FAUJI FOODS

DRIVING GROWTH

NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

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CORPORATE INFORMATION

Board of Directors

Lt Gen Anwar Ali Hyder, HI(M) (Retd)
Chairman
Lt Gen Ali Amir Awan, HI(M) (Retd)
Syed Bakhtiyar Kazmi
Mr. Mohammad Majid Munir
Mr. Jahangir Piracha
Ms. Nosheen Akhtar
Mr. Basharat Ahmad Bhatti
Mr. Javed Kureishi
Mr. Yasir Ilyas Khan

Audit Committee

Mr. Javed Kureishi
Chairman
Syed Bakhtiyar Kazmi
Mr. Mohammad Majid Munir
Mr. Basharat Ahmad Bhatti

HR&R Committee

Mr. Basharat Ahmad Bhatti
Chairman
Mr. Mohammad Majid Munir
Mr. Yasir Ilyas Khan
Ms. Nosheen Akhtar

Chief Executive Officer

Mr. Usman Zaheer Ahmad

Chief Financial Officer

Mr. Waseem Haider

Company Secretary

Brig Naveed Azam Cheema (Retd)

Shares Registrar

M/s Corplink (Pvt.) Limited
Wings Arcade, 1-K, Commercial,
Model Town, Lahore.
Tel: +92-42-35916714, 35916719, 35839182
Fax: +92-42-35869037
E-mail: shares@corplink.com.pk

Registered Office

42 CCA, Ex-Park View,
DHA Phase – VIII,
Lahore.
Tel: +92-42-37136315-17
E-mail: info@faujifoods.com

Auditors

A.F. Ferguson & Co.,
Chartered Accountants

Legal Advisers

Mr. Naveed Zafar Khan
Advocate

Website

www.faujifoods.com

Plant

Bhalwal, District Sargodha

Bankers

Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Faysal Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan Limited
Soneri Bank Limited
Bank of Punjab
Habib Bank Limited


fauji foods Ltd.
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DIRECTORS' REPORT TO THE SHAREHOLDERS

For the Nine Months Period Ended September 30, 2025

The Board of Directors of Fauji Foods Limited (FFL) is pleased to present the Directors' Report, together with the unaudited condensed interim financial statements of the Company for the nine months ended September 30, 2025, in compliance with the requirements of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Business Overview

Fauji Foods Limited continues to strengthen its position as one of Pakistan's prominent players in the fast-moving consumer goods sector, supported by a diversified portfolio, robust supply chain capabilities, and disciplined execution of its growth strategy.

The operating environment during the reporting period remained complex, marked by global unrest—particularly in the Middle East—domestic inflationary pressures, and the lingering impact of floods. Despite these challenges, macroeconomic indicators have begun to stabilize following positive diplomatic developments with Saudi Arabia, appreciation of the Pakistani Rupee, easing inflation, and a downward trend in interest rates. These factors collectively provide a positive economic outlook for the remainder of the year.

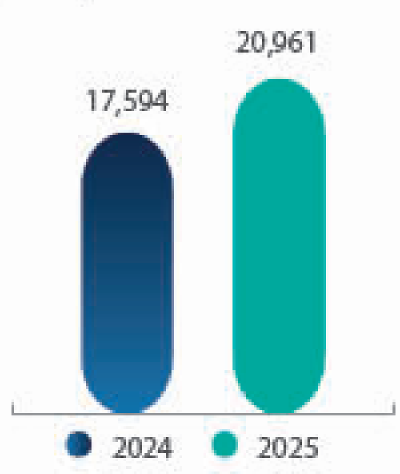
Financial Performance

Amidst a challenging external environment, FFL delivered record operational and financial results. The Company achieved its highest-ever profit after tax (PAT) of PKR 945 million, reflecting a 68.8% increase compared to the same period last year (SPLY).

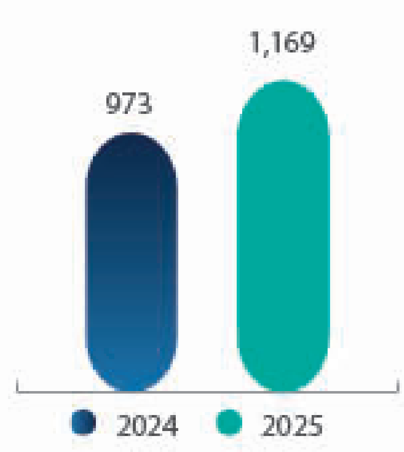
Revenue reached an all-time high of PKR 21.0 billion during the nine-month period, driven by effective execution of growth strategies and sustained brand strength.

The Company reported absolute gross margin improvement of 18% versus SPLY, reflecting higher operational efficiency and disciplined cost management. Operating profit rose to PKR 1.17 billion, representing a 20.2% increase year-on-year. This performance underscores the success of FFL's focus on margin accretive growth and long-term commercial sustainability.

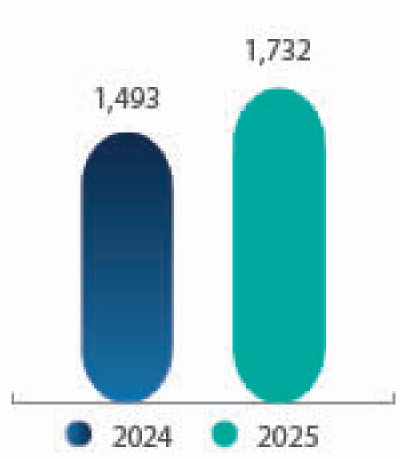
Revenue
(PKR mn)



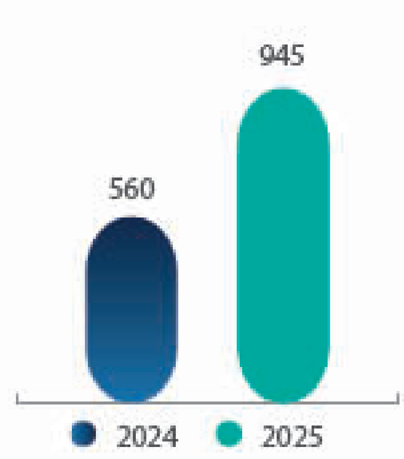
Operating Profit
(PKR mn)



EBITDA
(PKR mn)



PAT
(PKR mn)



Strategic Pillars and Progress

FFL's performance continues to be driven by three strategic pillars — Margin Accretive Growth, Cost Efficiency, and Capability Building — ensuring sustainable profitability and resilience.

a) Margin Accretive Growth:

Net revenue grew by 19.1% over SPLY, led by sustained value growth in UHT Milk (+13.2%) vs SPLY and supported by portfolio premiumization and improved channel execution.

b) Gross Profit Expansion:

Absolute gross margins increased by 18%, driven by improved supply chain productivity, better procurement practices, and consolidation of the high-margin cereals business. The twin sustainability projects — 1 MW Solar and Biomass energy utilization — continued to contribute positively to energy cost savings.

c) Capability Development:

FFL remains committed to investing in human capital, embedding a culture of performance and accountability. Implementation of robust performance management systems and leadership development initiatives have led to a threefold increase in employee engagement scores, signifying a strong cultural transformation across the organization.

Future Outlook

Looking ahead, the Company's focus will remain on driving profitable and sustainable growth through continued investment in brands, innovation, and distribution infrastructure. The Cereals segment and Pasta business is expected to further enhance margins and portfolio strength.

FFL's commitment to margin-led growth, cost optimization, and organizational excellence will continue to improve profitability and shareholder value. Guided by its vision of "Unleashing Pakistan's promise in everything we touch," the Company is well-positioned to create long-term economic and social value.

Acknowledgment

The Board of Directors extends its sincere appreciation to the shareholders, customers, employees, business partners, and other stakeholders for their continued confidence and support. The Board also acknowledges the dedication and commitment of the Company's management and staff, whose efforts continue to drive FFL's success and transformation.

Lt Gen Anwar Ali Hyder
HI(M), (Retd)
Chairman

Usman Zaheer Ahmad
Chief Executive Officer

Dated: October 22, 2025

اسٹریٹجک پلرز اور پیشرفت

FFL کی کارکردگی تین سٹریٹجک پلرز – مارجن ایکریٹیو گروتھ، لاگت کی بچت، اور قابلیت کی تعمیر کے ذریعے - پائیدار منافع اور لچک کو یقینی بنانے پر منحصر ہے۔

a) مارجن ایکریٹیو گروتھ:

خالص آمدنی میں SPLY کے مقابلے میں 19.1% کا اضافہ ہوا، جو کہ SPLY کے مقابلے UHT دودھ (+13.2%) کی قدر میں مستقل اضافہ اور پورٹ فولیو پریمیائزیشن اور بہتر چینل پر عمل درآمد کی معاونت سے ممکن ہوا ہے۔

b) مجموعی منافع میں توسیع:

مطلق مجموعی مارجن میں 18 فیصد اضافہ ہوا، جو سپلائی چین کی بہتر پیداواری صلاحیت، خریداری کے بہتر طریقے، اور زیادہ مارجن والے سیریلز کے کاروبار کے استحکام کی وجہ سے ہوا۔ پائیداری کے جڑواں منصوبوں—1 میگاواٹ سولر اور بائیوماس توانائی کا استعمال— نے توانائی کی لاگت بچانے میں مثبت کردار ادا کیا ہے۔

c) صلاحیت کی ترقی:

FFL انسانی سرمائے میں سرمایہ کاری کے لیے پُرعزم ہے، کارکردگی اور جوابدہی کے کلچر کو فروغ دیتی ہے۔ مضبوط پرفارمنس مینجمنٹ سسٹمز کا نفاذ اور قیادت کی ترقی کے اقدامات سے ملازمین کی مصروفیت کے اسکور میں تین گنا اضافہ کیا گیا، جو پوری تنظیم میں ایک مضبوط ثقافتی تبدیلی کی نشاندہی کرتا ہے۔

مستقبل کا نقطہ نظر

آگے بڑھتے ہوئے، کمپنی کی توجہ برانڈز، جدت طرازی اور تقسیم کے بنیادی ڈھانچے میں مسلسل سرمایہ کاری کے ذریعے منافع بخش اور پائیدار نمو پر مرکوز رہے گی۔ سیریلز سیگمنٹ اور پاستہ کے کاروبار سے مارجن اور پورٹ فولیو کی طاقت میں مزید اضافہ متوقع ہے۔

مارجن لیڈ نمو، لاگت کی کمی، اور تنظیمی فضیلت کے لیے FFL کی وابستگی منافع اور شیئر ہولڈر کی قدر کو بہتر کرتی رہے گی۔ اپنے وژن "ہم جس چیز کو بھی چھوتے ہیں اس میں پاکستان کے وعدے کو اجاگر کرتے ہوئے" کی رہنمائی میں، کمپنی طویل مدتی اقتصادی اور سماجی قدر پیدا کرنے کی اچھی پوزیشن میں ہے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز حصص یافتگان، صارفین، ملازمین، کاروباری شراکت داروں، اور دیگر اسٹیک ہولڈرز کے مسلسل اعتماد اور تعاون کا شکر گزار ہے۔ بورڈ کمپنی کی انتظامیہ اور عملے کی لگن اور عزم کو بھی سراہتا ہے، جن کی کوششیں FFL کی کامیابی اور تبدیلی کو آگے بڑھا رہی ہیں۔

عثمان ظہیر احمد	لیفٹیننٹ جنرل انور علی حیدر
چیف ایگزیکٹو آفیسر	چیئرمین
	تاریخ: 22 اکتوبر 2025

ڈائریکٹرز کی حصص داران کو رپورٹ

برائے 30 ستمبر 2025 کو ختم ہونے والی نوماہی

فوجی فوڈز لمیٹڈ (FFL) کے بورڈ آف ڈائریکٹرز کمپنیز ایکٹ، 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تقاضوں کے مطابق، 30 ستمبر 2025ء کو ختم ہونے والی نوماہی کے لیے کمپنی کی غیر نظرثانی شدہ کنڈینسڈ عبوری مالی معلومات کے ہمراہ ڈائریکٹرز کی رپورٹ پیش کرتے ہوئے خوشی کا اظہار کرتے ہیں۔

کاروباری جائزہ

فوجی فوڈز لمیٹڈ تیزی سے ترقی کرتے ہوئے اشیائے خورونوش کے شعبوں میں پاکستان کے نمایاں کھلاڑیوں میں اپنی پوزیشن کو مستحکم بنا رہا ہے، جس کو متنوع پورٹ فولیو، مضبوط سپلائی چین کی صلاحیتوں، اور اپنی نمو کی حکمت عملی کے نظم وضبط پر عمل درآمد کی حمایت حاصل ہے۔

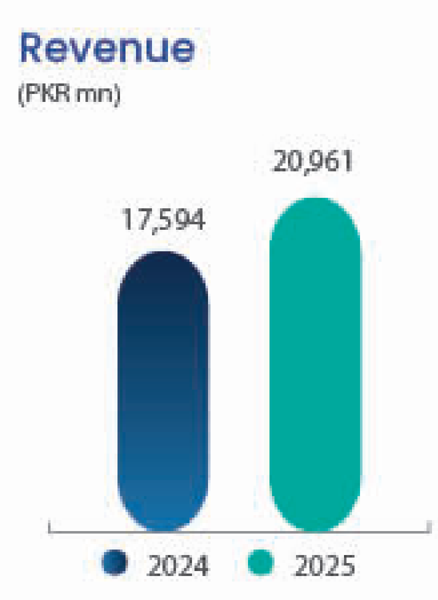
رپورٹنگ مدت کے دوران عالمی بدامنی—خاص طور پر مشرق وسطیٰ میں—مقامی افراط زر کے دباؤ، اور سیلاب کے دیرپا اثرات کے باعث آپریٹنگ ماحول پیچیدہ رہا۔ ان مشکلات کے باوجود، سعودی عرب کے ساتھ مثبت سفارتی پیش رفت، پاکستانی روپیہ کی قدر میں اضافہ، افراط زر میں کمی اور شرح سود میں کمی کے بعد میکرو اکنامک اشارے مستحکم ہونا شروع ہو گئے ہیں۔ یہ عوامل مجموعی طور پر سال کی بقیہ مدت کے لیے ایک مثبت اقتصادی نقطہ نظر فراہم کرتے ہیں۔

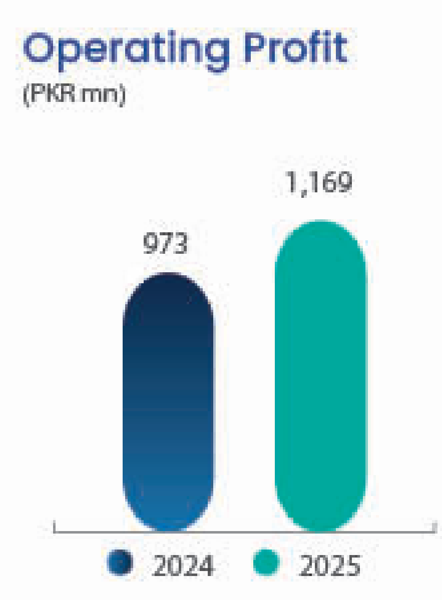
مالی کارکردگی

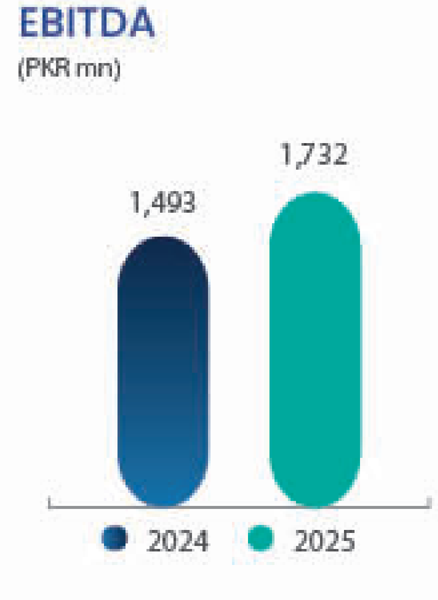
مشکل بیرونی ماحول کے درمیان، FFL نے ریکارڈ آپریشنل اور مالیاتی نتائج پیش کیے۔ کمپنی نے اب تک کا اپنا سب سے زیادہ بعد از ٹیکس منافع (PAT) 945 ملین روپے حاصل کیا، جو گزشتہ سال کی اسی مدت (SPLY) کے مقابلے میں 68.8 فیصد اضافہ کی عکاسی کرتا ہے۔

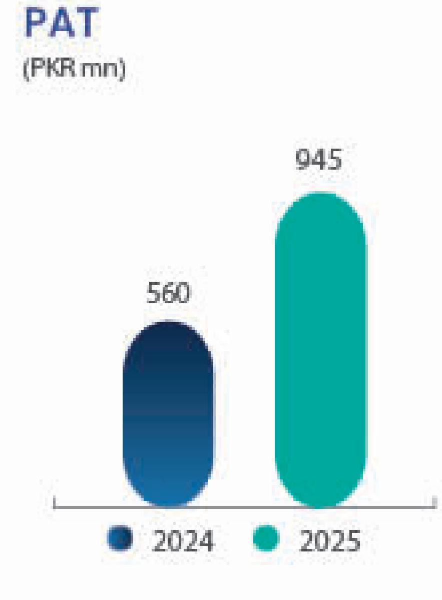
نوماہی مدت کے دوران ریونیو 21.0 بلین روپے کی بلند ترین سطح پر پہنچ گیا، جو کہ نمو کی حکمت عملیوں کے موثر نفاذ اور برانڈ کی پائیدار طاقت کی بدولت ممکن ہوئی ہے۔

کمپنی نے SPLY کے مقابلے میں 18% کی مطلق مجموعی مارجن میں بہتری درج کی، جو اعلیٰ آپریشنل کارکردگی اور لاگت کے منظم انتظام کی عکاسی کرتی ہے۔ آپریٹنگ منافع 1.17 بلین روپے تک بڑھ گیا، جو سال بہ سال 20.2 فیصد اضافہ کی نمائندگی کرتا ہے۔ یہ کارکردگی مارجن ایکریٹو نمو اور طویل مدتی تجارتی پائیداری پر FFL کی توجہ کی کامیابی کو واضح کرتی ہے۔







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FULL
CREAM
MILK
1.0LTR
Net Vol.
FAUJI FOODS

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As At September 30, 2025

	Note	Un-audited September 30, 2025	Audited December 31, 2024
		Rupees	Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
2,800,000,000 (December 31, 2024: 2,800,000,000)			
ordinary shares of Rs. 10 each		28,000,000,000	28,000,000,000
Issued, subscribed and paid up share capital		25,199,631,390	25,199,631,390
Capital Reserves			
Share premium		1,801,082,303	1,801,082,303
Acquisition Reserve	6	(2,847,930,692)	(2,847,930,692)
Surplus on revaluation of property,			
plant and equipment – net of tax		2,159,801,452	2,247,212,282
Revenue Reserve			
Accumulated loss		(15,723,716,267)	(16,824,400,787)
		10,588,868,186	9,575,594,496
Non–current liabilities			
Lease liabilities		227,945,719	139,925,997
Employee retirement benefits		78,787,050	79,391,513
		306,732,769	219,317,510
Current liabilities			
Current portion of long term liabilities		76,064,845	31,118,725
Trade and other payables	7	3,650,214,100	2,824,582,548
Loans payable to Ultimate Parent Company	8	5,908,554,693	5,908,554,693
Unclaimed dividend		965,752	965,752
Accrued finance cost		–	2,738,384
		9,635,799,390	8,767,960,102
Contingencies and commitments	9		
		20,531,400,323	18,562,872,108

The annexed notes from 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.

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

	Note	Un-audited September 30, 2025	Audited December 31, 2024
		Rupees	Rupees
ASSETS			
Non–current assets			
Property, plant and equipment	10	9,247,339,020	9,040,378,507
Intangible assets		32,191,416	16,945,565
Investment in Subsidiary Company	11	210,000,000	210,000,000
Security deposits		22,800,000	22,800,000
		9,512,330,436	9,290,124,072
Current assets			
Stores, spares and loose tools		294,919,149	261,692,900
Stock–in–trade	12	2,310,005,808	1,984,969,925
Trade receivables from contract with customers		985,499,262	1,785,932,226
Loans and advances		243,499,361	579,032,098
Deposits, prepayments and other receivables		810,572,949	540,234,221
Accrued interest		103,106,367	326,698,743
Tax refunds due from Government		622,894,057	790,090,889
Cash and cash equivalents	13		
– Cash and bank balances		3,198,572,934	304,097,034
– Short term investments		2,450,000,000	2,700,000,000
		11,019,069,887	9,272,748,036
		20,531,400,323	18,562,872,108

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

For the nine-month and three month period ended September 30, 2025

	Note	Nine-month period ended September 30,		Three-month period ended September 30,	
		2025	2024	2025	2024
		Rupees	Rupees	Rupees	Rupees
Revenue from contracts with customers – net	14	20,960,860,893	17,593,981,181	6,075,957,903	6,435,124,298
Cost of revenue	15	(17,169,566,193)	(14,378,897,180)	(5,043,010,021)	(5,364,220,187)
Gross profit		3,791,294,700	3,215,084,001	1,032,947,882	1,070,904,111
Marketing and distribution expenses		(1,909,907,669)	(1,615,862,370)	(549,212,513)	(601,456,970)
Administrative expenses		(668,281,710)	(572,337,230)	(240,640,855)	(219,405,794)
Net impairment loss on financial assets		–	(25,539,426)	–	(1,996,157)
Profit from operations		1,213,105,321	1,001,344,975	243,094,514	248,045,190
Other income		426,726,362	367,122,534	164,546,067	174,302,610
Other operating expense		(124,750,811)	(300,000,586)	(26,462,589)	(57,234,296)
Finance cost		(42,020,389)	(25,217,357)	(25,981,977)	(10,508,601)
Profit before levy and income tax		1,473,060,483	1,043,249,566	355,196,015	354,604,903
Levy	16	(19,781,447)	–	(17,944,843)	–
Profit before income tax		1,453,279,036	1,043,249,566	337,251,172	354,604,903
Income tax	17	(440,005,346)	(444,423,047)	(100,544,420)	(120,895,877)
Profit for the period		1,013,273,690	598,826,519	236,706,752	233,709,026
Earning per share – basic and diluted	18	0.40	0.24	0.09	0.09

The annexed notes from 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.

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

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the nine-month and three month period ended September 30, 2025

	Nine-month period ended September 30,		Three-month period ended September 30,	
	2025	2024	2025	2024
	Rupees	Rupees	Rupees	Rupees
Profit for the period	1,013,273,690	598,826,519	236,706,752	233,709,026
Other comprehensive income:				
Items that may be reclassified to profit or				
loss in subsequent periods (net of tax)	–	–	–	–
Items that will not be reclassified to profit or				
loss in subsequent periods (net of tax)	–	–	–	–
Total comprehensive income for the period	1,013,273,690	598,826,519	236,706,752	233,709,026

The annexed notes from 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.

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

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the nine-month period ended September 30, 2025

		Capital Reserve				Revenue reserves	
	Share capital	Share premium	Share deposit money	Surplus on revaluation of property, plant and equipment - net of tax	Acquisition reserve	Accumulated loss	Total
	Rupees						
Balance as at January 1, 2024 (audited)	25,199,631,390	1,801,082,303	2,350,000,001	2,446,561,207	-	(17,741,847,841)	14,055,427,060
Profit after taxation for the period	-	-	-	-	-	598,826,519	598,826,519
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	598,826,519	598,826,519
Transactions with owners in their capacity as owners recognised directly in equity:							
Acquisition reserve	-	-	-	-	(2,850,316,594)	-	(2,850,316,594)
Reclassification of share deposit money into loan	-	-	(2,350,000,001)	-	-	-	(2,350,000,001)
	-	-	(2,350,000,001)	-	(2,850,316,594)	-	(5,200,316,595)
Revaluation surplus realized through disposal of operating fixed assets	-	-	-	(86,621,177)	-	86,621,177	-
Incremental depreciation relating to surplus on revaluation – net of tax	-	-	-	(84,545,811)	-	84,545,811	-
Balance as at September 30, 2024 (un-audited)	25,199,631,390	1,801,082,303	-	2,275,394,219	(2,850,316,594)	(16,971,854,334)	9,453,936,984
Balance as at January 1, 2025 (audited)	**25,199,631,390**	**1,801,082,303**	**-**	**2,247,212,282**	**(2,847,930,692)**	**(16,824,400,787)**	**9,575,594,496**
Profit after taxation for the period	-	-	-	-	-	1,013,273,690	1,013,273,690
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	1,013,273,690	1,013,273,690
Transactions with owners in their capacity as owners recognised directly in equity:							
Revaluation surplus realized through disposal of operating fixed assets – net of tax	-	-	-	(2,970,905)	-	2,970,905	-
Incremental depreciation relating to surplus on revaluation – net of tax	-	-	-	(84,439,925)	-	84,439,925	-
Balance as at September 30, 2025 (un-audited)	**25,199,631,390**	**1,801,082,303**	**-**	**2,159,801,452**	**(2,847,930,692)**	**(15,723,716,267)**	**10,588,868,186**

The annexed notes from 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.

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

FAUJI FOODS

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)

For the nine-month period ended September 30, 2025

	Nine-month ended September 30, 2025	2024
	Rupees	Rupees
Cash flows from operating activities		
Profit before income tax	1,453,279,036	1,043,249,566
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on property, plant and equipment	492,320,595	443,953,310
Amortization on ROUA	41,669,057	28,994,812
Amortization of intangible assets	3,258,973	1,494,549
Provision for sales tax on tea whitener	–	254,622,021
Provision for sales tax refundable	–	59,090,092
Gain on disposal of property, plant and equipment	(4,875,786)	(2,305,875)
Provision for obsolete stock-in-trade	16,347,401	16,476
Write-off of stores, spares and loose tools	–	13,915,510
Write-off of stock-in-trade	12,223,800	102,842,043
Advances to supplier written off	–	15,948,501
Income tax refundable written off	–	14,229,824
Profit on saving accounts	(150,682,274)	(104,701,457)
Profit on Term Deposit Receipts (TDRs)	(248,130,422)	(238,471,672)
Income from loan to subsidiary Company	(11,074,784)	–
Allowance for expected credit losses on trade receivables	–	23,543,269
Provision for Worker's Profit Participation Fund	82,885,447	56,143,235
Provision for Worker's Welfare Fund	35,927,030	23,368,947
Provision for employee retirement benefits	32,690,097	28,416,105
Levy	19,781,447	–
Finance cost	42,020,389	25,217,353
Operating profit before working capital changes	1,817,640,006	1,789,566,609
Working capital adjustments:		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(33,226,249)	(14,407,033)
Stock-in-trade	(353,607,084)	1,022,580,602
Trade debts	800,432,964	(1,005,229,777)
Loans and advances	335,532,737	(80,137,481)
Deposits, prepayments and other receivables	(270,338,728)	(117,975,674)
Asset held for sale	–	262,655,057
Sales tax refundable	(106,487,341)	468,209,766
	372,306,299	535,695,460
Increase in current liabilities		
Trade and other payables	706,818,651	354,873,955
	1,079,125,352	890,569,415
Cash generated from operations	2,896,765,358	2,680,136,024
Income tax and levy paid	(186,102,620)	(173,643,969)
Employee retirement benefits paid	(33,294,560)	(23,183,589)
Net cash generated from operating activities	2,677,368,178	2,483,308,466
Cash flows from investing activities		
Acquisition of property, plant and equipment	(541,292,262)	(194,583,671)
Acquisition of intangible assets	(18,504,824)	(6,675,129)
Sale proceeds from disposal of property, plant and equipment	20,759,823	5,634,295
Profit on saving accounts received	150,682,274	103,318,021
Profit on TDRs received	482,797,582	106,373,942
Net cash generated from investing activities	94,442,593	14,067,459
Cash flows from financing activities		
Repayment of principal portion of lease liabilities	(82,576,098)	(58,647,977)
Finance cost paid	(44,758,773)	(62,162,566)
Net cash flows used in financing activities	(127,334,871)	(120,810,543)
Net increase in cash and cash equivalents	2,644,475,900	2,376,565,382
Cash and cash equivalents – at beginning of the period	3,004,097,034	1,300,840,028
Cash and cash equivalents transferred from Fauji Cereals	–	5,351,000
Cash and cash equivalents – at end of the period	5,648,572,934	3,682,756,410
Cash and cash equivalents comprise of the following:		
– Cash and bank balances	3,198,572,934	982,756,410
– Short term investments	2,450,000,000	2,700,000,000
	5,648,572,934	3,682,756,410

The annexed notes from 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.

Chairman | **Chief Executive Officer** | **Director** | **Chief Financial Officer**

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine-month and three month period ended September 30, 2025

1 Legal Status And Operations

Fauji Foods Limited (the Company) was incorporated in Pakistan on September 26, 1966 as a Public Company under the repealed Companies Act, 1913 (now Companies Act, 2017). The shares of the Company are listed on Pakistan Stock Exchange. The Company is a subsidiary of Fauji Fertilizer Company Limited (intermediate Parent Company). The ultimate controlling parent is Fauji Foundation. The Company is principally engaged in processing and sale of toned milk, milk powder, cereals, pasta, allied dairy and food products. Following are the business units of the Company along with their respective locations.

BUSINESS UNIT	LOCATION
Production Plants	Bhalwal, District Sargodha
	57 Dhamial Road, Rawalpindi, Punjab
Registered Office and Head Office	42 CCA, Ex Park View, DHA Phase–VIII, Lahore

2 Basis of Preparation

2.1 Separate Financial Statements

These unconsolidated condensed interim financial statements are the separate financial statements of the Company in which investment in subsidiary is accounted for on the basis of direct equity interest rather than on the basis of reported results and net assets of the investee. Consolidated financial statements of the Company are prepared and presented separately.

	(Un-audited) September 30, 2025	(Audited) December 31, 2024	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	(Number of shares)		(Direct holding percentage)	
The Company has the following subsidiary:				
Subsidiary Companies				
Fauji Infraavest Foods Limited	428,949,000	428,949,000	100%	100%

2.1.1 Fauji Infraavest Foods Limited ("FIFL") was incorporated in Pakistan as Public Limited Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on July 2, 2014. The registered office of FIFL is situated at Fauji Towers, 68 Tipu road, Chaklala, Rawalpindi. The principal activity of FIFL is to manufacture pasta and related products.

2.2 Statement of Compliance

These unconsolidated 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 applicable in Pakistan comprise of:

- International Accounting Standard ('IAS') 34, Interim Financial Reporting, issued by the 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.

2.3 These unconsolidated condensed interim financial statements are un–audited and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2019. These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with financial statements of the Company for the year ended December 31, 2024. Comparative unconsolidated condensed interim statement of financial position is extracted from annual unconsolidated audited financial statements as of December 31, 2024, whereas comparatives for unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows are extracted from unconsolidated condensed interim financial statements of the Company for the nine–month period ended September 30, 2024.

2.4 These unconsolidated condensed interim financial statements are prepared in Pak Rupees, which is the functional and presentation currency of the Company. Figures have been rounded off to the nearest Pak Rupee, unless otherwise stated.

2.5 Provisions in respect of Workers' Welfare Fund, Workers' Profit Participation Fund, employee retirement benefits and taxation are estimated based on management judgment and prevailing laws; these are subject to final adjustments in the annual audited unconsolidated financial statements.

3 Basis of Measurement

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except for the measurement of certain items of property, plant and equipment which are carried at revalued amounts, while recognition of lease liability and employee retirement benefits are carried at present value respectively.

4 Use of Estimates and Judgements

The preparation of these unconsolidated condensed interim financial statements, in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements 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 the estimates. During the preparation of these unconsolidated condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and assumptions are consistent with those that were applied to the audited unconsolidated financial statements of the Company for the year ended December 31, 2024 except for the estimation of income tax (see note 4.1).

4.1 Taxation

Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

5 Material Accounting Policies

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's annual unconsolidated audited financial statements for the year ended December 31, 2024.

5.1 Standards, Amendments to Published Standards and Interpretations That are Effective in The Current Period

Certain standards, amendments and interpretations to International Financial Reporting Standards ('IFRS') are effective for accounting period beginning on January 1, 2025, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

5.2 Standards, Amendments and Interpretations to Existing Standards That are not Yet Effective and Have not Been Early Adopted by The Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 01, 2025 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

6 Transfer of Fauji Cereals Business

In December 2024, the Company submitted an application to the Securities and Exchange Commission of Pakistan (SECP) seeking exemption from the mandatory application of the 'Predecessor Method' of accounting for the transfer of the Fauji Cereals business to the Company. The Company requested permission to instead apply the 'Acquisition Method', which it believes more appropriately reflects the commercial substance of the transaction and gives a true and fair view to the users of financial statements.

As the exemption request was not acceded to by the SECP, the Company subsequently filed a petition with the Islamabad High Court seeking permission to adopt the Acquisition Method. The Company maintains that the application of the Predecessor Method does not adequately reflect the economic substance of the transaction and, therefore, does not present a true and fair view of its financial statements.

		Note	Un-audited September 30, 2025	Audited December 31, 2024
			Rupees	Rupees
7	**Trade and Other Payables**			
	Trade and other creditors	7.1	1,363,135,856	1,370,740,935
	Contract liabilities	7.2	644,389,268	299,249,089
	Accrued expenses		1,209,622,465	995,826,486
	Retention money payable		1,006,732	1,006,732
	Due to employees		44,308,610	5,310,385
	Withholding income tax payable		22,124,842	20,746,153
	Income tax liability		172,736,774	–
	Withholding sales tax payable		21,452,579	13,419,155
	Workers' Profit Participation Fund payable		94,104,635	78,897,038
	Workers' Welfare Fund payable		66,726,813	30,799,783
	Payable to Employees' Provident Fund		9,433,164	7,414,433
	Others		1,172,362	1,172,359
			3,650,214,100	2,824,582,548

		Un-audited September 30, 2025	Audited December 31, 2024
		Rupees	Rupees
7.1	**These include amounts due to the following related parties:**		
	Fauji Infraavest Foods Limited	14,051,427	12,502,370
	Fauji Fertilizer Company Limited	2,500,000	2,418,453
	FonGrow Private Limited	–	2,222,469
	Fauji Foundation	41,147,755	33,449,727
		57,699,182	50,593,019
7.2	**These include amounts due to the following related parties:**		
	Askari Bank Limited	97,000,000	–
	Fauji Foundation	4,201,617	–
	Fauji Fertilizer Company Limited	6,751,437	–
	Fauji Cement Company Ltd	984,335	–
	Sona Welfare Foundation	59,484,883	–
		168,422,272	–
8	**Loans Payable to Ultimate Parent Company**		
	On account of acquisition related to Fauji Cereals	3,348,554,692	3,348,554,692
	On account of acquisition related to Fauji Infraavest Foods Limited	210,000,000	210,000,000
	Share deposit money reclassified into loan	2,350,000,001	2,350,000,001
		5,908,554,693	5,908,554,693

9 Contingencies and Commitments

9.1 Contingencies

There has been no significant change in the status of the contingent liabilities disclosed as at December 31, 2024 except for the following:

9.1.1 The Deputy Commissioner Inland revenue (DCIR) passed an order dated March 14, 2022 and served the same after one year on March 14, 2023 creating a demand of Rs. 103.37 million on account of claim of inadmissible input sales tax in sales tax returns. Being aggrieved, the Company preferred an appeal before Commissioner Inland Revenue Appeals (CIR(A)). The CIR(A) remanded the case back to DCIR for fresh proceedings. The Company filed an appeal before Appellate Tribunal Inland revenue (ATIR) on July 27, 2023 on the subject that the appellate order should annul the assessment order instead of remanding back to the DCIR. ATIR has remanded back the order dated February 27, 2025 for fresh proceedings to issue order after considering the Company's stance. Being aggrieved, the company filed a Writ petition in Lahore High Court (LHC) challenging the order of ATIR on April 16, 2025. Consequently, on June 24, 2025, the LHC decided the matter and remanded the case back to the assessing officer.

9.1.2 FBR vide order has created Sales Tax demand of Rs. 100 million on alleged non–apportionment of input tax regarding taxable and exempt supplies for the period June 2023 to June 2024. FFL is in the process of filing appeal against the order.

9.2 Commitments

The Company has the following commitments:

9.2.1 Commitments in respect of capital expenditure outstanding at the period end amounted to Rs. 297.2 million (December 31, 2024: Rs. 272.71 million).

9.2.2 Commitments in respect of letter of credit for the purchase of raw and packing material outstanding at the period end amounted to Rs. 127.2 million (December 31, 2024: Rs. 89.50 million).

9.2.3 Guarantees aggregating to Rs. 486.85 million (December 31, 2024: Rs. 194.75 million) have been issued by banks of the Company to Sui Northern Gas Pipeline Ltd, Pakistan State Oil, Naval Accounts Karachi and Pakistan Oxygen Limited, Director General Education, Programme Director PMIU–PESRP.

		Note	Un-audited September 30, 2025	Audited December 31, 2024
			Rupees	Rupees
10	**Property, Plant and Equipment**			
	Operating fixed assets			
	– Owned assets		8,249,036,781	8,441,416,512
	– Right–of–use assets		330,297,284	172,657,614
		10.1	8,579,334,065	8,614,074,126
	Capital work–in–progress	10.2	668,004,955	426,304,381
			9,247,339,020	9,040,378,507
10.1	**Operating fixed assets**			
	Net book value (NBV) at beginning of the period / year		8,614,074,126	8,575,139,648
	Additions during the period / year at cost			
	– Assets transferred from Fauji Cereals		–	26,366,362
	– Owned assets		269,139,175	309,481,024
	– Right of use assets		221,217,742	188,049,125
	Disposals during the period / year at NBV			
	– Owned assets		(13,344,666)	(5,585,978)
	– Right of use assets		(2,539,371)	–
	Transferred from capital work in progress		24,776,711	212,762,731
	Depreciation charged during the period / year			
	– Owned assets		(492,320,595)	(600,077,949)
	– Right of use assets		(41,669,057)	(37,060,837)
			8,579,334,065	8,669,074,126
	Impairment charged during the period / year		–	(55,000,000)
	Net book value at end of the period / year		8,579,334,065	8,614,074,126
10.2	**Capital work–in–progress**			
	Plant and machinery		607,256,223	395,417,573
	Building		33,963,924	30,886,808
	Electric and gas installations		26,784,808	–
			668,004,955	426,304,381

		Un-audited September 30, 2025	Audited December 31, 2024
		Rupees	Rupees
11	**Investment In Subsidiary Company**		
	Investment – at cost	210,000,000	210,000,000

11.1 The Company holds 100% (December 31, 2024: 100%) shares in Fauji Infraavest Foods Limited, a wholly owned subsidiary of the Company.

		Note	Un-audited September 30, 2025	Audited December 31, 2024
			Rupees	Rupees
12	**Stock–in–Trade**			
	Raw and packing material			
	– In hand		1,265,656,968	1,324,657,791
	– In transit		26,260,053	44,542,468
			1,291,917,021	1,369,200,259
	Work–in–process		121,301,551	58,355,602
	Finished goods		923,963,610	557,430,540
			2,337,182,182	1,984,986,401
	Less: Provision for obsolete raw materials	12.1	(16,363,877)	(16,476)
	Less: Provision for obsolete finished goods	12.2	(10,812,497)	–
			2,310,005,808	1,984,969,925
12.1	**Movement in provision for obsolete raw materials**			
	Balance at the start of the period / year		16,476	–
	Provision for the period / year		16,347,401	60,243,343
	Written off during the period / year		–	(60,226,867)
	Balance at the end of the period / year		16,363,877	16,476
12.2	**Movement in provision for obsolete finished goods**			
	Balance at the start of the period / year		–	15,837,215
	Provision for the period / year		23,812,497	26,777,961
	Reversal of provision for the period / year		(776,200)	–
	Written off during the period / year		(12,223,800)	(42,615,176)
	Balance at the end of the period / year		10,812,497	–

		Note	Un-audited September 30, 2025	Audited December 31, 2024
			Rupees	Rupees
13	**Cash and Cash Equivalents**			
	Cash and bank balances:			
	Cash in hand		1,236,696	58,395
	With banks on:			
	– Current accounts		66,664,050	140,501,184
	– Saving accounts	13.1	3,130,672,188	163,537,455
		13.2	3,197,336,238	304,038,639
	Total cash and bank balances		3,198,572,934	304,097,034
	Short term investments:			
	Term Deposit Receipts (TDRs)	13.3	2,450,000,000	2,700,000,000
			5,648,572,934	3,004,097,034

13.1 These saving accounts earned interest at 7.50% to 10.25% (December 31, 2024: 13.50% to 20.50%) per annum.

13.2 These include bank deposits amounting to Rs. 1,182 million (December 31, 2024: Rs. 162.60 million) with Askari Bank Limited, an associated undertaking.

13.3 These carry mark–up at the rate 10.5% – 20.15% (December 31, 2024: 16.20% to 22.50%) per annum and have one year maturity with premature encashment option without any surcharge.

		(Un-audited) Nine-month period ended September 30,		(Un-audited) Three-month period ended September 30,	
		2025	2024	2025	2024
		Rupees	Rupees	Rupees	Rupees
14	**Revenue from Contracts with Customers – Net**				
	Gross revenue	25,440,168,712	20,627,753,381	7,490,539,558	7,949,461,369
	Less: Sales tax	(2,995,302,823)	(1,630,018,756)	(952,829,509)	(1,006,490,242)
	Discounts, incentives and allowances	(1,484,004,996)	(1,403,753,444)	(461,752,146)	(507,846,829)
		(4,479,307,819)	(3,033,772,200)	(1,414,581,655)	(1,514,337,071)
		20,960,860,893	17,593,981,181	6,075,957,903	6,435,124,298

14.1 Revenue from contracts with customers relates to local Pakistan market and represents sale of dairy, cereals, porridge, desserts, pasta and allied products. Timing of revenue recognition is at point in time.

14.2 The Company mostly receives consideration from its customers in advance. In other cases, credit term of upto 30 days is allowed.

		(Un-audited) Nine-month period ended September 30,		(Un-audited) Three-month period ended September 30,	
		2025	2024	2025	2024
		Rupees	Rupees	Rupees	Rupees
15	**Cost of Revenue**				
	Raw materials consumed	12,950,234,460	9,560,942,271	3,326,446,592	3,459,023,430
	Salaries, wages and other benefits	760,960,580	624,462,836	263,126,144	237,746,922
	Power and fuel	463,054,021	495,085,326	175,413,367	192,879,334
	Packing materials consumed	2,362,067,616	2,393,826,990	677,567,182	893,168,519
	Stores and spares consumed	124,547,953	117,419,466	34,621,991	44,787,525
	Repair and maintenance	373,298,406	204,298,121	151,086,795	82,008,244
	Depreciation	452,532,339	412,556,008	154,888,050	135,943,644
	Rent, rates and taxes	1,700,126	2,054,793	580,464	795,665
	Legal and professional charges	4,048,604	3,511,076	2,655,595	870,666
	Insurance	11,156,184	7,107,106	5,261,964	2,626,036
	Others	85,964,221	65,937,487	26,758,690	41,642,481
	Manufacturing cost	17,589,564,510	13,887,201,480	4,818,406,834	5,091,492,466
	Adjustment of work–in–process				
	Opening stock	58,355,602	84,444,173	95,984,591	71,633,999
	Stock transferred from Fauji Cereals	–	3,931,653	–	3,654,532
	Closing stock	(121,301,551)	(80,906,282)	(121,301,551)	(80,906,282)
		(62,945,949)	7,469,544	(25,316,960)	(5,617,751)
	Cost of goods manufactured	17,526,618,561	13,894,671,024	4,793,089,874	5,085,874,715
	Adjustment of finished goods				
	Opening stock	557,430,540	787,441,689	1,164,403,055	608,918,049
	Stock transferred from Fauji Cereals	–	77,135,000	–	49,777,956
	Closing stock	(914,482,908)	(380,350,533)	(914,482,908)	(380,350,533)
		(357,052,368)	484,226,156	249,920,147	278,345,472
		17,169,566,193	14,378,897,180	5,043,010,021	5,364,220,187
16	**Levy**				
	Levy – minimum tax	19,781,447	–	17,944,843	–
		19,781,447	–	17,944,843	–
17	**Income Tax**				
	Charge for the period	437,964,176	349,586,206	100,544,420	120,895,877
	Adjustments in respect of current income tax of previous period	2,041,170	94,836,841	–	–
		440,005,346	444,423,047	100,544,420	120,895,877
18	**Earning Per Share – Basic And Diluted**				
	Profit for the period – (Rupees)	1,013,273,690	598,826,519	236,706,752	233,709,026
	Weighted average number of ordinary shares outstanding during the period	2,519,963,139	2,519,963,139	2,519,963,139	2,519,963,139
	Earning per share - basic and diluted - (Rupees)	0.40	0.24	0.09	0.09

19 Cash and Cash Equivalents

19.1 For the purpose of cash flow statement, cash and cash equivalents comprise of cash and bank balances and short-term investments.

20 Related Party Transactions

20.1 Related parties comprise of Parent Company, subsidiaries and associates of Ultimate Parent Company, directors, entities with common directorship, post employment plans and key management personnel. The Company in the normal course of business carries out transactions with related parties on mutually agreed terms and conditions. Significant transactions with related parties and balances are as follows:

Name of related party	Relationship	Nature of transactions	(Un-audited) September 30, 2025	(Un-audited) September 30, 2024
			Rupees	Rupees
Fauji Fertilizer Company Limited	Parent Company (Shareholding and common directorship)	Professional fee charged by related party	–	22,000
		Expense of IT facilities charged by related party	4,754,404	4,500,000
		Purchase of Fertilizer	–	93,564,132
		Sale of goods to related party	32,243,206	–
		Expense charged to related party for special audit	–	4,916,380
Fauji Foundation	Ultimate Parent Company (Shareholding and common directorship)	Management shared services charged by related party	4,455,890	3,914,917
		Director training fee charged by related party	–	403,125
		Flood Relief activities charged to related party	30,044,032	–
		Interest Income charged to related party	13,303,958	–
		Advance leadership program expense charge by related party	–	5,880,000
		Consultancy expense for acquisition transactions charge by related party	–	7,369,941
		Insurance premium charged by related party	185,515	185,515
		Miscellaneous expenses charged by related party	545,664	–
		Miscellaneous expenses charged to related party by Company	–	90,816
		Lease rental against right-of-use asset charged by related party	28,851,200	26,496,000
		Sale of goods to related party	7,199,337	–
Sona Welfare Foundation	Associated Undertaking (Common directorship)	Sale of goods to related party	165,673,684	–

Name of related party	Relationship	Nature of transactions	(Un-audited) September 30, 2025	(Un-audited) September 30, 2024
			Rupees	Rupees
Fauji Infraavest Foods Limited	Wholly owned Subsidiary (100% Ownership)	Raw materials transferred to related party	–	2,670,501
		Lease payment to related party	–	19,200,000
		Miscellaneous payments disbursement charged to related party	56,393,761	3,341,930
		Tolling expense charged by related party	5,478,295	–
		Interest charged on loan facility to related party	11,074,784	1,383,436
Fauji Fresh n Freeze Limited	Associated Undertaking (Common directorship)	Sale of goods to related party	18,915,680	10,416,000
		Management shared services and shared office cost charged to related party	91,156,853	–
		Miscellaneous expenses charged to related party by Company	327,557	–
Fauji Meat Limited	Associated Undertaking (Common directorship)	Management shared services charged to related party	3,325,388	–
FonGrow Private Limited	Associated Undertaking (Common directorship)	Management shared services and shared office cost charged to related party	12,711,713	–
Foundation Gas	Associated Undertaking (Common directorship)	Purchase of LPG	11,580,706	10,014,338
Fauji Cement Company Limited	Associated Undertaking (Common directorship)	Sale of goods to related party	1,106,535	–
FFC Energy Limited	Associated Undertaking (Common directorship)	Fair valuation of intangibles consultancy fee charged to related party	–	2,676,100
Askari Bank Limited	Associated Undertaking (Common directorship)	Finance cost on lease charged by related party	17,581,652	3,659,240
		Interest income on saving accounts	69,312,003	102,828,759
		Interest income on TDRs	139,973,713	237,602,689
Employee's Provident Fund Trust	Post employee benefit plan	Contribution for the period	83,321,591	62,084,439
Employee's Gratuity Fund Trust	Post employee benefit plan	Contribution for the period	30,275,522	18,487,242
Directors		Meeting fee	2,080,000	6,785,000
Key Management Personnel		Remuneration and benefits	192,565,637	177,029,434

20.2 Relevant related party balances are disclosed elsewhere in these unconsolidated condensed interim financial statements except for the following:

	Un-audited September 30, 2025	Audited December 31, 2024
	Rupees	Rupees
Other receivables		
Fauji Fertilizer Company Limited	139,440	1,057,893
Fauji Foundation	364,234,512	285,610,565
Fauji Fresh n Freeze Limited	98,704,656	9,110,246
Fauji Infraavest Foods Limited	151,198,912	94,235,407
Fauji Meat Limited	3,325,388	–
FonGrow Private Limited	12,711,713	–

21 Corresponding Figures

Corresponding figures have been reclassified wherever considered necessary, for better presentation. However no significant reclassifications have been made during the period except for the following:

		Un-audited Nine-month period ended September 30, 2024	Un-audited Three-month period ended September 30, 2024
		Rupees	Rupees
Statement of profit or loss			
Reclassified from	**Reclassified to**		
Other expenses	**Revenue from contracts with customers – net**		
Provision for sales tax on sale of tea whitener	Sales tax	254,622,020	–
Cost of revenue	**Marketing and distribution expenses**		
Freight and forwarding	Freight and forwarding	305,374,654	132,248,640
Cost of revenue	**Cost of revenue**		
Freight and forwarding	Salaries, wages and other benefits	58,055,521	23,970,733
Cost of revenue	**Marketing and distribution expenses**		
Repair and maintenance	Freight and forwarding	33,122,874	12,423,932
Administrative expenses	**Cost of revenue**		
Salaries, wages and other benefits	Salaries, wages and other benefits	60,982,828	21,772,472
Depreciation on property, plant and equipment	Depreciation	20,762,001	6,978,335
Cash security charges	Communication, establishment & others	5,785,602	2,161,582
Repair and maintenance	Repair and maintenance	5,828,823	3,071,492
Electricity, gas and water	Power and fuel	4,363,245	1,905,458
Travelling and conveyance	Travelling and conveyance	3,010,250	963,664

		Un-audited Nine-month period ended September 30, 2024	Un-audited Three-month period ended September 30, 2024
		Rupees	Rupees
Vehicles' running and maintenance	Repair and maintenance	1,742,381	530,669
Legal and Professional Charges	Legal and professional charges	5,500	5,500
Rent, rates and taxes	Rent, rates and taxes	1,792,404	712,538
Others	Communication, establishment & others	2,130,478	1,499,653
Entertainment	Communication, establishment & others	897,882	304,298
Printing and stationery	Printing and stationery	446,999	142,179
Communication and establishment	Communication, establishment & others	294,503	102,559
Insurance	Insurance	10,043	2,121
Administrative expenses	**Net impairment loss on financial assets**		
Provision for Doubtful Expense	Net impairment loss on financial assets	1,996,157	1,996,157
Cost of revenue	**Cost of revenue**		
Repair and maintenance	Salaries, wages and other benefits	144,751,691	53,612,041
Other operating expense	**Net impairment loss on financial assets**		
Allowance for expected credit loss	Net impairment loss on financial assets	23,543,269	–

22 Operating Segments

22.1 These financial statements have been prepared on the basis of a single reportable segment.

22.2 Revenue from sale of dairy and allied products represents 93% (December 31, 2024: 94%) of the net revenue of the Company.

22.3 100% (December 31, 2024: 100%) sales of the Company relate to customers in Pakistan.

22.4 All non–current assets of the Company as at September 30, 2025 and December 31, 2024 are located in Pakistan.

23 Financial Risk Management

23.1 The Company's financial risk management objectives and policies are consistent with that disclosed in the annual unconsolidated audited financial statements of the Company for the year ended December 31, 2024.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine-month and three month period ended September 30, 2025

24 Fair Value of Financial Assets and Liabilities

24.1 There is no change in the nature and corresponding hierarchies of fair valuation levels of financial instruments from those as disclosed in the audited unconsolidated financial statements of the Company for the year ended December 31, 2024.

25 Date of Authorization

These unconsolidated condensed interim financial statements have been approved and authorized for issue by the Board of Directors of the Company on October 22, 2025.

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

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As At September 30, 2025

	Note	Un-audited September 30, 2025	Audited December 31, 2024
		Rupees	Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
2,800,000,000 (December 31, 2024: 2,800,000,000)			
ordinary shares of Rs. 10 each		28,000,000,000	28,000,000,000
Issued, subscribed and paid up share capital		25,199,631,390	25,199,631,390
Capital Reserves			
Share premium		1,801,082,303	1,801,082,303
Acquisition Reserve	6	(2,847,930,692)	(2,847,930,692)
Surplus on revaluation of property,			
plant and equipment – net of tax		2,159,801,452	2,247,212,282
Revenue Reserve			
Accumulated loss		(15,852,561,746)	(16,885,139,792)
		10,460,022,707	9,514,855,491
Non–current liabilities			
Lease liabilities		336,772,719	224,554,358
Deferred taxation – net		26,572,000	31,998,000
Provision for dismantling		524,000	473,000
Employee retirement benefits		78,787,050	79,391,513
		442,655,769	336,416,871
Current liabilities			
Current portion of long term liabilities		90,168,845	52,078,725
Trade and other payables	7	3,767,281,974	2,835,503,355
Loans payable to Ultimate Parent Company	8	5,908,554,693	5,908,554,693
Unclaimed dividend		965,752	965,752
Accrued finance cost		–	4,058,746
		9,766,971,264	8,801,161,271
Contingencies and commitments	9		
		20,669,649,740	18,652,433,633

The annexed notes from 1 to 24 form an integral part of these consolidated condensed interim financial statements.

Chairman	Chief Executive Officer	Director	Chief Financial Officer

	Note	Un-audited September 30, 2025	Audited December 31, 2024
		Rupees	Rupees
ASSETS			
Non–current assets			
Property, plant and equipment	10	9,717,277,022	9,518,419,276
Intangible assets		32,191,416	16,945,566
Security deposits		22,800,000	22,800,000
		9,772,268,438	9,558,164,842
Current assets			
Stores, spares and loose tools		294,919,149	261,692,900
Stock–in–trade	11	2,310,005,808	1,985,383,925
Trade receivables from contract with customers		985,499,262	1,785,932,226
Loans and advances		243,499,361	579,032,098
Deposits, prepayments and other receivables		673,818,364	447,901,614
Accrued interest		103,106,367	323,041,105
Tax refunds due from Government		631,056,057	702,332,889
Cash and cash equivalents	12		
– Cash and bank balances		3,205,476,934	308,952,034
– Short term investments		2,450,000,000	2,700,000,000
		10,897,381,302	9,094,268,791
		20,669,649,740	18,652,433,633

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

For the nine-month and three month period ended September 30, 2025

	Note	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2024	Three-month period ended September 30, 2025	Three-month period ended September 30, 2024
		Rupees	Rupees	Rupees	Rupees
Revenue from contracts with customers – net	13	20,960,860,893	17,593,981,181	6,075,957,904	6,435,124,298
Cost of revenue	14	(17,200,374,898)	(14,406,672,473)	(5,053,964,021)	(5,375,570,908)
Gross profit		3,760,485,995	3,187,308,708	1,021,993,883	1,059,553,390
Marketing and distribution expenses		(1,909,907,669)	(1,615,862,370)	(549,212,513)	(601,456,970)
Administrative expenses		(681,316,710)	(572,940,509)	(244,954,855)	(219,867,664)
Net impairment loss on financial assets		–	(25,539,426)	–	(1,996,157)
Profit from operations		1,169,261,616	972,966,403	227,826,515	236,232,599
Other income		416,102,578	366,210,876	150,847,998	174,739,074
Other operating expense		(124,750,811)	(300,000,586)	(26,462,589)	(57,234,296)
Finance cost		(61,013,374)	(40,575,359)	(22,889,285)	(15,874,386)
Profit before levy and income tax		1,399,600,009	998,601,334	329,322,639	337,862,991
Levy	15	(19,781,447)	–	(17,944,843)	–
Profit before income tax		1,379,818,562	998,601,334	311,377,796	337,862,991
Income tax	16	(434,651,346)	(438,370,047)	(100,544,419)	(114,842,877)
Profit for the period		945,167,216	560,231,287	210,833,377	223,020,114
Earning per share – basic and diluted	17	0.38	0.22	0.08	0.09

The annexed notes from 1 to 24 form an integral part of these consolidated condensed interim financial statements.

Chairman | Chief Executive Officer | Director | Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the nine-month and three month period ended September 30, 2025

	Nine-month period ended September 30,		Three-month period ended September 30,	
	2025	2024	2025	2024
	Rupees	Rupees	Rupees	Rupees
Profit for the period	945,167,216	560,231,287	210,833,377	223,020,114
Other comprehensive income:				
Items that may be reclassified to profit or loss in subsequent periods (net of tax)	–	–	–	–
Items that will not be reclassified to profit or loss in subsequent periods (net of tax)	–	–	–	–
Total comprehensive income for the period	945,167,216	560,231,287	210,833,377	223,020,114

The annexed notes from 1 to 24 form an integral part of these consolidated condensed interim financial statements.

Chairman	Chief Executive Officer	Director	Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the nine-month period ended September 30, 2025

	Share capital	Capital Reserve				Revenue reserves	Total
		Share premium	Share deposit money	Surplus on revaluation of property, plant and equipment - net of tax	Acquisition reserve	Accumulated loss	
				Rupees			
Balance as at January 1, 2024 (audited)	25,199,631,390	1,801,082,303	2,350,000,001	2,446,561,207	-	(17,741,847,841)	14,055,427,060
Profit after taxation for the period	-	-	-	-	-	560,231,287	560,231,287
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	560,231,287	560,231,287
Transactions with owners in their capacity as owners recognised directly in equity:							
Acquisition reserve	-	-	-	-	(2,850,316,594)	-	(2,850,316,594)
Reclassification of share deposit money into loan	-	-	(2,350,000,001)	-	-	-	(2,350,000,001)
	-	-	(2,350,000,001)	-	(2,850,316,594)	-	(5,200,316,595)
Revaluation surplus realized through disposal of operating fixed assets	-	-	-	(86,621,177)	-	86,621,177	-
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(84,545,811)	-	84,545,811	-
Balance as at September 30, 2024 (un-audited)	25,199,631,390	1,801,082,303	-	2,275,394,219	(2,850,316,594)	(17,010,449,566)	9,415,341,752
Balance as at January 1, 2025 (audited)	**25,199,631,390**	**1,801,082,303**	**-**	**2,247,212,282**	**(2,847,930,692)**	**(16,885,139,792)**	**9,514,855,491**
Profit after taxation for the period	-	-	-	-	-	945,167,216	945,167,216
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	945,167,216	945,167,216
Transactions with owners in their capacity as owners recognised directly in equity:							
Revaluation surplus realized through disposal of operating fixed assets - net of tax	-	-	-	(2,970,905)	-	2,970,905	-
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(84,439,925)	-	84,439,925	-
Balance as at September 30, 2025 (un-audited)	**25,199,631,390**	**1,801,082,303**	**-**	**2,159,801,452**	**(2,847,930,692)**	**(15,852,561,746)**	**10,460,022,707**

The annexed notes from 1 to 24 form an integral part of these consolidated condensed interim financial statements.

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)

For the nine-month period ended September 30, 2025

	Nine-month ended September 30, 2025	2024
	Rupees	Rupees
Cash flows from operating activities		
Profit before income tax	1,379,818,562	998,601,334
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on property, plant and equipment	509,880,470	457,502,310
Amortization on ROUA	49,730,119	35,422,044
Amortization of intangible assets	3,258,973	1,494,549
Provision for sales tax on tea whitener	–	254,622,021
Provision for sales tax refundable	–	59,090,092
Gain on disposal of property, plant and equipment	(4,875,786)	(2,305,875)
Provision for obsolete stock–in–trade	16,347,401	16,476
Write–off of stores, spares and loose tools	–	13,915,510
Write–off of stock–in–trade	12,223,800	102,842,043
Advances to supplier written off	–	15,948,501
Income tax refundable written off	–	14,229,824
Profit on saving accounts	(150,682,274)	(103,346,021)
Profit on Term Deposit Receipts (TDRs)	(248,130,422)	(238,471,672)
Income from loan to subsidiary Company	(11,074,784)	–
Allowance for expected credit losses on trade receivables	–	23,543,269
Provision for Worker's Profit Participation Fund	82,885,447	56,143,235
Provision for Worker's Welfare Fund	35,927,030	23,368,947
Provision for employee retirement benefits	32,690,097	28,416,105
Levy	19,781,447	–
Finance cost	61,013,374	40,575,359
Operating profit before working capital changes	1,788,793,454	1,781,608,051
Working capital adjustments:		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(33,226,249)	(14,407,033)
Stock–in–trade	(353,193,084)	1,021,862,602
Trade debts	800,432,964	(1,005,229,777)
Loans and advances	335,532,737	(80,137,481)
Deposits, prepayments and other receivables	(225,916,750)	(97,720,807)
Asset held for sale	–	262,655,057
Sales tax refundable	(109,212,341)	467,331,766
	414,417,277	554,354,327
Increase in current liabilities		
Trade and other payables	813,016,740	357,045,648
	1,227,434,419	911,399,975
Cash generated from operations	3,016,227,873	2,693,008,026
Income tax and levy paid	(279,369,620)	(173,741,969)
Employee retirement benefits paid	(33,294,560)	(22,699,589)
Net cash generated from operating activities	2,703,563,693	2,496,566,468
Cash flows from investing activities		
Acquisition of property, plant and equipment	(558,810,432)	(194,583,671)
Acquisition of intangible assets	(18,504,823)	(6,675,129)
Sale proceeds from disposal of property, plant and equipment	20,759,823	5,634,295
Profit on saving accounts received	150,682,274	103,346,021
Profit on TDRs received	479,139,944	106,373,942
Net cash generated from investing activities	73,266,786	14,095,459
Cash flows from financing activities		
Repayment of principal portion of lease liabilities	(65,233,459)	(56,151,977)
Finance cost paid	(65,072,120)	(77,520,568)
Net cash used in financing activities	(130,305,579)	(133,672,545)
Net increase in cash and cash equivalents	2,646,524,900	2,376,989,382
Cash and cash equivalents – at beginning of the period	3,008,952,034	1,300,840,028
Cash and cash equivalents transferred from Fauji Cereals	–	5,351,000
Cash and cash equivalents transferred from FIFL	–	604,000
Cash and cash equivalents – at end of the period	5,655,476,934	3,683,784,410
Cash and cash equivalents comprise of the following:		
– Cash and bank balances	3,205,476,934	983,784,410
– Short term investments	2,450,000,000	2,700,000,000
	5,655,476,934	3,683,784,410

The annexed notes from 1 to 24 form an integral part of these consolidated condensed interim financial statements.

Chairman	Chief Executive Officer	Director	Chief Financial Officer

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine-month and three month period ended September 30, 2025

1 The Group and Its Operations

Holding Company:

Fauji Foods Limited

Fauji Foods Limited (the Company) was incorporated in Pakistan on September 26, 1966 as a Public Company under the repealed Companies Act, 1913 (now Companies Act, 2017). The shares of the Company are listed on Pakistan Stock Exchange. The Company is a subsidiary of Fauji Fertilizer Company Limited (intermediate Parent Company). The ultimate controlling parent is Fauji Foundation. The Company is principally engaged in processing and sale of toned milk, milk powder, fruit juices, allied dairy and food products. Following are the business units of the Company along with their respective locations:

BUSINESS UNIT	LOCATION
Production Plants	Bhalwal, District Sargodha
	57 Dhamial Road, Rawalpindi, Punjab
	Fauji Infraavest, Dhamial Road, Rawalpindi
Registered Office and Head Office	42 CCA, Ex Park View, DHA Phase–VIII, Lahore

2 Basis of Preparation

2.1 Statement of Compliance

These consolidated 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 applicable in Pakistan comprise of:

- International Accounting Standard ('IAS') 34, Interim Financial Reporting, issued by the 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 consolidated condensed interim financial statements are un–audited. These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual consolidated audited financial statements, and should be read in conjunction with consolidated financial statements of the Group for the year ended December 31, 2024. Comparative consolidated condensed interim statement of financial position is extracted from annual audited consolidated financial statements as of December 31, 2024, whereas comparatives for consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows are extracted from consolidated condensed interim financial statements of the Group for the nine–month period ended September 30, 2024.

2.3 These consolidated condensed interim financial statements are prepared in Pak Rupees, which is the functional and presentation currency of the Group. Figures have been rounded off to the nearest Pak Rupee, unless otherwise stated.

2.4 Provisions in respect of Workers' Welfare Fund, Workers' Profit Participation Fund, employee retirement benefits and taxation are estimated based on management judgment and prevailing laws; these are subject to final adjustments in the annual consolidated audited financial statements.

3 Basis of Measurement

These consolidated condensed interim financial statements have been prepared under the historical cost convention except for the measurement of certain items of property, plant and equipment which are carried at revalued amounts, while recognition of lease liability and employee retirement benefits are carried at present value respectively.

4 Use of Estimates And Judgements

The preparation of these consolidated condensed interim financial statements, in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements 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 the estimates. During the preparation of these consolidated condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and assumptions are consistent with those that were applied to the audited consolidated financial statements of the Group for the year ended December 31, 2024 except for the estimation of income tax (see note 4.1).

4.1 Taxation

Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

5 Material Accounting Policies

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated audited financial statements for the year ended December 31, 2024.

5.1 Standards, Amendments to Published Standards and Interpretations That are Effective in The Current Period

Certain standards, amendments and interpretations to International Financial Reporting Standards ('IFRS') are effective for accounting period beginning on January 1, 2025, but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated condensed interim financial statements.

5.2 Standards, Amendments and Interpretations to Existing Standards That are not Yet Effective and Have not Been Early Adopted by The Group

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after July 01, 2025 but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

6 Transfer of Fauji Cereals Business

In December 2024, the Holding Company submitted an application to the Securities and Exchange Commission of Pakistan (SECP) seeking exemption from the mandatory application of the 'Predecessor Method' of accounting for the transfer of the Fauji Cereals business to the Holding Company. The Holding Company requested permission to instead apply the 'Acquisition Method', which it believes more appropriately reflects the commercial substance of the transaction and gives a true and fair view to the users of financial statements.

As the exemption request was not acceded to by the SECP, the Holding Company subsequently filed a petition with the Islamabad High Court seeking permission to adopt the Acquisition Method. The Holding Company maintains that the application of the Predecessor Method does not adequately reflect the economic substance of the transaction and, therefore, does not present a true and fair view of its financial statements.

		Note	Un-audited September 30, 2025	Audited December 31, 2024
			Rupees	Rupees
7	**Trade And Other Payables**			
	Trade and other creditors	7.1	1,363,534,271	1,379,830,741
	Contract liabilities	7.2	648,442,268	299,249,089
	Accrued expenses		1,227,676,924	995,826,486
	Retention money payable		1,006,732	1,006,732
	Due to employees		44,308,610	5,310,385
	Withholding income tax payable		23,959,842	22,577,154
	Income tax liability		265,463,774	–
	Withholding sales tax payable		21,452,579	13,419,155
	Workers' Profit Participation Fund payable		94,104,635	78,897,038
	Workers' Welfare Fund payable		66,726,813	30,799,783
	Payable to Employees' Provident Fund		9,433,164	7,414,433
	Others		1,172,362	1,172,359
			3,767,281,974	2,835,503,355
7.1	**These include amounts due to the following related parties:**			
	Fauji Fertilizer Company Limited		2,500,000	2,418,453
	FonGrow Private Limited		–	2,222,469
	Fauji Foundation		41,147,755	33,449,727
			43,647,755	38,090,649
7.2	**These include amounts due to the following related parties:**			
	Askari Bank Limited		97,000,000	–
	Fauji Foundation		4,201,617	–
	Fauji Fertilizer Company Limited		6,751,437	–
	Fauji Cement Company Limited		984,335	–
	Sona Welfare Foundation		59,484,883	–
			168,422,272	–

		Un-audited September 30, 2025	Audited December 31, 2024
		Rupees	Rupees
8	**Loans Payable to Ultimate Parent Company**		
	On account of acquisition related to Fauji Cereals	3,348,554,692	3,348,554,692
	On account of acquisition related to Fauji Infraavest Foods Limited	210,000,000	210,000,000
	Share deposit money reclassified into loan	2,350,000,001	2,350,000,001
		5,908,554,693	5,908,554,693

9 Contingencies and Commitments

9.1 Contingencies

There has been no significant change in the status of the contingent liabilities disclosed as at December 31, 2024 except for the following:

9.1.1 The Deputy Commissioner Inland revenue (DCIR) passed an order dated March 14, 2022 and served the same after one year on March 14, 2023 creating a demand of Rs. 103.37 million on account of claim of inadmissible input sales tax in sales tax returns. Being aggrieved, the Holding Company preferred an appeal before Commissioner Inland Revenue Appeals (CIR(A)). The CIR(A) remanded the case back to DCIR for fresh proceedings. The Holding Company filed an appeal before Appellate Tribunal Inland revenue (ATIR) on July 27, 2023 on the subject that the appellate order should annul the assessment order instead of remanding back to the DCIR. ATIR has remanded back the order dated February 27, 2025 for fresh proceedings to issue order after considering the Holding Company's stance. Being aggrieved, the Holding Company filed a Writ petition in Lahore High Court (LHC) challenging the order of ATIR on April 16, 2025. Consequently, on June 24, 2025, the LHC decided the matter and remanded the case back to the assessing officer.

9.1.2 FBR vide order has created Sales Tax demand of Rs. 100 million on alleged non–apportionment of input tax regarding taxable and exempt supplies for the period June 2023 to June 2024. FFL is in the process of filing appeal against the order.

9.2 Commitments

The Group has the following commitments:

9.2.1 Commitments in respect of capital expenditure outstanding at the period end amounted to Rs. 297.2 million (December 31, 2024: Rs. 272.71 million).

9.2.2 Commitments in respect of letter of credit for the purchase of raw and packing material outstanding at the period end amounted to Rs. 127.2 million (December 31, 2024: Rs. 89.50 million).

9.2.3 Guarantees aggregating to Rs. 486.85 million (December 31, 2024: Rs. 194.75 million) have been issued by banks of the Group to Sui Northern Gas Pipeline Ltd, Pakistan State Oil, Naval Accounts Karachi and Pakistan Oxygen Limited, Director General Education, Programme Director PMIU–PESRP.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine-month and three month period ended September 30, 2025

		Note	Un-audited September 30, 2025	Audited December 31, 2024
			Rupees	Rupees
10	**Property, Plant And Equipment**			
	Operating fixed assets			
	– Owned assets		8,628,745,423	8,824,520,512
	– Right–of–use assets		420,526,644	267,594,383
		10.1	9,049,272,067	9,092,114,895
	Capital work–in–progress	10.2	668,004,955	426,304,381
			9,717,277,022	9,518,419,276
10.1	**Operating fixed assets**			
	Net book value (NBV) at beginning of the period / year		9,092,114,895	8,575,139,648
	Additions during the period / year at cost			
	– Assets transferred from Fauji Cereals		–	26,366,362
	– Assets transferred from Fauji Infraavest		–	368,041,000
	– Owned assets		280,580,276	344,137,024
	– Right of use assets		221,217,742	291,616,509
	Disposals during the period / year at NBV			
	– Owned assets		(13,344,666)	(5,585,978)
	– Right of use assets		(2,539,371)	–
	Transferred from capital work in progress		30,853,780	212,762,731
	Depreciation charged during the period / year			
	– Owned assets		(509,880,470)	(619,670,949)
	– Right of use assets		(49,730,119)	(45,691,452)
			9,049,272,067	9,147,114,895
	Impairment charged during the period / year		–	(55,000,000)
	Net book value at end of the period / year		9,049,272,067	9,092,114,895
10.2	**Capital work–in–progress**			
	Plant and machinery		607,256,223	395,417,573
	Building		33,963,924	30,886,808
	Electric and gas installations		26,784,808	–
			668,004,955	426,304,381
11	**Stock–in–Trade**			
	Raw and packing material			
	– In hand		1,265,656,968	1,324,799,791
	– In transit		26,260,053	44,542,468
			1,291,917,021	1,369,342,259
	Work–in–process		121,301,551	58,355,602
	Finished goods		923,963,610	557,702,540
			2,337,182,182	1,985,400,401
	Less: Provision for obsolete raw materials	11.1	(16,363,877)	(16,476)
	Less: Provision for obsolete finished goods	11.2	(10,812,497)	–
			2,310,005,808	1,985,383,925

		Note	Un-audited September 30, 2025	Audited December 31, 2024
			Rupees	Rupees
11.1	**Movement in provision for obsolete raw materials**			
	Balance at the start of the period / year		16,476	–
	Provision for the period / year		16,347,401	60,243,343
	Written off during the period / year		–	(60,226,867)
	Balance at the end of the period / year		16,363,877	16,476
11.2	**Movement in provision for obsolete finished goods**			
	Balance at the start of the period / year		–	15,837,215
	Provision for the period / year		23,812,497	26,777,961
	Reversal of provision for the period / year		(776,200)	–
	Written off during the period / year		(12,223,800)	(42,615,176)
	Balance at the end of the period / year		10,812,497	–
12	**Cash and Cash Equivalents**			
	Cash and bank balances:			
	Cash in hand		1,236,696	58,395
	With banks on:			
	– Current accounts		66,786,050	140,623,184
	– Saving accounts	12.1	3,137,454,188	168,270,455
		12.2	3,204,240,238	308,893,639
	Total cash and bank balances		3,205,476,934	308,952,034
	Short term investments:			
	Term Deposit Receipts (TDRs)	12.3	2,450,000,000	2,700,000,000
			5,655,476,934	3,008,952,034

12.1 These saving accounts earned interest at 7.50% to 10.25% (December 31, 2024: 13.50% to 20.50%) per annum.

12.2 These include bank deposits amounting to Rs. 1,182 million (December 31, 2024: Rs. 162.60 million) with Askari Bank Limited, an associated undertaking.

12.3 These carry mark–up at the rate 10.5% – 20.15% (December 31, 2024: 16.20% to 22.50%) per annum and have one year maturity with premature encashment option without any surcharge.

		(Un-audited) Nine-month period ended September 30,		(Un-audited) Three-month period ended September 30,	
		2025	2024	2025	2024
		Rupees	Rupees	Rupees	Rupees
13	**Revenue from Contracts with Customers – Net**				
	Gross revenue	25,440,168,712	20,627,753,381	7,492,575,795	7,949,461,369
	Less: Sales tax	(2,995,302,823)	(1,630,018,756)	(954,845,746)	(1,006,490,242)
	Discounts, incentives and allowances	(1,484,004,996)	(1,403,753,444)	(461,772,145)	(507,846,829)
		(4,479,307,819)	(3,033,772,200)	(1,416,617,891)	(1,514,337,071)
		20,960,860,893	17,593,981,181	6,075,957,904	6,435,124,298

13.1 Revenue from contracts with customers relates to local Pakistan market and represents sale of dairy, cereals, porridge, desserts, pasta and allied products. Timing of revenue recognition is at point in time.

13.2 The Group mostly receives consideration from its customers in advance. In other cases, credit term of upto 30 days is allowed.

		(Un-audited) Nine-month period ended September 30,		(Un-audited) Three-month period ended September 30,	
		2025	2024	2025	2024
		Rupees	Rupees	Rupees	Rupees
14	**Cost of Revenue**				
	Raw materials consumed	12,944,898,165	9,562,713,951	3,326,446,592	3,459,820,030
	Salaries, wages and other benefits	763,204,580	625,434,048	263,788,144	237,913,675
	Power and fuel	469,358,021	498,249,639	177,195,367	194,034,144
	Packing materials consumed	2,362,360,616	2,393,870,240	677,609,182	893,168,519
	Stores and spares consumed	124,547,953	117,419,466	34,621,991	44,787,525
	Repair and maintenance	376,280,406	205,759,858	151,694,795	82,349,291
	Depreciation	474,877,339	432,531,240	162,456,050	144,447,286
	Rent, rates and taxes	1,700,126	2,054,793	580,464	795,665
	Legal and professional charges	4,048,604	3,511,076	2,655,595	870,666
	Insurance	11,369,184	7,294,107	5,413,964	2,813,037
	Others	87,456,221	66,399,605	26,898,690	42,104,599
	Manufacturing cost	17,620,101,215	13,915,238,023	4,829,360,834	5,103,104,437
	Adjustment of work-in-process				
	Opening stock	58,627,602	84,444,173	95,984,591	71,633,999
	Stock transferred from Fauji Cereals	–	3,931,653	–	3,654,532
	Closing stock	(121,301,551)	(80,906,282)	(121,301,551)	(80,906,282)
		(62,673,949)	7,469,544	(25,316,960)	(5,617,751)
	Cost of goods manufactured	17,557,427,266	13,922,707,567	4,804,043,874	5,097,486,686
	Adjustment of finished goods				
	Opening stock	557,430,540	787,441,689	1,164,403,055	608,918,049
	Stock transferred from Fauji Cereals	–	77,135,000	–	49,777,956
	Closing stock	(914,482,908)	(380,611,783)	(914,482,908)	(380,611,783)
		(357,052,368)	483,964,906	249,920,147	278,084,222
		17,200,374,898	14,406,672,473	5,053,964,021	5,375,570,908

		(Un-audited) Nine-month period ended September 30, 2025	2024	(Un-audited) Three-month period ended September 30, 2025	2024
		Rupees	Rupees	Rupees	Rupees
15	**Levy**				
	Levy – minimum tax	19,781,447	–	17,944,843	–
		19,781,447	–	17,944,843	–
16	**Income Tax**				
	Charge for the period	437,964,176	345,425,206	100,544,419	116,734,877
	Adjustments in respect of current income tax of previous period	2,041,170	94,836,841	–	–
	Deferred tax:				
	– Relating to origination and reversal of temporary differences	(5,354,000)	(1,892,000)	–	(1,892,000)
		434,651,346	438,370,047	100,544,419	114,842,877
17	**Earning Per Share – Basic And Diluted**				
	Profit for the period – (Rupees)	945,167,216	560,231,287	210,833,377	223,020,114
	Weighted average number of ordinary shares outstanding during the period	2,519,963,139	2,519,963,139	2,519,963,139	2,519,963,139
	Earning per share – basic and diluted – (Rupees)	0.38	0.22	0.08	0.09

18 Cash and Cash Equivalents

18.1 For the purpose of cash flow statement, cash and cash equivalents comprise of cash and bank balances and short–term investments.

19 Related Party Transactions

19.1 Related parties comprise of Parent Company, subsidiaries and associates of Ultimate Parent Company, directors, entities with common directorship, post employment plans and key management personnel. The Group in the normal course of business carries out transactions with related parties on mutually agreed terms and conditions. Significant transactions with related parties and balances are as follows:

Name of related party	Relationship	Nature of transactions	(Un-audited) September 30, 2025	(Un-audited) September 30, 2024
			Rupees	Rupees
Fauji Fertilizer Company Limited	Parent Company (Shareholding and common directorship)	Professional fee charged by related party	–	22,000
		Expense of IT facilities charged by related party	4,754,404	4,500,000
		Purchase of Fertilizer	–	93,564,132
		Sale of goods to related party	32,243,206	–
		Expense charged to related party for special audit	–	4,916,380

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine-month and three month period ended September 30, 2025

Name of related party	Relationship	Nature of transactions	(Un-audited) September 30, 2025	(Un-audited) September 30, 2024
			Rupees	Rupees
Fauji Foundation	Ultimate Parent Company (Shareholding and common directorship)	Management shared services charged by related party	4,455,890	3,914,917
		Director training fee charged by related party	–	403,125
		Flood Relief activities charged to related party	30,044,032	–
		Interest Income charged to related party	13,303,958	–
		Advance leadership program expense charge by related party	–	5,880,000
		Consultancy expense for acquisition transactions charge by related party	–	7,369,941
		Insurance premium charged by related party	185,515	185,515
		Miscellaneous expenses charged by related party	545,664	–
		Miscellaneous expenses charged to related party by Company	–	90,816
		Lease rental against right-of-use asset charged by related party	28,851,200	26,496,000
		Sale of goods to related party	7,199,337	–
Sona Welfare Foundation	Associated Undertaking (Common directorship)	Sale of goods to related party	165,673,684	–
Fauji Fresh n Freeze Limited	Associated Undertaking (Common directorship)	Sale of goods to related party	18,915,680	10,416,000
		Management shared services and shared office cost charged to related party	91,156,853	–
		Miscellaneous expense charged to related party by Company	327,557	–
Fauji Meat Limited	Associated Undertaking (Common directorship)	Management shared services charged to related party	3,325,388	–
FonGrow Private Limited	Associated Undertaking (Common directorship)	Management shared services and shared office cost charged to related party	12,711,713	–
Foundation Gas	Associated Undertaking (Common directorship)	Purchase of LPG	11,580,706	10,014,338
Fauji Cement Company Limited	Associated Undertaking (Common directorship)	Sale of goods to related party	1,106,535	–
FFC Energy Limited	Associated Undertaking (Common directorship)	Fair valuation of intangibles consultancy fee charged to related party	–	2,676,100

Name of related party	Relationship	Nature of transactions	(Un-audited) September 30, 2025	(Un-audited) September 30, 2024
			Rupees	Rupees
Askari Bank Limited	Associated Undertaking	Finance cost on lease charged by		
	(Common directorship)	related party	17,581,652	3,659,240
		Interest income on saving accounts	69,312,003	102,828,759
		Interest income on TDRs	139,973,713	237,602,689
Employee's Provident Fund Trust	Post employee benefit plan	Contribution for the period	83,321,591	62,084,439
Employee's Gratuity Fund Trust	Post employee benefit plan	Contribution for the period	30,275,522	18,487,242
Directors		Meeting fee	2,080,000	6,785,000
Key Management Personnel		Remuneration and benefits	192,565,637	177,029,434

19.2 Relevant related party balances are disclosed elsewhere in these consolidated condensed interim financial statements except for the following:

	Un-audited September 30, 2025	Audited December 31, 2024
	Rupees	Rupees
Other receivables		
Fauji Fertilizer Company Limited	139,440	1,057,893
Fauji Foundation	364,234,512	285,610,565
Fauji Fresh n Freeze Limited	98,704,656	9,110,246
Fauji Meat Limited	3,325,388	–
FonGrow Private Limited	12,711,713	–

20 Corresponding Figures

Corresponding figures have been reclassified wherever considered necessary for better presentation as follow:

		Un-audited Nine-month period ended September 30, 2024	Un-audited Three-month period ended September 30, 2024
		Rupees	Rupees
Statement of profit or loss			
Reclassified from	**Reclassified to**		
Other expenses	**Revenue from contracts with customers – net**		
Provision for sales tax on sale of tea whitener	Sales tax	254,622,020	–
Cost of revenue	**Marketing and distribution expenses**		
Freight and forwarding	Freight and forwarding	305,374,654	132,248,640

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine-month and three month period ended September 30, 2025

		Un-audited Nine-month period ended September 30, 2024	Un-audited Three-month period ended September 30, 2024
		Rupees	Rupees
Cost of revenue	**Cost of revenue**		
Freight and forwarding	Salaries, wages and other benefits	58,055,521	23,970,733
Cost of revenue	**Marketing and distribution expenses**		
Repair and maintenance	Freight and forwarding	33,122,874	12,423,932
Administrative expenses	**Cost of revenue**		
Salaries, wages and other benefits	Salaries, wages and other benefits	60,982,828	21,772,472
Depreciation on property, plant and equipment	Depreciation	20,762,001	6,978,335
Cash security charges	Communication, establishment & others	5,785,602	2,161,582
Repair and maintenance	Repair and maintenance	5,828,823	3,071,492
Electricity, gas and water	Power and fuel	4,363,245	1,905,458
Travelling and conveyance	Travelling and conveyance	3,010,250	963,664
Vehicles' running and maintenance	Repair and maintenance	1,742,381	530,669
Legal and Professional Charges	Legal and professional charges	5,500	5,500
Rent, rates and taxes	Rent, rates and taxes	1,792,404	712,538
Others	Communication, establishment & others	2,130,478	1,499,653
Entertainment	Communication, establishment & others	897,882	304,298
Printing and stationery	Printing and stationery	446,999	142,179
Communication and establishment	Communication, establishment & others	294,503	102,559
Insurance	Insurance	10,043	2,121
Administrative expenses	**Net impairment loss on financial assets**		
Provision for doubtful expense	Net impairment loss on financial assets	1,996,157	1,996,157
Cost of revenue	**Cost of revenue**		
Repair and maintenance	Salaries, wages and other benefits	144,751,691	53,612,041
Other operating expense	**Net impairment loss on financial assets**		
Allowance for expected credit loss	Net impairment loss on financial assets	23,543,269	–

21 Operating Segments

21.1 These consolidated financial statements have been prepared on the basis of a single reportable segment.

21.2 Revenue from sale of dairy and allied products represents 93% (December 31, 2024: 94%) of the net revenue of the Group.

21.3 100% (December 31, 2024: 100%) sales of the Group relate to customers in Pakistan.

21.4 All non–current assets of the Group as at September 30, 2025 and December 31, 2024 are located in Pakistan.

22 Financial Risk Management

22.1 The Group's financial risk management objectives and policies are consistent with that disclosed in the annual audited consolidated financial statements of the Group for the year ended December 31, 2024.

23 Fair Value of Financial Assets and Liabilities

23.1 There is no change in the nature and corresponding hierarchies of fair valuation levels of financial instruments from those as disclosed in the audited consolidated financial statements of the Group for the year ended December 31, 2024.

24 Date of Authorization

These consolidated condensed interim financial statements have been approved and authorized for issue by the Board of Directors of the Group on October 22, 2025.

Chairman	Chief Executive Officer	Director	Chief Financial Officer

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