



DRIVING
GROWTH

HALF YEAR ENDED JUNE 30, **2025**

TABLE OF CONTENTS

02 Corporate Information	04 Directors' Report to the Shareholders in English	07 Directors' Report to the Shareholders in urdu
08 Independent Auditor's Review Report	09 Unconsolidated Condensed Interim Financial Statements	10 Condensed Interim Statement of Financial Position
12 Condensed Interim Statement of Profit or Loss	13 Condensed Interim Statement of Comprehensive Income	14 Condensed Interim Statement of Changes in Equity
15 Condensed Interim Statement of Cash Flow	16 Notes to the Condensed Interim Financial Statements	29 Consolidated Condensed Interim Financial Statements
30 Condensed Interim Statement of Financial Position	32 Condensed Interim Statement of Profit or Loss	33 Condensed Interim Statement of Comprehensive Income
34 Condensed Interim Statement of Changes in Equity	35 Condensed Interim Statement of Cash Flow	36 Notes to the Condensed Interim Financial Statements

CORPORATE INFORMATION

Board of Directors

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

Audit Committee

Mr. Javed Kureishi
Chairman
Syed Bakhtiyar Kazmi
Mr. Basharat Ahmad Bhatti

HR&R Committee

Mr. Basharat Ahmad Bhatti
Chairman
Ms. Nosheen Akhtar

Chief Executive Officer

Mr. Usman Zaheer Ahmad

Chief Financial Officer

Mr. Waseem Haider

Company Secretary

Brig Naveed Azam Cheema (Retd)

Shares Registrar

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

Registered Office

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

Auditors

A.F. Ferguson & Co.,
Chartered Accountants

Legal Advisers

Mr. Naveed Zafar Khan
Advocate

Website

www.faujifoods.com

Plant

Bhalwal, District Sargodha

Bankers

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





fauji foods Ltd.

42



**DRIVING
GROWTH**

HALF YEAR ENDED JUNE 30, 2025

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of Fauji Foods Limited (FFL) is pleased to present the Directors' Report together with the unaudited condensed interim financial information for the six-month period ended June 30, 2025.

Pakistan, with its large and youthful population, remains a highly attractive market for consumer businesses. Among sectors, food and dairy are dynamic and large segments, where FFL is steadily strengthening its position. With a robust product portfolio, solid operational capabilities, and a clear growth trajectory, FFL is emerging as a key player in the country's evolving consumer landscape.

While global headwinds—particularly the ongoing unrest in the Middle East and broader economic uncertainty—continue to impact the business environment, the domestic economic indicators show signs of improvement. Stabilization of the PKR, easing inflation, and a reduction in interest rates provide grounds for cautious optimism going forward.

Financial Performance

Despite the macroeconomic challenges, FFL achieved its strongest financial performance to date in the first half of 2025. The Company posted its highest-ever half-yearly profit after tax (excluding deferred tax) of PKR 734 million, marking a 117.8% increase over the same period last year (SPLY). The second quarter alone contributed PKR 399 million in PAT, reflecting a 70.6% growth versus SPLY.

The top line also recorded impressive growth. FFL achieved its highest-ever half-yearly revenue of PKR 14.9 billion, up 33.4% from SPLY, while Q2 2025 revenue stood at PKR 6.98 billion, representing a 22.3% increase over the prior year.

FFL's financial and commercial sustainability is evident in the improved profitability structure. Absolute gross margins expanded by 29% in H1 2025 and 22% in Q2 2025 versus SPLY, supported by effective cost management and volume growth.

The Company delivered an operating profit of PKR 941 million in H1 2025—up 28% from SPLY. In Q2 2025, operating profit reached PKR 479 million, registering a 21% increase over the same quarter last year.



Strategic Progress & Business Sustainability

FFL's continued commitment to margin-accretive growth and a sharp focus on cost efficiency has brought greater sustainability to its business performance. The impact of progress across each strategic pillar is outlined below:

- Net Revenue grew by 33.4% in H1 2025 over the same period last year (SPLY), driven primarily by strong value growth in the value-added portfolio
- Absolute gross profit increased by 29% vs SPLY, supported by margin-accretive growth, continued cost optimization efforts, and enhanced performance in the supply chain function.
- The integration of the high-margin cereals business further contributed to margin expansion.

FFL continues to invest in building a high-performing organization. With robust performance management systems now in place, the Company is shaping a strong talent backbone. A cultural transformation is underway, reflected in a threefold increase in employee engagement scores, underscoring enhanced morale and alignment with organizational goals.

Guided by its vision of "Unleashing Pakistan's promise in everything we touch," FFL remains committed to building a resilient, forward-looking business that not only delivers value to its stakeholders but also contributes meaningfully to the broader national landscape.

The Board extends its sincere gratitude to all stakeholders and shareholders for their trust and continued support.



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



Lt Gen Ali Amir Awan
HI(M), (Retd)
Director



Usman Zaheer Ahmad
Chief Executive Officer

Dated: July 24, 2025

اسٹریٹجک پیشرفت اور کاروباری پائیداری

FFL کی مارجن ایکریٹو نمو کے ساتھ مسلسل وابستگی اور لاگت بچانے پر بھرپور توجہ اس کی کاروباری کارکردگی میں زیادہ پائیداری کا باعث بنی ہے۔ ہر اسٹریٹجک ستون میں پیش رفت کے اثرات ذیل میں بیان کیے جا رہے ہیں:

- گزشتہ سال کی اسی مدت (SPLY) کے مقابلے، بنیادی طور پر ویلیو ایڈڈ پورٹ فولیو میں مضبوط قدر میں اضافے کی وجہ سے H1 2025 میں خالص آمدنی میں 33.4 فیصد اضافہ ہوا۔
- مطلق مجموعی منافع میں SPLY کے مقابلے 29% کا اضافہ ہوا، جو کہ مارجن ایکریٹو نمو، لاگت بچانے کی مسلسل کوششوں، اور سپلائی چین کے فنکشن میں بہتر کارکردگی کی مدد سے ممکن ہوا۔
- زیادہ مارجن کے حامل سیریلز کے کاروبار کے انضمام نے مارجن کی توسیع میں مزید تعاون کیا۔

FFL ایک اعلیٰ کارکردگی کا مظاہرہ کرنے والی تنظیم کی تعمیر میں سرمایہ کاری جاری رکھے ہوئے ہے۔ اب مضبوط کارکردگی کے انتظام کے نظام کے ساتھ، کمپنی ایک مضبوط ٹیلنٹ بیک بون کی تشکیل کر رہی ہے۔ ایک ثقافتی تبدیلی جاری ہے، جس کی عکاسی ملازمین کی مصروفیت کے اسکور میں تین گنا اضافے سے ہوتی ہے، جس سے زیادہ حوصلے اور تنظیمی اہداف کے ساتھ صف بندی ہوئی ہے۔

اپنے وژن "ہم جس چیز کو بھی چھوتے ہیں اس میں پاکستان کے وعدے کو اجاگر کرتے ہوئے" کی رہنمائی میں، FFL ایک پگھلاؤ، مستقبل کے حوالے سے کاروبار کی تعمیر کے لیے پُر عزم ہے جو نہ صرف اپنے اسٹیک ہولڈرز کو قدر فراہم کرتا ہے بلکہ وسیع تر قومی منظر نامہ میں بھی معنی خیز کردار ادا کرتا ہے۔

بورڈ قابل قدر اسٹیک ہولڈرز اور شیئر ہولڈرز کا شکریہ ادا کرتا ہے جنہوں نے کمپنی پر اعتماد اور مسلسل تعاون کیا۔



عثمان ظہیر احمد
چیف ایگزیکٹو آفیسر



لیفٹیننٹ جنرل علی عامر اعوان
ایچ آئی (ایم)، (ریٹائرڈ)
ڈائریکٹر



لیفٹیننٹ جنرل انور علی حیدر
ایچ آئی (ایم)، (ریٹائرڈ)
چیرمین

مورخہ 24 جولائی، 2025



ڈائریکٹرز کی حصص داران کو رپورٹ

فوجی فوڈز لمیٹڈ (FFL) کے بورڈ آف ڈائریکٹرز 30 جون 2025ء کو ختم ہونے والی ششماہی کے لیے کمپنی کی غیر نظر ثانی شدہ عبوری مالی معلومات کے ہمراہ ڈائریکٹرز کی رپورٹ پیش کرتے ہوئے خوشی کا اظہار کرتے ہیں۔

پاکستان، اپنی زیادہ اور نوجوان آبادی کے ساتھ، کنزیومر کاروبار کے لیے ایک انتہائی پُرکشش مارکیٹ ہے۔ شعبوں میں، خوراک اور ڈیری متحرک اور اہم شعبے ہیں، جہاں FFL اپنی پوزیشن کو مستحکم کر رہا ہے۔ ایک مضبوط پروڈکٹ پورٹ فولیو، ٹھوس آپریشنل صلاحیتوں، اور واضح نمو کی رفتار کے ساتھ، FFL ملک کے ابھرتے ہوئے کنزیومر منظر نامہ میں ایک کلیدی کھلاڑی کے طور پر ابھر رہا ہے۔

جب کہ عالمی سطح پر سرائٹھانے کے باعث خاص طور پر مشرق وسطیٰ میں جاری بد امنی اور وسیع تر معاشی غیر یقینی صورتحال کاروباری ماحول کو متاثر کرتی ہے، مقامی اقتصادی اشاریے بہتری کے آثار ظاہر کرتے ہیں۔ پاکستانی روپیہ کا استحکام، افراط زر اور شرح سود میں کمی آگے بڑھنے کی محتاط اُمید کی بنیاد فراہم کرتی ہے۔

مالیاتی کارکردگی

میکرو اکنامک مشکلات کے باوجود، FFL نے 2025 کی پہلی ششماہی میں اپنی اب تک کی سب سے مضبوط مالی کارکردگی حاصل کی۔ کمپنی نے 734 ملین روپے کا اپنا اب تک کا سب سے زیادہ ششماہی بعد از ٹیکس منافع (موثر ٹیکس کے علاوہ) درج کیا، جو گزشتہ سال کی اسی مدت (SPLY) کے مقابلے میں 117.8 فیصد اضافہ ہے۔ صرف دوسری سہ ماہی نے PAT میں 399 ملین روپے کا حصہ شامل کیا، جو SPLY کے مقابلے میں 70.6% نمو کو ظاہر کرتا ہے۔

ٹاپ لائن میں بھی متاثر کن اضافہ درج کیا گیا۔ FFL نے اپنی اب تک کی سب سے زیادہ ششماہی آمدنی 14.9 ملین روپے حاصل کی، جو SPLY سے 33.4% زیادہ ہے، جبکہ Q2 2025 کی آمدنی 6.98 ملین روپے رہی، جو پچھلے سال کے مقابلے میں 22.3% اضافہ کی نمائندگی کرتی ہے۔

FFL کی مالی اور تجارتی پائیداری بہتر منافع کے ڈھانچے میں واضح ہے۔ مطلق مجموعی مارجن SPLY کے مقابلے میں 2025 پہلی ششماہی میں 29% اور Q2 2025 میں 22% تک بڑھ گیا، جو کہ موثر لاگت کے انتظام اور حجم میں اضافے کی بدولت ہوا ہے۔

کمپنی نے H1 2025 میں 941 ملین روپے کا آپریٹنگ منافع فراہم کیا جو SPLY سے 28% زیادہ ہے۔ Q2 2025 میں، آپریٹنگ منافع 479 ملین روپے تک پہنچ گیا، جو گزشتہ سال کی اسی سہ ماہی سے 21% اضافہ درج کر رہا ہے۔



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 unconsolidated condensed interim statement of financial position of Fauji Foods Limited as at June 30, 2025 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, 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 unconsolidated 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 unconsolidated interim 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 unconsolidated 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 unconsolidated interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the three months period ended June 30, 2025 have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditor’s report is Muhammad Ahsan Nadeem.


A. F. Ferguson & Co.
Chartered Accountants
Place: Lahore
Date: August 27, 2025
UDIN: RR202510884rBojIXLbG




UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As At June 30, 2025

	Note	Un-audited June 30, 2025	Audited December 31, 2024
		Rupees	Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
2,800,000,000 (December 31, 2024: 2,800,000,000)			
ordinary shares of Rs. 10 each		28,000,000,000	28,000,000,000
Issued, subscribed and paid up share capital		25,199,631,390	25,199,631,390
Capital Reserves			
Share premium		1,801,082,303	1,801,082,303
Acquisition Reserve	6	(2,847,930,692)	(2,847,930,692)
Surplus on revaluation of property, plant and equipment – net of tax		2,187,939,083	2,247,212,282
Revenue Reserve			
Accumulated loss		(15,988,560,651)	(16,824,400,787)
		10,352,161,433	9,575,594,496
Non-current liabilities			
Lease liabilities		224,421,459	139,925,997
Employee retirement benefits		68,848,026	79,391,513
		293,269,485	219,317,510
Current liabilities			
Current portion of long term liabilities		68,997,260	31,118,725
Trade and other payables	7	3,413,299,386	2,824,582,548
Loans payable to Ultimate Parent Company	8	5,908,554,693	5,908,554,693
Unclaimed dividend		965,752	965,752
Accrued finance cost		–	2,738,384
		9,391,817,091	8,767,960,102
Contingencies and commitments			
	9		
		20,037,248,009	18,562,872,108

The annexed notes from 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.



Chairman



Chief Executive Officer



Director



Chief Financial Officer



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

For the six month and three month period ended June 30, 2025

	Note	Six-month period ended June 30,		Three-month period ended June 30,	
		2025	2024	2025	2024
		Rupees	Rupees	Rupees	Rupees
Revenue from contracts with customers – net	15	14,884,902,989	11,158,856,883	6,977,665,268	5,703,397,765
Cost of revenue	16	(12,126,556,172)	(9,014,676,993)	(5,639,528,198)	(4,597,067,278)
Gross profit		2,758,346,817	2,144,179,890	1,338,137,070	1,106,330,487
Marketing and distribution expenses		(1,360,695,156)	(1,014,405,398)	(664,007,930)	(484,614,585)
Administrative expenses		(427,640,855)	(352,931,435)	(182,643,723)	(189,520,111)
Net impairment loss on financial assets		–	(23,543,269)	–	(23,543,269)
Profit from operations		970,010,806	753,299,788	491,485,417	408,652,522
Other income		271,783,972	192,550,894	137,086,802	100,573,589
Other operating expense		(98,288,222)	(242,497,259)	(45,649,010)	(21,912,346)
Finance cost		(25,642,089)	(14,708,756)	(14,680,006)	(11,122,218)
Profit before levy and income tax		1,117,864,467	688,644,667	568,243,203	476,191,547
Levy	17	(1,836,604)	–	–	–
Profit before income tax		1,116,027,863	688,644,667	568,243,203	476,191,547
Income tax	18	(339,460,926)	(323,527,170)	(153,139,636)	(223,240,920)
Profit for the period		776,566,937	365,117,497	415,103,567	252,950,627
Earning per share – basic and diluted	19	0.31	0.14	0.16	0.10

The annexed notes from 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.



Chairman



Chief Executive Officer



Director



Chief Financial Officer



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

For the six month and three month period ended June 30, 2025

	Six-month period ended June 30,		Three-month period ended June 30,	
	2025	2024	2025	2024
	Rupees	Rupees	Rupees	Rupees
Profit for the period	776,566,937	365,117,497	415,103,567	252,950,627
Other comprehensive income:				
Items that may be reclassified to profit or loss in subsequent periods (net of tax)	-	-	-	-
Items that will not be reclassified to profit or loss in subsequent periods (net of tax)	-	-	-	-
Total comprehensive income for the period	776,566,937	365,117,497	415,103,567	252,950,627

The annexed notes from 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.



Chairman



Chief Executive Officer



Director



Chief Financial Officer

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

For the six month period ended June 30, 2025

	Share capital	Capital Reserve				Revenue reserves	Total
		Share premium	Share deposit money	Surplus on revaluation of property, plant and equipment - net of tax	Acquisition reserve	Accumulated loss	
	Rupees						
Balance as at January 1, 2024 (audited)	25,199,631,390	1,801,082,303	2,350,000,001	2,446,561,207	-	(17,741,847,841)	14,055,427,060
Profit after taxation for the period	-	-	-	-	-	365,117,497	365,117,497
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	365,117,497	365,117,497
Transactions with owners in their capacity as owners recognised directly in equity:							
Acquisition reserve	-	-	-	-	(2,719,994,212)	-	(2,719,994,212)
Reclassification of share deposit money into loan	-	-	(2,350,000,001)	-	-	-	(2,350,000,001)
	-	-	(2,350,000,001)	-	(2,719,994,212)	-	(5,069,994,213)
Revaluation surplus realized through disposal of operating fixed assets	-	-	-	(86,621,177)	-	86,621,177	-
Incremental depreciation relating to surplus on revaluation – net of tax	-	-	-	(56,363,874)	-	56,363,874	-
Balance as at June 30, 2024 (un-audited)	25,199,631,390	1,801,082,303	2,303,576,156	(2,719,994,212)	-	(17,233,745,293)	9,350,550,344
Balance as at January 1, 2025 (audited)	25,199,631,390	1,801,082,303	-	2,247,212,282	(2,847,930,692)	(16,824,400,787)	9,575,594,496
Profit after taxation for the period	-	-	-	-	-	776,566,937	776,566,937
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	776,566,937	776,566,937
Revaluation surplus realized through disposal of operating fixed assets – net of tax	-	-	-	(2,953,629)	-	2,953,629	-
Incremental depreciation relating to surplus on revaluation – net of tax	-	-	-	(56,319,570)	-	56,319,570	-
Balance as at June 30, 2025 (un-audited)	25,199,631,390	1,801,082,303	-	2,187,939,083	(2,847,930,692)	(15,988,560,651)	10,352,161,433

The annexed notes from 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.



Chairman



Chief Executive Officer



Director



Chief Financial Officer

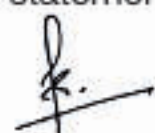


UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)

For the six month period ended June 30, 2025

	Six-month period ended June 30,	
	2025	2024
	Rupees	Rupees
Cash flows from operating activities		
Profit before income tax	1,116,027,863	688,644,667
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on property, plant and equipment	324,935,531	299,246,749
Amortization on ROUA	23,820,689	20,934,609
Amortization of intangible assets	1,899,970	996,366
Provision for sales tax on tea whitener	–	254,622,021
Provision for sales tax refundable	–	59,090,092
Gain on disposal of property, plant and equipment	(4,875,786)	(2,036,049)
Provision for obsolete stock-in-trade	2,500,000	16,476
Write-off of stores, spares and loose tools	–	13,915,510
Write-off of stock-in-trade	12,223,800	102,842,043
Advances to supplier written off	–	15,948,501
Income tax refundable written off	–	14,229,824
Profit on saving accounts	(67,058,595)	(62,278,846)
Profit on Term Deposit Receipts (TDRs)	(178,061,930)	(116,239,872)
Income from loan to subsidiary Company	(6,885,392)	–
Allowance for expected credit losses on trade receivables	–	23,543,269
Provision for Worker's Profit Participation Fund	63,786,288	37,058,256
Provision for Worker's Welfare Fund	28,240,484	15,462,189
Provision for employee retirement benefits	21,793,398	18,944,070
Levy	1,836,604	–
Finance cost	25,642,089	10,276,386
Operating profit before working capital changes	1,365,825,013	1,395,216,261
Working capital adjustments:		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(44,030,954)	(43,626,230)
Stock-in-trade	(429,619,241)	839,259,164
Trade debts	578,774,761	(563,940,331)
Loans and advances	264,789,484	(66,284,740)
Deposits, prepayments and other receivables	(252,761,164)	5,479,950
Asset held for sale	–	262,655,057
Sales tax refundable	(546,797,112)	(221,468,299)
	(429,644,226)	212,074,571
Increase in current liabilities		
Trade and other payables	496,690,065	52,929,137
	67,045,839	265,003,708
Cash generated from operations	1,432,870,852	1,660,219,969
Income tax and levy paid	(272,821,929)	(164,170,827)
Employee retirement benefits paid	(32,336,885)	(22,337,499)
Net cash generated from operating activities	1,127,712,038	1,473,711,643
Cash flow from investing activities		
Acquisition of property, plant and equipment	(440,933,421)	(136,332,825)
Acquisition of intangible assets	(9,382,230)	(3,293,000)
Sale proceeds from disposal of property, plant and equipment	18,220,452	2,965,295
Profit on saving accounts received	67,058,595	51,678,972
Profit on TDRs received	445,852,368	106,345,943
Net cash generated from investing activities	80,815,764	21,364,386
Cash flow from financing activities		
Repayment of principal portion of lease liabilities	(56,988,943)	(38,210,521)
Finance cost paid	(28,380,473)	(47,221,595)
Net cash used in financing activities	(85,369,416)	(85,432,116)
Net increase in cash and cash equivalents	1,123,158,386	1,409,643,913
Cash and cash equivalents – at beginning of the period	3,004,097,034	1,300,840,028
Cash and cash equivalents – at end of the period	4,127,255,420	2,715,834,941
Cash and cash equivalents comprise of the following:		
– Cash and bank balances	2,177,255,420	765,834,941
– Short term investments	1,950,000,000	1,950,000,000
	4,127,255,420	2,715,834,941

The annexed notes from 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.



Chairman



Chief Executive Officer



Director



Chief Financial Officer

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

For the six month and three month period ended June 30, 2025

1 Legal Status and Operations

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

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

2 Basis of Preparation

2.1 Separate Financial Statements

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

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

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

2.2 Statement of Compliance

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standard (‘IAS’) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (‘IASB’) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.



- 2.3** These unconsolidated condensed interim financial statements are un-audited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2019. These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with financial statements of the Company for the year ended December 31, 2024. Comparative unconsolidated condensed interim statement of financial position is extracted from annual audited financial statements as of December 31, 2024, whereas comparatives for unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows are extracted from unconsolidated condensed interim financial statements of the Company for the six-month period ended June 30, 2024.
- 2.4** The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the three-month period ended June 30, 2025 and June 30, 2024 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-month period ended June 30, 2025 and June 30, 2024.
- 2.5** These unconsolidated condensed interim financial statements are prepared in Pak Rupees, which is the functional and presentation currency of the Company. Figures have been rounded off to the nearest Pak Rupee, unless otherwise stated.
- 2.6** Provisions in respect of Workers' Welfare Fund, Workers' Profit Participation Fund, employee retirement benefits and taxation are estimated based on management judgment and prevailing laws; these are subject to final adjustments in the annual audited financial statements.

3 Basis of Measurement

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

4 Use of estimates and Judgements

The preparation of these unconsolidated condensed interim financial statements, in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates. During the preparation of these unconsolidated condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and assumptions are consistent with those that were applied to the audited financial statements of the Company for the year ended December 31, 2024 except for the estimation of income tax (see note 4.1).

4.1 Taxation

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

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

For the six month and three month period ended June 30, 2025

5 Material Accounting Policies

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

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

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

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

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

6 Transfer of Fauji Cereals Business

During the month of December 2024, the Company applied to the Securities and Exchange Commission of Pakistan (SECP) to grant exemption from the mandatory application of “Predecessor Method” so that it may adopt “Acquisition Method” of accounting related to the transfer of Fauji Cereals business to the Company. The application is still pending final decision of the SECP. Consequently, the Company will continue to apply the “Predecessor Method” until exemption is received from the SECP.

		Un-audited June 30, 2025	Audited December 31, 2024	
		Note		
		Rupees	Rupees	
7	Trade and Other Payables			
	Trade and other creditors	7.1	1,260,678,702	1,370,740,935
	Contract liabilities	7.2	725,929,208	299,249,089
	Accrued expenses		1,207,939,521	995,826,486
	Retention money payable		1,006,732	1,006,732
	Due to employees		35,232,065	5,310,385
	Withholding income tax payable		27,488,203	20,746,153
	Withholding sales tax payable		11,021,665	13,419,155
	Workers' Profit Participation Fund payable		75,005,477	78,897,038
	Workers' Welfare Fund payable		59,040,267	30,799,783
	Payable to Employees' Provident Fund		8,785,208	7,414,433
	Others		1,172,338	1,172,359
			3,413,299,386	2,824,582,548



		Un-audited June 30, 2025	Audited December 31, 2024
		Rupees	Rupees
7.1	These include amounts due to the following related parties:		
	Fauji Infraavest Foods Limited	13,838,627	12,502,370
	Fauji Fertilizer Company Limited	1,000,000	2,418,453
	FonGrow Private Limited	–	2,222,469
	Fauji Foundation	36,439,305	33,449,727
		51,277,932	50,593,019
7.2	These include amounts due to the following related parties:		
	Sona Welfare Foundation	112,016,199	–
8	Loans Payable to Ultimate Parent Company		
	On account of acquisition related to Fauji Cereals	3,348,554,692	3,348,554,692
	On account of acquisition related to Fauji Infraavest Foods Limited	210,000,000	210,000,000
	Share deposit money reclassified into loan	2,350,000,001	2,350,000,001
		5,908,554,693	5,908,554,693

9 Contingencies and Commitments

9.1 Contingencies

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

- 9.1.1** The Deputy Commissioner Inland revenue (DCIR) passed an order dated March 14, 2022 and served the same after one year on March 14, 2023 creating a demand of Rs. 103.37 million on account of claim of inadmissible input sales tax in sales tax returns. Being aggrieved, the Company preferred an appeal before Commissioner Inland Revenue Appeals (CIR(A)). The CIR(A) remanded the case back to DCIR with the direction of reassessment. The Company filed an appeal before Appellate Tribunal Inland revenue (ATIR) on July 27, 2023 on the subject that the appellate forum should have annulled the assessment order instead of remanding back to the DCIR. However, ATIR upheld the decision of the CIR(A) on February 27, 2025 to remand the case back to the DCIR. Being aggrieved, the Company filed a reference in Lahore High Court (LHC) challenging the order of ATIR on April 16, 2025. Consequently, on June 24, 2025, the LHC decided the matter and remanded the case back to the assessing officer.
- 9.1.2** The DCIR, through its order dated April 4, 2025, raised a sales tax demand amounting to Rs. 396 million (inclusive of default surcharge) against the Company. The demand pertains to the alleged non-application of sales tax on the sale of flavoured milk sold in retail packing and branded butter and cheese. In response, the Company has filed an appeal before the ATIR on June 12, 2025 and has obtained a stay.

Based on the opinion of the tax advisors handling the above litigations, the management believes that the Company has strong legal grounds against each case and that no financial liability is expected to accrue. Accordingly, no provision has been made in these unconsolidated condensed interim financial statements.

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

For the six month and three month period ended June 30, 2025

9.2 Commitments

The Company has the following commitments:

- 9.2.1** Commitments in respect of capital expenditure outstanding at the period end amounted to Rs. 263.50 million (December 31, 2024: Rs. 272.71 million).
- 9.2.2** Commitments in respect of letter of credit for the purchase of raw and packing material outstanding at the period end amounted to Rs. 53.80 million (December 31, 2024: Rs. 89.50 million).
- 9.2.3** Guarantees aggregating to Rs. 194.75 million (December 31, 2024: Rs. 194.75 million) have been issued by banks of the Company to Sui Northern Gas Pipeline Ltd, Pakistan State Oil, Naval Accounts Karachi and Pakistan Oxygen Limited.

		Un-audited June 30, 2025	Audited December 31, 2024
Note		Rupees	Rupees
10	Property, Plant and Equipment		
	Operating fixed assets		
	- Owned assets	8,351,308,337	8,441,416,512
	- Right-of-use assets	330,297,284	172,657,614
		10.1	8,681,605,621
	Capital work-in-progress	10.2	616,968,361
			9,298,573,982
10.1	Operating fixed assets		
	Net book value (NBV) at beginning of the period / year	8,614,074,126	8,575,139,648
	Additions during the period / year at cost		
	- Owned assets	223,395,310	309,481,024
	- Right of use assets	183,999,731	188,049,125
		9,021,469,167	9,072,669,797
	Assets transferred from Fauji Cereals at NBV	-	26,366,362
	Disposals during the period / year at NBV		
	- Owned assets	(13,344,666)	(5,585,978)
	- Right of use assets	(2,539,371)	-
	Transferred from capital work in progress	24,776,711	212,762,731
	Depreciation charged during the period / year		
	- Owned assets	(324,935,531)	(600,077,949)
	- Right of use assets	(23,820,689)	(37,060,837)
		8,681,605,621	8,669,074,126
	Impairment charged during the period / year	-	(55,000,000)
	Net book value at end of the period / year	8,681,605,621	8,614,074,126
10.2	Capital work-in-progress		
	Plant and machinery	561,624,755	395,417,573
	Building	30,950,605	30,886,808
	Electric and gas installations	24,393,001	-
		616,968,361	426,304,381



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

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

	Note	Un-audited June 30, 2025	Audited December 31, 2024
		Rupees	Rupees
12	Stock-In-Trade		
	Raw and packing material		
	- In hand	1,115,210,967	1,324,657,791
	- In transit	26,483,229	44,542,468
		1,141,694,196	1,369,200,259
	Work-in-process	95,984,591	58,355,602
	Finished goods	1,164,703,055	557,430,540
		2,402,381,842	1,984,986,401
	Less: Provision for obsolete raw materials	(2,216,476)	(16,476)
	Less: Provision for obsolete finished goods	(300,000)	–
		2,399,865,366	1,984,969,925
12.1	Movement in provision for obsolete raw materials		
	Balance at the start of the period / year	16,476	–
	Provision charged for the period / year	2,200,000	60,243,343
	Written off during the period / year	–	(60,226,867)
	Balance at the end of the period / year	2,216,476	16,476
12.2	Movement in provision for obsolete finished goods		
	Balance at the start of the period / year	–	15,837,215
	Provision charged for the period / year	13,300,000	26,777,961
	Reversal of provision for the period / year	(776,200)	–
	Written off during the period / year	(12,223,800)	(42,615,176)
	Balance at the end of the period / year	300,000	–

12.3 The amount charged to the statement of profit or loss on account of write down of finished goods to net realizable value amounts to Rs. 5.82 million (December 31, 2024: Rs. 4.77 million).

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

For the six month and three month period ended June 30, 2025

		Note	Un-audited June 30, 2025	Audited December 31, 2024
			Rupees	Rupees
13	Tax Refunds Due from Government			
	Sales tax refundable - net	13.1 & 13.2	1,063,203,828	516,406,716
	Income tax refundable - net	13.3 & 13.4	205,208,572	273,684,173
			1,268,412,400	790,090,889

- 13.1
These include provision for sales tax on tea whitener amounting to Rs. 693.02 million (December 31, 2024: Rs. 693.02 million).
- 13.2
The Company has written off sales tax refundable pertaining to prior tax periods amounting to Rs. Nil (December 31, 2024: Rs. 59.09 million).
- 13.3
These include provision for current tax amounting to Rs. 339.25 million (December 31, 2024: Rs. 425.85 million).
- 13.4
The Company has written off income tax refunds pertaining to prior tax years amounting to Rs. Nil (December 31, 2024: Rs. 109.07 million).

		Note	Un-audited June 30, 2025	Audited December 31, 2024
			Rupees	Rupees
14	Cash and Cash Equivalents			
	Cash and bank balances:			
	Cash in hand		660,336	58,395
	With banks on:			
	- Current accounts		245,376,147	140,501,184
	- Saving accounts	14.1	1,931,218,937	163,537,455
		14.2	2,176,595,084	304,038,639
	Total cash and bank balances		2,177,255,420	304,097,034
	Short term investments:			
	Term Deposit Receipts (TDRs)	14.3	1,950,000,000	2,700,000,000
			4,127,255,420	3,004,097,034

- 14.1
These saving accounts earned interest at 7.50% to 11.50% (December 31, 2024: 13.50% to 20.50%) per annum.
- 14.2
These include bank deposits amounting to Rs. 446.96 million (December 31, 2024: Rs. 162.60 million) with Askari Bank Limited, an associated undertaking.
- 14.3
This includes TDRs kept with Askari Bank Limited, an associated undertaking amounting to Rs. 500 million. These carry mark-up at the rate 8.50% - 20.15% (December 31, 2024: 16.20% to 22.50%) per annum and have one year maturity with premature encashment option without any surcharge.



		(Un-audited) Six-month period ended June 30,		(Un-audited) Three-month period ended June 30,	
		2025	2024	2025	2024
		Rupees	Rupees	Rupees	Rupees
15	Revenue from Contracts with Customers - Net				
	Gross revenue	17,947,592,917	12,678,292,012	8,375,652,860	6,484,980,178
	Less: Sales tax	(2,040,457,077)	(623,528,513)	(930,971,934)	(348,413,884)
	Discounts, incentives and allowances	(1,022,232,851)	(895,906,616)	(467,015,658)	(433,168,529)
		(3,062,689,928)	(1,519,435,129)	(1,397,987,592)	(781,582,413)
		14,884,902,989	11,158,856,883	6,977,665,268	5,703,397,765

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

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

		(Un-audited) Six-month period ended June 30,		(Un-audited) Three-month period ended June 30,	
		2025	2024	2025	2024
		Rupees	Rupees	Rupees	Rupees
16	Cost of Revenue				
	Raw materials consumed	9,623,787,868	6,101,918,842	4,247,089,382	2,963,094,640
	Salaries, wages and other benefits	497,834,436	386,715,914	256,387,522	192,076,916
	Power and fuel	287,640,654	302,205,992	161,026,478	152,652,280
	Packing materials consumed	1,684,500,434	1,500,658,471	740,335,075	711,895,360
	Stores and spares consumed	89,925,962	72,631,941	46,403,243	38,245,199
	Repair and maintenance	222,211,611	122,289,874	123,718,170	70,305,572
	Depreciation	297,644,289	276,612,365	152,743,040	134,004,258
	Rent, rates and taxes	1,119,662	1,259,128	654,269	654,032
	Legal and professional charges	1,393,009	2,640,410	1,143,011	1,153,479
	Insurance	5,894,220	4,481,070	3,172,916	2,244,608
	Other Expenses	59,205,531	24,295,007	30,162,660	9,733,416
	Manufacturing cost	12,771,157,676	8,795,709,014	5,762,835,766	4,276,059,760
	Adjustment of work-in-process				
	Opening stock	58,355,602	84,444,173	109,139,149	108,685,840
	Stock transferred from Fauji Cereals	–	3,931,653	–	–
	Closing stock	(95,984,591)	(75,288,531)	(95,984,591)	(75,288,531)
		(37,628,989)	13,087,295	13,154,558	33,397,309
	Cost of goods manufactured	12,733,528,687	8,808,796,309	5,775,990,324	4,309,457,069
	Adjustment of finished goods				
	Opening stock	557,430,540	787,441,689	1,027,940,929	946,306,214
	Stock transferred from Fauji Cereals	–	77,135,000	–	–
	Closing stock	(1,164,403,055)	(658,696,005)	(1,164,403,055)	(658,696,005)
		(606,972,515)	205,880,684	(136,462,126)	287,610,209
		12,126,556,172	9,014,676,993	5,639,528,198	4,597,067,278

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

For the six month and three month period ended June 30, 2025

		(Un-audited) Six-month period ended June 30,		(Un-audited) Three-month period ended June 30,	
		2025	2024	2025	2024
		Rupees	Rupees	Rupees	Rupees
17	Levy				
	Levy – minimum tax	1,836,604	–	–	–
		1,836,604	–	–	–
18	Income Tax				
	Charge for the year	337,419,756	228,690,329	151,098,466	128,404,079
	Adjustments in respect of current income tax of previous years	2,041,170	94,836,841	2,041,170	94,836,841
		339,460,926	323,527,170	153,139,636	223,240,920
19	Earning Per Share – Basic and Diluted				
	Profit for the period – (Rupees)	776,566,937	365,117,497	415,103,567	252,950,627
	Weighted average number of ordinary shares outstanding during the period	2,519,963,139	2,519,963,139	2,519,963,139	2,519,963,139
	Earning per share – basic and diluted – (Rupees)	0.31	0.14	0.16	0.10

20 Cash and Cash Equivalents

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

21 Related Party Transactions

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

Name of related party	Relationship	Nature of transactions	(Un-audited) June 30, 2025	(Un-audited) June 30, 2024
			Rupees	Rupees
Fauji Fertilizer Company Limited	Parent Company (Shareholding and common directorship)	Professional fee charged by related party	–	22,000
		Expense of IT facilities charged by related party	3,254,404	3,000,000
		Purchase of Fertilizer	–	67,896,132
		Sale of goods to related party	18,330,379	–
Fauji Foundation	Ultimate Parent Company (Shareholding and common directorship)	Management shared services charged by related party	3,249,904	2,485,950
		Director training fee charged by related party	–	403,125
		Insurance premium charged by related party	185,515	–



Name of related party	Relationship	Nature of transactions	(Un-audited) June 30, 2025 Rupees	(Un-audited) June 30, 2024 Rupees
		Miscellaneous expense charged to related party by Company	–	90,816
		Lease liability expense against right-of-use asset	8,736,000	8,064,000
		Sale of goods to related party	1,903,685	–
Sona Welfare Foundation	Associated Undertaking (Common directorship)	Sale of goods to related party	96,010,222	–
Fauji Fresh n Freeze Limited	Associated Undertaking (Common directorship)	Sale of coal to related party	10,043,575	–
		Management shared services and shared office cost charged to related party	56,121,118	–
		Miscellaneous expense charged to related party by Company	327,557	–
		Sale of goods to related party	8,872,105	–
Fauji Meat Limited	Associated Undertaking (Common directorship)	Management shared services charged to related party	2,310,610	–
FonGrow Private Limited	Associated Undertaking (Common directorship)	Management shared services and shared office cost charged to related party	8,612,347	–
Foundation Gas	Associated Undertaking (Common directorship)	Purchase of LPG	9,678,480	5,114,636
Fauji Infraavest Foods Limited	Wholly owned Subsidiary (100% Ownership)	Raw materials transferred to related party	–	2,670,501
		Tolling expense charged by related party	5,478,295	–
		Interest charged on loan facility to related party	6,885,392	–
		Miscellaneous payment disbursement charged to related party	51,495,601	–
Askari Bank Limited	Associated Undertaking (Common directorship)	Finance cost on lease charged by related party	4,955,113	–
		Interest income on saving accounts	52,814,496	51,678,128
		Interest income on TDRs	124,601,102	126,839,324
Employee's Provident Fund Trust	Post employee benefit plan	Contribution for the period	48,581,652	41,823,652
Employee's Gratuity Fund Trust	Post employee benefit plan	Contribution for the period	30,275,522	18,487,242
Directors		Meeting fee	1,300,000	5,875,000
Key Management Personnel		Remuneration and benefits	134,917,213	129,863,574

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

For the six month and three month period ended June 30, 2025

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

	Un-audited June 30, 2025	Un-audited December 31, 2024
	Rupees	Rupees
Other receivables		
Fauji Fertilizer Company Limited	1,105,150	1,057,893
Fauji Foundation	324,817,926	285,610,565
Fauji Fresh n Freeze Limited	72,601,806	9,110,246
Fauji Meat Limited	2,310,610	–
FonGrow Private Limited	8,612,347	–
Fauji Infraavest Foods Limited	144,918,930	94,235,407

22 Corresponding Figures

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

		Un-audited Six-month period ended June 30, 2024	Un-audited Three-month period ended June 30, 2024
		Rupees	Rupees
Statement of Profit or Loss			
Reclassified from	Reclassified to		
Other expenses	Revenue from contracts with customers - net		
Provision for sales tax on sale of tea whitener	Sales tax	254,622,020	135,626,624
Cost of revenue	Marketing and distribution expenses		
Freight and forwarding	Freight and forwarding	173,126,014	81,500,359
Cost of revenue	Cost of revenue		
Freight and forwarding	Salaries, wages and other benefits	34,084,788	16,800,044
Cost of revenue	Marketing and distribution expenses		
Repair and maintenance	Freight and forwarding	20,698,942	13,007,842
Administrative expenses	Cost of revenue		
Salaries, wages and other benefits	Salaries, wages and other benefits	39,210,356	19,825,514
Depreciation on property, plant and equipment	Depreciation	13,783,666	6,898,879
Cash security charges	Communication, establishment & others	3,624,020	1,833,870
Repair and maintenance	Repair and maintenance	2,757,330	2,310,217
Electricity, gas and water	Power and fuel	2,457,787	1,101,281
Travelling and conveyance	Travelling and conveyance	2,046,586	1,028,114



		Un-audited Six-month period ended June 30, 2024	Un-audited Three-month period ended June 30, 2024
		Rupees	Rupees
Vehicles' running and maintenance	Repair and maintenance	1,211,712	623,119
Rent, rates and taxes	Rent, rates and taxes	1,079,866	634,036
Others	Communication, establishment & others	630,826	250,003
Entertainment	Communication, establishment & others	593,584	480,482
Printing and stationery	Printing and stationery	304,820	193,195
Communication and establishment	Communication, establishment & others	191,944	115,356
Insurance	Insurance	7,922	4,035
Cost of revenue	Cost of revenue		
Repair and maintenance	Salaries, wages and other benefits	91,139,650	46,091,376
Other operating expense	Net impairment loss on financial assets		
Allowance for expected credit loss	Net impairment loss on financial assets	23,543,269	23,543,269

		(Audited) December 31, 2024
		Rupees
Statement of Financial Position		
Trade and other payables	Trade and other payables	
Trade and other creditors	Accrued expenses	58,179,329

23 Operating Segments

- 23.1** These financial statements have been prepared on the basis of a single reportable segment.
- 23.2** Revenue from sale of dairy and allied products represents 93% (December 31, 2024: 94%) of the net sales of the Company.
- 23.3** 100% (December 31, 2024: 100%) sales of the Company relate to customers in Pakistan.
- 23.4** All non-current assets of the Company as at June 30, 2025 and December 31, 2024 are located in Pakistan.

24 Financial Risk Management

- 24.1** 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 December 31, 2024.

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

For the six month and three month period ended June 30, 2025

25 Fair Value of Financial Assets and Liabilities

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

26 Date of Authorization

These condensed interim financial statements have been approved and authorized for issue by the Board of Directors of the Company on July 24, 2025.



Chairman



Chief Executive Officer



Director



Chief Financial Officer



CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As At June 30, 2025

	Note	Un-audited June 30, 2025 Rupees	Audited December 31, 2024 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
2,800,000,000 (December 31, 2024: 2,800,000,000)			
ordinary shares of Rs. 10 each		28,000,000,000	28,000,000,000
Issued, subscribed and paid up share capital		25,199,631,390	25,199,631,390
Capital Reserves			
Share premium		1,801,082,303	1,801,082,303
Acquisition Reserve	6	(2,847,930,692)	(2,847,930,692)
Surplus on revaluation of property, plant and equipment – net of tax		2,187,939,083	2,247,212,282
Revenue Reserve			
Accumulated loss		(16,091,532,753)	(16,885,139,792)
		10,249,189,331	9,514,855,491
Non-current liabilities			
Lease liabilities		314,137,459	224,554,358
Deferred taxation – net		26,572,000	31,998,000
Provision for dismantling		524,000	473,000
Employee retirement benefits		68,848,026	79,391,513
		410,081,485	336,416,871
Current portion of long term liabilities		95,700,260	52,078,725
Trade and other payables	7	3,406,651,277	2,835,503,355
Loans payable to Ultimate Parent Company	8	5,908,554,693	5,908,554,693
Unclaimed dividend		965,752	965,752
Accrued finance cost		–	4,058,746
		9,411,871,982	8,801,161,271
Contingencies and commitments			
	9		
		20,071,142,798	18,652,433,633

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


Chairman


Chief Executive Officer


Director


Chief Financial Officer



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

For the six month and three month period ended June 30, 2025

	Note	Six-month period ended June 30,		Three-month period ended June 30,	
		2025	2024	2025	2024
		Rupees	Rupees	Rupees	Rupees
Revenue from contracts with customers – net	14	14,884,902,989	11,158,856,883	6,977,665,268	5,703,397,765
Cost of revenue	15	(12,146,410,877)	(9,031,101,562)	(5,646,253,600)	(4,611,361,848)
Gross profit		2,738,492,112	2,127,755,321	1,331,411,668	1,092,035,917
Marketing and distribution expenses		(1,360,695,156)	(1,014,405,398)	(664,007,930)	(484,614,586)
Administrative expenses		(436,361,855)	(353,072,847)	(188,066,723)	(187,473,520)
Net impairment loss on financial assets		–	(23,543,269)	–	(23,543,269)
Profit from operations		941,435,101	736,733,807	479,337,015	396,404,542
Other income		265,254,580	192,586,208	134,173,179	100,604,903
Other operating expense		(98,288,222)	(242,497,259)	(45,649,010)	(21,912,346)
Finance cost		(38,124,089)	(26,084,409)	(21,139,006)	(18,000,871)
Profit before levy and income tax		1,070,277,370	660,738,347	546,722,178	457,096,228
Levy	16	(1,836,604)	–	–	–
Profit before income tax		1,068,440,766	660,738,347	546,722,178	457,096,228
Income tax	17	(334,106,926)	(323,527,170)	(147,785,635)	(223,240,920)
Profit for the period		734,333,840	337,211,177	398,936,543	233,855,308
Earning per share – basic and diluted	18	0.29	0.13	0.16	0.09

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



Chairman



Chief Executive Officer



Director



Chief Financial Officer



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

For the six month and three month period ended June 30, 2025

	Six-month period ended June 30,		Three-month period ended June 30,	
	2025	2024	2025	2024
	Rupees	Rupees	Rupees	Rupees
Profit for the period	734,333,840	337,211,177	398,936,543	233,855,308
Other comprehensive income:				
Items that may be reclassified to profit or loss in subsequent periods (net of tax)	-	-	-	-
Items that will not be reclassified to profit or loss in subsequent periods (net of tax)	-	-	-	-
Total comprehensive income for the period	734,333,840	337,211,177	398,936,543	233,855,308

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



Chairman



Chief Executive Officer



Director



Chief Financial Officer

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

For the six month period ended June 30, 2025

	Share capital	Capital Reserve				Revenue reserves	Total
		Share premium	Share deposit money	Surplus on revaluation of property, plant and equipment - net of tax	Acquisition reserve	Accumulated loss	
	Rupees						
Balance as at January 1, 2024 (audited)	25,199,631,390	1,801,082,303	2,350,000,001	2,446,561,207	–	(17,741,847,841)	14,055,427,060
Profit after taxation for the period	–	–	–	–	–	337,211,177	337,211,177
Other comprehensive income for the period	–	–	–	–	–	–	–
Total comprehensive income for the period	–	–	–	–	–	337,211,177	337,211,177
Transactions with owners in their capacity as owners recognised directly in equity:							
Acquisition reserve	–	–	–	–	(2,668,753,874)	–	(2,668,753,874)
Reclassification of share deposit money into loan	–	–	(2,350,000,001)	–	–	–	(2,350,000,001)
	–	–	(2,350,000,001)	–	(2,668,753,874)	–	(5,018,753,875)
Revaluation surplus realized through disposal of operating fixed assets	–	–	–	(86,621,177)	–	86,621,177	–
Incremental depreciation relating to surplus on revaluation – net of tax	–	–	–	(56,363,874)	–	56,363,874	–
Balance as at June 30, 2024 (un–audited)	25,199,631,390	1,801,082,303	–	2,303,576,156	(2,668,753,874)	(17,261,651,613)	9,373,884,362
Balance as at January 1, 2025 (audited)	25,199,631,390	1,801,082,303	–	2,247,212,282	(2,847,930,692)	(16,885,139,792)	9,514,855,491
Profit after taxation for the period	–	–	–	–	–	734,333,840	734,333,840
Other comprehensive income for the period	–	–	–	–	–	–	–
Total comprehensive income for the period	–	–	–	–	–	734,333,840	734,333,840
Revaluation surplus realized through disposal of operating fixed assets – net of tax	–	–	–	(2,953,629)	–	2,953,629	–
Incremental depreciation relating to surplus on revaluation – net of tax	–	–	–	(56,319,570)	–	56,319,570	–
Balance as at June 30, 2025 (un–audited)	25,199,631,390	1,801,082,303	–	2,187,939,083	(2,847,930,692)	(16,091,532,753)	10,249,189,331

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

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

For the six month period ended June 30, 2025

	Six-month period ended June 30,	
	2025	2024
	Rupees	Rupees
Cash flows from operating activities		
Profit before income tax	1,068,440,766	660,738,347
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on property, plant and equipment	336,373,531	306,128,749
Amortization on ROUA	29,291,689	25,524,379
Amortization of intangible assets	1,899,970	996,366
Provision for sales tax on tea whitener	–	254,622,021
Provision for sales tax refundable	–	59,090,092
Gain on disposal of property, plant and equipment	(4,875,786)	(2,036,049)
Provision for obsolete stock-in-trade	2,500,000	16,476
Write-off of stores, spares and loose tools	–	13,915,510
Write-off of stock-in-trade	12,223,800	102,842,043
Advances to supplier written off	–	15,948,501
Income tax refundable written off	–	14,229,824
Profit on saving accounts	(67,336,595)	(58,138,013)
Profit on Term Deposit Receipts (TDRs)	(178,061,930)	(120,397,705)
Allowance for expected credit losses on trade receivables	–	23,543,269
Provision for Worker's Profit Participation Fund	63,786,288	37,058,256
Provision for Worker's Welfare Fund	28,240,484	15,462,189
Provision for employee retirement benefits	21,793,398	18,944,070
Levy	1,836,604	–
Finance cost	38,124,089	26,084,756
Operating profit before working capital changes	1,354,236,308	1,394,573,081
Working capital adjustments:		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(44,030,954)	(43,626,230)
Stock-in-trade	(429,205,241)	838,339,862
Trade debts	578,774,761	(563,958,331)
Loans and advances	264,789,484	(78,533,016)
Deposits, prepayments and other receivables	(200,260,841)	5,497,950
Asset held for sale	–	262,655,057
Sales tax refundable	(549,207,112)	(221,468,299)
	(379,139,903)	198,906,993
Increase in current liabilities		
Trade and other payables	479,171,748	74,398,271
	100,032,247	273,305,264
Cash generated from operations	1,454,268,555	1,667,878,345
Income tax and levy paid	(273,244,929)	(164,178,827)
Employee retirement benefits paid	(32,336,885)	(18,736,499)
Net cash generated from operating activities	1,148,686,741	1,484,963,019
Cash flow from investing activities		
Acquisition of property, plant and equipment	(460,990,962)	(136,332,825)
Acquisition of intangible assets	(9,382,231)	(3,293,000)
Sale proceeds from disposal of property, plant and equipment	20,759,823	2,965,295
Profit on saving accounts received	67,336,595	51,695,972
Profit on TDRs received	445,661,559	106,345,943
Net cash generated from investing activities	63,384,784	21,381,386
Cash flow from financing activities		
Repayment of principal portion of lease liabilities	(46,158,304)	(33,786,465)
Finance cost paid	(42,182,835)	(63,029,965)
Net cash used in financing activities	(88,341,139)	(96,816,430)
Net increase in cash and cash equivalents	1,123,730,386	1,409,527,975
Cash and cash equivalents – at beginning of the period	3,008,952,034	1,306,794,966
Cash and cash equivalents – at end of the period	4,132,682,420	2,716,322,941
Cash and cash equivalents comprise of the following:		
– Cash and bank balances	2,182,682,420	766,322,941
– Short term investments	1,950,000,000	1,950,000,000
	4,132,682,420	2,716,322,941

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



Chairman



Chief Executive Officer



Director



Chief Financial Officer

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

For the six month and three month period ended June 30, 2025

1 The Group and its Operations

Holding Company:

Fauji Foods Limited

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

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

2 Basis of Preparation

2.1 Statement of Compliance

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standard ('IAS') 34, Interim Financial Reporting, issued by the International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2

These consolidated condensed interim financial statements are un-audited. These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with consolidated financial statements of the Company for the year ended December 31, 2024. Comparative consolidated condensed interim statement of financial position is extracted from annual audited consolidated financial statements as of December 31, 2024, whereas comparatives for consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows are extracted from consolidated condensed interim financial statements of the Company for the six-month period ended June 30, 2024.
- 2.3

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

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



3 Basis of Measurement

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

4 Use of Estimates And Judgements

The preparation of these consolidated condensed interim financial statements, in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the 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 consolidated 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 consolidated financial statements of the Company for the year ended December 31, 2024 except for the estimation of income tax (see note 4.1).

4.1 Taxation

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

5 Material Accounting Policies

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

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

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

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

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

6 Transfer of Fauji Cereals Business

During the month of December 2024, the Company applied to the Securities and Exchange Commission of Pakistan (SECP) to grant exemption from the mandatory application of "Predecessor Method" so that it may adopt "Acquisition Method" of accounting related to the transfer of Fauji

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

For the six month and three month period ended June 30, 2025

Cereals business to the Company. The application is still pending final decision of the SECP. Consequently, the Company will continue to apply the “Predecessor Method” until exemption is received from the SECP.

		Note	Un-audited June 30, 2025 Rupees	Audited December 31, 2024 Rupees
7	Trade and Other Payables			
	Trade and other creditors	7.1	1,248,893,075	1,379,830,741
	Contract liabilities	7.2	725,929,208	299,249,089
	Accrued expenses		1,211,242,112	995,826,486
	Retention money payable		1,006,732	1,006,732
	Due to employees		35,232,065	5,310,385
	Withholding income tax payable		29,323,203	22,577,154
	Withholding sales tax payable		11,021,665	13,419,155
	Workers' Profit Participation Fund payable		75,005,477	78,897,038
	Workers' Welfare Fund payable		59,040,267	30,799,783
	Payable to Employees' Provident Fund		8,785,208	7,414,433
	Others		1,172,265	1,172,359
			3,406,651,277	2,835,503,355
7.1	These include amounts due to the following related parties:			
	Fauji Fertilizer Company Limited		1,000,000	2,418,453
	FonGrow Private Limited		–	2,222,469
	Fauji Foundation		36,439,305	33,449,727
			37,439,305	38,090,649
7.2	These include amounts due to the following related parties:			
	Sona Welfare Foundation		112,016,199	–
8	Loans Payable to Ultimate Parent Company			
	On account of acquisition related to Fauji Cereals		3,348,554,692	3,348,554,692
	On account of acquisition related to Fauji Infraavest Foods Limited		210,000,000	210,000,000
	Share deposit money reclassified into loan		2,350,000,001	2,350,000,001
			5,908,554,693	5,908,554,693

9 Contingencies and Commitments

9.1 Contingencies

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



- 9.1.1** The Deputy Commissioner Inland revenue (DCIR) passed an order dated March 14, 2022 and served the same after one year on March 14, 2023 creating a demand of Rs. 103.37 million on account of claim of inadmissible input sales tax in sales tax returns. Being aggrieved, the Company preferred an appeal before Commissioner Inland Revenue Appeals (CIR(A)). The CIR(A) remanded the case back to DCIR for fresh proceedings. The Company filed an appeal before Appelatte Tribunal Inland revenue (ATIR) on July 27, 2023 on the subject that the appellate order should annul the assessment order instead of remanding back to the DCIR. ATIR has remanded back the order dated February 27, 2025 for fresh proceedings to issue order after considering the Company's stance. Being aggrieved, the company filed a Writ petition in Lahore High Court (LHC) challenging the order of ATIR on April 16, 2025. Consequently, on June 24, 2025, the LHC decided the matter and remanded the case back to the assessing officer. The certified copy of the LHC order is currently awaited to initiate remand-back proceedings.
- 9.1.2** The Federal Board of Revenue (FBR), through its order dated April 4, 2025, raised a sales tax demand amounting to Rs. 396 million (inclusive of default surcharge) against the Company. The demand pertains to the alleged non-application of sales tax on the sale of unbranded butter and cheese. In response, the Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) and has obtained a stay, the matter is pending adjudication.

9.2 Commitments

The Company has the following commitments:

- 9.2.1** Commitments in respect of capital expenditure outstanding at the period end amounted to Rs. 263.50 million (December 31, 2024: Rs. 272.71 million).
- 9.2.2** Commitments in respect of letter of credit for the purchase of raw and packing material outstanding at the period end amounted to Rs. 53.80 million (Decemer 31, 2024: Rs. 89.50 million).
- 9.2.3** Guarantees aggregating to Rs. 194.75 million (December 31, 2024: Rs. 194.75 million) have been issued by banks of the Company to Sui Northern Gas Pipeline Ltd, Pakistan State Oil, Naval Accounts Karachi and Pakistan Oxygen Limited.

		Un-audited June 30, 2025	Audited December 31, 2024
Note		Rupees	Rupees
10	Property, Plant and Equipment		
	Operating fixed assets		
	- Owned assets	8,733,651,847	8,824,520,512
	- Right-of-use assets	420,526,644	267,594,383
		10.1	9,154,178,491
	Capital work-in-progress	10.2	623,045,430
			9,777,223,921
			9,518,419,276

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

For the six month and three month period ended June 30, 2025

		Un-audited June 30, 2025	Audited December 31, 2024
Note		Rupees	Rupees
10.1	Operating fixed assets		
	Net book value (NBV) at beginning of the period / year	9,092,114,895	8,575,139,648
	Additions during the period / year at cost		
	- Assets transferred from Fauji Cereals	–	26,366,362
	- Assets transferred from Fauji Infraavest	–	368,041,000
	- Owned assets	234,836,411	344,137,024
	- Right of use assets	183,999,731	291,616,509
	Disposals during the period / year at NBV		
	- Owned assets	(13,344,666)	(5,585,978)
	- Right of use assets	(2,539,371)	–
	Transferred from capital work in progress	24,776,711	212,762,731
	Depreciation charged during the period / year		
	- Owned assets	(336,373,531)	(619,670,949)
	- Right of use assets	(29,291,689)	(45,691,452)
		9,154,178,491	9,147,114,895
	Impairment charged during the period / year	–	(55,000,000)
	Net book value at end of the period / year	9,154,178,491	9,092,114,895
10.2	Capital work-in-progress		
	Plant and machinery	561,624,755	395,417,573
	Building	30,950,605	30,886,808
	Electric and gas installations	30,470,070	–
		623,045,430	426,304,381
11	Stock-In-Trade		
	Raw and packing material		
	- In hand	1,115,210,967	1,324,799,791
	- In transit	26,483,229	44,542,468
		1,141,694,196	1,369,342,259
	Work-in-process	95,984,591	58,355,602
	Finished goods	1,164,703,055	557,702,540
		2,402,381,842	1,985,400,401
	Less: Provision for obsolete raw materials	11.1 (2,216,476)	(16,476)
	Less: Provision for obsolete finished goods	11.2 (300,000)	–
		2,399,865,366	1,985,383,925
11.1	Movement in provision for obsolete raw materials		
	Balance at the start of the period / year	16,476	–
	Provision for the period / year	2,200,000	60,243,343
	Written off during the period / year	–	(60,226,867)
	Balance at the end of the period / year	2,216,476	16,476



		Un-audited June 30, 2025	Audited December 31, 2024
		Rupees	Rupees
11.2	Movement in provision for obsolete finished goods		
	Balance at the start of the period / year	–	15,837,215
	Provision for the period / year	13,300,000	26,777,961
	Reversal of provision for the period / year	(776,200)	–
	Written off during the period / year	(12,223,800)	(42,615,176)
	Balance at the end of the period / year	300,000	–

11.3 The amount charged to the statement of profit or loss on account of write down of finished goods to net realizable value amounts to Rs. 5.82 million (December 31, 2024: Rs. 4.77 million).

		Un-audited June 30, 2025	Audited December 31, 2024	
Note		Rupees	Rupees	
12	Tax Refunds Due from Government			
	Sales tax refundable - net	12.1 & 12.2	1,071,050,828	521,843,716
	Income tax refundable - net	12.3 & 12.4	112,364,572	180,489,173
			1,183,415,400	702,332,889

12.1 These include provision for sales tax on tea whitener amounting to Rs. 693.02 million (December 31, 2024: Rs. 693.02 million).

12.2 The Company has written off sales tax refundable pertaining to prior tax periods amounting to Rs. Nil (December 31, 2024: Rs. 59.09 million).

12.3 These include provision for current tax amounting to Rs. 335.94 million (December 31, 2024: Rs. 425.85 million).

12.4 The Company has written off income tax refunds pertaining to prior tax years amounting to Rs. Nil (December 31, 2024: Rs. 109.07 million).

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

For the six month and three month period ended June 30, 2025

		Un-audited June 30, 2025	Audited December 31, 2024
		Rupees	Rupees
13	Cash and Cash Equivalents		
	Cash and bank balances:		
	Cash in hand	660,336	58,395
	With banks on:		
	- Current accounts	245,498,147	140,623,184
	- Saving accounts	1,936,523,937	168,270,455
		2,182,022,084	308,893,639
	Total cash and bank balances	2,182,682,420	308,952,034
	Short term investments:		
	Term Deposit Receipts (TDRs)	1,950,000,000	2,700,000,000
		4,132,682,420	3,008,952,034

- 13.1

These saving accounts earned interest at 7.50% to 11.50% (December 31, 2024: 13.50% to 20.50%) per annum.
- 13.2

These include bank deposits amounting to Rs. 446.96 million (December 31, 2024: Rs. 162.60 million) with Askari Bank Limited, an associated undertaking.
- 13.3

This includes TDRs kept with Askari Bank Limited, an associated undertaking amounting to Rs. 500 million. These carry mark-up at the rate 8.50% - 20.15% (December 31, 2024: 16.20% to 22.50%) per annum and have one year maturity with premature encashment option without any surcharge.

		(Un-audited) Six-month period ended June 30, 2025		(Un-audited) Three-month period ended June 30, 2025	
		Rupees	Rupees	Rupees	Rupees
14	Revenue from Contracts with Customers – Net				
	Gross revenue	17,947,592,917	12,678,292,012	8,375,652,860	6,484,980,178
	Less: Sales tax	(2,040,457,077)	(623,528,513)	(930,971,934)	(348,413,884)
	Discounts, incentives and allowances	(1,022,232,851)	(895,906,616)	(467,015,658)	(433,168,529)
		(3,062,689,928)	(1,519,435,129)	(1,397,987,592)	(781,582,413)
		14,884,902,989	11,158,856,883	6,977,665,268	5,703,397,765

- 14.1

Revenue from contracts with customers relates to local Pakistan market and represents sale of dairy, cereals, porridge, desserts, pasta and allied products. Timing of revenue recognition is at point in time.
- 14.2

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



		(Un-audited) Six-month period ended June 30,		(Un-audited) Three-month period ended June 30,	
		2025	2024	2025	2024
		Rupees	Rupees	Rupees	Rupees
15	Cost of Revenue				
	Raw materials consumed	9,618,451,573	6,102,893,414	4,244,959,026	2,964,069,211
	Salaries, wages and other benefits	499,416,436	387,519,914	257,071,522	192,880,916
	Power and fuel	292,162,654	304,215,992	163,028,478	154,662,279
	Packing materials consumed	1,684,751,434	1,500,701,471	740,335,075	711,938,360
	Stores and spares consumed	89,925,962	72,631,941	46,403,243	38,245,199
	Repair and maintenance	224,585,611	123,410,874	123,680,170	71,426,572
	Depreciation	312,421,289	288,084,365	158,542,798	143,346,171
	Rent, rates and taxes	1,119,662	1,259,129	654,269	654,033
	Legal and professional charges	1,393,009	2,640,410	1,143,011	1,153,479
	Insurance	5,955,220	4,481,070	3,202,916	2,244,608
	Others	60,557,531	24,295,003	30,268,660	9,733,502
	Manufacturing cost	12,790,740,381	8,812,133,583	5,769,289,168	4,290,354,330
	Adjustment of work-in-process				
	Opening stock	58,355,602	84,444,173	109,139,149	108,685,840
	Stock transferred from Fauji Cereals	–	3,931,653	–	–
	Closing stock	(95,984,591)	(75,288,531)	(95,984,591)	(75,288,531)
		(37,628,989)	13,087,295	13,154,558	33,397,309
	Cost of goods manufactured	12,753,111,392	8,825,220,878	5,782,443,726	4,323,751,639
	Adjustment of finished goods				
	Opening stock	557,430,540	787,441,689	1,027,940,929	946,306,214
	Stock transferred from Fauji Cereals	–	77,135,000	–	–
	Closing stock	(1,164,131,055)	(658,696,005)	(1,164,131,055)	(658,696,005)
		(606,700,515)	205,880,684	(136,190,126)	287,610,209
		12,146,410,877	9,031,101,562	5,646,253,600	4,611,361,848
16	Levy				
	Levy – final tax	–	–	–	–
	Super tax on levy – final tax	–	–	–	–
	Levy – minimum tax	1,836,604	–	–	–
		1,836,604	–	–	–
17	Income Tax				
	Charge for the year	337,491,756	228,690,329	151,170,465	128,404,079
	Adjustments in respect of current income tax of previous years	2,041,170	94,836,841	2,041,170	94,836,841
	Deferred tax:				
	- Relating to origination and reversal of temporary differences	5,426,000	–	5426000	–
		334,106,926	323,527,170	147,785,635	223,240,920

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

For the six month and three month period ended June 30, 2025

		(Un-audited) Six-month period ended June 30, 2025		(Un-audited) Three-month period ended June 30, 2025	
		Rupees	Rupees	Rupees	Rupees
18	Earning Per Share – Basic and Diluted				
	Profit for the period – (Rupees)	734,333,840	337,211,177	398,936,543	233,855,308
	Weighted average number of ordinary shares outstanding during the period	2,519,963,139	2,519,963,139	2,519,963,139	2,519,963,139
	Earning per share - basic and diluted - (Rupees)	0.29	0.13	0.16	0.09

19 Cash and Cash Equivalents

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

20 Related Party Transactions

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

Name of related party	Relationship	Nature of transactions	(Un-audited) June 30, 2025	(Un-audited) June 30, 2024
			Rupees	Rupees
Fauji Fertilizer Company Limited	Parent Company (Shareholding and common directorship)	Professional fee charged by related party	–	22,000
		Expense of IT facilities charged by related party	3,254,404	3,000,000
		Purchase of Fertilizer	–	67,896,132
		Sale of goods to related party	18,330,379	–
Fauji Foundation	Ultimate Parent Company (Shareholding and common directorship)	Management shared services charged by related party	3,249,904	2,485,950
		Director training fee charged by related party	–	403,125
		Insurance premium charged by related party	185,515	–
		Miscellaneous expense charged to related party by Company	–	90,816
		Lease liability expense against right-of-use asset	8,736,000	8,064,000
		Sale of goods to related party	1,903,685	–
Sona Welfare Foundation	Associated Undertaking (Common directorship)	Sale of goods to related party	96,010,222	–



Name of related party	Relationship	Nature of transactions	(Un-audited) June 30, 2025	(Un-audited) June 30, 2024
			Rupees	Rupees
Fauji Fresh n Freeze Limited	Associated Undertaking (Common directorship)	Sale of coal to related party	10,043,575	–
		Management shared services and shared office cost charged to related party	56,121,118	–
		Miscellaneous expense charged to related party by Company	327,557	–
		Sale of goods to related party	8,872,105	–
Fauji Meat Limited	Associated Undertaking (Common directorship)	Management shared services charged to related party	2,310,610	–
FonGrow Private Limited	Associated Undertaking (Common directorship)	Management shared services and shared office cost charged to related party	8,612,347	–
Foundation Gas	Associated Undertaking (Common directorship)	Purchase of LPG	9,678,480	5,114,636
Askari Bank Limited	Associated Undertaking (Common directorship)	Finance cost on lease charged by related party	4,955,113	–
		Interest income on saving accounts	52,814,496	51,678,128
		Interest income on TDRs	124,601,102	126,839,324
Employee's Provident Fund Trust	Post employee benefit plan	Contribution for the period	48,581,652	41,823,652
Employee's Gratuity Fund Trust	Post employee benefit plan	Contribution for the period	30,275,522	18,487,242
Directors		Meeting fee	1,300,000	5,875,000
Key Management Personnel		Remuneration and benefits	134,917,213	129,863,574

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

	Un-audited June 30, 2025	Audited December 31, 2024
	Rupees	Rupees
Other receivables		
Fauji Fertilizer Company Limited	1,105,150	1,057,893
Fauji Foundation	324,817,926	285,610,565
Fauji Fresh n Freeze Limited	72,601,806	9,110,246
Fauji Meat Limited	2,310,610	–
FonGrow Private Limited	8,612,347	–

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

For the six month and three month period ended June 30, 2025

21 Corresponding Figures

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

		Un-audited Six-month period ended June 30, 2024	Un-audited Three-month period ended June 30, 2024
		Rupees	Rupees
Statement of Profit or Loss			
Reclassified from	Reclassified to		
Other expenses	Revenue from contracts with customers – net		
Provision for sales tax on sale of tea whitener	Sales tax	254,622,020	135,626,624
Cost of revenue	Marketing and distribution expenses		
Freight and forwarding	Freight and forwarding	173,126,014	81,500,359
Cost of revenue	Cost of revenue		
Freight and forwarding	Salaries, wages and other benefits	34,084,788	16,800,044
Cost of revenue	Marketing and distribution expenses		
Repair and maintenance	Freight and forwarding	20,698,942	13,007,842
Administrative expenses	Cost of revenue		
Salaries, wages and other benefits	Salaries, wages and other benefits	39,210,356	19,825,514
Depreciation on property, plant and equipment	Depreciation	13,783,666	6,898,879
Cash security charges	Communication, establishment & others	3,624,020	1,833,870
Repair and maintenance	Repair and maintenance	2,757,330	2,310,217
Electricity, gas and water	Power and fuel	2,457,787	1,101,281
Travelling and conveyance	Travelling and conveyance	2,046,586	1,028,114
Vehicles' running and maintenance	Repair and maintenance	1,211,712	623,119
Rent, rates and taxes	Rent, rates and taxes	1,079,866	634,036
Others	Communication, establishment & others	630,826	250,003
Entertainment	Communication, establishment & others	593,584	480,482
Printing and stationery	Printing and stationery	304,820	193,195
Communication and establishment	Communication, establishment & others	191,944	115,356
Insurance	Insurance	7,922	4,035
Cost of revenue	Cost of revenue		
Repair and maintenance	Salaries, wages and other benefits	91,139,650	46,091,376
Other operating expense	Net impairment loss on financial assets		
Allowance for expected credit loss	Net impairment loss on financial assets	23,543,269	23,543,269



		(Audited) December 31, 2024 Rupees
Trade and other payables	Trade and other payables	
Trade and other creditors	Accrued expenses	58,179,329

22 Operating Segments

- 22.1** These financial statements have been prepared on the basis of a single reportable segment.
- 22.2** Revenue from sale of dairy and allied products represents 93% (December 31, 2024: 94%) of the net sales of the Company.
- 22.3** 100% (December 31, 2024: 100%) sales of the Company relate to customers in Pakistan.
- 22.4** All non-current assets of the Company as at June 30, 2025 and December 31, 2024 are located in Pakistan.

23 Financial Risk Management

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

24 Fair Value of Financial Assets and Liabilities

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

25 Date of Authorization

These condensed interim financial statements have been approved and authorized for issue by the Board of Directors of the Company on July 24, 2025.



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