



fauji foods

TOWARDS A  
**BETTER**  
TOMORROW

Condensed Interim Financial Statements  
for the Quarter ended 31 March **2023**





# CONTENTS

03

Corporate Information

04

Directors' Report to the Shareholders

07

Directors' Report to the Shareholders in urdu

08

Condensed Interim Statement of Financial Position

10

Condensed Interim Profit or Loss Account

11

Condensed Interim Statement of Other Comprehensive Income

12

Condensed Interim Statement of Changes in Equity

13

Condensed Interim Cash Flow Statement

14

Notes to the Condensed Interim Financial Statements





 **fauji foods Ltd**

42

# CORPORATE INFORMATION

## Board of Directors

Mr. Waqar Ahmed Malik

Chairman

Mr. Sarfaraz Ahmed Rehman

Mr. Arif ur Rehman

Dr. Nadeem Inayat

Syed Bakhtiyar Kazmi

Ms. Tania Shahid Aidrus

Mr. Ali Asrar Hossain Aga

Mr. Basharat Ahmad Bhatti

Mr. Javed Kureishi

## Audit Committee

Mr. Javed Kureishi

Chairman

Syed Bakhtiyar Kazmi

Mr. Basharat Ahmad Bhatti

Dr. Nadeem Inayat

## HR&R Committee

Mr. Ali Asrar Hossain Aga

Chairman

Dr. Nadeem Inayat

Ms. Tania Shahid Aidrus

Mr. Arif ur Rehman

## Operation and Business Committee

Mr. Sarfaraz Ahmed Rehman

Chairman

Mr. Basharat Ahmad Bhatti

Mr. Ali Asrar Hossain Aga

## 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

## Chief Executive Officer

Mr. Usman Zaheer Ahmad

## Chief Financial Officer

Mr. Waseem Haider

## Company Secretary

Brig Hamid Mahmood Dar  
SI(M), (Retd)

## Auditors

EY Ford Rhodes  
Chartered Accountants

## Legal Advisers

Mr. Khurram Raza  
Advocate Supreme Court

## Plant

Bhalwal, District Sargodha.

## Website

www.faujifoods.com

## Bankers

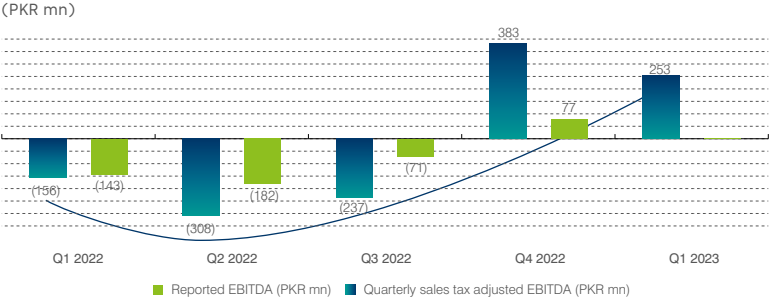
Habib Bank Limited  
United Bank Limited  
National Bank of Pakistan  
Bank Alfalah Limited  
Faysal Bank Limited  
MCB Bank Limited  
Askari Bank Limited  
Allied Bank Limited  
Bank AL Habib Limited  
Dubai Islamic Bank Pakistan Limited  
Soneri Bank Limited  
JS Bank Limited  
Al Baraka Bank (Pakistan) Limited  
HBL Microfinance Bank Limited

# 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 3 months ended March 31, 2023.

The uncertainty in local and global economic environment continues to pose challenges for all businesses. The inflation coupled with devaluation led to massive cost increases. As a consequence of last year's floods, the raw milk prices continued to rise in Q1 '23. Despite of these challenges, FFL has shown remarkable growth in top and bottom line. The EBITDA that has been on a growth path since Q4, '22 surged to PKR 253 Mn in Q1 '23. With the legacy debt paid off, the company recorded its first ever month in profit in March 2023.

## EBITDA Evolution



FFL's persistence with the strategy of Margin Accretive growth and Reducing COGS has brought sustainability to business results. The impact of progress on each of these strategic pillars is captured below:

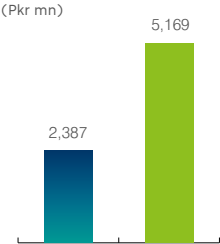
### a) Margin Accretive Growth:

FFL achieved growth of 116.6% in Net Revenue in Q1 of 2023 over same period last year (SPLY). This was driven by continued volume growth in UHT Milk (54%), increase in distribution (additional 13,000 outlets) and yet another strong quarter of Institutional Sales that achieved Rs. 2.03 billion revenue (+231%).

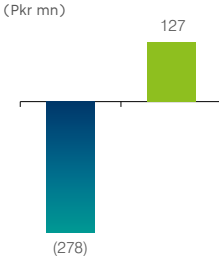
### b) Reducing The COGS:

The topline growth was complimented by improvement in Gross margins that nearly doubled from 6.4% Q1 2022 to 12.8% in Q1 2023, highest in the history of FFL. The twin sustainability projects of 1 MW solar and bio mass went into production in Q1 and will continue to positively impact energy cost from here onwards. In line with our strategy to optimize costs, company localized packaging of a key SKU. These initiatives along with price increases & other planned cost optimizations yielded an additional 6.4% Gross Margin. As a result, FFL achieved an operating profit of PKR 127 mn vs PKR (278) mn loss in SPLY & an EBITDA of PKR 253 million, a growth of 262% over SPLY.

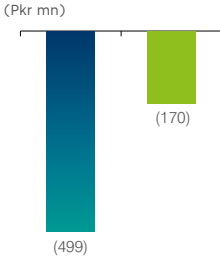
### Revenue



### Operating Profit/Loss



### Net Loss



**c) Elimination of Legacy Debt and Interest Cost:**

Q1 '23 interest cost of PKR 299.78 mn is essentially what resulted in the loss after tax of PKR (170) mn for Q1' 23. On March 8th 2023, the entire debt of RS 8.0 bn was paid off after completing the other than right equity injection process. The repayment of legacy debt, which was a serious drag on the business performance, now provides a platform to grow the business in a sustainable manner.

**Future Outlook:**

Looking ahead, the investment in brands and distribution infrastructure should continue to fuel the growth. With the legacy debt burden now removed from the books, the growth in Margins and EBIDTA will help grow the business even faster whilst introducing new products. The political and economic uncertainty is unlikely to go away in the near future, however the strategy of pivoting to value added portfolio will enable the business to cover the expected inflation through pricing & margin management. We are confident that a new chapter in the journey of FFL begins enabling it to take strides towards fulfilling the tremendous potential in dairy and food business in Pakistan.

Despite the ever evolving & challenging economic scenario, both internationally & locally, the somewhat inelastic nature of dairy products remains the mainstay around which we build our strategies to not only mitigate market movements but also to effectively grow our business profitably.

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



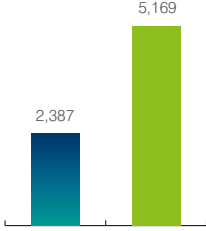
**Waqar Ahmed Malik**  
Chairman

**Dated: April 19, 2023**



**Usman Zaheer Ahmad**  
Chief Executive Officer

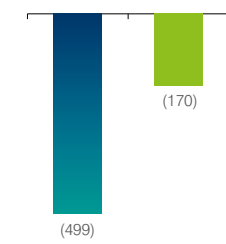
### Revenue (Pkr mn)



### Operating Profit/Loss (Pkr mn)



### Net Loss (Pkr mn)



## ج) وراثتی قرض اور سود کی لاگت کا خاتمہ:

بنیادی طور پر Q1'23 کی سود کی لاگت 299.78 ملین روپے ہے جس کے نتیجے میں Q1'23 کے لئے (170) ملین روپے بعد از ٹیکس نقصان ہوا۔ 8 مارچ 2023 کو، 8.0 ملین روپے کا پورا قرض رائلٹیکو بیٹری انجینئرنگ کے علاوہ دیگر کو مکمل کرنے کے بعد ادا کر دیا گیا۔ وراثتی قرض کی واپسی، جو کاروباری کارکردگی پر ایک سنگین رکاوٹ تھی، اب کاروبار کو پائیدار طریقے سے وسعت دینے کے لیے ایک پلیٹ فارم فراہم کر رہا ہے۔

## مستقبل کا نقطہ نظر:

آگے دیکھتے ہوئے، برانڈز اور ڈسٹری بیوشن انفراسٹرکچر میں سرمایہ کاری کو فروغ دینے کے لئے جاری رکھنا چاہیے۔ وراثتی قرضوں کے بوجھ کو اب کھاتوں سے ہٹا دیا گیا ہے، مارجنز اور EBITDA میں اضافے سے نئی مصنوعات متعارف کرانے کے دوران کاروبار کو مزید تیزی سے بڑھانے میں مدد ملے گی۔ مستقبل قریب میں سیاسی اور معاشی غیر یقینی صورتحال کے بہتر ہونے کا امکان نہیں ہے، تاہم ویلیو ایڈڈ پورٹ فولیو کو حرکت کرنے کی حکمت عملی کاروبار کو یقینوں اور مارجنز میں تیز رفتاری سے اضافے کا احاطہ کرنے کے قابل بنائے گی۔ ہمیں یقین ہے کہ FFL کے سفر میں ایک نیا باب شروع ہوا ہے جو اسے پاکستان میں ڈیری اور فوڈ کے کاروبار میں زبردست صلاحیت کو پورا کرنے کی طرف قدم اٹھانے کے قابل بناتا ہے۔

دونوں بین الاقوامی اور مقامی سطح پر ہمیشہ سے ابھرتے ہوئے اور چیلنجنگ معاشی منظر نامے کے باوجود، ڈیری مصنوعات کی کسی حد تک غیر چگلا در نوعیت بنیاد بنی ہوئی ہے جس کے ارد گرد ہم نہ صرف مارکیٹ کی نقل و حرکت کو کم کرنے بلکہ اپنے کاروبار کو مزید شرطیہ سے نفع بخش بنانے کے لیے اپنی حکمت عملی بناتے ہیں۔

بورڈ قابل قدر اسٹیک ہولڈرز اور شیئرز ہولڈرز کا ان کے اعتماد اور کمپنی کے ساتھ مسلسل تعاون کا شکریہ ادا کرتا ہے۔

عثمان ظہیر احمد  
چیف ایگزیکٹو آفیسر

وقار احمد ملک  
چیرمین

لاہور: 19 اپریل، 2023



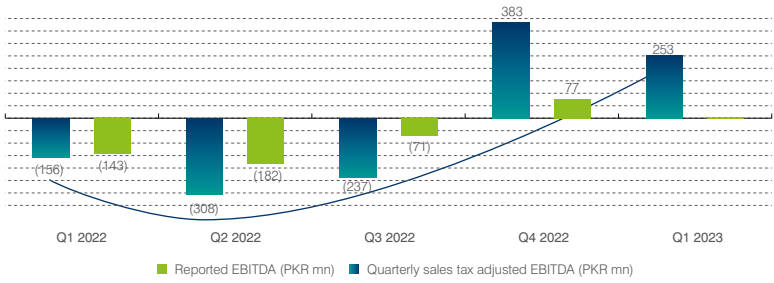
# ڈائریکٹرز کی تحصص داران کورپورٹ

فوجی فوڈز لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2023 کو مکمل ہونے والی سہ ماہی کے لیے کمپنی کے مجموعی آڈٹ شدہ عبوری مالیاتی معلومات کے ہمراہ ڈائریکٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہا ہے۔

مقامی اور عالمی اقتصادی ماحول میں غیر یقینی صورتحال تمام کاروباروں کے لیے چیلنجز کا باعث بنی ہوئی ہے۔ کمپنی کی اور قدر میں کمی نے لاگت میں شدید اضافہ کر دیا۔ پچھلے سال کے سیلاب کے نتیجے میں، خام دودھ کی قیمتوں میں Q1 '23 میں مسلسل اضافہ ہوتا رہا۔ ان چیلنجز کے باوجود FFL نے بالائی اور زیریں لائن میں قابل ذکر نمو دکھائی ہے۔ EBITDA، Q4 '22 سے نمونہ راہ پر گامزن ہے Q1 '23 میں 253 ملین روپے تک بڑھ گیا۔ وراثت کے قرض کی ادائیگی کے ساتھ، کمپنی نے مارچ 2023 میں اپنے پہلے مہینہ کے منافع کو ریکارڈ کیا۔

## EBITDA Evolution

(PKR mn)



مارجن ایکریٹو نمبر اور COGS کو کم کرنے کی حکمت عملی کے ساتھ FFL کی استقامت نے کاروباری نتائج میں استحکام پیدا کیا ہے۔ ان میں سے ہر ایک اسٹریٹجک پلرز پر پیشرفت کے اثرات ذیل میں دکھائے گئے ہیں:

### (a) مارجن ایکریٹو نمبر:

FFL نے گزشتہ سال کی اسی مدت (SPLY) کے مقابلے میں 2023 کی پہلی سہ ماہی میں خاص آمدنی میں 116.6 فیصد کمی موصول کی۔ یہ UHT دودھ (54%) کے حجم میں مسلسل اضافے، تقسیم میں اضافہ (اضافی 13,000 آؤٹ لیٹس) اور ادارہ جاتی فروخت کی ایک اور مضبوط سہ ماہی 2.03 بلین روپے رپونو (+231%) تک پہنچ گئی۔

### (b) COGS کی کمی:

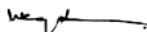
ٹاپ لائن نمونہ مجموعی مارجن میں بہتری سے سراہا گیا جو سال 2022 کی پہلی سہ ماہی میں 6.4% سے سال 2023 کی پہلی سہ ماہی میں تقریباً 12.8% ہو گیا، جو FFL کی تاریخ میں سب سے زیادہ ہے۔ 1 میگا ڈاٹ سولر اور بانڈی ماس کے جڑواں پائیدار منصوبے Q1 میں پیداوار میں آئے اور یہاں سے توانائی کی لاگت پر مثبت اثر ڈالتے رہیں گے۔ لاگت کو بہتر بنانے کی ہماری حکمت عملی کے مطابق، کمپنی کلیدی SKU کی مقامی بیکیٹنگ کرتی ہے۔ قیمتوں میں اضافے اور دیگر منصوبہ بند لاگت کی اصلاح کے ساتھ ان اقدامات سے اضافی 6.4% مجموعی مارجن حاصل ہوا۔ نتیجے کے طور پر FFL نے SPLY میں (278) ملین روپے کے مقابلے 127 ملین روپے کا آپریٹنگ منافع اور 253 ملین روپے EBITDA حاصل کیا، جو SPLY کے مقابلے میں 262 فیصد زیادہ ہے۔

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	Note	Un-audited 31 March 2023	Audited 31 December 2022
		Rupees	Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized capital			
2,800,000,000 (2022: 2,800,000,000)			
ordinary shares of Rs 10 each		28,000,000,000	28,000,000,000
Issued, subscribed and paid up capital			
2,519,963,139 (2022: 1,584,088,159) ordinary			
shares of Rs 10 each	6	25,199,631,390	15,840,881,590
<b>Capital Reserves</b>			
Share deposit money		–	2,708,749,800
Share premium		1,821,671,554	1,835,148,154
Surplus on revaluation of property, plant and equipment - net of tax		2,108,462,480	2,131,898,795
<b>Revenue Reserve</b>			
Accumulated loss		(18,615,376,227)	(18,469,229,527)
		10,514,389,197	4,047,448,812
<b>Non-current liabilities</b>			
Long term finances	7	2,350,000,000	5,482,593,723
Lease liabilities		248,484,574	53,570,131
Employee retirement benefits		28,484,103	30,795,946
		2,626,968,677	5,566,959,800
<b>Current liabilities</b>			
Short term borrowings - secured	8	–	1,705,540,931
Current portion of long term liabilities		106,064,422	579,001,285
Trade and other payables		2,346,347,671	1,755,021,988
Unclaimed dividend		965,752	965,752
Accrued finance cost		33,712,332	402,289,522
Provision for Taxation		66,369,511	159,052,640
		2,553,459,688	4,601,872,118
		15,694,817,562	14,216,280,730

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



Chairman



Chief Executive Officer



Director



Chief Financial Officer

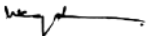


# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

For the three months period ended 31 March 2023

	Note	31 March 2023	31 March 2022
		Rupees	Rupees
Revenue from contracts with customers - net		5,169,068,273	2,386,812,368
Cost of revenue	11	(4,508,395,953)	(2,233,770,459)
<b>Gross profit</b>		660,672,320	153,041,909
Marketing and distribution expenses		(346,722,001)	(320,021,195)
Administrative expenses		(186,738,039)	(110,994,743)
<b>Profit / (Loss) from operations</b>		127,212,280	(277,974,029)
Other income		69,820,244	42,109,123
Other expenses		(467,792)	-
Finance cost		(299,778,236)	(232,624,961)
<b>Loss before taxation</b>		(103,213,504)	(468,489,867)
Taxation		(66,369,511)	(30,692,098)
<b>Loss after taxation</b>		(169,583,015)	(499,181,965)
Loss per share - basic and diluted		(0.07)	(0.32)

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



Chairman



Chief Executive Officer



Director



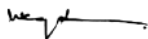
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)

For the three months period ended 31 March 2023

	Note	31 March 2023	31 March 2022
		Rupees	Rupees
<b>Loss after taxation for the period</b>		(169,583,015)	(499,181,965)
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss account			
Remeasurement of defined benefit obligation		-	-
<b>Total comprehensive loss for the period</b>		(169,583,015)	(499,181,965)

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



Chairman



Chief Executive Officer



Director



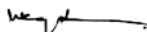
Chief Financial Officer

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

For the three months period ended 31 March 2023

	Issued, subscribed and paid-up capital	Capital Reserve			Revenue reserves	Total
		Share premium	Share deposit money	Surplus on revaluation of property plant and equipment - net of tax	Accumulated loss	
Rupees						
<b>Balance as at 01 January 2022</b>	15,840,881,590	1,854,498,097	-	2,225,644,056	(16,395,504,505)	3,525,519,238
<b>Share issuance cost</b>		(2,849,343)	-			(2,849,343)
<b>Total comprehensive loss for the period</b>						
Loss after taxation	-	-	-	-	(499,181,965)	(499,181,965)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive loss</b>	-	-	-	-	(499,181,965)	(499,181,965)
<b>Surplus transferred to accumulated losses</b>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(23,436,315)	23,436,315	
<b>Balance as at 31 March 2022</b>	15,840,881,590	1,851,648,754	-	2,202,207,741	(16,871,250,155)	3,023,487,930
<b>Balance as at 01 January 2023</b>	15,840,881,590	1,835,148,154	2,708,749,800	2,131,898,795	(18,469,229,527)	4,047,448,812
Shares issuance cost		(13,476,600)				(13,476,600)
<b>Issuance of shares other than right</b>						
Against conversion of accrued markup	708,749,800	-	(708,749,800)	-	-	-
Against cash	8,650,000,000	-	-	-	8,650,000,000	
	9,358,749,800	-	(708,749,800)	-	-	8,650,000,000
Reclass of share deposit money to long term loan	-	-	(2,000,000,000)	-	-	(2,000,000,000)
<b>Total comprehensive loss for the period</b>						
Loss after taxation	-	-	-	-	(169,583,015)	(169,583,015)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive loss</b>	-	-	-	-	(169,583,015)	(169,583,015)
<b>Surplus transferred to accumulated losses</b>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(23,436,315)	23,436,315	-
<b>Balance as at 31 March 2023</b>	25,199,631,390	1,821,671,554	-	2,108,462,480	(18,615,376,227)	10,514,389,197

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



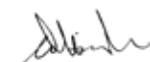
Chairman



Chief Executive Officer



Director



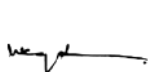
Chief Financial Officer

# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

For the three months period ended 31 March 2023

	Note	31 March 2023	31 March 2022
		Rupees	Rupees
<b>Cash flows from operating activities</b>			
Loss before taxation		(103,213,504)	(468,489,867)
Adjustments for non-cash items:			
Depreciation on property, plant and equipment	10	125,374,410	121,603,517
Amortization of intangible assets		164,750	-
Gain on disposal of property, plant and equipment		(18,257)	(486,505)
Profit on bank deposits		(67,481,747)	(36,839,143)
Employee retirement benefits		6,609,396	7,052,773
Finance cost		299,778,236	232,624,961
<b>Profit / (Loss) before working capital changes</b>		261,213,284	(144,534,264)
<b>Effect on cash flow due to working capital changes</b>			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		(40,281,509)	(31,174,936)
Stock-in-trade		(787,976,191)	(6,120,776)
Trade debts		(344,932,705)	(92,847,883)
Loans and advances		(158,352,019)	12,427,789
Deposits, prepayments and other receivables		21,134,424	(59,151,161)
Sales tax refundable		(155,134,585)	(81,540,207)
Increase / (decrease) in current liabilities		591,325,683	290,818,254
		(874,216,902)	32,411,080
<b>Cash used in operations</b>		(613,003,618)	(112,123,183)
Income tax paid		(45,868,974)	(8,383,196)
Employee benefits paid		(8,921,233)	(5,994,499)
<b>Net cash generated from / (used) in operating activities</b>		(667,793,825)	(126,500,878)
<b>Cash flow from investing activities</b>			
Fixed capital expenditure		(393,910,783)	(4,225,817)
Sale proceeds from disposal of property, plant and equipment		152,400	1,432,273
Income on bank deposits received		67,481,747	36,839,143
<b>Net cash generated from / (used) in investing activities</b>		(326,276,636)	34,045,599
<b>Cash flow from financing activities</b>			
Long term finances paid		(3,638,149,278)	(12,615,260)
Share capital issuance		9,358,749,800	-
Share deposit money		(2,708,749,800)	-
Share premium		(13,476,600)	(2,849,343)
Liabilities against assets subject to finance lease - net		227,533,117	(14,405,018)
Finance cost paid		(668,355,414)	(304,295,682)
<b>Net cash generated from / (used) in financing activities</b>		2,557,551,825	(334,165,303)
<b>Net decrease in cash and cash equivalents</b>		1,563,481,364	(426,620,582)
<b>Cash and cash equivalents - at beginning of the period</b>		(560,058,702)	169,082,593
<b>Cash and cash equivalents - at end of the period</b>		1,003,422,662	(257,537,989)

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



Chairman



Chief Executive Officer



Director



Chief Financial Officer

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

For the three months period ended 31 March 2023

- 1 Fauji Foods Limited ("the Company") was incorporated in Pakistan on 26 September 1966 as a Public Company and its shares are quoted on Pakistan Stock Exchange. It is principally engaged in processing and sale of toned milk, milk powder, fruit juices, allied dairy and food products. The registered office of the Company is situated at 42 CCA, Ex Park View, DHA Phase-VIII, Lahore and the manufacturing facility is located at Bhalwal, District Sargodha. The Company is a subsidiary of Fauji Fertilizer Bin Qasim Limited, the Parent Company.
- 2 The condensed interim financial statements of the Company for the first quarter ended 31 March, 2023 is un-audited and has been presented in accordance with the requirements of the International Accounting Standard (IAS - 34 Interim Financial Reporting) and provisions of or directives issued under the Companies Act, 2017 (the Act). In case where the requirements differ, the provisions of or directives issued under the Act have been followed. These are required to be presented to the shareholders under section 237 of the Act.
- 3 The condensed interim financial statements does not include all the information required for the full financial statements and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 December, 2022.
- 4 The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial statements are the same as those applied in the preparation of audited annual financial statements of the Company for the year ended 31 December, 2022.
- 5 The preparation of the condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of the condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to annual audited financial statements for the year ended 31 December, 2022.

- 6 During the period, Company issued shares totalling 935,874,980 at the rate of Rs. 10 each by way of other that right against cash 865,000,000 and conversion of accrued markup 70,874,980 respectively after obtaining all regulatory approvals.
- 7 During the period, Company paid all mark up based syndicate finance facility and reclassify unsecured interest free loan from share deposit money to non current liabilities.
- 8 During the period, Company paid all secured markup based short term running finance facilities.

## 9 Contingencies and commitments

### 9.1 Contingencies

#### (i) The Company has issued following guarantees:

Guarantees aggregating Rs. 161.61 million (31 December 2022: Rs. 161.61 million) have been issued by banks on behalf of the Company to Sui Northern Gas Pipeline Limited, Pakistan State Oil and Controller Naval Account.

There has been no significant change in contingencies as reported in the audited financial statements of the Company for the period ended December 31, 2022.



## 9.2 Commitments

- (i) Commitments, for purchase of raw / packing material, outstanding at the period end were Rs. 6.73 million (31 December 2022: Rs. 7.51 million).

	Note	Un-audited 31 March 2023	Audited 31 December 2022
		Rupees	Rupees
<b>10 Property, plant and equipment</b>			
Opening balance - Net book value		7,847,856,113	8,282,128,337
Additions during the period / year		259,971,390	64,676,109
Capital Work in Process	7.1	424,778,973	290,839,583
		8,532,606,476	8,637,644,029
Book Value of property plant and equipment disposed off/adjusted during the period / year		(134,140)	(3,460,555)
Depreciation charged during the period / year		(125,374,410)	(495,487,778)
		8,407,097,926	8,138,695,696
<b>10.1 Capital work-in-progress</b>			
Plant and machinery		424,778,973	290,839,583
		424,778,973	290,839,583
<b>11 Cost of Sales</b>			
Raw materials consumed		3,908,901,463	1,374,724,323
Salaries, wages and other benefits		67,464,565	53,362,648
Freight and forwarding		102,237,836	42,751,558
Power and fuel		114,973,710	104,794,243
Packing materials consumed		611,671,700	451,684,709
Stores and spares consumed		28,454,400	26,290,087
Repair and maintenance		64,200,000	52,453,298
Depreciation on property, plant and equipment		108,291,056	106,459,075
Travelling and conveyance		3,424,023	1,939,803
Printing and stationery		570,356	242,526
Legal and professional charges		652,252	456,294
Insurance		1,560,239	1,580,325
Others		365,654	443,424
		5,012,767,254	2,217,182,313
Adjustment of work-in-process			
Opening stock		157,048,335	118,186,971
Closing stock		(161,272,639)	(89,219,414)
		(4,224,304)	28,967,557
Cost of goods manufactured		5,008,542,950	2,246,149,870
Adjustment of finished goods			
Opening stock		543,764,411	326,816,255
Closing stock		(1,043,911,408)	(339,195,666)
		(500,146,997)	(12,379,411)
		4,508,395,953	2,233,770,459

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

For the three months period ended 31 March 2023

## 12 Related party disclosure

Related parties comprise of associated undertakings, directors, entities with common directorship, post employment plans and key management personnel. Significant transactions with related parties are as follows:

Relationship with the company	Relationship	Nature of transactions	31 March 2023	31 March 2022
			Rupees	Rupees
<b>i. Associated Undertakings</b>				
Fauji Fertilizer Bin Qasim Limited	Parent Company (Shareholding and common directorship)	Misc. expenses charged by related party	70,000	11,274
		Expense of IT facilities charged by related party	1,500,000	1,500,000
		Finance cost charged by related party	2,712,329	3,698,630
Fauji Foundation	Associated Undertaking (Shareholding and common directorship)	Management shared services charged by related party	-	1,225,331
		TA/DA and boarding expenses charged by related party	-	1,019,520
		Consultancy expense charge by related party	2,825,000	-
		Misc. expenses charged to related party by Company	96,997	-
Askari Bank Limited	Associated Undertaking (Common directorship)	Finance cost charged by related party	23,528,808	18,087,771
		Interest income on saving accounts	42,909,911	32,874,626
		Profit on TDR	21,080,824	-
FFBL Power Company Limited	Associated Undertaking (Shareholding and common directorship)	Purchase of Coal	-	5,294,322
Employee's Provident Fund Trust	Post employee benefit plan	Contribution for the year	15,566,748	14,456,806
Employee's Gratuity Fund Trust	Post employee benefit plan	Contribution for the year	7,924,431	-
<b>ii. Associated persons</b>				
Directors		Meeting fee	3,130,000	4,170,000
Key management personnel		Remuneration and benefits	52,540,667	26,464,918

**13 Date of authorization of issue**

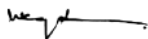
These financial statements were authorized for issue on April 19, 2023 by the board of directors of the Company.

**14 Events after the balance sheet date**

There are no subsequent events occurring after balance sheet date.

**15 Corresponding figures**

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison and better presentation as per reporting framework.




Chairman



Chief Executive Officer



Director



Chief Financial Officer



#### HEAD OFFICE

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