

A HERITAGE OF PURE DAIRY

Condensed Interim
Financial Statements for the
QUARTER ENDED
31 MARCH

2022



fauji foods



fauji foods

Head Office
42 CCA, Ex Park View,
DHA Phase - VIII, Lahore.
Tel: +92-42-37136310,
37136315-17
www.faujifoods.com
f / HouseOfNurpur



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QUATER ENDED
31 MARCH
2022

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Mr. Sarfaraz Ahmed Rehman - Chairman

Mr. Arif ur Rehman

Dr. Nadeem Inayat

Syed Bakhtiyar Kazmi

Brig. Dr. Samia Iram (Retd)

Mr. Ali Asrar Hossain Aga

Mr. Basharat Ahmad Bhatti

Mr. Imran Husain

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
Mr. Imran Husain
Mr. Arif ur Rehman
Brig. Dr. Samia Iram (Retd)

Operation and Business Committee

Mr. Ali Asrar Hossain Aga - Chairman
Dr. Nadeem Inayat
Mr. Imran Husain
Mr. Sarfaraz Ahmed Rehman

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. Faisal Yaseen

Company Secretary

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

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Qazi Imran Zahid
Advocate Supreme Court

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

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 quarter ended March 31, 2022.

Business Review

During the period under review, the Company registered sustainable revenue growth in a challenging inflationary environment. Nurpur UHT milk recorded an unprecedented volume growth of 47% over same quarter last year. The Company achieved highest ever sale of PKR 252 million just in food services sector in a single month of March 2022. Break through is achieved with international fast food chain where Nurpur cheese is now the sole supplier.

Our largest offering, Dostea that constitutes 61% of volume was adversely affected by an industry wide price increase driven by various circumstances. As a result the category has lost 30% volume in the first quarter.

The Company's input & overheads cost remained under pressure due to increasing inflation in the country, however that increased cost was managed by innovating in way of doing business.

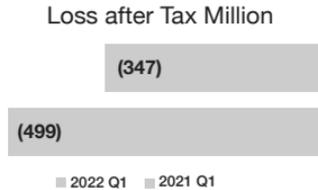
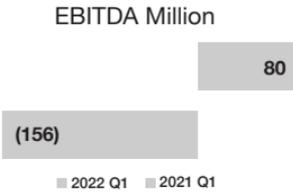
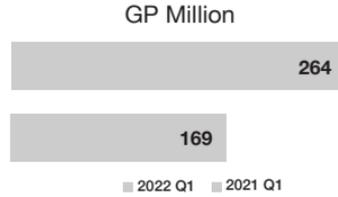
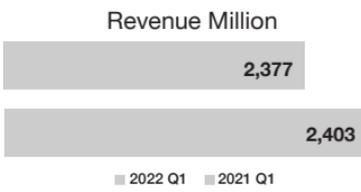
FFL took a strategic decision to invest behind the umbrella brand – Nurpur. After a hiatus of 4 years PKR 100 million were invested on the brand in marketing activities, ATL, BTL and digital. We will continue to reap the benefits of this investment in the coming years/quarters.

Financial Performance

During the period under review, net sales stood at Rs 2,403 million compared with Rs 2,377 million during the corresponding period of last year. Gross profit of Rs. 169 million was 35.8% lower as compared with gross profit of Rs 264 million during the corresponding period of last year. The company was able to sustain revenue in an unprecedentedly turbulent time. Structural initiatives are in place to build the Gross Margin as planned.

The loss after tax for the quarter stood at Rs (499) million compared with a loss of Rs (347) million in the corresponding period of last year, higher by 43.7%.

<u>Amount Pkr Mn</u>	<u>Jan-Mar 2022</u>	<u>Jan-Mar 2021</u>	<u>Variance%</u>
Revenue	2,403	2,377	+1.1%
Gross Profit	169	264	-35.8%
EBITDA	(156)	80	-295%
Loss after Tax	(499)	(347)	-43.7%



Future Outlook

The gradual transformation to value added categories has successfully started. A series of Margin Accretive Launches are planned in the year to build sustainable portfolio. The unprecedented growth in HoReCa business and UHT Milk will ensure that we will successfully compensate for the decline in Tea Creamer category. We will continue to invest behind the brand to build the value added portfolio. This investment is complemented by a Route to Market RTM overhaul that will increase the distribution of the value added portfolio. After successfully completing this RTM pilot in Rawalpindi/Islamabad, we are now ready to extend to the rest of the country.

Structural adjustments are being made in 'way of doing businesses' that leverages the industry expertise to bring down costs. Not only will this intrinsically improve the margin structure, it will also prepare the business for inflationary pressure that is expected.

In an increasingly uncertain world, the dairy business in Pakistan will continue to evolve. The 'inelastic' nature of the larger dairy portfolio is likely to benefit the business in these times. We are building an innovation funnel for next three years that will ensure that Nurpur continues to build its taste credentials with the consumers.

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



Sarfaraz Ahmed Rehman
Chairman



Usman Zaheer Ahmad
Chief Executive Officer

Dated: April 21, 2022

ڈائریکٹرز کی حصص داران کو رپورٹ

فوجی نوڈز لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2022 کو ختم ہونے والے پہلے سہ ماہی عرصہ کے لیے غیر آڈٹ شدہ عبوری مالیاتی حسابات پر ڈائریکٹرز کی رپورٹ پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

کاروباری جائزہ

زیر جائزہ مدت کے دوران، کمپنی نے ایک چیلنجنگ افراط زر کے ماحول میں آمدنی میں پائیدار نمود رج کی۔ نورپور UHT دودھ نے پچھلے سال کی اسی سہ ماہی کے مقابلے میں 47 فیصد کا غیر معمولی اضافہ ریکارڈ کیا۔ کمپنی نے فقط مارچ 2022 کے ایک مہینے میں نوڈسروسز کے شعبے میں 252 ملین روپے کی سب سے زیادہ فروخت حاصل کی۔ بین الاقوامی فاسٹ نوڈ چین کے ساتھ بریک تھر و حاصل کیا گیا ہے جہاں نورپور پنیر اب واحد سپلائر ہے۔

ہماری سب سے بڑی پیشکش Dostea جو کہ حجم کا 61% ہے، مختلف حالات کی وجہ سے صنعتی سطح پر قیمتوں میں اضافے سے بری طرح متاثر ہوئی۔ نتیجتاً پہلی سہ ماہی میں کیلگری کا حجم 30% کم ہو گیا ہے۔

ملک میں بڑھتی ہوئی مہنگائی کی وجہ سے کمپنی کی ان پٹ اور اوور ہیڈز کی لاگت دباؤ میں رہی، تاہم اس بڑھتی ہوئی لاگت کو کاروبار کرنے کے طریقے میں جدت لا کر سنبھالا گیا۔

FFL نے امبریا براؤنڈ، نورپور کے پیچھے سرمایہ کاری کرنے کا اسٹریٹجک فیصلہ لیا۔ 4 سال کے وقفے کے بعد 100 ملین روپے مارکیٹنگ سرگرمیوں، BTL، ATL اور ڈیجیٹل میں براؤنڈ پر سرمایہ کاری کی گئی۔ ہم آئندہ سالوں / سہ ماہیوں میں اس سرمایہ کاری کے فوائد حاصل کرتے رہیں گے۔

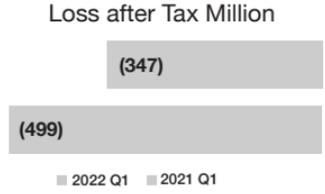
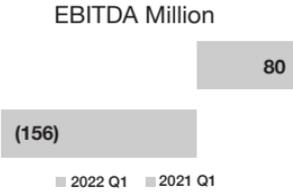
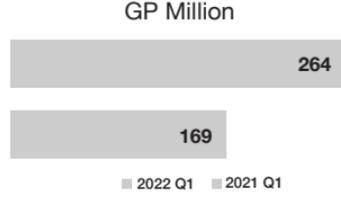
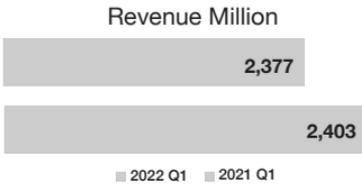
مالیاتی کارکردگی

زیر جائزہ مدت کے دوران، خالص فروخت 2,403 ملین روپے رہی جو گزشتہ سال کی اسی مدت کے دوران 2,377 ملین روپے تھی۔ مجموعی منافع گزشتہ سال کی اسی مدت کے دوران 264 ملین روپے کے مجموعی منافع کے مقابلے میں 169 ملین روپے جو 35.8 فیصد کم تھا۔ کمپنی غیر معمولی ہنگامہ خیز وقت میں آمدنی کو برقرار رکھنے میں کامیاب رہی۔ منصوبہ بندی کے مطابق مجموعی مارجن کی تعمیر کے لیے ساختی اقدامات جاری ہیں۔

سہ ماہی کے لیے بعد از ٹیکس نقصان (499) ملین روپے رہا جو کہ گزشتہ سال کی اسی مدت میں (347) ملین روپے کے نقصان کے مقابلے میں 43.7 فیصد زیادہ ہے۔

رقوم پاکستانی روپے ملین میں

فرق فیصد	جنوری تا مارچ 2021	جنوری تا مارچ 2022	
+1.1%	2,377	2,403	آمدنی
-35.8%	264	169	مجموعی منافع
-295%	80	(156)	EBITDA
-43.7%	(347)	(499)	بعد از ٹیکس نقصان



مستقبل کا نقطہ نظر

ولیبو ایڈ کینیٹر یز میں بتدریج تبدیلی کامیابی سے شروع ہو گئی ہے۔ پائیدار پورٹ فولیو کی تعمیر کے لیے سال میں مارجن ایکریٹیو کے آغاز کی ایک سیریز کا منصوبہ بنایا گیا ہے۔ HoReCa اور UHT دودھ کے کاروبار میں بے مثال ترقی اس بات کو یقینی بنائے گی کہ ہم ٹی کریئر کنیکٹیویٹی میں ہونے والی کمی کو کامیابی سے پورا کریں گے۔ ولیبو ایڈ پورٹ فولیو تعمیر کرنے کے لیے ہم برانڈ کے پیچھے سرمایہ کاری جاری رکھیں گے۔ اس سرمایہ کاری کو روٹ ٹومار کیٹ RTM اور ہال سے مکمل کیا گیا ہے جو ولیبو ایڈ پورٹ فولیو کی تقسیم میں اضافہ کرے گا۔ راولپنڈی / اسلام آباد میں اس RTM پائلٹ کو کامیابی سے مکمل کرنے کے بعد، ہم اب ملک کے باقی حصوں میں توسیع کے لیے تیار ہیں۔

ساختی ایڈجسٹمنٹ کاروبار کرنے کے طریقے میں کی جا رہی ہیں جو لاگت کو کم کرنے کے لیے صنعت کی مہارت سے فائدہ اٹھاتی ہیں۔ اس سے نہ صرف اندرونی طور پر مارجن کے ڈھانچے میں بہتری آئے گی بلکہ یہ کاروبار کو افراط زر کے دباؤ جس کی توقع ہے کے لیے بھی تیار کرے گا۔

بڑھتی ہوئی غیر یقینی دنیا میں، پاکستان میں ڈیری کا کاروبار ترقی کرتا رہے گا۔ بڑے ڈیری پورٹ فولیو کی غیر لچکدار انوینٹ سے اس وقت کاروبار کو فائدہ پہنچنے کا امکان ہے۔ ہم اگلے تین سالوں کے لیے ایک اختراعی فنل بنا رہے ہیں جو اس بات کو یقینی بنائے گا کہ نورپور صارفین کے ساتھ اپنے ڈانکے کی خصوصیات کو جاری رکھے۔

بورڈ قابل قدر حصص داران کا ان کے اعتماد اور کمپنی کے ساتھ مسلسل تعاون کے لیے شکر گزار ہے۔

عثمان ظہیر احمد
سی ای او

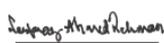
Sarfraz Ahmad Khan
سرفراز احمد رحمان
چیئرمین

Condensed Interim Statement of Financial Position
As at 31 March 2022

EQUITY AND LIABILITIES	Note	Un-Audited 31 March 2022 Rupees	Audited 31 December 2021 Rupees
<u>Share capital and reserves</u>			
Authorized capital 1,800,000,000 (2021: 1,800,000,000) ordinary shares of Rs. 10 each		<u>18,000,000,000</u>	<u>18,000,000,000</u>
Issued, subscribed and paid up capital 1,584,088,159 (2021: 1,584,088,159) ordinary shares of Rs. 10 each		15,840,881,590	15,840,881,590
Share premium		1,851,648,754	1,854,498,097
Surplus on revaluation of property, plant and equipment - net of tax		2,202,207,741	2,225,644,056
Accumulated loss		(16,871,250,155)	(16,395,504,505)
		3,023,487,930	3,525,519,238
<u>Non-current liabilities</u>			
Long term finances		5,988,149,276	5,988,149,276
Lease Liabilities		102,214,950	129,188,382
Deferred Liabilities		76,313,494	75,255,499
		<u>6,166,677,720</u>	<u>6,192,593,157</u>
<u>Current liabilities</u>			
Short term borrowings		1,933,507,565	1,933,798,755
Current portion of long term liabilities		112,214,790	112,260,832
Trade and other payables		1,286,141,890	995,323,636
Unclaimed dividend		965,752	965,752
Accrued finance cost		1,196,253,806	1,267,924,682
Provision for Taxation		167,049,845	136,357,747
		4,696,133,648	4,446,631,404
		<u>13,886,299,298</u>	<u>14,164,743,799</u>

Contingencies and commitments 6

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 Financial Position
As at 31 March 2022

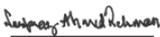
ASSETS	Note	Un-Audited 31 March 2022 Rupees	Audited 31 December 2021 Rupees
<u>Non-current assets</u>			
Property, plant and equipment	7	8,386,939,558	8,505,263,061
Intangible assets		1,572,215	1,572,247
Security deposits		6,606,122	6,606,122
		<u>8,395,117,895</u>	<u>8,513,441,430</u>

Current assets

Stores, spares and loose tools	214,385,567	183,210,631
Stock-in-trade	713,707,896	707,587,224
Trade debts - considered good	658,916,160	566,068,117
Loans and advances - considered good	125,951,489	138,378,789
Deposits, prepayments and other receivables	141,306,313	82,155,615
Sales tax refundable - net	821,651,207	740,111,000
Income tax recoverable	1,368,267,055	1,359,883,804
Cash and bank balances	1,446,995,716	1,873,907,189
	<u>5,491,181,403</u>	<u>5,651,302,369</u>

13,886,299,298

14,164,743,799


Chairman


Chief Executive Officer

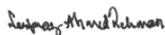

Director


Chief Financial Officer

Condensed Interim Profit or Loss (Un-Audited)
For the Quarter ended 31 March 2022

	Note	01 January to 31 March 2022 Rupees	01 January to 31 March 2021 Rupees
Revenue from contracts with customers - net		2,402,997,615	2,377,316,906
Cost of revenue	8	<u>(2,233,770,459)</u>	<u>(2,113,753,506)</u>
Gross profit		169,227,156	263,563,400
Marketing and distribution expenses		(336,206,442)	(217,903,170)
Administrative expenses		(110,994,743)	(80,192,784)
Loss from operations		<u>(277,974,029)</u>	<u>(34,532,554)</u>
Other income		42,109,123	37,483,153
Finance cost		(232,624,961)	(314,009,620)
Loss before taxation		<u>(468,489,867)</u>	<u>(311,059,021)</u>
Taxation		(30,692,098)	(36,367,136)
Loss after taxation		<u>(499,181,965)</u>	<u>(347,426,157)</u>
			Re-stated
Loss per share - basic and diluted		<u>(0.32)</u>	<u>(0.42)</u>

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


Chairman


Chief Executive Officer


Director

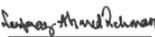

Chief Financial Officer

**Condensed Interim Statement of Other Comprehensive
Income (Un-Audited)**

For the Quarter ended 31 March 2022

	01 January to 31 March 2022 Rupees	01 January to 31 March 2021 Rupees
Loss after taxation for the period	(499,181,965)	(347,426,157)
 <u>Other comprehensive income</u>		
Items that will not be reclassified to profit and loss account		
Remeasurement of defined benefit obligation	-	-
 Total comprehensive loss for the period	 (499,181,965)	 (347,426,157)

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 Quarter ended 31 March 2022

Issued, subscribed and paid-up capital	Capital Reserve		Revenue Reserve	Total
	Share premium	Surplus on revaluation of property, plant and equipment - net of tax	Accumulated loss	

Rupees

Balance as at
01 January 2021 8,032,935,630 1,922,317,157 1,243,724,345 (15,187,985,634) (3,989,008,502)

**Total comprehensive
loss for the period**

Loss after taxation	-	-	-	(347,426,157)	(347,426,157)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss	-	-	-	(347,426,157)	(347,426,157)

**Surplus transferred to
accumulated losses**

Incremental depreciation relating to surplus on revaluation - net of tax	-	-	(14,763,674)	14,763,674	-
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Balance as at
31 March 2021 8,032,935,630 1,922,317,157 1,228,960,671 (15,520,648,117) (4,336,434,659)

Balance as at
01 January 2022 15,840,881,590 1,854,498,097 2,225,644,056 (16,395,504,505) 3,525,519,238

Share issuance cost - (2,849,343) - - (2,849,343)

**Total comprehensive loss
for the period**

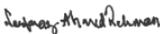
Loss after taxation	-	-	-	(499,181,965)	(499,181,965)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss	-	-	-	(499,181,965)	(499,181,965)

**Surplus transferred to
accumulated losses**

Incremental depreciation relating to surplus on revaluation - net of tax	-	-	(23,436,315)	(23,436,315)	-
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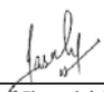
Balance as at 31 March 2022 15,840,881,590 1,851,648,754 2,202,207,741 (16,871,250,155) 3,023,487,930

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


Chairman


Chief Executive Officer


Director

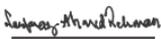

Chief Financial Officer

Condensed Interim Cash Flow Statement (Un-Audited)

For the Quarter ended 31 March 2022

	Note	Quarter Ended March 2022 Rupees	Quarter Ended March 2021 Rupees
<u>Cash flows from operating activities</u>			
Loss before taxation		(468,489,867)	(311,059,021)
<i>Adjustments for non-cash items:</i>			
Depreciation on property, plant and equipment	7	121,603,517	109,979,353
Amortization of intangible assets		-	4,695,224
Gain on disposal of property, plant and equipment		(486,505)	(20,614,860)
Profit on bank deposits		(36,839,143)	(6,173,028)
Employee retirement benefits		7,052,773	8,433,859
Finance cost		232,624,961	314,009,620
Cash flow before working capital changes		(144,534,264)	99,271,147
<u>Effect on cash flow due to working capital changes</u>			
<i>(Increase) / decrease in current assets:</i>			
Stores, spares and loose tools		(31,174,936)	3,032,203
Stock-in-trade		(6,120,776)	(646,098,121)
Trade debts		(92,847,883)	(136,868,895)
Loans and advances		12,427,789	40,595,690
Deposits, prepayments and other receivables		(59,151,161)	1,795,136
Sales tax refundable		(81,540,207)	22,928,383
Increase in trade and other payables		290,818,254	187,998,494
		32,411,080	(526,617,110)
Cash used in operations		(112,123,183)	(427,345,963)
Income tax paid		(8,383,196)	(36,454,928)
Employee benefits paid		(5,994,499)	(1,648,944)
Net cash used in operating activities		(126,500,878)	(465,449,835)
<u>Cash flow from investing activities</u>			
Fixed capital expenditure		(4,225,817)	(15,311,612)
Sale proceeds from disposal of property, plant and equipment		1,432,273	88,483,596
Income on bank deposits received		36,839,143	6,173,028
Net cash generated from investing activities		34,045,599	79,345,012
<u>Cash flow from financing activities</u>			
Long term financing		(12,615,260)	(82,616,315)
Share premium		(2,849,343)	-
Liabilities against assets subject to finance lease - net		(14,405,018)	(15,223,750)
Finance cost paid		(304,295,682)	(41,012,385)
Net cash used in financing activities		(334,165,303)	(138,852,450)
Net decrease in cash and cash equivalents		(426,620,582)	(524,957,273)
Cash and cash equivalents - at beginning of the period		169,082,593	(757,278,882)
Cash and cash equivalents - at end of the period		(257,537,989)	(1,282,236,155)

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 Quarter ended 31 March 2022

- 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, 2022 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, 2021.
- 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, 2021
- 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, 2021.
- 6** Contingencies and commitments
- 6.1 Contingencies

(i) The Company has issued following guarantees:

Guarantees aggregating Rs. 17.61 million (31 December 2021: Rs. 17.61 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, 2021.

6.2 Commitments

(i) Commitments, for purchase of raw / packing material, outstanding at the period end were Rs. 4.05 million (31 December 2021: Rs. 7.51 million).

7 Property, plant and equipment	Note	Un-audited	Audited
		31 March	31 December
		2022	2021
		Rupees	Rupees
Opening balance - Net book value		8,282,128,337	7,326,713,116
Additions during the period / year		2,875,984	34,843,711
Revaluation of assets during the period / year		-	1,423,600,647
Capital Work in Process	7.1	224,484,027	223,134,724
		8,509,488,348	9,008,292,198
Book Value of property plant and equipment disposed off/adjusted during the period / year		(945,273)	(84,593,602)
Depreciation charged during the period / year		(121,603,517)	(418,435,535)
		8,386,939,558	8,505,263,061

7.1 Capital work-in-progress

Plant and machinery	224,484,027	223,134,724
	224,484,027	223,134,724

QUATER ENDED
31 MARCH
2022

**01 January
to
31 March
2022
Rupees**

**01 January
to
31 March
2021
Rupees**

8 Cost of Sales

Raw materials consumed	1,374,724,323	1,816,466,131
Salaries, wages and other benefits	53,362,648	49,996,121
Freight and forwarding	42,751,558	36,414,260
Power and fuel	104,794,243	68,767,228
Packing materials consumed	451,684,709	602,694,594
Stores and spares consumed	26,290,087	23,327,970
Repair and maintenance	52,453,298	57,746,785
Depreciation on property, plant and equipment	106,459,075	89,657,011
Travelling and conveyance	1,939,803	2,977,516
Printing and stationery	242,526	131,255
Legal and professional charges	456,294	300,000
Insurance	1,580,325	2,142,838
Others	443,424	593,557
	2,217,182,313	2,751,215,266
Adjustment of work-in-process		
Opening stock	118,186,971	173,006,590
Closing stock	(89,219,414)	(176,555,053)
	28,967,557	(3,548,463)
Cost of goods manufactured	2,246,149,870	2,747,666,803
Adjustment of finished goods		
Opening stock	326,816,255	156,040,982
Closing stock	(339,195,666)	(789,954,279)
	(12,379,411)	(633,913,297)
	2,233,770,459	2,113,753,506

9 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	01 January to 31 March 2022 Rupees	01 January to 31 March 2021 Rupees
i. Associated Undertakings				
Fauji Fertilizer	Parent Company	TA/DA charged by related party	11,274	9,941
Bin Qasim Limited	(Shareholding and common directorship)	Expense of IT facilities charged by related party	1,500,000	5,139,658
		Finance cost charged by related party	3,698,630	128,802,385
Fauji Foundation	Associated Undertaking (Shareholding and common directorship)	Management shared services charged by related party	1,225,331	1,250,011
		TA/DA and boarding expenses charged by related party	1,019,520	-
Askari Bank Limited	Associated Undertaking (Common directorship)	Finance cost charged by related party	18,087,771	6,817,947
		Interest income on saving accounts	32,874,626	5,540,166
FFBL Power Company Limited	Associated Undertaking (Common directorship)	Purchase of Coal	5,294,322	24,651,218
Fauji Cereals	Associated Undertaking (Common directorship)	Salary of Personnel charged to the related party	-	3,553,572
		TA/DA and Building rent charged to the related party	-	439,228
Fauji Security Services Private Limited	Associated Undertaking (Common directorship)	Expenses paid against security services	-	116,000
Noon Sugar Mills Limited	Associated Undertaking (Common directorship)	Purchase of sugar	3,423,077	14,138,880
Employee's Provident Fund Trust		Contribution for the year	14,456,806	14,587,180
ii. Associated persons				
Directors		Meeting fee	4,170,000	1,690,000
Key management personnel		Remuneration and benefits	26,464,918	21,611,633

10 Date of authorization of issue

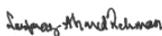
These financial statements were authorized for issue on 21 April 2022 by the board of directors of the Company.

11 Events after the balance sheet date

There are no subsequent events occurring after balance sheet date.

12 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