

**FRIESLANDCAMPINA ENGRO PAKISTAN LIMITED**

**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2020**

**FRIESLANDCAMPINA ENGRO PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT MARCH 31, 2020**

(Amounts in thousand)

	Note	Unaudited March 31, 2020	Audited December 31, 2019
Rupees			
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	4	10,950,855	10,913,215
Biological assets		1,066,299	1,086,734
Intangibles		88,388	95,135
Right-of-use assets		585,582	647,187
Deferred tax asset - net		385,098	174,338
Long term advances and deposits		42,054	58,934
		<u>13,118,276</u>	<u>12,975,543</u>
<b>Current Assets</b>			
Stores, spares and loose tools	5	506,201	515,048
Stock-in-trade	6	7,418,790	3,717,730
Trade debts		1,102,628	915,728
Advances, deposits and prepayments		220,204	270,866
Other receivables		51,345	313,481
Sales tax recoverable		1,928,354	2,004,857
Taxes recoverable		2,441,290	2,786,929
Cash and bank balances		541,419	65,915
		<u>14,210,231</u>	<u>10,590,554</u>
<b>TOTAL ASSETS</b>		<u><u>27,328,507</u></u>	<u><u>23,566,097</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		7,665,961	7,665,961
Share premium		865,354	865,354
Employee share option compensation reserve		106,313	115,517
Remeasurement of post employment benefits - Remeasurement loss		(132,485)	(132,485)
Unappropriated profit		(251,107)	(129,682)
		<u>8,254,036</u>	<u>8,384,665</u>
<b>Non-Current Liabilities</b>			
Long term finances		4,200,000	3,200,000
Lease liabilities		361,956	413,752
		<u>4,561,956</u>	<u>3,613,752</u>
<b>Current Liabilities</b>			
Current portion of:			
- long term finances		800,000	800,000
- Lease liabilities		233,933	235,692
Trade and other payables		8,966,587	8,226,126
Contract liabilities		109,302	140,926
Unclaimed dividend		8,592	8,731
Accrued interest / mark-up on:			
- Long term finances		293,555	131,474
- Short term finances		169,352	208,581
Short term finances	7	3,931,194	1,816,150
		<u>14,512,515</u>	<u>11,567,680</u>
<b>Contingencies and Commitments</b>	8		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>27,328,507</u></u>	<u><u>23,566,097</u></u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

Chairman

Chief Executive

Chief Financial Officer

**FRIESLANDCAMPINA ENGRO PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE QUARTER ENDED MARCH 31, 2020**

[Amounts in thousand except for earnings / (loss) per share]

	Note	Quarter ended Mar 31,	
		2020	2019
		Rupees	
Revenue from contracts with customers - net		9,805,871	8,617,850
Cost of sales		(8,325,423)	(7,127,409)
<b>Gross profit</b>		1,480,448	1,490,441
Distribution and marketing expenses		(1,000,184)	(921,963)
Administrative expenses		(302,685)	(299,694)
Other operating expenses		(10,781)	(18,256)
Other income		29,730	85,013
<b>Operating (loss) / profit</b>		196,528	335,541
Finance cost		(378,885)	(232,601)
<b>(Loss) / Profit before taxation</b>		(182,357)	102,940
Taxation reversal / (charge)		51,728	(19,488)
<b>(Loss) / Profit for the period</b>		<u>(130,629)</u>	<u>83,452</u>
<b>(Loss) / Earnings per share - basic and diluted</b>	9	<u>(0.17)</u>	<u>0.11</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

**Chairman**

**Chief Executive**

**Chief Financial Officer**

**FRIESLANDCAMPINA ENGRO PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE QUARTER ENDED MARCH 31, 2020**

(Amounts in thousand)

	Quarter ended March 31,	
	2020	2019
	Rupees	
(Loss) / Profit for the period	(130,629)	83,452
Other comprehensive income	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(130,629)</b>	<b>83,452</b>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements

**Chairman**

**Chief Executive**

**FRIESLANDCAMPINA ENGRO PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE QUARTER ENDED MARCH 31, 2020**

(Amounts in thousand)

	Share capital	RESERVES				Total
		CAPITAL		REVENUE		
		Share premium	Employee share option compensation reserve	Remeasurement of post employment benefits	Unappropriated profit / (loss)	
Rupees						
<b>Balance as at January 1, 2019 (Audited)</b>	7,665,961	865,354	217,910	(137,826)	729,661	9,341,060
Employee share option scheme	-	-	(6,871)	-	-	(6,871)
Profit for the period	-	-	-	-	83,452	83,452
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	-	83,452	83,452
<b>Balance as at March 31, 2019 (Unaudited)</b>	<u>7,665,961</u>	<u>865,354</u>	<u>211,039</u>	<u>(137,826)</u>	<u>813,113</u>	<u>9,417,641</u>
<b>Balance as at January 31, 2020 (Audited)</b>	7,665,961	865,354	115,517	(132,485)	(129,682)	8,384,665
Transfer of employee share option compensation reserve to unappropriated profit	-	-	(9,204)	-	9,204	-
Loss for the period	-	-	-	-	(130,629)	(130,629)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income / (loss) for the year	-	-	-	-	(130,629)	(130,629)
<b>Balance as at March 31, 2020 (Unaudited)</b>	<u>7,665,961</u>	<u>865,354</u>	<u>106,313</u>	<u>(132,485)</u>	<u>(251,107)</u>	<u>8,254,036</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

Chairman

Chief Executive

Chief Financial Officer

**FRIESLANDCAMPINA ENGRO PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE QUARTER ENDED MARCH 31, 2020**

(Amounts in thousand)

	Note	Quarter ended March 31,	
		2020	2019
		Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	10	(2,046,992)	(648,535)
Finance costs paid		(272,665)	(120,736)
Taxes paid		186,608	(72,711)
Contribution to the retirement benefits paid		(8,693)	(6,625)
Long term advances and deposits - net		16,880	19,813
Net cash utilized in operating activities		(2,124,862)	(828,794)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of:			
- property, plant and equipment		(525,912)	(378,989)
- intangibles		(355)	(2,008)
Proceeds from disposal of:			
- property, plant and equipment		10,732	19,263
- biological assets		41,104	22,000
Net cash utilized in investing activities		(474,431)	(339,734)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term finances		1,000,000	-
Dividend paid		(139)	(136)
Repayment of liabilities against assets subject to finance lease		-	(58,900)
Repayment of lease liability against right-of-use assets		(40,108)	-
Net cash utilized in financing activities		959,753	(59,036)
<b>Net decrease in cash and cash equivalents</b>		(1,639,540)	(1,227,564)
Cash and cash equivalents at beginning of the period		(1,750,235)	(1,975,851)
<b>Cash and cash equivalents at end of the period</b>	11	(3,389,775)	(3,203,415)

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

**Chairman**

**Chief Executive**

**Chief Financial Officer**

**FRIESLANDCAMPINA ENGRO PAKISTAN LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE QUARTER ENDED MARCH 31, 2020**

(Amounts in thousand)

**1. LEGAL STATUS AND OPERATIONS**

- 1.1 FrieslandCampina Engro Pakistan Limited (the Company), is a public listed company incorporated in Pakistan, under the repealed Companies Ordinance, 1984 (now the Companies Act 2017), 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.
- 1.3 The name of the Company has been changed from Engro Foods Limited to FrieslandCampina Engro Pakistan Limited effective May 30, 2019.

**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, 2019, unless otherwise specified.
- 2.3 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty are the same as those that were applied to the financial statements for the year ended December 31, 2019, unless otherwise specified.

**(Amounts in thousand)****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, 2019.
- 3.2 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.
- 3.3 New standards, amendments and interpretation to accounting and reporting standards which were effective during the period:

There were certain amendments to accounting and reporting standards which were mandatory for the Company' annual accounting period which began on January 1, 2020. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

**4. PROPERTY, PLANT AND EQUIPMENT**

	<b>Unaudited March 31, 2020</b>	<b>Audited December 31, 2019</b>
	Rupees	
Operating assets, at net book value (notes 4.1, 4.2 and 4.3)	10,335,907	10,328,104
Capital work-in-progress (note 4.4)	465,344	439,746
Major spare parts and stand-by equipment	149,604	145,365
	<u>10,950,855</u>	<u>10,913,215</u>
	<b>Unaudited March 31, 2020</b>	<b>Unaudited March 31, 2019</b>
	Rupees	

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

Land	5,161	-
Buildings on freehold land	18,307	51,314
Plant, machinery and related equipment	335,752	266,061
Office equipment & furniture and fittings	37,935	4,744
Computer equipment	-	13,838
Vehicles	103,158	88,705
	<u>500,313</u>	<u>424,662</u>

- 4.2 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	7,046	(6,236)	810	1,567	Auction / Sales Proceeds
Vehicles - owned	23,990	(18,617)	5,373	8,643	Employee buyback / Insurance claims
Computer equipment	2,663	(2,484)	179	461	Employee buyback / Insurance claims
Freezers & Trikes	58,461	(58,403)	58	60	Third Party count Disposal - Write-off
March 31, 2020	<u>92,161</u>	<u>(85,741)</u>	<u>6,420</u>	<u>10,732</u>	
Mar 31, 2019	<u>84,800</u>	<u>(74,374)</u>	<u>10,426</u>	<u>19,263</u>	



**(Amounts in thousand)**

4.3 During the period, the Company has recorded an impairment charge, net of reversal, amounting to Rs. 3,600 (March 31, 2019: Rs. 7,265) 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. Nil (March 31, 2019: 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.

	<b>Unaudited March 31, 2020</b>	<b>Unaudited March 31, 2019</b>
	————— Rupees —————	
4.4 Following additions, including transfers to operating assets, were made to capital work-in-progress during the period:		
Additions:		
Land	5,161	-
Building on freehold land	79,692	67,455
Plant, machinery and related equipment	397,937	249,366
IS and milk automation projects	355	2,008
Office equipment, furniture & fittings and computer equipment	14,306	22,881
Vehicles	28,816	39,287
	<u>526,267</u>	<u>380,997</u>
Transfers to:		
- Operating assets	(500,313)	(424,662)
- Intangibles	(355)	(8,083)
	<u>(500,668)</u>	<u>(432,745)</u>

**5. STORES, SPARES AND LOOSE TOOLS**

These includes provision against expired / obsolete stores and spares amounting to Rs. 196,085 (December 31, 2019: Rs. 174,555).

	<b>Unaudited March 31, 2020</b>	<b>Audited December 31, 2019</b>
	————— Rupees —————	
<b>6. STOCK-IN-TRADE</b>		
Raw and packaging material (note 6.1)	2,521,145	2,691,553
Work in process (note 6.2)	3,714,308	433,776
Finished goods (notes 6.3)	1,198,139	608,290
	<u>7,433,592</u>	<u>3,733,619</u>
Less: Provision for expired / obsolete stock	(14,802)	(15,889)
	<u>7,418,790</u>	<u>3,717,730</u>

**(Amounts in thousand)**

- 6.1 Includes Rs. 536,468 (December 31, 2019: Rs. 572,263) in respect of raw and packaging material held by third parties.
- 6.2 Includes Rs. 1,024,656 (December 31, 2019: 76,549) in respect of semi-finished stock held by third parties.
- 6.3 Includes Rs. 166,081 (December 31, 2019: Rs. 8,892) in respect of finished goods held by third parties and Rs. 1,172 (December 31, 2019: 36,491) in respect of finished goods stock carried at net realizable value.
- 6.4 Stock amounting to Rs. Nil (Mar 31, 2019: Rs. 240) has been written off against provision during the period.

**7. SHORT TERM FINANCES - secured**

- 7.1 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. 9,000,000 (December 31, 2019: Rs. 9,000,000). The unutilized balance against these facilities as at quarter end was Rs. 5,068,804 (December 31, 2019: Rs. 7,183,850). The rates of mark-up on these finances are KIBOR based and range from 13.56% to 14.56% (December 31, 2019: 10.5% to 14.86%) per annum. These facilities are secured by way of hypothecation upon all the present and future current assets of the Company.
- 7.2 The facilities for opening letters of credit and bank guarantees as at March 31, 2020 amounts to Rs.11,966,000 (December 31, 2019: Rs.11,651,000), of which the amount remaining unutilized as at quarter end was Rs.5,170,194 (December 31, 2019: Rs.5,262,243).

**8. CONTINGENCIES AND COMMITMENTS**

- 8.1 There is no significant change in the matters disclosed in notes 16, 24 and 32.1 to the financial statements for the year ended December 31, 2019, except for the following:
- 8.2 The Assistant Commissioner Inland Revenue passed an order on September 17, 2019 for the tax periods July 2013 to June 2018 amounting to Rs. 245,575 including penalty and default surcharge by disallowing wrongly input tax adjustment and purchases from blacklisted / suspended vendors. On December 26, 2019, Commissioner Inland Revenue (Appeals) passed an order and decided purchases from Blacklisted / Suspended Vendors in favor of the company and remanded back wrongly input tax adjustment against the appeal filed on October 17, 2019. During the year on February 20, 2020 the Company has filed an appeal with ATIR against the CIR A order and based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and, accordingly sales tax recoverable has not been reduced by the effect of aforementioned order.
- 8.3 Commitments in respect of capital expenditure contracted for but not incurred as at March 31, 2020 amounts to Rs. 663,554 (December 31, 2019: Rs. 701,364).
- 8.4 Commitments in respect of purchase of certain commodities as at March 31, 2020 amounts to Rs. 280,690 (December 31, 2019: Rs. 908,855).

(Amounts in thousand)

	Unaudited March 31, 2020	Unaudited March 31, 2019
	Rupees	
<b>9. EARNINGS PER SHARE - Basic and diluted</b>		
There is no dilutive effect on the basic earnings per share of the Company, which is based on:		
Profit/(Loss) for the period	(130,629)	83,452
Weighted average number of ordinary shares for determination of basic & diluted EPS (in thousand)	766,596	766,596
<b>10. CASH GENERATED FROM OPERATIONS</b>		
(Loss) / Profit before taxation	(182,357)	102,940
Adjustment for non-cash charges and other items:		
- Depreciation	482,499	476,611
- Depreciation on right-of-use asset	64,790	75,727
- Impairment of operating assets - net	3,591	7,265
- Amortization of intangibles	7,102	7,341
- Reversal of amortization of employee share option compensation reserve - net	-	(3,046)
- Loss / provision on death / disposal of biological assets	1,847	4,442
- Gain on disposal of operating assets	(4,311)	(8,837)
- Gain arising from changes in fair value less estimated point-of-sale costs of biological assets	(22,516)	(61,948)
- Provision for retirement and other service benefits	30,766	29,052
- (Reversal) / Provision for stock-in-trade	(1,087)	(20,937)
- Provision for slow moving spares - net	21,530	12,733
- Provision / (Reversal) of provision for impairment of trade debts	670	(9)
- Exchange (gain) / loss	73	(692)
- Finance costs	378,885	232,601
Working capital changes (note 10.1)	(2,828,474)	(1,502,470)
	(2,046,992)	(649,227)
<b>10.1 Working capital changes</b>		
(Increase) / Decrease in current assets		
- Stores, spares and loose tools	(16,922)	28,201
- Stock-in-trade	(3,699,973)	(1,970,718)
- Trade debts	(187,570)	(283,122)
- Advances, deposits and prepayments	50,662	(57,121)
- Other receivables	262,136	182,268
- Sales tax recoverable	76,503	84,262
	(3,515,164)	(2,016,230)
Increase in current liabilities		
- Trade and other payables	718,314	514,452
- Contract liabilities	(31,624)	-
	686,690	514,452
	(2,828,474)	(1,501,778)

(Amounts in thousand)

## 11. CASH AND CASH EQUIVALENTS

Cash and bank balances	541,419	88,165
Short term finances	<u>(3,931,194)</u>	<u>(3,291,580)</u>
	<u><u>(3,389,775)</u></u>	<u><u>(3,203,415)</u></u>

## 12. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 12.1 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.

### 12.2 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.

## 13. FAIR VALUE MEASUREMENT

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

### Fair value hierarchy

As per the requirements of IFRS 13 "Fair Value Measurement", the Company shall classify fair value instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

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

As at March 31, 2020 and December 31, 2019, the Company did not have any financial instruments which were measured at fair values.

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

**(Amounts in thousand)****14. TRANSACTIONS WITH RELATED PARTIES**

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

Nature of relationship	Nature of transactions	Unaudited	Unaudited
		March 31, 2020	March 31, 2019
		Rupees	
Associated companies	Arrangement for sharing of premises, utilities, personnel and assets	32,561	38,488
	Fee for technical assistance	257,268	209,611
	Reimbursement of expense paid on behalf of the Company	13,442	-
	Reimbursement of expenses received from the Company	10,838	4,384
	Purchases of goods and services	241,720	256,092
	Donation	5,000	-
Contribution to staff retirement funds	Managed and operated by ECL:		
	- Gratuity fund contribution	31,345	28,657
	- Provident fund contribution	86,768	81,839
Key management personnel	Managerial remuneration	49,538	50,157
	Contribution for staff retirement benefits	6,936	6,291
Directors	Fee	617	690

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

**15. SEGMENT INFORMATION**

15.1 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, 2019.

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.

**(Amounts in thousand)**

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

	Unaudited Quarter ended March 31, 2020				Unaudited Quarter ended March 31, 2019			
	Dairy and Beverages	Ice cream & frozen desserts	Dairy farm	Total	Dairy and Beverages	Ice cream & frozen desserts	Dairy farm	Total
	Rupees							
<b>Results for the period</b>								
Net sales	9,288,829	491,260	415,457	10,195,546	8,152,916	498,274	402,877	9,054,067
Inter-segment sales	25,782	-	(415,457)	(389,675)	(33,340)	-	(402,877)	(436,217)
	<u>9,314,611</u>	<u>491,260</u>	<u>-</u>	<u>9,805,871</u>	<u>8,119,576</u>	<u>498,274</u>	<u>-</u>	<u>8,617,850</u>
Net profit / (loss) after tax	<u>85,131</u>	<u>(168,400)</u>	<u>(47,360)</u>	<u>(130,629)</u>	<u>176,733</u>	<u>(125,302)</u>	<u>32,021</u>	<u>83,452</u>
	Unaudited Quarter ended March 31, 2020				Audited December 31, 2019			
	Rupees							
<b>Assets</b>								
- Segment assets	16,670,213	2,614,245	2,220,847	21,505,305	13,416,133	2,227,618	2,398,097	18,041,848
- Un-allocated assets	-	-	-	5,823,202	-	-	-	5,524,249
	<u>16,670,213</u>	<u>2,614,245</u>	<u>2,220,847</u>	<u>27,328,507</u>	<u>13,416,133</u>	<u>2,227,618</u>	<u>2,398,097</u>	<u>23,566,097</u>

**16. 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 quarter ended March 31, 2020 are not necessarily indicative of result to be expected for the full year.

**17. CORRESPONDING FIGURES**

17.1 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of annual financial statements of preceding financial year, 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.

17.2 For better presentation, following reclassifications have been made in this condensed interim financial statement:

Description	Rupees	Head of account in condensed interim financial information for the period ended March 31, 2019	Head of account in condensed interim financial information for the period ended March 31, 2020
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**Profit and loss account**

Freight charges	64,921	Distribution and marketing expenses	Net sales
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**(Amounts in thousand)**

**18. DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorized for issue on April 22, 2020 by the Board of Directors of the Company.

**Chairman**

**Chief Executive**

**Chief Financial Officer**