



Condensed Interim
Financial Statements For the
HALF YEAR ENDED
30 JUNE

2020



fauji foods



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CORPORATE INFORMATION

Board of Directors

Lt Gen Tariq Khan - Chairman
HI(M), (Retd)

Mr. Muhammad Haseeb Aslam - CEO

Mr. Sarfaraz Ahmed Rehman

Dr. Nadeem Inayat

Lt Col Abdul Khaliq Khan (Retd)

Mr. Rehan Laiq

Mr. Basharat Ahmad Bhatti

Ms. Aminah Zahid Zaheer

Mr. Ali Asrar Hossain Aga

Mr. Khurram Shahzad Khan

Mr. Imran Husain

Mr. Javed Kureishi

Chief Financial Officer

Syed Abdul Majid Shah

Company Secretary

Brig Zahid Nawaz Mann
SI(M), (Retd)

Auditors

EY Ford Rhodes
Chartered Accountants



Legal Advisers

Qazi Imran Zahid
(Advocate Supreme Court)

Audit Committee

Mr. Javed Kureishi - Chairman

Dr. Nadeem Inayat

Mr. Ali Asrar Hossain Aga

Lt Col Abdul Khaliq Khan (Retd)

HR & R Committee

Ms. Aminah Zahid Zaheer - Chairperson

Dr. Nadeem Inayat

Mr. Basharat Ahmad Bhatti

Mr. Muhammad Haseeb Aslam

Mr. Ali Asrar Hossain Aga

Registered Office

42 CCA, DHA Phase - VIII,

Ex-Park View, Lahore.

Tel: +92-42-37136315-17

E-mail: info@faujifoods.com

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

Website

www.faujifoods.com

Plant

Bhalwal, District Sargodha.

Bankers

Habib Bank Limited

United Bank Limited

National Bank of Pakistan

Bank Alfalah Limited

Faysal Bank Limited

MCB Bank Limited

Askari Bank Limited

Allied Bank Limited

Bank AL Habib Limited

Dubai Islamic Bank Pakistan Limited

Soneri Bank Limited

JS Bank Limited

Al Baraka Bank (Pakistan) Limited

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Directors' Report to the Shareholders

The Board of Directors of Fauji Foods Limited is pleased to present the directors' report along with the condensed unaudited interim financial information of the Company for half year ended June 30, 2020.

Business Review

During the period under review, the Company continued its path to recovery registering a topline growth of 36% from the corresponding second quarter of last year and 27% for the half year compared to the same period last year despite tougher business environment.

Business activity remain severely affected partially during the first quarter and whole of second quarter with the breakout of COVID-19 Pandemic and government enforcement of lockdown. However the Company made effective efforts to maintain its supply chain and meet the product demand of consumers without compromising any of the safety measures.

Financial Performance

During the half year period under review, net sales were Rs. 3,229 million compared to Rs. 2,535 million leading to a gross loss of Rs. 109 million compared to a gross loss of Rs. 416 million during the corresponding period last year. The gross loss has been decreased to 3.39% from 16.39% last year. The operating loss is Rs. 728 million compared to Rs. 1,413 million, that is, a 48% reduction from last year. Loss after tax is Rs. 1,792 million compared Rs. 2,343 of comparative period. The SBP policy rate increases between the corresponding periods of the two years resulted in exponential increase in financial expense.

The Company made significant recovery from losses during the second quarter of the year. Net sales for the quarter were Rs. 1,562 million compared to Rs. 1,149 million, an increase of 37%, and gross loss was 0.58% compared to 39% of corresponding period last year. Operating loss for the quarter was Rs. 322 million compared to Rs. 1,026 million last year.

The comparative results of the second quarter of current year with the first quarter show recovery of gross loss from 6.02% to 0.58% of net sales. These positive changes are attributable to focused sales and channel mix, cost optimization and strengthening of distribution network. Raw milk cost however, still remained a challenge during the quarter with a price escalation trend similar to that witnessed last year.

Increase in Authorized Capital and Conversion of Sponsor Loan to Share Capital

In the Annual General Meeting held on April 02, 2020 the Shareholders have approved, through a special resolution, an increase in Authorized Capital to 1,000 Million Shares of Rs. 10 /- each from 700 Million Shares of Rs. 10 /- each. Further approved is the



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conversion of subordinated loan to equity amounting to Rs. 2,630 Million together with markup of Rs. 118.86 Million as at December 31, 2019 at par value of Rs. 10/- per share, which was granted by FFBL to the Company. Subsequent to the period end, shares have been allotted to Fauji Fertilizer Bin Qasim Limited on 15 July 2020 after obtaining requisite regulatory approvals.

Future Outlook

The Company is on the path of recovery from operating losses as evident from the results of the quarter. Further, to strengthen short and long term cash flows the Company has entered in restructuring and re-profiling of its debt with all the Banks. Recent reductions in SBP policy rate is a positive relief for the Company for the immediate short term basis.

The Company has entered into strategic supply agreements with renowned international foods chains. Although currently impacted due to COVID-19, these agreements will help increase FFL's revenue, apart from enhancing its brand image in domestic and international markets.

The Federal Budget for 2020-21 has no significant relief measures for the Dairy Industry. UHT milk which contributes a larger portion of safe and healthy packaged milk segment, did not get the much needed tax relief. It is also of immense importance that future GOP import policies are supportive for positive sustainable growth of existing domestic investments made, specifically in dairy cheese segment.

The Board has appointed Mr. Muhammad Haseeb Aslam as the Chief Executive Officer of the Company with effect from July 01, 2020. Mr Haseeb Aslam brings with him a solid and long industry experience especially in the dairy business, and the Board is confident that the Company will achieve new heights under his leadership.

The management team remains committed, and resilient to respond to the challenges in the market with renewed vigor to bring operational efficiency and make the Company's business profitable.

The Board is grateful to the valuable shareholders for their trust and continued support to the company.

For and on behalf of the Board

Lt Gen Tariq Khan
HI(M), (Retd)
Chairman

Muhammad Haseeb Aslam
Chief Executive Officer

Dated: July 23 , 2020

ڈائریکٹران رپورٹ برائے ممبران

فوجی نوڈز لیمیٹڈ کا بورڈ آف ڈائریکٹرز 30 جون، 2020 کو مکمل ہونے والے ششماہی عرصہ کے لیے غیر آڈٹ شدہ مجموعی مالیاتی حسابات پر ڈائریکٹران کی رپورٹ پیش کرتے ہوئے مسرت محسوس کر رہا ہے۔

کاروباری جائزہ

زیر جائزہ مدت کے دوران، کمپنی نے سخت کاروباری حالات کے باوجود گزشتہ سال کے ششماہی عرصہ کے مقابلے میں 27% اور سابقہ سال کی اسی سہ ماہی کے مقابلے میں 36% اضافہ کے ساتھ آمدنی کی بالائی سطح میں بحالی کے راستے کو جاری رکھا۔

کوویڈ 19 وبا کے دوران حکومت کی جانب سے لاک ڈاؤن کے نفاذ کے بعد پہلی سہ ماہی میں جزوی طور پر اور دوسری سہ ماہی میں مکمل طور پر کاروباری سرگرمیاں بری طرح متاثر رہیں۔ تاہم کمپنی نے حفاظتی اقدامات پر کسی قسم کا سمجھوتا کیے بغیر اپنی پلائی چین کو برقرار رکھنے اور صارفین کی مصنوعات کی طلب کو پورا کرنے کے لیے موثر کوششیں کیں۔

مالیاتی کارکردگی

سابقہ سال کے تقابلی ششماہی عرصہ کے دوران فروخت سے حاصل ہونے والے 2,535 ملین روپے کے مقابلے میں زیر جائزہ عرصہ کے دوران فروخت سے حاصل شدہ رقم 3,229 ملین روپے رہی جبکہ سابقہ تقابلی عرصہ کے دوران حاصل کردہ 416 ملین روپے خام نقصان کے مقابلے میں اس سال کے زیر جائزہ عرصہ کے دوران 109 ملین روپے کا خام نقصان ہوا۔ مجموعی نقصان سابقہ سال کے 16.39% سے کم ہو کر 3.39% رہ گیا ہے۔ آپریٹنگ نقصان 1,413 ملین روپے کے مقابلے میں 728 ملین روپے ہے یعنی گزشتہ سال کے مقابلے میں اس میں 48% کمی ہے۔ تقابلی مدت میں 2,343 ملین روپے کے مقابلے میں بعد از ٹیکس ہونے والا نقصان 1,792 ملین روپے ہے۔ اسٹیٹ بینک پالیسی کی شرح دو سال کے تقابلی عرصہ میں بڑھی ہے جس کے نتیجے میں مالی اخراجات میں غیر معمولی اضافہ ہوا۔

کمپنی نے سال کی دوسری سہ ماہی کے دوران نقصانات میں اہم کمی کی ہے۔ گزشتہ سہ ماہی عرصہ کے 1,149 ملین روپے کے مقابلے میں 37 فیصد اضافے کے ساتھ اس سہ ماہی میں خالص فروخت 1,562 ملین روپے رہی اور گزشتہ سال کے تقابلی عرصہ کے 39 فیصد خام نقصان کے مقابلے میں خام نقصان 0.58 فیصد رہا۔ آپریٹنگ نقصان گزشتہ سال کی اسی سہ ماہی میں ہونے والی 1,026 ملین روپے کے مقابلے میں 322 ملین روپے رہا۔

اس سال کی دوسری سہ ماہی کے تقابلی نتائج پہلی سہ ماہی کے مقابلے میں خالص فروخت سے ہونے والے 6.02 فیصد خام نقصان سے 0.58 فیصد تک پہنچنے پر خام نقصان کی بازیابی کو ظاہر کرتے ہیں۔ یہ مثبت تبدیلیاں فروخت کی جانب توجہ مرکوز کرنے، چینل کس، لاگت میں اصلاح اور ڈسٹری بیوشن نیٹ ورک کو مضبوط کرنے کی وجہ سے ہیں۔ تاہم سابقہ سال کے تقابلی عرصہ کی طرح اس سہ ماہی کے دوران خام دودھ کی لاگت میں اضافے کا رجحان ابھی تک ایک چیلنج رہا۔



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مجاز سرمائے میں اضافہ اور اسپانسر کے قرضے کی شیئر کیپیٹل میں تبدیلی

02 اپریل 2020 کو منعقد ہونے والے سالانہ اجلاس عام میں حصص یافتگان نے خصوصی قرارداد کے ذریعے کمپنی کے مجاز سرمایہ کو دس روپے مالیت فی حصہ کے 700 ملین حصص سے بڑھا کر دس روپے مالیت فی حصہ کے 1,000 ملین حصص کرنے کی منظوری دے دی ہے۔ مزید برآں 2,630 ملین روپے مالیت کے subordinated loan کو، جو FFBL کی جانب سے کمپنی کو دیا گیا تھا، 31 دسمبر 2019 تک 118.86 ملین روپے کے مارک اپ سمیت دس روپے فی حصہ مالیت کے حصص میں تبدیل کرنے کی منظوری دی ہے۔ مدت کے اختتام پر مطلوبہ ریگولیشنری منظوری حاصل کرنے کے بعد 15 جولائی 2020 کو فوجی فرٹیلائزر بن قاسم لمیٹیڈ کو حصص الاٹ کر دیئے گئے ہیں۔

مستقبل کی پیش گوئی

سہ ماہی نتائج سے ظاہر ہے کہ کمپنی آپریٹنگ نقصانات سے بازیابی کی راہ پر گامزن ہے۔ مزید یہ کہ قلیل اور طویل مدتی کیش فلوکو مضبوط کرنے کے لیے کمپنی نے تمام بینکوں کے ساتھ اپنے قرض کی تنظیم نو اور دوبارہ پروفائلنگ کی ہے۔ سٹیٹ بینک آف پاکستان کی پالیسی کی شرح میں حالیہ کمی کے لیے فوری طور پر قلیل مدتی بنیاد پر ایک مثبت راحت ہے۔

کمپنی معروف بین الاقوامی نوڈ چین کے ساتھ اسٹریٹجک رسد فراہم کرنے کے معاہدے کر چکی ہے۔ اگرچہ کوویڈ 19 کی وجہ سے متاثر ہیں، ان معاہدوں سے، مقامی اور بین الاقوامی بازار میں براڈ میچ کو بہتر بنانے کے ساتھ ساتھ، کمپنی کی آمدنی بڑھانے میں مدد ملے گی۔

2020-21 کے وفاقی بجٹ میں ڈیری انڈسٹری کے لیے کوئی خاطر خواہ امدادی اقدامات نہیں ہیں۔ UHT دودھ کو، جو محفوظ اور صحت بخش چیکڈ دودھ کے شعبے کا بڑا حصہ ہے، کوئی ریلیف نہیں دیا گیا۔ یہ بات بھی بہت زیادہ اہمیت کی حامل ہے کہ مستقبل میں حکومت کی درآمدی پالیسیاں موجودہ گھریلو سرمایہ کاری کی مثبت پائیدار ترقی کے لیے، خاص طور پر ڈیری اور پنیر کے شعبے کے لیے، معاون ثابت ہوتی ہیں۔

بورڈ نے جناب محمد حبیب اسلم کو یکم جولائی، 2020 سے کمپنی کا چیف ایگزیکٹو آفیسر مقرر کیا ہے۔ جناب حبیب اسلم خاص طور پر دودھ کے کاروبار میں صنعت کا ایک ٹھوس اور طویل تجربہ لائے ہیں اور بورڈ کو یقین ہے کہ کمپنی ان کی قیادت میں نئی بلندیاں حاصل کرے گی۔

آپریٹنگل استعداد کار لانے اور کمپنی کے کاروبار کو منافع بخش بنانے کے لیے انتظامی ٹیم نئی توجہ کے ساتھ مارکیٹ میں چیلنجوں کا جواب دینے کے لیے پرعزم اور مضبوط ہے۔

بورڈ کمپنی پر اعتماد اور مسلسل تعاون کے لیے تمام قابل قدر حصص یافتگان کا شکریہ ادا ہے۔

Jamil Ahmad

لیفٹیننٹ جنرل طارق خان
ہلال امتیاز (ملٹری) (ریٹائرڈ)
چیئر مین

مورخہ 23 جولائی 2020

Muhammad

محمد حبیب اسلم
چیف ایگزیکٹو آفیسر

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30 JUNE

2020

Independent Auditor's Review Report To the members of Fauji Foods Limited Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying un-consolidated condensed interim statements of financial position of Fauji Foods Limited as at 30 June 2020 and the related un-consolidated condensed interim statement of profit or loss, un-consolidated condensed interim statement of other comprehensive income, un-consolidated condensed interim statement of changes in equity, un-consolidated condensed interim statement of cash flows and notes to the un-consolidated financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

We draw attention to Note 1.1 of the financial statements, which describes the financial position of the Company and conditions indicating existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern. The said note also explains the mitigating factors considered by the management in this regard including the business and financial plan and financial support committed by the parent company for sustainability of operations in the foreseeable future. Our opinion is not modified in respect of this matter.

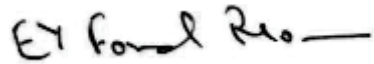
Other Matters

The figures of the un-consolidated condensed interim statement of profit or loss, un-consolidated condensed interim statement of other comprehensive income and related notes for the quarter ended 30 June 2020 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended 30 June 2020.

The interim financial statements for the six-month period ended 30 June 2019 and the annual financial statements for the year ended 31 December 2019 of the Company were reviewed and audited, by another firm of chartered accountants who expressed an unmodified conclusion and opinion on those interim and annual financial statements on 25 July 2019 and 31 January 2020, respectively.

The engagement partner on the audit resulting in this independent auditor's review report is Farooq Hameed.

Date: 30 July 2020
Lahore



EY Ford Rhodes
Chartered Accountants

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Condensed Interim Statement of Financial Position As at 30 June 2020

	<u>Note</u>	<u>(Un-audited) 30 June 2020</u> Rupees	<u>(Audited) 31 December 2019</u> Rupees
EQUITY AND LIABILITIES			
<u>Share capital and reserves</u>			
Authorized capital 1,000,000,000 (31 December 2019: 700,000,000) ordinary shares of Rs 10 each		10,000,000,000	7,000,000,000
Issued, subscribed and paid up capital		5,284,071,920	5,284,071,920
Share premium	5	1,925,340,907	1,925,340,907
Accumulated loss		(13,943,039,371)	(12,196,616,692)
Surplus on revaluation of property, plant and equipment - net of tax		1,276,605,760	1,309,417,781
		(5,457,020,784)	(3,677,786,084)
<u>Non-current liabilities</u>			
Long term loans		2,029,738,947	2,708,333,333
Lease liabilities	6	226,579,662	255,555,628
Deferred liabilities		101,087,245	76,634,948
		2,357,405,854	3,040,523,909
<u>Current liabilities</u>			
Short term borrowings	7	7,237,912,223	6,691,944,126
Loan from Parent Company - unsecured	8	3,344,000,000	2,630,000,000
Current portion of long term loans		2,262,843,368	1,608,333,334
Current portion of lease liabilities		98,146,105	137,275,543
Trade and other payables	9	1,179,961,122	1,080,023,129
Contract liabilities		158,589,461	86,718,942
Unclaimed dividend		965,752	965,752
Accrued finance cost	10	666,972,048	554,807,673
Provision for taxation		27,190,423	-
		14,976,580,502	12,790,068,499
Contingencies and commitments	11	11,876,965,572	12,152,806,324

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



Chairman



Chief Executive



Director



Chief Financial Officer



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	Note	(Un-audited) 30 June 2020 Rupees	(Audited) 31 December 2019 Rupees
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	12	7,824,631,858	8,106,036,190
Intangible assets		29,751,925	39,393,564
Security deposits		6,606,122	6,606,122
		7,860,989,905	8,152,035,876
<u>Current assets</u>			
Stores, spares and loose tools		207,126,238	237,545,924
Stock-in-trade	13	1,322,106,450	1,443,222,934
Trade debts		288,412,851	181,171,112
Loans and advances		79,923,912	64,645,851
Deposits, prepayments and other receivables		187,736,121	233,956,743
Due from associated companies		39,247	39,247
Sales tax refundable - net		585,539,101	563,303,259
Income tax recoverable		1,245,479,171	1,162,750,979
Cash and bank balances	14	99,612,576	114,134,399
		4,015,975,667	4,000,770,448
		11,876,965,572	12,152,806,324

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


Chairman


Chief Executive


Director


Chief Financial Officer

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Condensed Interim Statement of Profit or Loss (Un-audited) For the Half Year Ended 30 June 2020

Note	Half Year Ended		Quarter Ended		
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	
		----- Rupees -----	----- Rupees -----		
Revenue from contracts with customers - Net	15	3,228,576,240	2,534,803,217	1,561,523,897	1,148,927,217
Cost of revenue	16	(3,337,911,282)	(2,950,292,448)	(1,570,536,243)	(1,593,467,130)
Gross loss		(109,335,042)	(415,489,231)	(9,012,346)	(444,539,913)
Marketing and distribution expenses		(435,932,690)	(773,680,145)	(222,745,948)	(473,709,463)
Administrative expenses		(182,514,343)	(223,715,095)	(90,523,862)	(108,064,095)
Loss from operations		(727,782,075)	(1,412,884,471)	(322,282,156)	(1,026,313,471)
Other income	17	31,436,590	22,926,792	11,925,827	14,203,792
Other expenses		(529,030)	(78,287,315)	(529,030)	(72,679,867)
Finance costs	18	(1,043,731,784)	(668,333,808)	(483,497,215)	(366,258,256)
Loss before taxation		(1,740,606,299)	(2,136,578,802)	(794,382,574)	(1,451,047,802)
Taxation	19	(38,628,401)	(206,602,474)	(33,722,647)	(193,496,801)
Loss after taxation for the period		(1,779,234,700)	(2,343,181,276)	(828,105,221)	(1,644,544,603)
Loss per share - basic and diluted		(3.37)	(4.43)	(1.57)	(3.11)

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



Chairman



Chief Executive



Director



Chief Financial Officer

**Condensed Interim Statement of
Comprehensive Income (Un-audited)
For the Half Year Ended 30 June 2020**



	Half Year Ended		Quarter Ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	----- Rupees -----		----- Rupees -----	
Loss for the period	(1,779,234,700)	(2,343,181,276)	(828,105,221)	(1,644,544,603)
<u>Other comprehensive income for the period</u>				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax)	-	-	-	-
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax)	-	-	-	-
Total comprehensive loss for the period	<u>(1,779,234,700)</u>	<u>(2,343,181,276)</u>	<u>(828,105,221)</u>	<u>(1,644,544,603)</u>

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



Chairman



Chief Executive



Director



Chief Financial Officer

HALF YEAR ENDED
30 JUNE

2020

Condensed Interim Statement of Changes In Equity (Un-audited) For the Half Year Ended 30 June 2020

	Capital Reserve			Revenue reserve	
	Share capital	Share premium	Surplus on revaluation of property, plant and equipment - net of tax	Accumulated loss	Total
	----- Rupees -----				
Balance as at 01 January 2019 (audited)	5,284,071,920	1,925,340,907	1,424,377,761	(6,491,314,836)	2,142,475,752
<u>Total comprehensive income for the period</u>					
Total comprehensive loss for the period	-	-	-	(2,343,181,276)	(2,343,181,276)
<u>Surplus transferred to accumulated losses</u>					
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	36,778,588	(36,778,588)	-
Effect of change in tax rate on account of surplus on property, plant and equipment	-	-	(35,628,612)	-	(35,628,612)
	-	-	1,149,976	(36,778,588)	(35,628,612)
Balance as at 30 June 2019 (un-audited)	5,284,071,920	1,925,340,907	1,425,527,737	(6,528,093,424)	(236,334,136)
Balance as at 01 January 2020 (audited)	5,284,071,920	1,925,340,907	1,309,417,781	(12,196,616,692)	(3,677,786,084)
<u>Total comprehensive income for the period</u>					
Total comprehensive loss for the period	-	-	-	(1,779,234,700)	(1,779,234,700)
<u>Surplus transferred to accumulated losses</u>					
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	(32,812,021)	32,812,021	-
Balance as at 30 June 2020 (un-audited)	5,284,071,920	1,925,340,907	1,276,605,760	(13,943,039,371)	(5,457,020,784)

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



Chairman



Chief Executive



Director



Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited) For the Half Year Ended 30 June 2020



	Note	Half Year Ended	
		30 June 2020	30 June 2019
		(Rupees)	(Rupees)
<u>Cash flows from operating activities</u>			
Loss before taxation		(1,740,606,299)	(2,136,578,802)
Adjustments for non-cash items:			
Depreciation on property, plant and equipment	12	381,039,978	364,249,708
Amortization of intangible assets		9,641,639	6,046,496
Gain on disposal of property, plant and equipment		(2,782,349)	(1,157,164)
Allowance for expected credit loss		-	7,678,704
Provision for obsolete stock		-	55,283,299
Provision for stores and spares		-	8,612,801
Profit on bank deposits		(25,503,184)	(11,953,708)
Foreign exchange loss		-	78,287,315
Provision for employee retirement benefits		16,459,105	20,989,654
Finance cost		1,043,731,784	738,942,419
Loss before working capital changes		(318,019,326)	(869,599,278)
<u>Effect on cash flow due to working capital changes</u>			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		30,419,686	(87,339,862)
Stock-in-trade	13	121,116,484	(31,978,146)
Trade debts		(107,241,739)	(75,088,363)
Loans and advances		(15,278,061)	(22,030,523)
Deposits, prepayments and other receivables		46,220,622	365,573,058
Due from associated companies		-	(39,247)
Sales tax refundable		(22,235,842)	15,082,271
Decrease / (increase) in current liabilities:			
Trade and other payables		99,937,993	(587,268,368)
Contract liabilities		71,870,519	-
		224,809,662	(423,089,180)
Cash used in operations		(93,209,664)	(1,292,688,458)
Income tax paid		(82,728,192)	(108,873,032)
Employee retirement benefits paid		(3,444,786)	(7,082,120)
Security deposits - net		-	(9,920,000)
Net cash used in operating activities		(179,382,642)	(1,418,563,610)

HALF YEAR ENDED
30 JUNE

2020

Condensed Interim Statement of Cash Flows (Un-audited) For the Half Year Ended 30 June 2020

Note	Half Year Ended	
	30 June 2020	30 June 2019
	(Rupees)	(Rupees)
Cash flow from investing activities		
Fixed capital expenditure	(103,275,193)	(178,838,288)
Income on bank deposits received	25,503,184	11,953,708
Short term investment - term deposit receipt	-	(500,000,000)
Sale proceeds from disposal of property, plant and equipment	6,421,896	35,515,594
Net cash used in investing activities	(71,350,113)	(631,368,986)
Cash flow from financing activities		
Short term borrowings - net	(34,346)	1,149,619,596
Finance cost paid	(931,567,409)	(667,067,108)
Long term loans	(24,084,352)	-
Lease rentals paid	(68,105,404)	(89,123,385)
Loan received from parent company	714,000,000	800,000,000
Net cash (used in) / generated from financing activities	(309,791,511)	1,193,429,103
Net decrease in cash and cash equivalents	(560,524,266)	(856,503,493)
Cash and cash equivalents - at beginning of the period	(5,027,811,699)	(4,542,862,747)
Cash and cash equivalents - at end of the period	(5,588,335,965)	(5,399,366,240)
Cash and cash equivalents comprise of the following:		
- Cash and bank balances	14 99,612,576	171,364,184
- Running finances	7 (5,687,948,541)	(5,570,730,424)
	(5,588,335,965)	(5,399,366,240)



Chairman



Chief Executive



Director



Chief Financial Officer

Notes to the Condensed Interim Financial Statements (Un-audited) For the Half Year Ended 30 June 2020



fauji foods

1 LEGAL STATUS AND OPERATIONS

Fauji Foods Limited (the Company) was incorporated in Pakistan on 26 September 1966 as a Public Company under the Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are listed on Pakistan Stock Exchange. The Company is a subsidiary of Fauji Fertilizer Bin Qasim Limited (the Parent Company).

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 Plant	Bhalwal, District Sargodha
Registered Office and Head Office	42 CCA, Ex Park View, DHA Phase-VIII, Lahore.

- 1.1** Consequent to acquisition of the Company by Fauji Group in year 2015, the management has taken various operational measures towards transformation of the Company that includes curtailment of higher input costs, increasing production scales to optimum levels by BMR - balancing, modernization and replacement of production facility amounting to Rs. 7,260.44 million (during the last four years), strengthening of milk collection and sales and distribution structures. The management has also taken various financial initiatives towards improvement of liquidity that included raising of equity finance of Rs. 6,896 million to date through right issue to support working capital and capital expenditure requirements. Further fresh working capital lines of Rs. 600 million, in addition to existing lines of Rs. 7,300 million, were arranged from new and existing lenders during the period to meet operational liquidity requirements.

During the period ended 30 June 2020, the Company has incurred a loss after tax of Rs. 1,799.23 million (2019: Rs. 2,343.18 million) and as of this date its current liabilities exceed its current assets by Rs. 10,960.60 million (31 December 2019: Rs. 8,789.30 million), equity has eroded and stands at negative 5,457.02 million (31 December 2019: Rs. 3,677.79 million). Due to continuous operational losses for the last few years, the operations have been financed through sponsor support/equity injection and high level of borrowings and as at 30 June 2020, the total debt amounts to Rs. 14,874.49 million (31 December 2019: Rs. 14,184.58 million).

The Board of the Directors (BOD) of the Company have approved 5 years' financial projection and the business plan for financial year 2020 that shows improvements in cash generation. The cash flow forecasts for financial year 2020 includes financial support of Rs. 4,500 million from the Parent Company primarily for meeting the contractual obligations of the Company out of which Rs. 714 million has been received. Subsequent to the period end, the financial support from the parent company of Rs. 2,630 million along with accrued markup has been converted in to equity. The Company is also renegotiating the terms of the loans with the lenders.

The management and the Board considers that while material uncertainties exists on Company's ability to continue as a going concern, the measures as explained above would result in availability of adequate financial resources for the Company to sustain the continuity of its business operations for the foreseeable future and thus maintain its going

concern status. Accordingly, these condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will continue to operate its business, realize its assets, and discharge its liabilities, in the normal course of business.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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 (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** The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2019.

Comparative condensed interim statement of financial position is stated from annual audited financial statements as of 31 December 2019, whereas comparatives for 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 are extracted from condensed interim financial statements of the Company for the six months period ended 30 June 2019.

- 2.3** These condensed interim financial statements are unaudited but subject to limited scope review by the auditors and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017.
- 2.4** The condensed interim financial statements have been prepared under the historical cost convention except for recognition of certain employees' retirement benefits at present value. These condensed interim financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest Pak rupee unless otherwise stated.
- 2.5** The figures of the condensed interim statement of profit or loss, condensed interim statement of other comprehensive income and related notes for the quarters ended 30 June 2020 and 30 June 2019 have not been reviewed.
- 2.6** Provisions in respect of Workers' Welfare Fund, Workers' Profit Participation Fund and Taxation are estimated based on management judgment and prevailing laws, these are

3 USE OF ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2019.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of condensed interim financial statements are consistent with those followed in the preparation of annual financial statements for the year ended 31 December 2019. Certain standards, amendments and interpretations to approved accounting standards are effective for the annual period beginning on or after 01 January 2020 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 condensed interim financial statements. The Company has not early-adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim condensed financial statements of the Company.

4.2 New / Revised Standards, Interpretations and Amendments

- IAS 1 Presentation of Financial Statements: Definition of Material - (Amendments)
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material - (Amendments)
- IFRS 3 Business Combinations: Definition of Business - (Amendments)
- IFRS 9 Financial Instruments: Interest Rate Benchmark Reform - (Amendments)
- IFRS 7 Financial Instruments Disclosures: Interest Rate Benchmark Reform - (Amendments)
- IAS 39 Financial Instruments: Recognition and Measurement: Interest Rate Benchmark Reform - (Amendments)
- IFRS16 Leases: COVID-19-Related Rent Concessions - (Amendments)

5 SHARE PREMIUM

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

	Note	(Un-audited) 30 June 2020 (Rupees)	(Audited) 31 December 2019 (Rupees)
6 LEASE LIABILITIES			
Leased vehicles - secured	6.1	45,458,257	67,942,457
Leased machinery - unsecured		162,542,826	207,531,397
Leased building - unsecured		116,724,684	117,357,317
		324,725,767	392,831,171
Less: Current portion presented under current liabilities		(98,146,105)	(137,275,543)
		<u>226,579,662</u>	<u>255,555,628</u>

6.1 This includes balance of Rs. 34.84 million (31 December 2019: Rs. 34.58 million) payable to Askari Bank Limited, an associated undertaking.

7 SHORT TERM BORROWINGS

Running finance	7.1	5,687,948,541	5,141,946,098
Islamic mode of financing		1,549,963,682	1,549,998,028
		<u>7,237,912,223</u>	<u>6,691,944,126</u>

7.1 This includes balance of Rs. 952.44 million (31 December 2019: Rs. 709.91 million) payable to Askari Bank Limited, an associated undertaking.

8 LOAN FROM PARENT COMPANY - UNSECURED

Balance as at 01 January	8.1	2,630,000,000	-
Loan received during the year	8.2	714,000,000	2,630,000,000
		<u>3,344,000,000</u>	<u>2,630,000,000</u>

8.1 During the period, The Board of Directors of the Company approved conversion of financial support for financial year 2019 of Rs. 2,630 million along with accrued markup into equity. Subsequent to the period end, shares have been allotted to the parent Company on 15 July 2020 after obtaining requisite regulatory approvals.

8.2 This represents utilized amount of loan availed from the Parent Company (Fauji Fertilizer Bin Qasim) under markup arrangement dated 31 March 2020, on account of sponsor support of Rs. 4,500 million (31 December 2019: 3,000 million) to meet working capital requirement of the Company. This loan is subordinated to the Company's secured debt obligations and is for a period of one year carrying markup at 3 months Kibor plus spread of 1.5% per annum (31 December 2019: 3 months Kibor plus spread of 1.5% per annum), payable quarterly in arrears.

9 TRADE AND OTHER PAYABLES

This includes Rs. 23.855 million (31 December 2019: Rs. 1.385 million) due to associated undertaking, Noon Sugar Mills Limited.

10 ACCRUED FINANCE COST

This includes amount of Rs. 29.93 million (31 December 2019: 28.31) payable to Askari Bank Limited, an associated undertaking and Rs. 311.32 million (31 December 2019: Rs. 118.86 million) payable to Fauji Fertilizer Bin Qasim Limited, the parent company.

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

The Company has issued following guarantees:

Guarantees aggregating to Rs.14.78 million (31 December 2019: Rs.15.01 million) have been issued by banks of the Company to Sui Northern Gas Pipeline Ltd, Pakistan State Oil and Controller Naval Account.

Other than one stated above there has been no significant changes in contingencies as reported in the annual audited financial statements of the Company for the year ended 31 December 2019.

11.2 Commitments

The Company has the following commitments in respect of:

Post dated Cheques have been issued to Collector of Customs as an indemnity to adequately discharge the liabilities for taxes and duties leviable on import of plant and machinery vide Serial No. 6, 8th Schedule of Sales Tax Act, 1990. As at 30 June 2020 the value of these cheques amounted to Rs. Nil (31 December 2019: Rs. 18.82 million).

Commitments in respect of capital expenditure and against irrevocable letters of credit outstanding at the period end amounted to Rs. Nil (31 December 2019: Rs. 3.82 million).

Commitments in respect of purchase of raw and packing material outstanding at the period end amounted to Rs. 2.06 million (31 December 2019: Rs. 7.29 million).

12 PROPERTY, PLANT AND EQUIPMENT	Note	(Un-audited) 30 June 2020 (Rupees)	(Audited) 31 December 2019 (Rupees)
Operating fixed assets			
- Owned assets		7,128,677,805	7,342,963,526
- Right of Use Assets		483,182,286	522,019,044
	12.1	7,611,860,091	7,864,982,570
Capital work in progress	12.2	212,771,767	241,053,620
		7,824,631,858	8,106,036,190
12.1 Operating fixed assets			
Net book value at beginning of the period / year		7,864,982,570	6,885,161,167
Additions / transfers from capital work in progress during the period / year		131,557,046	1,805,381,872
Disposals during the period / year		(3,639,547)	(51,377,373)
Depreciation charged during the period / year		(381,039,978)	(774,183,096)
Net book value at end of the period / year		7,611,860,091	7,864,982,570

	<u>Note</u>	(Un-audited) 30 June 2020	(Audited) 31 December 2019
		(Rupees)	(Rupees)
12.2 Capital work in progress			
Plant and machinery		212,771,767	210,486,091
Building		-	349,204
Leased vehicles		-	2,835,000
Advances to suppliers - considered good		-	27,383,325
		212,771,767	241,053,620
13 STOCK IN TRADE			
Raw and packing material			
- In hand		857,389,203	1,063,586,228
- In transit		6,924,411	5,430,617
		864,313,614	1,069,016,845
Work-in-process		197,413,117	146,456,393
Finished goods	13.1	316,535,071	283,032,995
		513,948,188	429,489,388
Less: Provision for obsolescence		(56,155,352)	(55,283,299)
		1,322,106,450	1,443,222,934
13.1			
The amount charged to statement of profit or loss on account of write down of finished goods to net realizable value amounts to Rs. 17.00 million (31 December 2019: Rs 32 million).			
14 CASH AND BANK BALANCES			
Cash-in-hand		57,642	44,425
Cash at banks			
- Current accounts		75,556,618	110,343,730
- Saving accounts	14.1	23,776,825	3,524,754
	14.2	99,333,443	113,868,484
Dividend account		221,491	221,490
		99,612,576	114,134,399
14.1			
These carry profit at the rates ranging from 4% to 6% (2019: 5% to 9.5%) per annum.			
14.2			
This includes balance of Rs. 10.453 million (31 December 2019: Rs. Nil) with Askari Bank Limited, an associated undertaking.			



fauji foods

15. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	(Un-audited) Half Year Ended 30 June		(Un-audited) Quarter Ended 30 June	
	2020	2019	2020	2019
-----Rupees-----				
Gross revenue	3,699,165,914	2,912,852,929	1,784,093,321	1,399,537,594
Less: Sales tax	225,841,459	33,604,495	109,590,625	16,280,942
Trade discounts	244,748,215	344,445,217	112,978,799	234,329,435
	470,589,674	378,049,712	222,569,424	250,610,377
	3,228,576,240	2,534,803,217	1,561,523,897	1,148,927,217

15.1 Revenue from contracts with customers relates to local Pakistan market and represents sale of dairy and allied products. Timing of revenue recognition is at point of time.

	(Un-audited) Half Year Ended 30 June		(Un-audited) Quarter Ended 30 June	
	2020	2019	2020	2019
-----Rupees-----				
16 COST OF REVENUE				
Raw materials consumed	1,834,555,782	1,343,438,599	834,765,504	767,925,143
Salaries, wages and other benefits	97,183,453	131,539,375	48,356,505	89,179,162
Power and fuel	118,358,632	155,780,066	54,279,297	104,898,840
Packing materials consumed	810,802,510	923,053,427	376,723,760	415,666,564
Freight and forwarding	54,686,683	61,653,954	26,132,927	29,730,824
Stores and spares consumed	63,307,294	69,529,469	29,278,739	10,610,110
Repair and maintenance	100,366,782	33,544,167	51,063,225	12,822,565
Rent, rates and taxes	4,629,262	8,934,433	2,375,508	4,211,207
Depreciation	332,602,303	316,222,998	174,525,107	146,078,862
Legal and professional charges	439,180	-	283,180	658,180
Insurance	4,889,820	4,156,771	2,432,810	3,785,057
Other expenses	548,381	-	260,772	79,530
	3,422,370,082	3,047,853,259	1,600,477,334	1,585,646,044
Adjustment of work-in-process				
Opening stock	146,456,393	37,295,000	225,237,029	70,232,629
Closing stock	(197,413,117)	(49,547,168)	(197,413,117)	(49,547,168)
	(50,956,724)	(12,252,168)	27,823,912	20,685,461
Cost of goods manufactured	3,371,413,358	3,035,601,091	1,628,301,246	1,606,331,505
Adjustment of finished goods				
Opening stock	283,032,995	250,922,457	258,770,068	323,366,725
Closing stock	(316,535,071)	(336,231,100)	(316,535,071)	(336,231,100)
	(33,502,076)	(85,308,643)	(57,765,003)	(12,864,375)
	3,337,911,282	2,950,292,448	1,570,536,243	1,593,467,130

17 OTHER INCOME

This includes an amount of Rs. 25.50 million (30 June 2019: Rs. 18.55 million) earned on account of interest / mark-up based deposits.

Note	(Un-audited) Half Year Ended 30 June		(Un-audited) Quarter Ended 30 June	
	2020	2019	2020	2019
-----Rupees-----				
18 FINANCE COST				
Islamic mode of financing				
- Short term borrowings	103,506,824	52,472,412	44,011,655	31,728,093
Interest and mark-up on:				
- Long term finance	300,756,425	255,557,986	133,669,652	135,765,877
- Short term borrowings	402,013,948	310,215,189	185,530,586	168,641,903
- Loan from Parent Company	192,455,111	16,271,671	92,411,046	16,271,671
- Lease liabilities	20,000,968	31,151,442	7,296,861	12,907,310
Bank charges and commission	24,998,508	2,665,108	20,577,415	943,402
	1,043,731,784	668,333,808	483,497,215	366,258,256

19 TAXATION

Current:

- For the period **19.1** **27,190,423** - **22,284,669** -

Deferred:

- For the period **11,437,978** 206,602,474 **11,437,978** 193,496,801

38,628,401 206,602,474 **33,722,647** 193,496,801

19.1 In view of available tax losses under normal tax regime, the provision for current tax represents under "Minimum Tax" under section 113 of Income Tax Ordinance, 2001. Current tax charge for the previous year was restricted to zero due to availability of tax credit related to balancing, modernization and replacement of plant and machinery already installed under section 65B of the Income Tax Ordinance, 2001.

20 RELATED PARTY TRANSACTIONS

Related parties comprise of Parent Company, associated companies, directors, entities with common directorship, post employment plans and key management personnel. Balances are disclosed elsewhere in these interim financial statements. The Company in the normal course of business carries out transactions with related parties. Significant transactions with related parties are as follows:



fauji foods

Name of related party	Relationship	Nature of transactions	(Un-audited) 30 June 2020 Rupees	(Un-audited) 30 June 2019 Rupees
Fauji Fertilizer Bin Qasim Limited	Parent - 50.59% (Shareholding and common directorship)	Salaries of seconded employees charged by related party	-	11,509,706
		Loan received	714,000,000	800,000,000
		Finance cost charged	192,455,111	16,271,671
		Repair & maintenance and building rent expense charged by related party	352,674	16,243,035
		Expense of IT facilities charged by related party	3,000,000	-
Askari Bank Limited	Associated Undertaking (Common directorship)	Finance cost charged by related party	54,439,026	36,478,461
		Interest income on saving accounts	1,165,988	11,081,872
		Utilities expense paid on behalf of the related party	-	1,004,524
Fauji Security Services (Private) Limited	Associated Undertaking (Common directorship)	Expenses paid against security services	520,760	1,795,992
Noon Sugar Mills Limited	Associated Undertaking (Common directorship)	Purchase of white sugar	19,835,769	-
Employee's Provident Fund Trust	Post employee benefit plan	Contribution for the year	24,395,585	26,071,762
Mr. Salman Hayat Noon	Non-Executive Director	Consultancy fee expense	-	2,262,444
Directors		Meeting fee	5,945,000	3,695,000
Key Management Personnel		Remuneration and benefits	37,171,563	36,472,173

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

21.1 The Company's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements of the Company for the year ended 31 December 2019.

21.2 The following table shows the carrying amounts of financial instruments.

	(Un-audited) 30 June 2020 (Rupees)	(Audited) 31 December 2019 (Rupees)
<u>Financial assets</u>		
Debt instruments at amortised cost		
Security deposits	56,361,957	42,314,724
Trade debts	288,412,851	181,171,112
Due from employees	6,339,689	5,311,656
Due from associated companies	39,247	39,247
Other receivables	137,820,823	186,621,936
Cash and bank balances	99,612,576	114,134,399
	<u>588,587,143</u>	<u>529,593,074</u>
Total current	581,981,021	522,986,952
Total non-current	6,606,122	6,606,122

	(Un-audited) 30 June 2020 (Rupees)	(Audited) 31 December 2019 (Rupees)
<u>Financial liabilities</u>		
At amortised cost		
Lease liabilities	324,725,767	392,831,171
Long term finances	4,292,582,315	4,316,666,667
Trade and other payables	623,254,523	1,048,389,567
Short term borrowing	7,237,912,223	6,691,944,126
Loan from Parent Company	3,344,000,000	2,630,000,000
Accrued finance cost	666,972,048	554,807,673
	<u>16,489,446,876</u>	<u>15,634,639,204</u>
Total current	14,233,128,267	12,670,750,243
Total non-current	2,256,318,609	2,963,888,961

21.3 Fair value of financial instruments

Carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

22 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	30 June 2020 (Un-audited)						
	Long term loans	Short term borrowings	Loan from Parent Company	Accrued finance cost	Liabilities against assets subject to finance lease	Unclaimed dividend	Total
	----- Rupees -----						
Balance as at 01 January 2020	4,316,666,667	6,691,944,126	2,630,000,000	554,807,673	392,831,171	965,752	14,587,215,389
<u>Cash flows</u>							
Borrowings repaid net of receipts	(24,084,352)	(34,346)	-	-	-	-	(24,118,698)
Repayment of lease rentals	-	-	-	-	(68,105,404)	-	(68,105,404)
Finance cost paid	-	-	-	(931,567,409)	-	-	(931,567,409)
Loan received	-	-	714,000,000	-	-	-	714,000,000
Dividends paid	-	-	-	-	-	-	-
Total changes from financing cash flows	(24,084,352)	(34,346)	714,000,000	(931,567,409)	(68,105,404)	-	(309,791,511)
<u>Other changes including non-cash</u>							
Changes in running finances	-	546,002,443	-	-	-	-	546,002,443
Finance cost	-	-	-	1,043,731,784	-	-	1,043,731,784
Total liability related other changes	-	546,002,443	-	1,043,731,784	-	-	1,589,734,227
Closing as at 30 June 2020	<u>4,292,582,315</u>	<u>7,237,912,223</u>	<u>3,344,000,000</u>	<u>666,972,048</u>	<u>324,725,767</u>	<u>965,752</u>	<u>15,867,158,105</u>



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30 June 2019 (Un-audited)							
	Long term loans	Short term borrowings	Loan from Parent Company	Accrued finance cost	Liabilities against assets subject to finance lease	Unclaimed dividend	Total
Balance as at 01 January 2019	4,450,000,000	4,991,083,521	-	195,648,668	434,571,549	965,752	17,281,682,317
Cash flows							
Borrowings repaid net of receipts	-	1,149,619,596	800,000,000	-	-	-	1,949,619,596
Repayment of lease rentals	-	-	-	-	(89,123,385)	-	(89,123,385)
Finance cost paid	-	-	-	(667,067,108)	-	-	(667,067,108)
Dividends paid	-	-	-	-	-	-	-
Total changes from financing cash flows	-	1,149,619,596	800,000,000	(667,067,108)	(89,123,385)	-	1,193,429,103
Other changes including non-cash							
Changes in running finance	-	929,646,379	-	-	133,686,254	-	1,063,332,633
Finance cost	-	-	-	668,333,808	-	-	668,333,808
Total liability related other changes	-	929,646,379	-	668,333,808	133,686,254	-	1,731,666,441
Closing as at 30 June 2019	4,450,000,000	7,070,349,496	800,000,000	196,915,368	479,134,418	965,752	20,206,777,861

23 IMPACT OF COVID-19

The outbreak of Novel Coronavirus (COVID-19) continues to progress and evolve. Therefore, it is challenging now, to predict the full extent and duration of its business and economic impact. The outbreak of COVID-19 has had a distressing impact on overall demand in the global economy with notable downgrade in growth forecasts.

The Company's revenue comprises of local sales only within Pakistan and is not expected to bear an impact in the given situation as the Company deals in essential consumer products. However extent and duration of such impact remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of COVID-19 and the extent and effectiveness of containment actions taken. Given the ongoing economic uncertainty, a reliable estimate of the impact cannot be made at the date of authorization of these condensed interim financial statements.

24 DATE OF AUTHORIZATION

These condensed interim financial statements has been approved by the Board of Directors of the Company and authorized for issue on July 23, 2020.

Chairman

Chief Executive

Director

Chief Financial Officer



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Head Office

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