engro foods | FrieslandCampina

nurturing nature

First Quarter 2019



Contents

Company information	2
directors' report	3
condensed interim statement of financial position	6
condensed interim statement of profit or loss	7
condensed interim statement of comprehensive income	8
condensed interim statement of changes in equity	9
condensed interim statement of cash flows	10
notes to the condensed interim financial statements	11
directors' report (Urdu version)	26

company information

Board of Directors

Abdul Samad Dawood (Chairman)
Abrar Hasan
Ali Ahmed Khan (Chief Executive Officer)
Eduardus Lambertus Holtzer
Petra Attje Zinkweg
Roeland Francois Van Neerbos
Zouhair Abdul Khaliq

Chief Financial Officer

Imran Husain

Company Secretary

Muneeza Iftikar

Members of Audit Committee

Abrar Hasan (Chairman)
Eduardus Lambertus Holtzer (Member)
Zouhair Abdul Khaliq (Member)

The secretary of committee is
Saleem Lallany, GM Internal Audit Department

Bankers

Conventional

Allied Bank Limited
Askari Bank Limited
Bank Al-Falah Limited
Bank Al-Habib Limited
Citibank N.A.
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China Limited
MCB Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
Standard Chartered Bank of Pakistan Limited
Summit Bank Limited
Tameer Micro Finance Bank Limited
The Bank of Punjab
United Bank Limited

Shariah Compliant

Al-Baraka Bank Pakistan Limited
Bank Al-Habib Limited - Islamic Banking
BankIslami Pakistan Limited
Meezan Bank Limited
Standard Chartered Bank Pakistan Limited - Saadiq

Auditors

A.F. Ferguson & Co.
Chartered Accountants
State Life Building No. 1- C
I.I. Chundrigar Road
Karachi - 74000, Pakistan.
Tel: +92 (21) 32426682-6 / 32426711-5
Fax: +92 (21) 32415007 / 32427938

Share Registrar

M/s FAMCO Associates (Private) Limited
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Shahrah-e-Faisal, Karachi - Pakistan
Tel: +92 (21) 34380104-5, 34384621-3
Fax: +92 (21) 34380106

Registered Office

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Karachi - 75600, Pakistan.
Tel: +92 (21) 35296000 (10 lines)
Fax: +92 (21) 35295961-2
E-mail: info@engrofoods.com
Website: www.engrofoods.com

DIRECTORS' REPORT

On behalf of the Board of Directors of Engro Foods Limited (a majority owned subsidiary of FrieslandCampina Pakistan Holdings B.V.), we are pleased to submit the report and the condensed interim financial information of the Company for the three months ended March 31, 2019.

BUSINESS REVIEW

In the first three months of the year, the Company has continued the growth momentum from the last quarter of 2018 to post a robust topline improvement vs last year. The growth comes primarily on the back of strong volumetric gains in the dairy business. During the period, the Company reported a revenue of Rs. 8.6 billion, recording a 22% increase vs same period last year. The sharp increase in commodity costs along with devaluation of Rupee and rising interest rates however have put pressure on overall company profitability. As a result, gross margin reduced from 21% to 18%, while the profit after tax for the period declined to Rs. 84.4 million vs Rs. 301.3 million in same period last year.

DAIRY AND BEVERAGES SEGMENT

The Dairy and Beverages segment reported a revenue of Rs. 8.1 billion in the first three months of the year vs Rs. 6.5 billion in the same period last year.

During the period, the segment has shown strong growth in both its core brands, i.e. Olpers and Tarang, which continue to win in the market on the back of significant brand investments since their relaunch last year. The segment has grown volumes by 30% compared to the industry growth of only 9%, which was also aided by an expansion of its retail coverage by more than 12,000 outlets. As a result, market share of the segment has increased by 120bps in the quarter. The new launches from last quarter, i.e. Olpers full cream milk powder (FCMP) and Olpers Pro-Cal, continue to perform beyond expectations and have gained a healthy market share in a short span of time despite strong competition from established players.

The Company has also continued its innovation journey through launch of 2 new products, i.e. Olpers Cream with an improved recipe and packaging, and Tarang Eliachi with natural cardamom flavor. Both innovations have received a highly positive response from consumers and trade alike. The Company will continue to leverage FrieslandCampina's global expertise to introduce new products and innovations as a key driver of future business growth.

ICE CREAM AND FROZEN DESSERTS SEGMENT

The Ice cream and Frozen Desserts segment was negatively impacted by extended winters across the country, as a result of which sales revenue declined from Rs. 652 million to 498 million. The segment has however invested heavily behind new products by introducing 7 new innovations and 3 renovations during the period which will be critical in driving growth for the remainder of the year. The category has also successfully inducted 2,500 cabinets and 250 trikes in the market place, hence further strengthening its trade footprint across 240 towns.

DAIRY FARM SEGMENT

The Company's Dairy Farm continued to be a rich and nutritious source of raw material for our dairy segment. During the period, the segment reported a profit of Rs. 32 million, driven primarily through an improvement in milk productivity.

FINANCIAL PERFORMANCE

The financial performance of the company for the three months ended March 31, 2019 is summarized below:

(Rs. in million)	Three months ended March 31,		Variation
	2019	2018	
Net Sales	8,683	7,144	22%
Operating Profit	336	532	(37%)
% of sales	3.9%	7.4%	
Profit after tax	83.4	301.3	(72%)
% of sales	1.0%	4.2%	
Earnings per share (Rs.)	0.11	0.39	(72%)

FUTURE OUTLOOK

Living the principle of "Nourishing by Nature", the Company will continue to drive conversion from loose milk and provide increased access to hygienic and nutritious milk through:

- Investing in strengthening its brand equity to remain the preferred choice for consumers' dairy needs.
- Working with the Pakistan Dairy Association (PDA) on various category development initiatives to educate the consumers on the potential health hazards of loose milk consumption and reinforce the positive characteristics of packaged milk.
- Working with the regulatory authorities through relevant business platforms to harmonize the Federal and Provincial food laws and draft legislation on minimum pasteurization.

Leveraging FrieslandCampina's expertise and heritage of 145+ years, the Company will continue its innovation journey to provide affordable, value-added, trustworthy, healthy and safe choices of dairy products.

Sharp currency devaluation and rising inflation are however likely to put pressure on the Company profitability, while also adversely affecting the consumer purchasing power.

Abdul Samad Dawood
Chairman

Ali Ahmed Khan
Chief Executive

Karachi: April 26, 2019

ENGRO FOODS LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2019

ENGRO FOODS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT MARCH 31, 2019

(Amounts in thousand)

	Note	Unaudited March 31, 2019	Audited December 31, 2018
		Rupees	
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	11,572,081	11,819,283
Biological assets		1,243,770	1,208,264
Intangibles		93,162	92,420
Right-of-use asset	4.1	613,802	-
Long term advances and deposits		50,907	70,720
Deferred employee share option compensation expense		-	260
		13,573,722	13,190,947
Current Assets			
Stores, spares and loose tools	6	584,312	620,937
Stock-in-trade	7	5,011,845	3,020,190
Trade debts		683,444	400,313
Advances, deposits and prepayments		349,072	291,951
Other receivables		126,326	308,594
Sales tax recoverable		1,970,695	2,054,957
Taxes recoverable		2,736,557	2,776,347
Deferred employee share option compensation expense		-	3,565
Cash and bank balances	8	88,165	100,665
		11,550,416	9,577,519
TOTAL ASSETS		25,124,138	22,768,466
EQUITY AND LIABILITIES			
Equity			
Share capital		7,665,961	7,665,961
Share premium		865,354	865,354
Employee share option compensation reserve		211,039	217,910
Remeasurement of post employment benefits - Actuarial loss		(137,826)	(137,826)
Unappropriated profit		813,113	729,661
		9,417,641	9,341,060
Non-Current Liabilities			
Long term finances		4,000,000	4,000,000
Lease liabilities	4.1	271,298	-
Deferred taxation		523,400	616,413
		4,794,698	4,616,413
Current Liabilities			
Current portion of:			
- Lease liabilities	4.1	359,332	-
- Liability against assets subject to finance lease	9	-	121,506
Trade and other payables		6,963,849	6,427,662
Unclaimed dividend		9,215	9,351
Accrued interest / mark-up on:			
- Long term finances		174,939	85,482
- Short term finances		112,884	90,476
Short term finances	10	3,291,580	2,076,516
		10,911,799	8,810,993
Contingencies and Commitments	11		
TOTAL EQUITY AND LIABILITIES		25,124,138	22,768,466

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

Chairman **Chief Executive** **Chief Financial Officer**

ENGRO FOODS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2019

[Amounts in thousand except for earnings per share]

	Note	Quarter ended March 31,	
		2019	2018
		Rupees	
Net sales		8,682,771	7,144,026
Cost of sales		(7,127,409)	(5,625,988)
Gross profit		1,555,362	1,518,038
Distribution and marketing expenses		(986,884)	(876,840)
Administrative expenses		(299,694)	(191,445)
Other operating expenses		(18,256)	(38,371)
Other income		85,013	120,308
Operating profit		335,541	531,690
Finance cost		(232,601)	(132,468)
Profit before taxation		102,940	399,222
Taxation		(19,488)	(97,900)
Profit for the period		83,452	301,322
Earnings per share - basic and diluted	12	0.11	0.39

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

Chairman **Chief Executive** **Chief Financial Officer**

ENGRO FOODS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2019

(Amounts in thousand)

	Quarter ended March 31,	
	2019	**2018**
	Rupees	
Profit for the year	83,452	301,322
Other comprehensive income	-	-
Total comprehensive income for the period	83,452	301,322

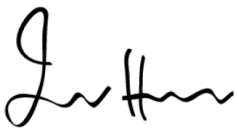
The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



Chairman



Chief Executive



Chief Financial Officer

ENGRO FOODS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2019

(Amounts in thousand)

	Share capital	RESERVES				Total
		CAPITAL		REVENUE		
		Share premium	Employee share option compensation reserve	Remeasurement of post employment benefits - Actuarial loss	Unappropriated profit	
	Rupees					
Balance as at January 1, 2018 (Audited)	7,665,961	865,354	297,836	(80,643)	972,516	9,721,024
Employee share option scheme	-	-	(57,682)	-	-	(57,682)
Transaction with owners						
Final dividend for the year ended December 31, 2017 at the rate of Re. 0.4 per share	-	-	-	-	(306,638)	(306,638)
Profit for the period	-	-	-	-	301,322	301,322
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	-	301,322	301,322
Balance as at March 31, 2018 (Unaudited)	7,665,961	865,354	240,154	(80,643)	967,200	9,658,026
Balance as at January 31, 2019	7,665,961	865,354	217,910	(137,826)	729,661	9,341,060
Employee share option scheme	-	-	(6,871)	-	-	(6,871)
Profit / (loss) for the period	-	-	-	-	83,452	83,452
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	-	83,452	83,452
Balance as at March 31, 2019 (Unaudited)	7,665,961	865,354	211,039	(137,826)	813,113	9,417,641

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

Chairman **Chief Executive** **Chief Financial Officer**

ENGRO FOODS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2019

(Amounts in thousand)

	Note	Quarter ended March 31, 2019	2018
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13	(648,535)	(638,000)
Finance costs paid		(120,736)	(40,522)
Taxes paid		(72,711)	(306,738)
Contribution to the retirement benefits paid		(6,625)	(103,216)
Long term advances and deposits - net		19,813	(338)
Net cash generated from operating activities		(828,794)	(1,088,814)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of:			
- property, plant and equipment		(378,989)	(413,079)
- intangibles		(2,008)	(4,582)
- biological assets		-	-
Proceeds from disposal of:			
- property, plant and equipment		19,263	47,273
- biological assets		22,000	26,656
Net cash utilized in investing activities		(339,734)	(343,732)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term finances		-	-
Repayments of long term finances		-	(204)
Dividend paid		(136)	-
Repayment of liabilities against assets subject to finance lease		(58,900)	(36,904)
Net cash utilized in financing activities		(59,036)	(37,108)
Net decrease in cash and cash equivalents		(1,227,564)	(1,469,654)
Cash and cash equivalents at beginning of the period		(1,975,851)	(1,135,733)
Cash and cash equivalents at end of the period	14	(3,203,415)	(2,605,387)

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

Chairman **Chief Executive** **Chief Financial Officer**

1. LEGAL STATUS AND OPERATIONS

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

1.2 The principal activity of the Company is to manufacture, process and sell dairy products, beverages, ice cream and frozen desserts. The Company also owns and operates a dairy farm.

2. BASIS OF PREPARATION

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

- International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34), issued by International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information required for annual financial statements and therefore should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2018, unless otherwise specified.

2.3 The preparation of these condensed interim financial statements in conformity with the approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty are the same as those that were applied to the financial statements for the year ended December 31, 2018, unless otherwise specified.

3. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements for the year ended December 31, 2018, unless otherwise specified.

3.2 There are certain new standards, amendments to approved accounting standards and interpretations which are mandatory for the Company's accounting periods beginning on or after January 1, 2019 but are considered not to be relevant or have any significant effect on the Company's financial reporting, except for IFRS 15 'Revenue from Contracts with Customers' and IFRS 16 'Leases'. The impact of adoption of these new standards is detailed in note 4.

3.3 There are certain new amendments to the approved accounting standards and interpretations that will be mandatory for the Company's annual accounting periods beginning on or after January 1, 2020 and may have impact on the financial statements of the Company. At present, the impact of application of these amendments and interpretations on the Company's future financial statements is being assessed.

3.4 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the financial statements for the year ended December 31, 2018 except for those specified in note 4 below.

3.5 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

4. CHANGE IN ACCOUNTING POLICY

4.1 IFRS 16 'Leases' - The associated Right-of-use (RoU) for finance leases were measured on a retrospective basis as if the new rules had always been applied. Other RoU (previously operating leases under IAS 17) were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. These RoU asset were capitalised by applying modified retrospective approach which does not require restatement of comparative information.

The recognised right-of-use assets relate to the following types of assets:

	March 31, 2019	January 01, 2019
Leased Buildings	355,735	388,747
Leased Plants & Machineries	258,067	300,782
	613,802	689,529

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

Property, Plant and Equipment – decrease by Rs. 121,506
Right-of-use asset – increase by Rs. 689,529
Prepayments – decrease by Rs. 6,905
Liability against assets subject to finance lease - decrease by Rs. 121,506
Lease liabilities – increase by Rs. 682,624

4.2 IFRS 15 'Revenue from contracts with customers' - replaces the previous revenue standards: IAS 18 'Revenue', IAS 11 'Construction Contracts, and the related interpretations on revenue recognition'.

IFRS 15 introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The above is generally consistent with the timing of revenue the Company recognised in accordance with the previous standard, IAS 18 and related interpretations. Therefore, the adoption of IFRS 15 did not have a significant impact on the timing of revenue recognition of the Company

		Unaudited March 31, 2019	Audited December 31, 2018
		Rupees	
5.	**PROPERTY, PLANT AND EQUIPMENT**		
	Operating assets, at net book value (notes 5.1, 5.2 and 5.3)	10,812,663	11,003,808
	Capital work-in-progress (note 5.4)	619,026	670,774
	Major spare parts and stand-by equipment	140,392	144,701
		11,572,081	11,819,283

		Unaudited March 31, 2019	Unaudited March 31, 2018
		Rupees	
5.1	Following additions, including transfers from capital work-in-progress, were made to operating assets during the period:		
	Buildings on freehold land	51,314	46,299
	Plant, machinery and related equipment	266,061	435,044
	Office equipment & furniture and fittings	4,744	6,199
	Computer equipment	13,838	26,814
	Vehicles	88,705	44,954
		424,662	559,310

5.2 The details of operating assets disposed-off during the period are as follows:

	Cost	Accumulated depreciation / impairment	Net book value	Sales proceeds	Mode of disposal
	Rupees				
Plant , machinery and equipment	48,799	(45,685)	3,114	8,714	Auction / Sales Proceeds
Vehicles - owned	34,122	(27,040)	7,082	10,063	Employee buyback / Insurance claims
Computer equipment	222	(75)	147	175	Insurance claims / Auction
Office equipment & furniture and fixture	1,657	(1,574)	83	311	Insurance claims / Auction
March 31, 2019	84,800	(74,374)	10,426	19,263	
March 31, 2018	182,224	(155,310)	26,914	47,273	

5.3 During the period, the Company has recorded an impairment charge, net of reversal, amounting to Rs. 7,265 (March 31, 2018: Rs. 14,287) against idle assets, determined on the basis of fair value of the assets less cost of disposal. The Company based on a review for impairment of operating assets identified that the carrying values of certain operating assets in Dairy and Beverages segment exceed their estimated recoverable amounts. These assets were deemed as idle primarily due to discontinuation of certain SKUs to rationalize product portfolio of the Company. In addition, the Company identified that carrying value of certain previously impaired assets is lower than their estimated recoverable amounts. Accordingly, reversal for impairment was recognized there against. The recoverable amount of these assets amounted to Rs. 2,628, determined on the basis of fair value less cost of disposal of underlying assets which is based on the historical experience of net recovery proceeds on similar nature of assets. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

	Unaudited March 31, 2019	Unaudited March 31, 2018
	Rupees	
5.4 Movement in capital work-in-progress during the period:		
Balance as at the beginning of the period	670,774	537,737
Additions:		
Building on freehold land	67,455	9,596
Plant, machinery and related equipment	249,366	336,461
IS and milk automation projects	2,008	4,582
Office equipment, furniture & fittings and computer equipment	22,881	27,143
Vehicles	39,287	39,879
	380,997	417,661
Less:		
Transfers to:		
- Operating assets	(424,662)	(559,309)
- Intangibles	(8,083)	(6,061)
Balance as at the end of the period	619,026	390,028

6. STORES, SPARES AND LOOSE TOOLS

These includes provision against expired / obsolete stores and spares amounting to Rs. 133,239 (December 31, 2018: Rs. 120,506). Spares and loose tools amounting to Nil (March 31, 2018: Nil) have been written off against provision during the period.

	Unaudited March 31, 2019	Audited December 31, 2018
	Rupees	
7. STOCK-IN-TRADE		
Raw and packaging material (note 7.1)	1,552,746	2,076,103
Work in process (note 7.2)	2,808,465	401,252
Finished goods (notes 7.3)	679,316	592,694
	5,040,527	3,070,049
Less: Provision for expired / obsolete stock	(28,682)	(49,859)
	5,011,845	3,020,190

7.1 Includes Rs. 77,362 (December 31, 2018: Rs. 13,392) in respect of raw and packaging material held by third parties.

7.2 Includes Rs. 817,704 (December 31, 2018: 118,619) in respect of semi-finished stock held by third parties.

7.3 Includes Rs. 27,635 (December 31, 2018: Rs. 20,086) in respect of finished goods held by third parties and Rs. 720,170 (December 31, 2018: 559,985) in respect of finished goods stock carried at net realizable value.

7.4 Stock amounting to Rs. 240 (March 31, 2018: Rs. 27,405) has been written off against provision during the period.

	Unaudited March 31, 2019	Audited December 31, 2018
	Rupees	
8. CASH AND BANK BALANCES		
Cash at bank in:		
- current accounts - conventional (note 8.1)	33,298	17,951
- savings accounts (note 8.2)	54,867	82,288
	88,165	100,239

8.1 Includes balance in foreign currency account of Rs. 24,762 (December 31, 2018: Rs. 16,289).

8.2 Includes balance in foreign currency account of Rs. 29,928 (December 31, 2018: Rs. 29,107).

	March 31, 2019	December 31, 2018
	Rupees	

9. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Present value of minimum lease payments (note 9.1)	-	121,506
Current portion presented under current liabilities (note 9.2)	-	(121,506)
	-	-

9.1 These represent machinery acquired under finance lease arrangements. The leases are priced at 7.2% (December 31, 2018: 7.2%) annually. Lease rentals are payable monthly within 2 years. The Company has the option to acquire these assets at the end of lease terms.

9.2 This amount has been reclassed to lease liabilities, in the current period to the application of IFRS 16 - 'Leases'

10. SHORT TERM FINANCES - secured

10.1 The facilities for short term running finance available from various banks, which represent the aggregate sale price of all mark-up arrangements, amounts to Rs. 8,500,000 (December 31, 2018: Rs. 7,700,000). The unutilized balance against these facilities as at March 31, 2019 was Rs. 5,208,420 (December 31, 2018: Rs. 5,628,907). The rates of mark-up on these finances are KIBOR based and range from 10.51% to 11.55% (December 31, 2018: 8.08% to 11.15%) per annum. These facilities are secured by way of hypothecation upon all the present and future current assets of the Company.

10.2 The facilities for opening letters of credit and bank guarantees as at March 31, 2019 amounts to Rs. 11,586,000 (December 31, 2018: Rs. 8,665,000), of which the amount remaining unutilized as at March 31, 2019 was Rs. 7,343,462 (December 31, 2018: Rs. 4,558,874).

11. CONTINGENCIES AND COMMITMENTS

11.1 As at March 31, 2019, the Company has provided bank guarantees to:

- Sui Southern Gas Company Limited amounting to Rs. 75,495 (December 31, 2018: Rs. 75,495) under the contract for supply of gas;

- Sui Northern Gas Company Limited amounting to Rs. 34,350 (December 31, 2018: Rs. 34,350) under the contract for supply of gas;

- Collector of Sales Tax, Large Tax Payers Unit (LTU), Karachi amounting to Rs. 154,278 (December 31, 2018: Rs. 154,278) under Sales Tax Rules 2006, against refund claim of input sales tax. Against these guarantees, sales tax refunds amounting to Rs. 86,844 (December 31, 2018: Rs. 86,844) have been received to date;

- Parco Pearl Gas Co. (Private) Limited amounting to Rs. 1,000 (December 31, 2018: Rs. 1,000) as collateral against supplies;

- The Government of Sindh, amounting to Rs. 212,887 (December 31, 2018: Rs. 212,887), upon the order of the High Court of Sindh to furnish bank guarantees for 50% of the amount of Infrastructure cess of the goods entering or leaving the province through air or sea;

11.2 On January 18, 2017, the Company received an order from Competition Commission of Pakistan (CCP), imposing a penalty of Rs. 62,293 in respect of the Company's marketing activities relating to one of its products. The Company filed an appeal against the aforementioned order on February 8, 2017, which was decided by the CCP tribunal on January 16, 2019, in the Company's favor. However the CCP has appealed the decision of the Tribunal in the Supreme Court (SC) of Pakistan and the Company has submitted its response in the SC which is pending at adjudication.

11.3 Commitments in respect of capital expenditure contracted for but not incurred as at March 31, 2019 amounts to Rs. 344,359 (December 31, 2018: Rs. 634,327).

11.4 Commitments in respect of purchase of certain commodities as at March 31, 2019 amounts to Rs. 1,481,558 (December 31, 2018: Rs. 1,027,547).

11.5 Following is the position of the Company's open tax assessments / matters as at March 31, 2019:

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

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

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

b) On January 29, 2009, the Deputy Commissioner Inland Revenue (DCIR) reduced tax loss from Rs. 1,224,964 to Rs. 1,106,493 for the tax year 2007. The Company's appeal against the order of Commissioner Inland Revenue (CIR) on March 11, 2009 is currently in the process of being heard. However, the Company, based on the opinion of its tax consultant, is confident of a favourable outcome of the appeal, and hence the balance of taxes recoverable has not been reduced by the effect of the aforementioned disallowance.

c) On October 31, 2013, CIR raised a demand of Rs. 223,369 for tax year 2009 by disallowing the provision for advances, stock written-off, repair and maintenance, sales promotion and advertisement expenses etc. On May 25, 2015, in response to the appeal filed against the audit proceedings on December 9, 2013, CIR Appeals issued an appellate order in favour of the Company holding the selection of case for audit to be illegal and without jurisdiction. The tax department has filed an appeal against the order with the Appellate Tribunal Inland Revenue (ATIR) on August 11, 2015, however, no hearing has been conducted to date. The Company, based on the opinion of its tax consultant, is confident of a favourable outcome of the appeal, and, accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

d) On May 20, 2014, the Additional Commissioner Inland Revenue (ACIR) raised a demand of Rs. 713,341 for tax year 2012 by disallowing the initial allowance and depreciation on certain additions to property, plant and equipment, provision for retirement and other service benefits, purchase expenses, sales promotion and advertisement and other expenses etc. On January 26, 2017, CIR Appeals upheld the decision of ACIR in respect of provision for retirement benefits and marketing support reimbursements against appeal filed with CIR Appeals dated May 28, 2014. On August 30, 2017, the Company has filed an appeal with ATIR against the order of CIR Appeals and based on the opinion of its tax consultant, is confident of a favourable outcome of the appeal, and, accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

e) On December 23, 2015, ACIR raised a demand of Rs. 73,962 for tax year 2014 by disallowing the loss on sales of raw milk considered as trading activity, depreciation on certain additions to property, plant and equipment and tax credit under 65B etc. On December 06, 2018, CIR Appeals upheld the decision of ACIR on all major items against the appeal filed with CIR Appeals dated January 22, 2016. On March 07, 2019, the Company has filed an appeal with ATIR against the order of CIR Appeals and based on the opinion of its tax consultant, is confident of a favourable outcome of the appeal, and, accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

f) On June 29, 2016, the DCIR raised a demand of Rs. 541,221 for tax year 2013 by disallowing the loss on sales of raw milk considered as trading activity, stock written-off, finance cost allocation against advance for purchase of Engro Foods Netherlands and certain other items, research and business expenses, adjustment of tax losses for tax year 2011 and minimum turnover tax credit for tax years 2008, 2010 and 2011 etc against which the Company filed an appeal on July 29, 2016 with CIR (Appeals). On January 26, 2017, CIR (Appeals) upheld the decision of DCIR in respect of minimum turnover tax credit and finance cost allocation. On May 29, 2018, the DCIR passed an appeal effect order based on the decision of CIR Appeals reducing the demand to Rs. 98,548. On May 15, 2017, the Company has filed an appeal with ATIR against the order of CIR Appeals and based on the opinion of its tax consultant, is confident of a favourable outcome of the appeal, and, accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

g) On June 29, 2016, ACIR raised a demand of Rs. 59,772 for tax year 2010, primarily on account of disallowance of sales promotion and freight expenses. On November 23, 2018, CIR Appeals upheld the decision of ACIR in respect of loss on sale of raw milk and inventory writeoff while giving relief on all other matters against the appeal filed on August 15, 2016. On March 07, 2019, the Company has filed an appeal with ATIR against the disallowances confirmed by CIR Appeals and based on the opinion of its tax consultant, is confident of a favourable outcome of the appeal, and, accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

h) On December 7, 2016, ACIR raised a demand of Rs. 34,134 for tax year 2011 by disallowing depreciation on certain additions to property, plant and equipment, provision for retirement and other service benefits, sales promotion and advertisement and other expenses etc. On January 5, 2017, the Company has filed an appeal against the order and based on the opinion of its tax consultant, is confident of a favourable outcome of the appeal, and, accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

i) On November 3, 2017, ACIR raised a demand of Rs. 511,801 for tax year 2016 by disallowing minimum turnover tax credit, expenses on account of Employee Share Option Scheme and Worker's Welfare Fund against which the Company filed an appeal with CIR Appeals dated November 23, 2017. On June 30, 2018, CIR Appeals upheld the decision of ACIR in respect of minimum turnover tax credit and Employee Share Option Scheme. On August 15, 2018, the Company has filed an appeal with ATIR against the order of CIR Appeals and based on the opinion of its tax consultant, is confident of a favourable outcome of the appeal, and, accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

j) On February 22, 2019, ACIR passed an order for the tax year 2015 by disallowing expenses on account of Employee Share Option Scheme, loss on sale of disposal of assets and assets written off. On March 20, 2019, the Company has filed an appeal against the order and is confident of a favourable outcome of the appeal and accordingly, taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

k) In view of the management, sufficient tax provision has been made in the Company's statement of profit or loss. The Company is carrying tax provision amounting to Rs. 1,471,565 Rs. 1,315,633 and Rs. 405,916 for Tax Year 2016, 2017 and 2018 respectively viz-a-viz tax assessment amounting to Rs. 1,496,607 Rs. 1,146,410 and 361,632 for Tax Year 2016, 2017 and 2018 respectively.

11.6 **Sales tax**

a) On November 29, 2016, the Deputy Commissioner Inland Revenue (DCIR) after conducting sales tax audit for the year ended December 2013 raised sales tax demand amounting to Rs. 158,826 including penalty. The demand primarily arose on account of (i) mismatch of input tax claimed with suppliers output tax on FBR portal; (ii) alleged unlawful adjustment of input tax; and (iii) alleged non-withholding of sales tax on certain supplies. On February 28, 2019, CIR Appeals upheld the decision of ACIR in respect of mismatch of input tax claimed and remand back unlawful adjustment of input tax against the appeal filed on December 29, 2016. The Company intends to file an appeal with ATIR against the order and based on the opinion of its tax consultant, is confident of a favourable outcome of the appeal, and, accordingly sales tax recoverable has not been reduced by the effect of aforementioned order.

b) The DCIR issued show cause notices for sales tax on tea whitener and dairy drink product i.e. 'Tarang' and 'Omung' respectively for year 2013 on October 17, 2017 and for years 2014, 2015 and 2016 on March 9, 2018 aggregating to Rs. 14,886,500 challenging the exemption / zero rating on these products. Against the show cause notices the Company has filed Constitutional Petitions before the High Court of Sindh for year 2013 on October 25, 2017 and for years 2014, 2015 and 2016 on March 15, 2018, and has obtained an interim injunction against adverse action by tax authorities on same day. Based on the opinion of its legal advisor, the Company is confident of a favourable outcome of this matter.

	Unaudited March 31, 2019	Unaudited March 31, 2018
	Rupees	
12. EARNINGS PER SHARE - Basic and diluted		
There is no dilutive effect on the basic earnings per share of the Company, which is based on:		
Profit for the period	83,452	301,322
Weighted average number of ordinary shares for determination of basic & diluted EPS (in thousand)	766,596	766,596

13. CASH GENERATED FROM OPERATIONS

Profit before taxation	102,940	399,222
Adjustment for non-cash charges and other items:		
- Depreciation	476,611	477,962
- Depreciation on right-of-use asset	75,727	-
- Impairment of operating assets - net	7,265	14,287
- Amortization of intangibles	7,341	7,847
- Amortization of deferred income	-	-
- Amortization of arrangement fees on long term finances	-	-
- Reversal of amortization of employee share option compensation reserve - net	(3,046)	(50,521)
- Loss on death / disposal of biological assets	4,442	3,355
- Gain on disposal of operating assets	(8,837)	(20,359)
- Gain arising from changes in fair value less estimated point-of-sale costs of biological assets	(61,948)	(84,220)
- Provision for retirement and other service benefits	29,052	27,677
- (Reversal) / Provision for stock-in-trade	(20,937)	12,042
- Provision for slow moving spares - net	12,733	17,036
- (Reversal) of provision for impairment of trade debts	(9)	(341)
- Finance costs	232,601	132,468
Working capital changes (note 13.1)	(1,502,470)	(1,574,455)
	(648,535)	(638,000)

13.1 Working capital changes

(Increase) / Decrease in current assets		
- Stores, spares and loose tools	28,201	(6,660)
- Stock-in-trade	(1,970,718)	(2,485,858)
- Trade debts	(283,122)	(31,979)
- Advances, deposits and prepayments	(57,121)	(15,357)
- Other receivables	182,268	130,835
- Sales tax recoverable	84,262	58,785
	(2,016,230)	(2,350,234)
Increase in current liabilities		
- Trade and other payables	513,760	775,779
	(1,502,470)	(1,574,455)

14. CASH AND CASH EQUIVALENTS

Cash and bank balances	88,165	45,688
Short term finances	(3,291,580)	(2,651,075)
	(3,203,415)	(2,605,387)

15. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

15.1 Financial risk factors

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

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

15.2 Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in these condensed interim financial statements approximate their fair values.

16. TRANSACTIONS WITH RELATED PARTIES

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

		Unaudited March 31, 2019	Unaudited March 31, 2018
		Rupees	
Nature of relationship	**Nature of transactions**		
Holding company	Dividend Paid	-	156,386
Associated companies	Arrangement for sharing of premises, utilities, personnel and assets	859	1,822
	Fee for technical assistance	209,611	182,152
	Reimbursement of expense paid on behalf of	3,938	26,463
	Purchases of goods and services	370,362	202,689
	Dividend Paid	-	122,430
Contribution to staff retirement funds	Managed and operated by ECL:		
	- Gratuity fund contribution	6,625	103,216
	- Provident fund contribution	84,438	80,282
Key management personnel	Managerial remuneration	45,110	44,316
	Contribution for staff retirement benefits	5,589	5,065
	Bonus payment	21,089	23,439
Directors	Fee	690	-

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

17. SEGMENT INFORMATION

17.1 The basis of segmentation and reportable segments presented in these condensed interim financial statements are the same which were disclosed in annual financial statements for the year ended December 31, 2018, unless otherwise disclosed in these condensed interim financial statements.

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

Liabilities are not segment-wise reported to the Board of Directors. All the unallocated results and assets are reported to the Board of Directors at entity level. Inter-segment sales of processed milk and powder are made by Dairy & Beverages to Ice cream & frozen desserts and inter-segment sales of raw milk are made by Dairy farm to Dairy, at market value.

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

	Unaudited Quarter ended March 31, 2019				Unaudited Quarter ended March 31, 2018			
	Dairy and Beverages	Ice cream & frozen desserts	Dairy farm	Total	Dairy and Beverages	Ice cream & frozen desserts	Dairy farm	Total
	Rupees							
Results for the period								
Net sales	8,217,837	498,274	402,877	9,118,988	6,501,169	652,104	389,842	7,543,115
Inter-segment sales	(33,340)	-	(402,877)	(436,217)	(9,247)	-	(389,842)	(399,089)
	8,184,497	498,274	-	8,682,771	6,491,922	652,104	-	7,144,026
Net profit / (loss) after tax	176,733	(125,302)	32,021	83,452	263,526	(36,211)	74,007	301,322

	Unaudited Quarter ended March 31, 2019				Audited December 31, 2018			
	Rupees							
Assets								
- Segment assets	14,685,939	2,275,083	2,326,589	19,287,611	13,001,179	1,898,962	2,490,148	17,390,289
- Un-allocated assets	-	-	-	5,836,527	-	-	-	5,378,177
	14,685,939	2,275,083	2,326,589	25,124,138	13,001,179	1,898,962	2,490,148	22,768,466

18. SEASONALITY

The Company's 'Ice cream & frozen desserts' and 'Beverages' businesses are subject to seasonal fluctuation, with demand of ice cream and beverages products increasing in summer. The Company's dairy business is also subject to seasonal fluctuation due to lean and flush cycles of milk collection. Therefore, revenues and profits for the first quarter ended March 31, 2019 are not necessarily indicative of result to be expected for the full year.

19. CORRESPONDING FIGURES

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

20. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 26, 2019 by the Board of Directors of the Company.

Chairman **Chief Executive** **Chief Financial Officer**

ڈائریکٹرز رپورٹ

اینگروفوڈز لمیٹڈ (فریزلینڈ کمپینا پاکستان ہولڈنگز بی وی کی ماتحت کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے پہلی سہ ماہی 31 مارچ 2019ء کے کمپنی کے عبوری مالیاتی گوشوارے اور رپورٹ پیش کرنے پر ہم مسرت کا اظہار کرتے ہیں۔

کاروباری جائزہ

اس سال کے پہلے تین ماہ میں کمپنی نے گزشتہ سال کی آخری سہ ماہی کے مقابلے زیادہ بہتر نمو حاصل کی اور اعلیٰ کارکردگی کا مظاہرہ کیا۔ کمپنی کو ڈیری شعبے میں حجم کے تناسب میں بھرپور کامیابی حاصل ہوئی۔ زیرِ جائزہ مدت کے دوران کمپنی نے 8.6 بلین روپے کی آمدن حاصل کی جو گزشتہ سال 2018ء کی اسی مدت کے مقابلے 22 فیصد اضافہ ہے۔ کموڈیٹی کی لاگت میں یک مشت اضافے اور روپے کی ڈالر کے مقابلے قدر میں کمی اور بڑھتے شرح سود نے بہرحال کمپنی کے مجموعی منافع پر اثر ڈالا ہے۔ جس کے نتیجے میں مجموعی مارجن 21 فیصد سے گھٹ کر 18 فیصد ہوگیا جبکہ منافع بعد از ٹیکس برائے پہلی سہ ماہی 2019 گزشتہ مالی سال 2018ء کی پہلی سہ ماہی کے نتائج 301.3 ملین روپے کے مقابلے میں کم ہوکر 84.4 ملین روپے ہوگیا۔

ڈیری اور مشروبات کا شعبہ

ڈیری اور مشروبات کا شعبے میں کمپنی کی پہلے تین ماہ کی آمدن 8.1 بلین روپے ریکارڈ ہوئی جبکہ گزشتہ سال کی پہلی سہ ماہی میں کمپنی نے 6.5 ارب روپے کی آمدن حاصل کی تھی۔ زیرِ جائزہ مدت کے دوران کمپنی نے اپنے کلیدی برانڈز اولپرز اور ترنگ کی مضبوط نمو برقرار رکھی۔ اس کی وجہ کمپنی کی جانب سے اپنی مصنوعات کی ازسرنو لانچنگ اور برانڈنگ میں سرمایہ کاری تھی جو کمپنی مدت کے دوران کرتی رہی۔ شعبے میں پوری صنعت نے جہاں 9 فیصد نمو حاصل کی وہیں کمپنی نے حجم میں 30 فیصد نمو حاصل کی جس کی وجہ ریٹیل کو مزید مؤثر بنانا تھا۔ اس کی بنیاد پر ریٹیل کا دائرہ کار 12,000 آؤٹ لیٹس تک بڑھ گیا۔ اس شعبے میں کمپنی کے مشہور برانڈز کے مارکیٹ شیئر بھی بتدریج بڑھتا رہا اور 120 بی پی ایس ہو گیا۔ اس کے علاوہ بھی گزشتہ سال کی آخری سہ ماہی میں رونمائی کی جانے والی اولپرز فُل کریم ملک پاؤڈر اور اولپرز زیرو۔ کیل کی کارکردگی توقعات سے بہت بہتر رہی اور دونوں مصنوعات نے قلیل مدت میں قابل ذکر مارکیٹ شیئر حاصل کرلیا حالانکہ اس دوران ان مصنوعات کو مخالف کمپنیوں کی جانب سے سخت مسابقت کا سامنا رہا۔

زیرِ جائزہ مدت کے دوران کمپنی نے جدت پر توجہ مرکوز رکھی اور دو نئی مصنوعات متعارف کروائیں جو اولپرز کریم اور ترنگ الائچی ہیں۔ اولپرز کریم کو نئی ریسپی اور بہتر پیکنگ میں متعارف کروایا گیا اور ترنگ الائچی میں الائچی کا قدرتی ذائقہ شامل کیا گیا۔ ان دونوں نئی مصنوعات کو صارفین اور تاجر برادری نے بہت سراہا اور یہ اب مستقبل میں کمپنی کی منافع بخشی میں اہم کردار ادا کریں گی۔ کمپنی اپنی کل ملکیتی فریزلینڈ کمپینا کی نئی مصنوعات مارکیٹ میں متعارف کروانے کی عالمی مہارت اور جدت کو بروئے کار لاتے ہوئے اپنے کاروبار میں وسعت پیدا کرے گی۔

آئسکریم اور جمی ہوئی ڈیزرٹ شعبہ

آئسکریم اور جمی ہوئی ڈیزرٹ کے شعبے کو ملک میں طویل سردی کے موسم کی وجہ سے مشکلات کا سامنا کرنا پڑا جس کی وجہ سے فروخت کے حجم میں نمایاں کمی دیکھی گئی۔ کمپنی کی فروخت آمدن زیرِ جائزہ مدت کے دوران 498 ملین روپے رہی جبکہ گزشتہ سال کی اسی مدت میں فروخت کا حجم 652 ملین روپے تھا۔ تاہم کمپنی نے اپنے اس شعبے میں بھاری سرمایہ کاری کی ہے اور نئی مصنوعات متعارف کروانے پر اپنی توجہ مرکوز رکھی ہے۔ اسی لئے اسی مدت میں کمپنی نے 7 نئی جدت سے مزین مصنوعات اور 3 موجودہ مصنوعات کی ازسرنو پیکنگ کی ہے جس کی بنیاد پر توقع کی جارہی ہے کہ اس مالی سال کے دوران نمو حاصل کی جاسکے گی۔ اس درجہ بندی میں 2,500 فریزرز اور 250 ٹرائیکس مارکیٹ میں متعارف کروائی گئی ہیں جن کی بدولت ملک کے 240 ٹاؤنز میں فروخت کا احاطہ وسیع کیا گیا ہے۔

ڈیری فارم شعبہ

کمپنی کا ڈیری فارم ہماری ڈیری مصنوعات کے لئے صحت بخش اور غذائیت سے بھرپور خام مال پیدا کرنے میں مصروفِ عمل ہے۔ زیر جائزہ مدت کے دوران اس شعبے نے 32 ملین روپے کا منافع رپورٹ کیا ہے جس کی وجہ دودھ کی پیداوار میں اضافہ ہے۔

مالیاتی کارکردگی

کمپنی کی مالیاتی کارکردگی برائے پہلی سہ ماہی 31 مارچ 2019ء کے مالیاتی گوشوارے مختصراً مندرجہ ذیل درج ہیں:

رقم ملین میں	اختتام سہ ماہی 31 مارچ	اختتام سہ ماہی 31 مارچ	تبدیلی
	2019	2018	
کل فروخت	8,683	7,144	22 فیصد
آپریٹنگ منافع	336	532	(37) فیصد
فروخت فیصد میں	3.9 فیصد	7.4 فیصد	
منافع بعد از ٹیکس	83.4	301.3	(72) فیصد
فروخت فیصد میں	1.0 فیصد	4.2 فیصد	
آمدن فی شیئر	0.11	0.39	(72) فیصد

مستقبل کا منظر نامہ

'قدرت کے مطابق نشوونما' کے اصول پر کاربند رہتے ہوئے کمپنی معاشرے میں مضر صحت کھلے دودھ کے استعمال کو پیک، غذائیت سے بھرپور صحت بخش دودھ سے تبدیل کرنے کے لئے مندرجہ ذیل اقدامات کرتی رہے گی:

۔ برانڈ کو الٹی کو مزید بہتر بنانے کے لئے سرمایہ کاری کی جائے گی تاکہ صارفین اپنی غذائی ضروریات کے لئے ہماری مصنوعات کو ہی اولین ترجیح دیں۔

۔ پاکستان ڈیری ایسوسی ایشن کیساتھ مل کر کئی درجہ بندیوں میں ترقی کے اقدامات لیتی رہے گی تاکہ صارفین کو کھلے دودھ سے ممکنہ صحت کو خطرات سے آگاہ کیا جاسکے اور پیک دودھ کی مثبت خوبیوں کی اہمیت اُجاگر کی جاسکے۔

۔ ملک کے ریگولیٹری اداروں کیساتھ متعلقہ کاروباری پلیٹ فارم پر کام کرتی رہے گی تاکہ وفاقی اور صوبائی سطحوں پر فوڈ قوانین میں یکسانیت ہو۔

روپے کی قدر میں تیزی سے تنزلی اور بڑھتی مہنگائی نے کمپنی کی منافع بخشی پر منفی اثرات مرتب کئے ہیں کیونکہ ان عوامل سے صارفین کی قوت خرید پر براہ راست اثر پڑا ہے۔

عبدالصمد داؤد
چیئرمین

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