



fauji foods

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Condensed Interim Financial Statements
for the Half Year ended 30 June **2023**



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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



FAUJI FOODS 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 6 months period ended June 30, 2023.

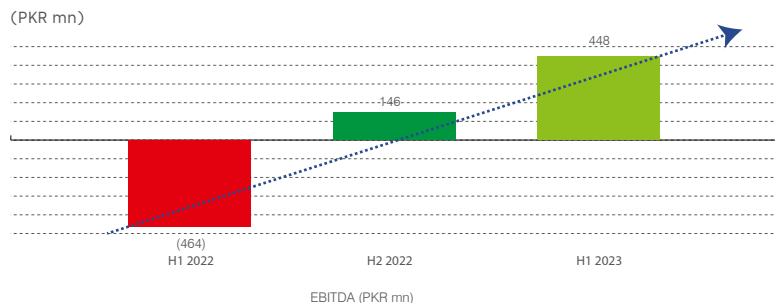
Pakistan remains an attractive market for consumer business with an annual consumption expenditure of circa \$ 329 bn; food and dairy are amongst the largest consumer segments. FFL, with its unique portfolio and multiple strengths is perfectly placed to claim its rightful place in Pakistan’s large and growing consumer market.

However, uncertainty in local and global economic environment continues to pose challenges for all businesses. High inflation coupled with continued devaluation has resulted in massive cost increases. As a consequence, input costs for raw milk, packaging, utilities etc. continued their meteoric rise in H1 `23. Re-application of Sales Tax on an already declining Tea Creamer category in Q2`23 also impacted category volumes.

Despite these challenges, FFL achieved its first ever PAT positive (PKR 22 mn) quarter in Q2 2023. In fact, it was the 4th consecutive month in green by the company. With the first half revenue of PKR 9.8 bn (+105% over SPLY) the business is all set to achieve the turnaround.

The commercial sustainability is reflected through improved structure of the P&L as Gross Margins increased from 3.7% H1 2022 to 12.5% in H1 2023. Continuous focus on cost efficiencies, & timely price increases yielded an additional 8.8% Gross Margin. As a result, FFL achieved operating profit of PKR 190 mn vs PKR (708) mn loss in SPLY, an increase of PKR 898 mn. With a solid turnaround strategy delivering results, the EBITDA which has been on a growth path since Q4 `22 surged to PKR 448 mn in H1 `23, a 197% growth over SPLY.

EBITDA Evolution



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

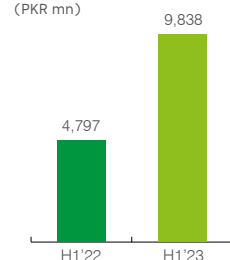
a) Margin Accretive Growth:

FFL achieved growth of 105% in Net Revenue in H1`23 over same period last year (SPLY). This was driven by continued volume growth in UHT Milk (51% vs SPLY), increase in distribution (additional 14,000 outlets) and strong growth of Institutional sales (+202% vs SPLY).

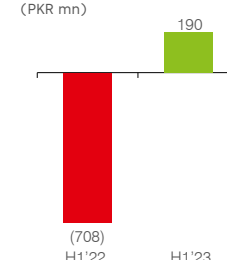
b) Reducing The COGS:

The topline growth was complimented by improvement in Gross margins which grew by 3.35 times, from 3.73% H1`22 to a double-digit Gross Margin of 12.51% in H1`23. 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.

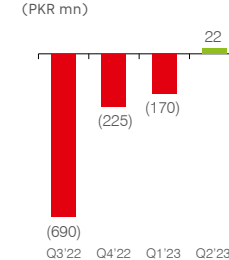
Revenue



Operating Profit/(Loss)



Net Profit / (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 PKR 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 growth. With the legacy debt burden now removed, growth in Margins and EBITDA 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 FFL driven by its vision of “Unleashing Pakistan’s promise in everything we touch” will not only build a successful business but leave a mark on the broader national landscape for times to come.

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

Waqar Ahmed Malik
Chairman

Usman Zaheer Ahmad
Chief Executive Officer

Dated: July 21, 2023

ڈائریکٹرز کی تحص داران کورپورٹ

فوجی فوڈز لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون 2023 کو ختم ہونے والی ششماہی کے لیے کھنی کی مجموعی غیر آڈٹ شدہ عبوری مالیاتی معلومات کے ہمراہ ڈائریکٹرز کی رپورٹ پیش کرتے ہوئے خوش محسوس کر رہا ہے۔

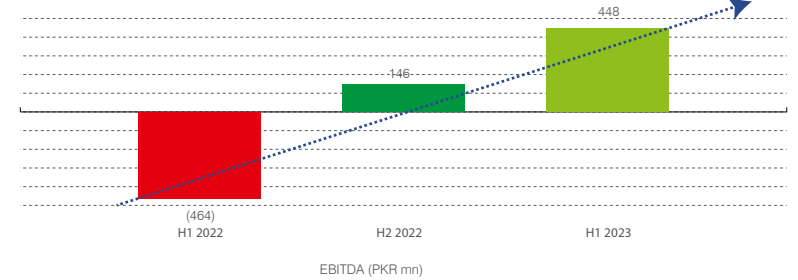
پاکستان کنزیومر کاروبار کے لیے ایک پُرکشش مارکیٹ ہے جس کے سالانہ کمیشن اخراجات تقریباً 329 بلین ڈالر ہیں، خوراک اور دودھ کا شمار کنزیومر کے سب سے بڑے شعبوں میں ہوتا ہے۔ FFL اپنے منفرد پورٹ فولیو اور متعدد قوتوں کے ساتھ پاکستان کی بڑی اور نمونپاتی ہوئی کنزیومر مارکیٹ میں اپنی درست مقام حاصل کرنے کے لیے بالکل تیار ہے۔

تاہم، مقامی اور عالمی اقتصادی ماحول میں غیر یقینی صورتحال مسلسل تمام کاروباروں کے لیے چیلنجز کا باعث بنی ہوئی ہے۔ قدر میں مسلسل گراؤت کے ساتھ اعلیٰ افراط زر کے نتیجے میں لاگت میں بہت زیادہ اضافہ ہو گیا ہے۔ نتیجے کے طور پر، خام دودھ، بیکنگ، یوٹیلٹییز وغیرہ کی لاگت مالی سال 23 کی پہلی ششماہی میں تیزی سے بڑھ رہی ہے۔ مالی سال 23 کی دوسری سہ ماہی میں ٹی کریری کی پہلے ہی کم ہوئی کیلگری پریسلوٹیکس کے دوبارہ اطلاق نے بھی کیلگری کے حجم کو متاثر کیا۔

ان چیلنجز کے باوجود، FFL نے Q2 2023 میں اپنی پہلی PAT مثبت (22 ملین روپے) سہ ماہی حاصل کی۔ درحقیقت، یہ کھنی کی طرف سے مسلسل چوتھا مہینہ گرین تھا۔ 9.8 بلین روپے کی پہلی ششماہی آمدنی (گزشتہ سال سے +105% زیادہ) کے ساتھ کاروبار کو مکمل طور پر تبدیل کرنے کے حصول کے لیے کافی ہے۔

تجارتی پائیداری P&L کے بہتر ڈھانچے کے ذریعے ظاہر ہوتی ہے کیونکہ مجموعی مارجن H1 2022 کے 3.7% سے بڑھ کر H1 2023 میں 12.5% ہو گیا۔ کاسٹ اینٹی اینٹیپیر پر مسلسل توجہ اور بروقت قیمت میں اضافے سے 8.8% مجموعی مارجن اضافی حاصل ہوا۔ نتیجے کے طور پر، FFL نے گزشتہ سال کی اسی ششماہی میں (708) ملین روپے نقصان کے برعکس 190 ملین روپے کا آپریٹنگ منافع حاصل کیا، ابتدا 898 ملین روپے کا اضافہ ہوا۔ نتائج فراہم کرنے والی ٹھوس تبدیلی کی حکمت عملی کے ساتھ، EBITDA جو Q4 '22 سے نمونہ کی راہ پر گامزن ہے H1 '23 میں 448 ملین روپے تک پہنچ گیا، جو گزشتہ سال کے مقابلے میں 197% نمونہ ہے۔

EBITDA Evolution



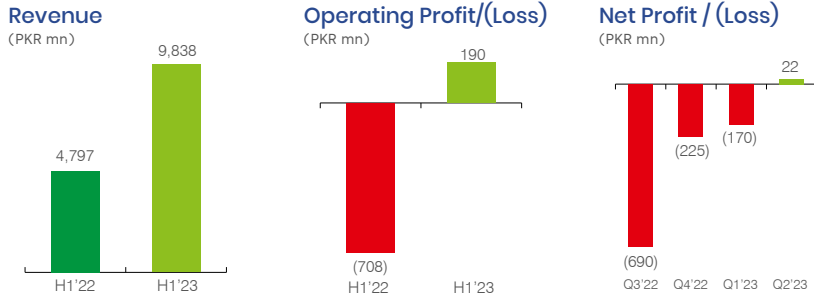
مارجن ایکریٹیو نمونہ اور لاگت کو کم کرنے کی حکمت عملی کے ساتھ FFL کی استقامت نے کاروباری نتائج میں استحکام پیدا کیا ہے۔ ان میں سے ہر ایک اسٹریٹجک پلرز پر پیشرفت کے اثرات ذیل میں دکھائے گئے ہیں:

(a) مارجن ایکریٹیو نمونہ:

FFL نے گزشتہ سال کی اسی مدت (SPLY) کے مقابلے میں 2023 کی پہلی ششماہی میں خالص آمدنی میں 105 فیصد کی نمو حاصل کی۔ یہ UHT دودھ (51% vs SPLY) کے حجم میں مسلسل اضافے، تقسیم میں اضافہ (اضافی 14,000 آؤٹ لٹس) اور ادارہ جاتی فروخت (202% vs SPLY) کی وجہ سے ہوا۔

(b) COGS کی کمی:

ٹاپ لائن نمونہ مجموعی مارجن میں بہتری سے سراہا گیا جو سال 2022 کی پہلی ششماہی کے 3.73% سے 3.35% گنا بڑھ کر سال 2023 کی پہلی ششماہی میں 12.51% ہو گیا ہے۔ 1 میگا واٹ سولار اور بائیو ماس کے جڑواں پائیدار منصوبے Q1 میں پیداوار میں آئے اور یہاں سے آگے توانائی کی لاگت پر مثبت اثر ڈالنے رہیں گے۔



(c) 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 بلین روپے کا پورا قرض راسٹ اکیویٹی انجکشن پر آئیس 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 رہی ہے۔

مستقبل کا نقطہ نظر:

آگے دیکھتے ہوئے، برانڈز اور ڈسٹری بیوشن انفراسٹرکچر میں سرمایہ کاری کو تیز کرنے کے لئے جاری رکھنی چاہیے۔ وراثتی قرضوں کے بوجھ کو اب بنادیا گیا ہے، مارجنز اور EBITDA میں نمو 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 بھرت کرنے کی حکمت عملی کاروبار کو قیمتوں اور مارجن بینیمٹ کے ذریعے متوقع افراط زر کا احاطہ کرنے کے قابل بنائے گی۔ ہمیں یقین ہے کہ FFL اپنے "Unleashing Pakistan's promise in everything we touch" کے وژن پر کارفرما ہے، نہ صرف ایک کامیاب کاروبار بنانے کا بلکہ آنے والے وقتوں کے لیے وسیع تر قومی منظر نامے پر بھی نشان چھوڑے گا۔

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

عثمان ظہیر احمد
چیف ایگزیکٹو آفیسر

وقار احمد ملک
چیرمین

تاریخ: 21 جولائی، 2023



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 condensed interim statement of financial position of Fauji Foods Limited (the Company) as at 30 June 2023, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the 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 is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-month period ended 30 June 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended 30 June 2023. The engagement partner on the audit resulting in this independent auditor's report is Omer Chughtai.



Chartered Accountants

Place: Lahore

Date: 23 August 2023

UDIN: RR2023101206pyflq54

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	Un-audited 30 June 2023 Rupees	Audited 31 December 2022 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 2,800,000,000 (31 December 2022: 2,800,000,000)			
ordinary shares of Rs 10 each		28,000,000,000	28,000,000,000
Issued, subscribed and paid up share capital	4	25,199,631,390	15,840,881,590
Capital reserves			
Share deposit money	4	2,350,000,001	2,708,749,801
Share premium		1,801,082,303	1,835,148,153
Surplus on revaluation of property, plant and equipment - net of tax		2,061,177,591	2,131,898,795
Revenue reserve			
Accumulated loss		(18,545,820,152)	(18,469,229,527)
		12,866,071,133	4,047,448,812
Non-current liabilities			
Long term loans	5	–	5,482,593,723
Lease liabilities		222,350,034	53,570,131
Deferred liabilities		34,216,986	30,795,946
		256,567,020	5,566,959,800
Current liabilities			
Short term borrowings	6	–	1,705,540,931
Current portion of long term liabilities		107,541,688	579,001,285
Trade and other payables	7	2,151,590,281	1,576,465,618
Contract liabilities		513,844,446	178,556,370
Unclaimed dividend		965,752	965,752
Accrued finance cost	8	35,212,332	402,289,522
Provision for taxation		126,939,187	159,052,640
		2,936,093,686	4,601,872,118
Contingencies and commitments			
	9	16,058,731,839	14,216,280,730

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


Chairman


Chief Executive


Director


Chief Financial Officer

	Note	Un-audited 30 June 2023 Rupees	Audited 31 December 2022 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	10	8,367,159,622	8,138,695,696
Intangible assets	11	9,489,882	5,929,326
Security deposits		9,929,465	9,539,947
		8,386,578,969	8,154,164,969
Current assets			
Stores, spares and loose tools		270,631,395	185,095,995
Stock-in-trade	12	2,408,613,622	1,239,691,594
Trade debts		1,013,355,196	557,499,467
Loans and advances		362,861,260	149,550,153
Deposits, prepayments and other receivables		187,317,904	198,461,867
Accrued interest		40,466,298	40,973,562
Sales tax refundable - net		1,496,651,080	1,275,508,594
Income tax recoverable		1,164,758,704	1,269,852,300
Cash and cash equivalents	13	727,497,411	1,145,482,229
		7,672,152,870	6,062,115,761
		16,058,731,839	14,216,280,730


Chairman


Chief Executive


Director


Chief Financial Officer

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

For the six months ended 30 June 2023

Note	Half Year Ended 30 June		Quarter Ended 30 June		
	2023	2022	2023	2022	
	Rupees	Rupees	Rupees	Rupees	
Revenue from contracts with customers - Net	14	9,837,736,143	4,796,600,579	4,668,667,870	2,393,602,964
Cost of revenue	15	(8,607,136,063)	(4,617,830,795)	(4,098,740,110)	(2,384,060,336)
Gross profit		1,230,600,080	178,769,784	569,927,760	9,542,628
Marketing and distribution expenses		(695,961,895)	(677,842,757)	(349,239,894)	(341,636,315)
Administrative expenses		(344,165,484)	(209,373,196)	(157,427,445)	(98,378,453)
Profit / (Loss) from operations		190,472,701	(708,446,169)	63,260,421	(430,472,140)
Other income		126,686,626	81,663,532	56,866,382	39,554,409
Other operating expense		(2,162,240)	-	(1,694,448)	-
Finance costs	16	(335,369,729)	(565,363,055)	(35,591,493)	(332,738,094)
Profit / (Loss) before taxation		(20,372,642)	(1,192,145,692)	82,840,862	(723,655,825)
Income tax expense	17	(126,939,187)	(61,327,393)	(60,569,676)	(30,635,295)
Profit / (Loss) after taxation for the period		(147,311,829)	(1,253,473,085)	22,271,186	(754,291,120)
(Loss) / Earnings per share - basic and diluted	18	(0.07)	(0.79)	0.01	(0.48)

The annexed notes from 1 to 23 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 six months ended 30 June 2023

	Half Year Ended 30 June		Quarter Ended 30 June	
	2023	2022	2023	2022
	Rupees	Rupees	Rupees	Rupees
Profit / (Loss) for the period	(147,311,829)	(1,253,473,085)	22,271,186	(754,291,120)
Other comprehensive income for the period				
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 income / (loss) for the period	(147,311,829)	(1,253,473,085)	22,271,186	(754,291,120)

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


Chairman


Chief Executive


Director


Chief Financial Officer

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

For the six months ended 30 June 2023

	Share 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						
Balance as at 01 January 2022 (audited)	15,840,881,590	1,854,498,097	-	2,225,644,056	(16,395,504,505)	3,525,519,238
Loss after taxation for the period	-	-	-	-	(1,253,473,085)	(1,253,473,085)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(1,253,473,085)	(1,253,473,085)
Share issuance cost	-	(2,849,343)	-	-	-	(2,849,343)
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(46,872,630)	46,872,630	-
Balance as at 30 June 2022 (un-audited)	15,840,881,590	1,851,648,754	-	2,178,771,426	(17,602,104,960)	2,269,196,810
Rupees						
Balance as at 01 January 2023 (audited)	15,840,881,590	1,835,148,153	2,708,749,801	2,131,898,795	(18,469,229,527)	4,047,448,812
Loss after taxation for the period	-	-	-	-	(147,311,829)	(147,311,829)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(147,311,829)	(147,311,829)
Issue of share capital	9,358,749,800	-	(708,749,800)	-	-	8,650,000,000
Share issuance cost	-	(34,065,850)	-	-	-	(34,065,850)
Share deposit money received	-	-	350,000,000	-	-	350,000,000
Revaluation surplus realized through disposal of operating fixed assets	-	-	-	(31,660,679)	31,660,679	-
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(39,060,525)	39,060,525	-
Balance as at 30 June 2023 (un-audited)	25,199,631,390	1,801,082,303	2,350,000,001	2,061,177,591	(18,545,820,152)	12,866,071,133

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


Chairman


Chief Executive


Director


Chief Financial Officer

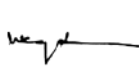


CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the six months ended 30 June 2023


	Note	Half Year Ended	
		30 June 2023	30 June 2022
Rupees			
Cash flow from operating activities			
Loss before taxation		(20,372,642)	(1,192,145,692)
Adjustments to reconcile loss before tax to net cash flows:			
Depreciation on property, plant and equipment	10	257,521,294	243,899,862
Amortization of intangible assets		440,644	32
Gain on disposal of property, plant and equipment		(4,767,822)	(931,749)
Profit on bank saving accounts and Term Deposit Receipts (TDRs)		(117,057,861)	(69,220,357)
Provision for employee retirement benefits		13,218,780	14,105,548
Finance cost		335,369,729	565,363,055
Operating profit / (loss) before working capital changes		464,352,124	(438,929,301)
Working capital adjustments:			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		(85,535,400)	(36,112,221)
Stock-in-trade		(1,168,922,028)	5,426,401
Trade debits		(455,855,729)	(42,208,987)
Loans and advances		(213,311,107)	50,270,266
Deposits, prepayments and other receivables		10,754,445	(4,918,120)
Sales tax refundable		(221,142,486)	(81,740,756)
Increase / (decrease) in current liabilities:			
Trade and other payables		575,124,663	570,317,049
Contract liabilities		335,288,076	(1,681,847)
		(1,223,599,566)	459,351,785
Cash (used in) / generated from operations		(759,247,442)	20,422,484
Income tax paid		(53,959,044)	(30,045,039)
Employee benefits paid		(9,797,740)	(11,092,648)
Net cash used in operating activities		(823,004,226)	(20,715,203)
Cash flow from investing activities			
Acquisition of property, plant and equipment		(315,353,975)	(38,784,561)
Acquisition of intangible assets		(4,001,200)	-
Sale proceeds from disposal of property, plant and equipment		80,914,486	2,584,448
Profit on saving accounts		51,938,275	69,220,357
Profit on TDRs		65,626,849	-
Net cash (Used in) / generated from investing activities		(120,875,565)	33,020,244
Cash flow from financing activities			
Proceeds from short term borrowings - net		-	18,841
Share deposit money received from Fauji Foundation		350,000,000	-
Finance cost paid		(702,446,920)	(604,571,628)
Proceeds received against issuance of shares		8,650,000,000	-
Repayment of long term loans		(5,988,149,277)	(25,228,912)
Repayment of principal portion of lease liabilities		(43,902,050)	(31,375,629)
Share issuance cost		(34,065,850)	(2,849,343)
Net cash generated from / (used in) financing activities		2,231,435,903	(664,006,671)
Net increase / (decrease) in cash and cash equivalents		1,287,556,113	(651,701,630)
Cash and cash equivalents - at beginning of the period		(560,058,702)	169,082,593
Cash and cash equivalents - at end of the period		727,497,411	(482,619,037)
Cash and cash equivalents comprise of the following:			
- Cash and bank balances	13	727,497,411	1,220,952,442
- Running finances	6	-	(1,703,571,479)
		727,497,411	(482,619,037)
Significant non-cash transactions			
Addition in right of use assets		246,777,910	-
Issue of shares against accrued mark-up		708,749,800	-

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


Chairman


Chief Executive


Director


Chief Financial Officer

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

For the six months ended 30 June 2023

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, 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 or "FFBL"). The ultimate parent of the Company is Fauji Foundation ("FF"). 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 During the period ended 30 June 2023, the Company has incurred a loss after tax of Rs.147.31 million (30 June 2022: Rs. 1,253.47 million), resulting in accumulated losses of Rs. 18,545.82 million (31 December 2022: Rs. 18,469.23 million) as of that date. As a result of implementing its business plan, the Company has been able to achieve sales growth, and gross profits have increased significantly as compared to the comparative period. Further, the sponsors have injected additional share capital in the Company which has been used to settle all financing facilities availed from the financial institutions. Resultantly, the liquidity position of the Company has improved. The Company expects to be profitable in the near future.

Based upon the above, the management has concluded that there is no uncertainty regarding going concern of the Company and accordingly, these condensed interim financial statements have been prepared on a going concern basis.

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 These condensed interim financial statements are un-audited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 237 of the Act and the Listed Companies (Code of Corporate Governance) Regulations 2019. These 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 financial statements of the Company for the year ended 31 December 2022. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of 31 December 2022, 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 2022.

- 2.3 The figures of the condensed interim statement of profit or loss and other comprehensive income for the three months ended 30 June 2023 and 30 June 2022 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the six months ended 30 June 2023 and 30 June 2022.
- 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 Provisions in respect of Workers' Welfare Fund, Workers' Profit Participation Fund and taxation are estimated based on management judgment and prevailing laws; these are subject to final adjustments in the annual audited financial statements.

3 USE OF ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements, in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates. During the preparation of these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and assumptions are consistent with those that were applied to the audited financial statements of the Company for the year ended 31 December 2022.

3.1 Significant Accounting Policies

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2022 except for the adoption of amendments to approved accounting and reporting standards as applicable in Pakistan which became effective for the current period as disclosed in Note 3.2 to these condensed interim financial statements. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3.2 New standards and amendments adopted by the Company

The Company has adopted the certain amendments and improvements to approved accounting and reporting standards as applicable in Pakistan which became effective for the current period as disclosed below. The said amendments did not have any material impact on these condensed interim unaudited financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's interim condensed financial statements.

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

For the six months ended 30 June 2023

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Company's interim condensed financial statements.

4 SHARE CAPITAL

4.1 Issued, subscribed and paid up share capital

	(Un-audited)		(Audited)	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	Number of share		Rupees	
Ordinary share capital				
Ordinary shares of Rs.10 each				
fully paid in cash	1,557,228,762	692,228,762	15,572,287,620	6,922,287,620
Ordinary shares of Rs 10 each issued as fully paid bonus shares	2,639,200	2,639,200	26,392,000	26,392,000
Ordinary shares of Rs 10 each issued on conversion of loans	882,020,197	882,020,197	8,820,201,970	8,820,201,970
Ordinary shares of Rs 10 each issued on conversion of accrued mark-up	70,874,980	-	708,749,800	-
Voting ordinary shares of Rs.10 each issued on conversion of 12% cumulative convertible preference shares	7,200,000	7,200,000	72,000,000	72,000,000
	2,519,963,139	1,584,088,159	25,199,631,390	15,840,881,590

	Note	Un-audited	Audited
		30 June 2023	31 December 2022
Number of shares			
4.1.1 Movement during the period is as follows:			
Opening balance		1,584,088,159	1,584,088,159
Shares issued against:			
- Cash received during the period	4.1.2	865,000,000	-
- Accrued mark-up, transferred from share deposit money	4.1.3	70,874,980	-
		935,874,980	-
Closing balance		2,519,963,139	1,584,088,159

	Un-audited	Audited
	30 June 2023	31 December 2022
Number of shares		
4.1.2 These shares have been issued at par (i.e. Rs. 10) to the following allottees:		
FFBL Power Company Limited - subsidiary of FFBL	400,000,000	-
FFC Energy Limited - an associated undertaking	465,000,000	-
	865,000,000	-

4.1.3 These shares have been issued to the Fauji Fertilizer Bin Qasim Limited (i.e. the parent company) at par (i.e. Rs.10).

4.1.4 Ordinary shares of the Company held by associated undertakings and directors at period / year end are as follows:

	(Un-audited)		(Audited)	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	Percentage held		Number of shares	
Fauji Fertilizer Bin Qasim Limited				
- voting ordinary shares	47.84%	71.63%	1,205,576,237	1,134,701,257
FFBL Power Company Limited				
- voting ordinary shares	15.87%	0.00%	400,000,000	-
FFC Energy Limited				
- voting ordinary shares	18.45%	0.00%	465,000,000	-
Fauji Foundation				
- voting ordinary shares	2.67%	4.25%	67,371,916	67,371,916
Directors, Officers, their spouse and minor children				
- voting ordinary shares	0.02%	0.01%	569,422	148,923
			2,138,517,575	1,202,222,096

4.2 Share deposit money

The Company, in its Extraordinary General Meeting held on October 18, 2022, had approved further share issue, with face value of Rs. 11,708 million, by way of other than right issue. This included an amount of Rs. 2,350 million, received from Fauji Foundation (FF), the Ultimate Parent of the Company, as share deposit money, in the current and prior periods. During the period, prior to share allotment, a request was received from FF to defer its' share allotment, under agreement dated August 29, 2022. Based on the above request, the Company has deferred the allotment / issuance of Ordinary Shares at par value to FF, till further communication. The Ordinary Shares with a face value of Rs. 9,358 million have been issued to remaining parties (as disclosed in Note 4.1.1).

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

For the six months ended 30 June 2023

	Note	Un-audited	Audited
		30 June 2023	31 December 2022
		Rupees	Rupees
5 LONG TERM LOANS			
Syndicate Finance Facility	5.1	–	5,988,149,277
Current maturity presented under current liabilities		–	(505,555,554)
		–	5,482,593,723

5.1 Pursuant to the grant of consent by financiers to the Company of opting pre-payment option, these syndicate finance facility has been repaid in full during the period. A syndicate finance facility was jointly led by Faysal Bank Limited, National Bank of Pakistan, MCB Bank Limited and Allied Bank Limited and participated by Askari Bank Limited, Alfalah Bank Limited, Soneri Bank Limited, Dubai Islamic Bank Limited whereby the outstanding exposure of all the banks was restructured into long term and short term exposure on prorata basis. The bank wise exposure of participant and lead banks has been disclosed in Note 8.2 of the annual financial statements of the Company for the year ended 31 December 2022.

The syndicate finance facility was secured by way of pari passu charge amounting to PKR 8,089 Million inclusive of 25% margin on fixed assets along with mortgage by constructive deposit of title deeds of property / land measuring 120 kanals and building thereon situated in Mauza Purana Bhalwal, Tehsil Bhalwal, District Sargodha in favour of security agent (i.e. Faysal bank limited). The syndicate finance facility was additionally secured through sponsor support in the form of Stand by letter of credit amounting to PKR 1,000 million from Askari bank limited and a revolving corporate guarantee. Subsequent to the period end, this charge has been vacated in full.

	Note	Un-audited	Audited
		30 June 2023	31 December 2022
		Rupees	Rupees
6 SHORT TERM BORROWINGS			
Running finance	6.1	–	1,705,540,931

6.1 This represented utilized amount of short term running finance facilities ("facilities") available from various commercial banks. These facilities were secured against charge over current assets amounting to PKR 2,500 million inclusive of 20% margin along with charge on fixed assets amounting to PKR 500 million. The facilities carried markup of 3- months KIBOR plus spread of 1.00% per annum (31 December 2022: 3 months KIBOR plus spread of 1.00%) payable quarterly in arrears.

6.2 These include balance of Nil (31 December 2022: Rs. 271.80 million) payable to Askari Bank Limited, an associated undertaking.

6.3 As of reporting date, the Company has unutilized running finance facility amounting to Rs. 500 million (31 December 2022: Nil) from Askari Bank Limited, an associated undertaking. This carries mark-up of 1 month KIBOR plus 0.20% per annum (31 December 2022: Nil) payable quarterly in arrears. This facility will be expiring in February 2024.

7 TRADE AND OTHER PAYABLES

These include balances amounting to Rs. 87.4 (31 December 2022: Nil) million, Rs. 0.20 (31 December 2022: 0.12) million, Rs. 5 million (31 December 2022: Nil) and Rs. 8.8 (31 December 2022: 4.6) million payable to Foundation Solar Energy Private Limited, Askari Bank Limited, Fauji Fertilizer Bin Qasim Limited and Fauji Foundation, respectively.

	Un-audited	Audited	
	30 June 2023	31 December 2022	
		Rupees	Rupees
8 ACCRUED FINANCE COST	35,212,332	402,289,522	

These include balances of Nil (31 December 2022: 7.6 million) , Rs. 32.7 (31 December 2022: 30) million and Rs. 2.5 million (31 December 2022: Nil) payable to Askari Bank Limited, Fauji Fertilizer Bin Qasim Limited and Fauji Foundation, respectively.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There have been no significant changes in contingencies as reported in the annual audited financial statements of the Company for the year ended 31 December 2022.

9.2 Commitments

The Company has the following commitments:

Commitments in respect of capital expenditure and against irrevocable letters of credit outstanding at the period end amounted to Nil (31 December 2022: Rs. 26.85 million) .

Commitments in respect of the purchase of raw and packing material outstanding at the period end amounted to Rs.63.76 million (31 December 2022: Rs. 14.42 million).

Guarantees aggregating to Rs.165.64 million (31 December 2022: Rs.161. 61 million) have been issued by banks of the Company to Sui Northern Gas Pipeline Ltd, Pakistan State Oil and Remount veterinary and corps farms.

	Note	Un-audited	Audited
		30 June 2023	31 December 2022
		Rupees	Rupees
10 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets			
- Owned assets		7,531,960,426	7,636,519,111
- Right of use assets		440,064,695	211,337,002
	10.1	7,972,025,121	7,847,856,113
Capital work in progress	10.2	395,134,501	290,839,583
		8,367,159,622	8,138,695,696
10.1 Operating fixed assets			
Net book value at beginning of the period / year		7,847,856,113	8,282,128,337
Additions during the period / year			
- Owned assets		188,827,996	64,676,109
- Right of use assets		253,833,876	–
Disposals during the period / year			
- Owned assets		(76,012,519)	(945,245)
- Right of use assets		(134,143)	(2,515,310)
Transferred from capital work in progress		15,175,092	
Depreciation charged during the period / year			
- Owned assets		(232,549,254)	(454,935,627)
- Right of use assets		(24,972,040)	(40,552,151)
Net book value at end of the period / year		7,972,025,121	7,847,856,113

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

For the six months ended 30 June 2023

	Note	Un-audited 30 June 2023	Audited 31 December 2022
		Rupees	Rupees
10.2 Capital work in progress			
Plant and machinery		375,686,000	228,617,127
Advances against capital expenditure		19,448,501	62,222,456
	10.2.1	395,134,501	290,839,583

10.2.1 This includes Rs. 245.40 (31 December 2022: Rs. 245.40) million relating to construction of waste water treatment plant which is in progress. The management has assessed its recoverable value to be higher than the carrying amount and hence the amount is not impaired.

	Note	Un-audited 30 June 2023	Audited 31 December 2022
		Rupees	Rupees
11 INTANGIBLE ASSETS	11.1	9,489,882	5,929,326

11.1 During the period, the Company has purchased additional licenses of Enterprise Resource Planning (ERP) with a cost of Rs. 5.28 million.

	Note	Un-audited 30 June 2023	Audited 31 December 2022
		Rupees	Rupees
12 STOCK IN TRADE			
Raw and packing material		1,240,113,953	538,878,848
Work-in-process		138,740,897	157,048,335
Finished goods	12.1	1,072,836,440	586,842,076
		2,451,691,290	1,282,769,259
Less: Provision for obsolescence		(43,077,668)	(43,077,665)
		2,408,613,622	1,239,691,594

12.1 The amount charged to statement of profit or loss on account of write down of finished goods to net realizable value amounts to Rs. 5.60 (30 June 2022: Rs 0.97) million.

	Note	Un-audited 30 June 2023	Audited 31 December 2022
		Rupees	Rupees
13 CASH AND CASH EQUIVALENTS			
Cash-in-hand		254,783	88,272
Cash at banks:			
- Current accounts		6,979,737	8,577,874
- Saving accounts	13.1	150,262,891	166,594,592
- Dividend accounts		-	221,491
	13.2	157,242,628	175,393,957
Term Deposit Receipt (TDRs)			
- Askari Bank Limited (Associated undertaking)	13.3	570,000,000	970,000,000
		727,497,411	1,145,482,229

13.1 These carry markup at the rates ranging from 14.5% to 19.50% (31 December 2022: 10.75% to 14.5%) per annum.

13.2 These include bank deposits amounting to Rs.109.4 (31 December 2022: 108) million with Askari Bank Limited, an associated undertaking.

13.3 These carry mark-up at the rates ranging from 14.5% to 21.5% (31 December 2022: 15.8%) per annum and have one year maturity with premature encashment option without any surcharge.

14 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	(Un-audited) Half Year Ended 30 June		(Un-audited) Quarter Ended 30 June	
	2023	2022	2023	2022
	Rupees			
Gross revenue	10,581,283,197	5,036,515,494	5,051,500,320	2,467,409,031
Less: Sales tax	184,167,749	137,021,412	83,655,208	68,702,326
Trade discounts	559,379,305	102,893,503	299,177,242	5,103,741
	743,547,054	239,914,915	382,832,450	73,806,067
	9,837,736,143	4,796,600,579	4,668,667,870	2,393,602,964

14.1 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 in time.

14.2 The Collector of Customs changed the classification of tea whitener through an order dated 10 December 2021 and determined that sales tax is leviable on tea whiteners at standard rate. Being aggrieved, the Company challenged the order of Collector of Customs before Honourable Lahore High Court which set aside the order dated 10 December 2021 and instructed the Collector of Customs to determine the classification of tea whitener.

During the period, the Collector of Customs issued an order, via public notice dated 4 April 2023, classifying Tea Whiteners as 'Milky drink', thus subject to sales tax at the rate of 18%. Resultantly, the Company, being prudent, has recognized provision for sales tax on tea whitener at applicable rate with prospective effect. Being aggrieved, the Company has filed an appeal before Honourable Lahore High Court against the aforementioned order of Collector of Customs contending that the Company was not provided an opportunity of being heard. The management of the Company, based on advice of its legal council, is confident that the matter will be decided in the favour of the Company.

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

For the six months ended 30 June 2023

	(Un-audited) Half Year Ended 30 June		(Un-audited) Quarter Ended 30 June	
	2023	2022	2023	2022
	Rupees			
15 COST OF REVENUE				
Raw materials consumed	6,811,415,787	2,847,773,172	2,902,514,324	1,473,048,849
Salaries, wages and other benefits	153,324,049	96,214,192	85,859,484	42,851,544
Power and fuel	244,494,218	249,349,452	129,520,508	144,555,209
Packing materials consumed	1,220,505,050	877,318,835	608,833,350	425,634,126
Freight and forwarding	190,048,220	112,511,897	87,810,384	69,760,339
Stores and spares consumed	62,023,283	36,842,446	33,568,883	10,552,359
Repair and maintenance	141,874,878	102,293,263	77,674,878	49,839,965
Rent, rates and taxes	245,719	2,000	224,563	2,000
Depreciation	222,690,416	213,070,331	114,399,360	106,611,256
Legal and professional charges	2,864,196	978,605	2,211,944	522,311
Insurance	2,819,995	3,163,063	1,259,756	1,582,738
Other expenses	22,517,175	8,625,422	18,178,298	5,999,669
Manufacturing cost	9,074,822,986	4,548,142,678	4,062,055,732	2,330,960,365
Adjustment of work-in-process				
Opening stock	157,048,335	118,186,971	161,272,639	89,219,414
Closing stock	(138,740,897)	(81,856,321)	(138,740,897)	(81,856,321)
	18,307,438	36,330,650	22,531,742	7,363,093
Cost of goods manufactured	9,093,130,424	4,584,473,328	4,084,587,474	2,338,323,458
Adjustment of finished goods				
Opening stock	543,764,411	326,816,255	1,043,911,408	339,195,666
Closing stock	(1,029,758,772)	(293,458,788)	(1,029,758,772)	(293,458,788)
	(485,994,361)	33,357,467	14,152,636	45,736,878
	8,607,136,063	4,617,830,795	4,098,740,110	2,384,060,336
16 FINANCE COSTS				
Islamic mode of financing				
- Short term borrowings	-	14,150,783	-	8,127,380
Interest and mark-up on:				
- Long term finance	244,735,613	396,109,174	14,999,999	231,215,231
- Short term borrowings	60,777,303	128,422,490	1,500,000	79,620,454
- Lease liabilities	27,037,515	12,895,599	18,174,588	6,273,551
Bank charges and commission	2,819,298	13,785,009	916,906	7,501,478
	335,369,729	565,363,055	35,591,493	332,738,094

	Note	(Un-audited) Half Year Ended 30 June		(Un-audited) Quarter Ended 30 June	
		2023	2022	2023	2022
		Rupees			
17 INCOME TAX EXPENSE					
Current income tax expense	17.1	126,939,187	61,327,393	60,569,676	30,635,295

17.1 In view of tax losses under normal tax regime, the provision for current tax represents "Minimum Tax" under section 113 of Income Tax Ordinance, 2001.

	(Un-audited) Half Year Ended 30 June		(Un-audited) Quarter Ended 30 June	
	2023	2022	2023	2022
	Rupees			
18 (LOSS) / EARNINGS PER SHARE				
(Loss) / Profit for				
the period - (Rupees)	(147,311,829)	(1,253,473,085)	22,271,186	(754,291,120)
Weighted-average number				
of ordinary shares outstanding				
during the period	2,142,510,799	1,584,088,159	2,519,963,139	1,584,088,159
Basic and diluted - (Rupees)	(0.07)	(0.79)	0.01	(0.48)

19 CASH AND CASH EQUIVALENTS

For the purpose of cash flow statement, cash and cash equivalents comprise of cash and bank balances and running finance.

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

For the six months ended 30 June 2023

20 RELATED PARTY TRANSACTIONS

Related parties comprise of Parent Company, subsidiaries and associates of Ultimate Parent Company, directors, entities with common directorship, post employment plans and key management personnel. Relevant 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:

Name of related party	Relationship	Nature of transactions	(Un-audited)	(Un-audited)
			30 June 2023	30 June 2022
			Rupees	Rupees
Fauji Fertilizer Bin Qasim Limited	Parent Company (Shareholding and common directorship)	Finance cost charged TA/DA charged by related party Expense charged by related party Expense of IT facilities charged by related party Expense charged to related party	2,712,329 – 112,000 7,001,200 –	– 11,274 – 7,468,680 8,200
Fauji Foundation	Ultimate Parent Company (Shareholding and common directorship)	Management shared services charged by related party TA/DA and boarding expenses charged by related party Consultancy expense charge by related party Expenses charged to related party by Company	3,095,473 – 2,825,000 96,997	1,225,331 1,019,520 – –
FFBL Power Company Limited	Associated Undertaking (Common directorship)	Purchase of coal Shares issuance	– 4,000,000,000	5,294,322 –
FFC Energy Limited	Associated Undertaking (Common directorship)	Shares issuance	4,650,000,000	–
Foundation Solar Energy (Private) Limited	Associated Undertaking (Common directorship)	Purchase of solar panel	125,095,545	–
Askari Bank Limited	Associated Undertaking (Common directorship)	Finance cost charged by related party Interest income on saving accounts Interest income on TDR	23,528,808 48,375,705 65,119,585	42,304,566 16,876,206 30,097,260
Employee's Provident Fund Trust	Post employee benefit plan	Contribution for the period	33,015,069	29,486,240
Employee's Gratuity Fund Trust	Post employee benefit plan	Contribution for the period	7,924,431	–
Directors		Meeting fee	5,865,000	7,425,000
Key Management Personnel		Remuneration and benefits	112,923,695	60,827,143

21 FINANCIAL RISK MANAGEMENT

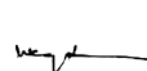
- 21.1** The Company's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements of the Company for the year ended 31 December 2022.
- 21.2** There is no change in the nature and corresponding hierarchies of fair valuation levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended 31 December 2022.

22 GENERAL

- 22.1** These condensed interim financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.
- 22.2** Corresponding figures have been rearranged/reclassified, wherever necessary, for the purpose of comparison.

23 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 21, 2023.


Chairman


Chief Executive


Director


Chief Financial Officer



HEAD OFFICE

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