	Financial assets	Financial liabilities	Total
(Rupees in 000)			
December 31, 2024			
Financial assets – measured at fair value	–	–	–
Financial assets – not measured at fair value			
Trade debts	2,121,563	–	2,121,563
Long term loans	400,414	–	400,414
Advances, deposits, prepayments and other receivables	1,898,810	–	1,898,810
Cash and bank balances	2,322,401	–	2,322,401
	6,743,188	–	6,743,188
Financial liabilities – measured at fair value	–	–	–
Financial liabilities – not measured at fair value			
Long term finances – secured	–	4,420,350	4,420,350
Short term borrowings – secured	–	200,000	200,000
Running finance under mark-up arrangements – secured	–	660,550	660,550
Customer security deposits	–	334,804	334,804
Trade and other payables	–	48,957,353	48,957,353
Unclaimed dividend	–	90,081	90,081
Interest and mark-up accrued	–	183,410	183,410
	–	54,846,548	54,846,548

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(Rupees in 000)	Carrying Amount		
	Financial assets	Financial liabilities	Total
December 31, 2023			
Financial assets – measured at fair value	–	–	–
Financial assets – not measured at fair value			
Trade debts	2,232,611	–	2,232,611
Long term loans	420,342	–	420,342
Advances, deposits, prepayments and other receivables	2,399,949	–	2,399,949
Cash and bank balances	1,099,714	–	1,099,714
	6,152,616	–	6,152,616
Financial liabilities – measured at fair value	–	–	–
Financial liabilities – not measured at fair value			
Long term finances – secured	–	7,922,288	7,922,288
Short term borrowings – secured	–	5,500,000	5,500,000
Running finance under mark-up arrangements – secured	–	3,038,001	3,038,001
Customer security deposits	–	241,973	241,973
Trade and other payables	–	52,822,864	52,822,864
Unclaimed dividend	–	90,081	90,081
Interest and mark-up accrued	–	469,982	469,982
	–	70,085,189	70,085,189

Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date and is measured in accordance with IFRS 13.

43.2 Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company's credit risk is primarily attributable to its long term loans, trade debts, advances, deposits and other receivables and balances at banks. The Company manages its credit risk by the following methods:

- Monitoring of debts on a continuous basis
- Application of credit limits to its customers
- Obtaining adequate deposits / collateral where needed

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

(Rupees in 000)	2024	2023
Particulars		
Trade debts	2,121,563	2,232,611
Advances, deposits and other receivables	1,898,810	2,399,949
Long term loans	400,414	420,342
Bank balances	2,311,721	1,088,893
	6,732,508	6,141,795
43.2.1 Trade debts		
The aging of trade debts at the reporting date is:		
Not yet due	2,091,179	2,136,430
Past due 0 – 30 days	26,589	27,430
Past due 31 – 60 days	1,239	64,621
Past due 61 – 90 days	1,640	3,538
Past due 90+ days	916	592
	2,121,563	2,232,611

The Company uses an allowance matrix to measure “Expected Credit Losses” (ECL) of trade debtors. Overdue balances at the reporting date are immaterial and impact of application of ECL model, if any, is reflected in the allowance for expected credit losses recognized.

The Company does not believe it is exposed to major concentration of credit risk as its exposure is spread over several institutions and customers. However, to manage any possible exposure, the Company applies approved credit limits to its customers.

43.2.2 Loans to employees

The Company obtains crossed cheques from employees of the full loan amount in the name of the Company without mentioning any date as part of collateral. The Company has assessed, based on historical experience and available securities, that the expected credit loss associated with loans to employees is trivial and therefore no impairment charge has been accounted for.

43.2.3 Advances and other receivables

Advances and other receivables mainly comprise of cash margin withheld by banks against imports and other deposits. The Company has assessed, based on historical experience and available securities, that the expected credit loss associated with these financial assets is trivial and therefore no impairment charge has been accounted for.

42.2.4 Bank balances

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties. The credit quality of cash and bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counter party default rate:

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	Rating 2024			Rating 2023		
	Short Term	Long Term	Agency	Short Term	Long Term	Agency
Citi Bank N.A	F1	A+	Fitch	F1	A+	Fitch
Deutsche Bank AG	F2	A-	Fitch	F2	A-	Fitch
Habib Bank Limited	A-1+	AAA	VIS	A-1+	AAA	VIS
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	A1+	AA+	PACRA
JS Bank Limited	A1+	AA	PACRA	A1+	AA-	PACRA
MCB Bank Limited	A1+	AAA	PACRA	A1+	AAA	PACRA
Meezan Bank Limited	A-1+	AAA	VIS	A-1+	AAA	VIS
Standard Chartered Bank Limited	A1+	AAA	PACRA	A1+	AAA	PACRA
United Bank Limited	A-1+	AAA	VIS	A-1+	AAA	VIS

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

43.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. For this purpose the Company has sufficient running finance facilities available from various commercial banks to meet its liquidity requirements. Further, liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board.

43.3.1 The following are the contractual maturity analysis of financial liabilities as at December 31, 2024:

(Rupees in 000)	Carrying value	Contractual cash flows	On Demand	Less than 6 months	6 to 12 months	1 year to 5 years	More than 5 years	Total
Financial liability								
Long-term finances	4,420,350	4,584,033	-	163,683	3,000,000	1,420,350	-	4,584,033
Lease liabilities	1,564,356	2,421,251	-	161,938	161,939	1,299,833	797,541	2,421,251
Short-term borrowings - secured	200,000	207,389	-	207,389	-	-	-	207,389
Running finance under mark-up arrangements - secured	660,550	672,888	672,888	-	-	-	-	672,888
Customer security deposits	334,804	334,804	-	334,804	-	-	-	334,804
Unclaimed dividend	90,081	90,081	90,081	-	-	-	-	90,081
Trade and other payables	48,957,353	48,957,353	48,957,353	-	-	-	-	48,957,353
	56,227,494	57,267,799	49,720,322	867,814	3,161,939	2,720,183	797,541	57,267,799

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

43.3.2 The following are the contractual maturity analysis of financial liabilities as at December 31, 2023:

(Rupees in 000)	Carrying value	Contractual cash flows	On Demand	Less than 6 months	6 to 12 months	1 year to 5 years	More than 5 years	Total
Financial liability								
Long-term finances	7,922,288	8,223,767	-	301,479	-	7,922,288	-	8,223,767
Lease liabilities	1,726,942	2,814,258	-	170,955	170,955	1,348,654	1,123,694	2,814,258
Short-term borrowings – secured	5,500,000	5,534,966	-	5,534,966	-	-	-	5,534,966
Running finance under mark-up arrangements – secured	3,038,001	3,171,538	3,171,538	-	-	-	-	3,171,538
Customer security deposits	241,973	241,973	-	241,973	-	-	-	241,973
Unclaimed dividend	90,081	90,081	90,081	-	-	-	-	90,081
Unpaid dividend	7,514,831	7,514,831	7,514,831	-	-	-	-	7,514,831
Trade and other payables	52,822,864	52,822,864	52,822,864	-	-	-	-	52,822,864
	78,856,980	80,414,278	63,599,314	6,249,373	170,955	9,270,942	1,123,694	80,414,278

44 Reconciliation of movement of liabilities to cash flows arising from financing activities

(Rupees in 000)	2024					
	Liabilities					Total
	Long-term finances	Short-term borrowings	Lease liabilities	Interest and mark-up accrued	Unclaimed / unpaid dividend	
Balance as at January 01, 2024	7,922,288	5,500,000	1,726,942	469,982	7,604,912	23,224,124
Cash flows						
Finance cost paid	-	-	-	(2,662,466)	-	(2,662,466)
Long-term finances repaid – net	(3,500,000)	-	-	-	-	(3,500,000)
Repayment of lease liabilities	-	-	(339,454)	-	-	(339,454)
Short-term borrowings repaid – net	-	(5,300,000)	-	-	-	(5,300,000)
Dividends paid	-	-	-	-	(14,544,017)	(14,544,017)
Changes from financing cash flows	(3,500,000)	(5,300,000)	(339,454)	(2,662,466)	(14,544,017)	(26,345,937)
Non-cash changes						
Dividend approved	-	-	-	-	7,029,186	7,029,186
Exchange gain	(1,938)	-	-	-	-	(1,938)
Finance cost	-	-	213,605	2,375,894	-	2,589,499
Reassessment of lease liabilities	-	-	(13,757)	-	-	(13,757)
Termination of lease liabilities	-	-	(22,980)	-	-	(22,980)
Non-cash changes	(1,938)	-	176,868	2,375,894	7,029,186	9,580,010
Balance as at December 31, 2024	4,420,350	200,000	1,564,356	183,410	90,081	6,458,197

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	2023					
	Liabilities					Total
	Long-term finances	Short-term borrowings	Lease liabilities	Interest and mark-up accrued	Unclaimed / unpaid dividend	
(Rupees in 000)						
Balance as at January 01, 2023	15,500,000	519,260	1,465,437	297,289	6,121,969	23,903,955
Cash flows						
Finance cost paid	-	-	-	(2,243,699)	-	(2,243,699)
Long-term finances obtained – net	(7,577,712)	-	-	-	-	(7,577,712)
Repayment of lease liabilities	-	-	(341,206)	-	-	(341,206)
Short-term borrowings repaid – net	-	4,980,740	-	-	-	4,980,740
Dividends paid	-	-	-	-	(10,716,100)	(10,716,100)
Changes from financing cash flows	(7,577,712)	4,980,740	(341,206)	(2,243,699)	(10,716,100)	(15,897,977)
Non-cash changes						
Dividend approved	-	-	-	-	12,199,043	12,199,043
Finance cost	-	-	207,461	2,416,392	-	2,623,853
Addition to lease liabilities	-	-	427,379	-	-	427,379
Termination of leases	-	-	(32,129)	-	-	(32,129)
Non-cash changes	-	-	602,711	2,416,392	12,199,043	15,218,146
Balance as at December 31, 2023	7,922,288	5,500,000	1,726,942	469,982	7,604,912	23,224,124

45 Capital risk management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitor the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitor the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

The Company monitors capital on the basis of debt to equity ratio, calculated on the basis of total debt to equity.

The debt to equity ratio as at December 31:

(Rupees in 000)	2024	2023
Total borrowings	5,280,900	16,460,289
Total equity	18,583,038	10,588,057
Total debt and equity	23,863,938	27,048,346
Debt to equity ratio	22:78	61:39

There were no major changes in the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

46 Corresponding figures

Corresponding figures have been rearranged or classified whenever necessary for the purpose of comparison and better presentation. However, no significant reclassification has been made during the year.

47 Date of authorization for issue

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

48 Subsequent event

The Board of Directors in their meeting held on February 13, 2025, have proposed a final cash dividend for the year ended December 31, 2024, of PKR 30 per share (2023: PKR 19 per share), amounting to PKR 1,360.49 million (2023: PKR 861.64 million) for approval of the members at the Annual General Meeting to be held on April 22, 2025. These financial statements do not reflect this dividend.

49 General

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Figures have been rounded off to the nearest of thousands of rupee unless otherwise stated in these financial statements.



MAQSOOD AHMAD ANJUM
Chief Financial Officer



JOSELITO JR AVANCENA
Chief Executive Officer



SYED YAWAR ALI
Chairman / Director

FORM OF PROXY

Nestlé Pakistan Ltd.

I/We, _____, of _____, being a member of Nestlé Pakistan Ltd., holder of _____ Ordinary Share(s) as per registered Folio No. _____ hereby appoint Mr. / Ms. _____ Folio No. _____ of _____ or failing him Mr. / Ms. _____ Folio No. _____ of _____, who is also a member of Nestlé Pakistan Ltd., as my / our proxy in my / our absence to attend and vote for me / us, and on my / our behalf at 47th Annual General Meeting of the Company to be held on April 22, 2025 at 12:00 noon and at any adjournment thereof.

Signed under my / our hand this _____ day of _____, 2025.



Signature should agree with the specimen signature registered with the company

Signed in the presence of:

Signature of Witness No. 1

Signature of Witness No. 2

Name: _____

Name: _____

CNIC No.: _____

CNIC No.: _____

NOTES:

1. This instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a corporation either under the common seal or under the hand of an official or attorney so authorised. Any person can be appointed as proxy who is not a member of the Company qualified to vote except that a corporation being a member may appoint a person who is not a member.
2. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power of authority, shall be deposited at Nestlé Pakistan Limited, Packages Mall, Shakra-e-Roomi, PO Amer Sidhu, Lahore-54760, not later than 48 (forty eight) hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of a proxy shall not be treated as valid.

The Company Secretary

Nestlé Pakistan Ltd.

Packages Mall, Shahrah-e-Roomi, PO Amer Sidhu, Lahore,

Phone No. +92 42 111 637 853

Fax No. +92 42 3578 9303

www.nestle.pk

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پراکسی فارم

نیشنل پاکستان لمیٹڈ

میں / ہم _____

برائے _____

نیشنل پاکستان لمیٹڈ کے ممبر (ممبران) کی حیثیت سے _____

عمومی شیئرز کی تحویل رکھتا ہوں / رکھتے ہیں _____

لہذا بذریعہ ہذا _____ کے / کی جناب / محترمہ _____

کو بحوالہ فوئیو / CDC کاؤنٹ نمبر یا ان کی جگہ _____

کے / کی جناب / محترمہ _____ بحوالہ فوئیو / CDC کاؤنٹ نمبر _____ کمپنی کے (47) سینتالیسواں سالانہ اجلاس عام میں اپنی جگہ شرکت، رائے اور

ووٹ دینے کے لئے اپنا پراکسی تقرر کرتا / کرتی ہوں / کرتے ہیں۔ یہ اجلاس 22 اپریل 2025 کو دوپہر 12:00 بجے یا التواء کی صورت میں کسی بھی دیگر وقت مقررہ پر منعقد ہوگا۔

میں / ہم بروز _____ بتاریخ _____ کو اپنے دستخط / مہر کے ساتھ اس امر کی تصدیق کرتا / کرتی ہوں / کرتے ہیں۔

مذکورہ بالا کے دستخط _____

ان کی موجودگی میں

1. _____

2. _____

پانچ روپے کی
ریونیٹیو مہر پر دستخط

فوئیو / CDC کاؤنٹ نمبر

یہ دستخط کمپنی کے پاس رجسٹرڈ نمونہ
دستخط کے جیسے ہونے چاہئیں

اہم نکات:

- 1۔ باضابطہ، مکمل شدہ اور دستخط کردہ یہ پراکسی فارم کمپنی کے رجسٹرڈ آفس بمقام نیشنل پاکستان لمیٹڈ، جیکبز مال، شاہراہ رومی، آمر سدھو، لاہور میں اجلاس کے وقت سے 48 گھنٹے قبل پہنچ جانا چاہیے۔
- 2۔ کمپنی کا ممبر نہ ہونے کی صورت میں کسی بھی فرد کو بطور پراکسی مقرر کیا جاسکتا، کارپوریشن جو ممبر کے علاوہ دوسرے فرد کو پراکسی نامزد کر سکتی ہے۔
- 3۔ CDC شیئرز ہولڈر یا ان کے پراکسی کی صورت میں اجلاس کے وقت اپنا درست سی این آئی سی یا درست پاسپورٹ بمع CDC پارٹنیشن آئی ڈی اور کاؤنٹ نمبر اپنی شناخت کے لئے پیش کرنا ہوگا۔
- 4۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی بمع نمونہ دستخط، پراکسی فارم کے ساتھ کمپنی کو پیش کئے جائیں (اگر وہ پہلے پیش نہ کئے گئے ہوں)۔

The Company Secretary

Nestlé Pakistan Ltd.

Packages Mall, Shahrah-e-Roomi, PO Amer Sidhu, Lahore,

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The mark of
responsible forestry