

# NURTURING THE FUTURE



**fauji foods**

Condensed Interim  
Financial Statements For the  
HALF YEAR ENDED  
30 JUNE  
**2021**





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## CORPORATE **INFORMATION**

### BOARD OF DIRECTORS

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

**Mr. Muhammad Haseeb Aslam - CEO**

**Mr. Sarfaraz Ahmed Rehman**

**Dr. Nadeem Inayat**

**Lt Col Abdul Khaliq Khan (Retd)**

**Syed Bakhtiyar Kazmi**

**Mr. Mohammad Munir Malik**

**Mr. Ali Asrar Hossain Aga**

**Mr. Basharat Ahmad Bhatti**

**Ms. Aminah Zahid Zaheer**

**Mr. Imran Husain**

**Mr. Javed Kureishi**





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### **Audit Committee**

Mr. Javed Kureishi - Chairman  
Dr. Nadeem Inayat  
Mr. Ali Asrar Hossain Aga  
Lt Col Abdul Khaliq Khan (Retd)  
Syed Bakhtiyar Kazmi

### **HR & R Committee**

Ms. Aminah Zahid Zaheer - Chairperson  
Dr. Nadeem Inayat  
Mr. Basharat Ahmad Bhatti  
Mr. Muhammad Haseeb Aslam  
Mr. Ali Asrar Hossain Aga

### **Shares Registrar**

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

### **Registered Office**

42 CCA, Ex-Park View,  
DHA Phase - VIII, Lahore.  
Tel: +92-42-37136310, 37136315-17  
E-mail: info@faujifoods.com

### **Chief Financial Officer**

Mr. Ebad Khalid

### **Company Secretary**

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

### **Auditors**

EY Ford Rhodes  
Chartered Accountants

### **Legal Advisers**

Qazi Imran Zahid  
(Advocate Supreme Court)

### **Website**

[www.faujifoods.com](http://www.faujifoods.com)

### **Plant**

Bhalwal, District Sargodha

### **Bankers**

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

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## Directors' Report to the Shareholders

The Board of Directors of Fauji Foods Limited is pleased to present the directors' report along with the condensed unaudited interim financial information of the Company for half year ended June 30, 2021.

### **Business Review**

During Q2 2021, business activity was partially impacted by covid-19 pandemic and imposition of related lockdowns. The Company made effective efforts to ensure all safety measures, while maintaining our food supply chain, meeting our customer requirements and developing consumer demand.

The Company registered a topline growth of 39% during H1 2021 vs H1 2020, despite some challenges in the business environment.

The Company continues to build capabilities further, consolidating gains and further growing our business momentum and trajectory. The Company is shaping a successful business model by implementing a focused strategy which includes strengthening innovation/renovation, portfolio management, driving visibility and availability, working effectively with customers and distributors, strengthening our milk collecting system and improving operational efficiency across our value chain.

During Q2, the company's input and overhead costs saw some pressure due to inflation. However, increased costs were managed through cost management initiatives which are being implemented across our value chain related to both variable and fixed costs. Our focus also remains on making NURPUR the brand of people's choice. We are committed to create value and transform for improvement within the Company and for our stakeholders.

### **Financial Performance**

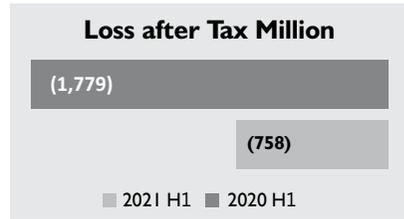
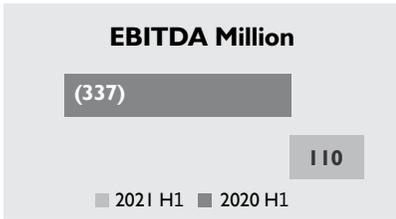
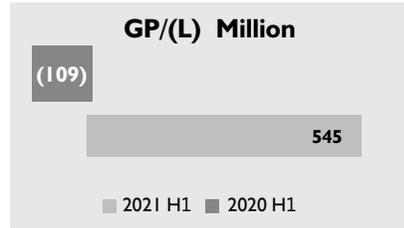
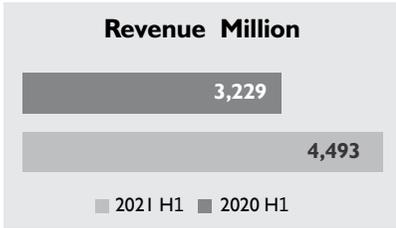
During the period under review, net revenue stood at Rs 4,493 million (compared to Rs 3,229 million same period last year), leading to gross profit of Rs. 545 million, which is 599% higher compared to gross loss of Rs (109) million during corresponding period of last year.

The loss after tax for H1 2021 reduced to Rs (758) million, compared with Rs (1,779) million in the corresponding period of last year (57% reduction).

<b><u>Amount Pkr Mn</u></b>	<b><u>H1 2021</u></b>	<b><u>H1 2020</u></b>	<b><u>Variance%</u></b>
Revenue	4,493	3,229	39%
Gross Profit/(Loss)	545	(109)	599%
EBITDA	110	(337)	133%
Loss after Tax	(758)	(1,779)	57%



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## Business Strategy

We are effectively reshaping our business model through the right overall vision and strategy. This is combined with sound operational management, inculcating a performance culture and most importantly investing in our people. Sustainable profitable growth remains at the heart of our business.



## Future Outlook

As evident from the results, the company is on the path to progress and recovery from its operating losses. The Company has entered into a growth phase with its Retail and distribution footprint, Food Service business expansion, and portfolio expanding to serve and delight consumers and customers. Cost optimization initiatives continue on the right path. Further enablers include our people capability and our growing emphasis on processes, technology and tools.

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In the current Federal Budget for 2021-22, no adverse change has been imposed on the Dairy Industry. Since UHT milk contributes a large portion of safe and healthy packaged milk segment and is renowned for its nutritional benefits, it has received a zero-rating that will provide a much sought-after tax relief. GOP policies such as the above change, play a vital role in the sustainable growth of domestic investments in the dairy category.

The management remains committed, dynamic and resilient in order to meet challenges with renewed strength and passion in order to achieve its goals. Management continuously reviews and realigns business strategies to make the company's business profitable.

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

For and on behalf of the Board



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



Muhammad Haseeb Aslam  
Chief Executive Officer

Dated: July 28 , 2021



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## ڈائریکٹران رپورٹ برائے ممبران

فوجی فوڈز لمیٹڈ کا بورڈ آف ڈائریکٹرز 30 جون، 2021 کو اختتام پزیر ہونے والے نصف سالہ عرصہ کے لیے غیر آڈٹ شدہ عبوری مالیاتی حسابات پر ڈائریکٹران کی رپورٹ پیش کرتے ہوئے مسرت محسوس کر رہا ہے۔

### کاروباری جائزہ

زیر جائزہ مدت کے دوران، کاروباری سرگرمی کو ویڈ-19 کی وبا اور متعلقہ لاک ڈاؤن کی وجہ سے متاثر ہوئی۔ کمپنی نے ہماری سپلائی چین کو برقرار رکھتے ہوئے، ہمارے گاہکوں کی ضروریات کو پورا کرنے اور صارفین کی مانگ میں اضافہ کرتے ہوئے، تمام حفاظتی اقدامات کو یقینی بنانے کے لیے موثر کوششیں کیں۔

کاروباری ماحول میں کچھ چیلنجوں کے باوجود کمپنی نے H1, 2021 بمقابلہ H1, 2020 حسابات کی بالائی سطر میں 39% اضافہ درج کیا۔

کمپنی مزید صلاحیتوں کی تعمیر، فوائڈ کو مستحکم کرنے اور ہماری کاروباری رفتار اور خط حرکت کو مزید بڑھاتی رہی ہے۔ کمپنی ایک متنوع حکمت عملی کے ذریعے ایک کامیاب کاروباری نمونہ تشکیل دے رہی ہے جس میں جدت/ترکین و آرائش، پورٹ فولیو مینجمنٹ، کارکردگی کی شفافیت اور دستیابی، صارفین اور ڈسٹری بیوٹروں کے ساتھ موثر طریقے سے کام کرنا، ہمارے دودھ اکٹھا کرنے کے نظام کو محفوظ بنانا اور ہماری ویلیو چین میں آپریشنل کارکردگی کو بہتر بنانا شامل ہے۔

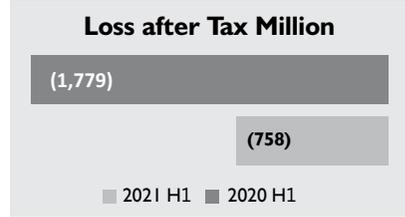
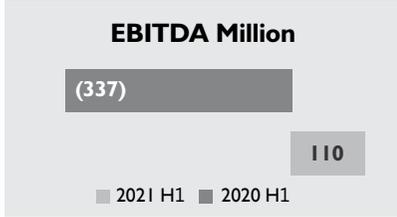
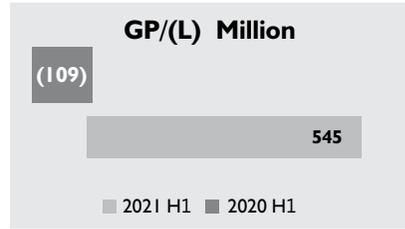
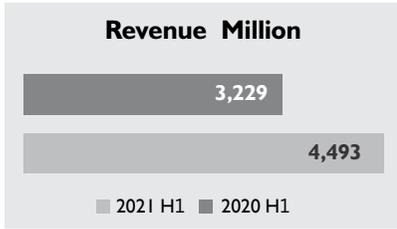
Q2 کے دوران، کمپنی کے ان پٹ اور اوور ہیڈ اخراجات نے افراط زر کی وجہ سے کچھ دباؤ کا سامنا کیا۔ تاہم، لاگت کے انتظامی اقدامات کے ذریعے بڑھتے ہوئے اخراجات کا انتظام کیا گیا جو متغیر اور مقررہ اخراجات دونوں سے متعلق ہماری ویلیو چین میں لاگو کیا جا رہا ہے۔ ہماری توجہ نورپور کولوگوں کا پسندیدہ برانڈ بنانے پر بھی مرکوز ہے۔ ہم کمپنی میں اپنے وابستگان کے لیے قدر پیدا کرنے اور تبدیلیاں لانے کے لیے پرعزم ہیں۔

### مالیاتی کارکردگی

زیر جائزہ مدت کے دوران خالص فروخت 4,493 ملین روپے رہی (سابقہ سال کے اسی عرصہ میں 3,229 ملین روپے کے مقابلے میں) جس سے خام منافع 545 ملین روپے رہا جو گزشتہ سال کے اسی عرصہ کے دوران مجموعی خسارے (109 ملین روپے) کے مقابلے میں 599 فیصد زیادہ ہے۔

H1, 2021 میں بعد از ٹیکس نقصان گزشتہ سال اسی مدت میں ہونے والے (1,779) ملین روپے کے مقابلے میں کم ہو کر (758) ملین روپے رہ گیا (57 فیصد کمی)۔

تغیر (%)	H1 2020 ملین روپے	H1 2021 ملین روپے	
39%	3,229	4,493	خالص فروخت
599%	(109)	545	خام منافع (نقصان)
133%	(337)	110	EBITDA
57%	(1,779)	(758)	بعد از ٹیکس نقصان



## کاروباری حکمت عملی

ہم درست بصیرت اور حکمت عملی کے ذریعے اپنے کاروباری نمونے کو موثر طریقے سے تبدیل کر رہے ہیں۔ یہ مضبوط آپریشنل انتظامیہ کے ساتھ مل کر ایک انجام دہی کا ماحول پیدا کرتا ہے اور سب سے اہم یہ کہ ہمارے لوگوں میں سرمایہ کاری کرتا ہے۔ مستحکم منافع بخش نمونہ ہمارے کاروباری مرکز میں ہے۔





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## مستقبل کی پیش گوئی

جیسا کہ نتائج سے واضح ہے، کمپنی ترقی اور آپریٹنگ نقصانات سے بحالی کی راہ پر گامزن ہے۔ کمپنی اپنے خوردہ اور ڈسٹری بیوشن کے نقش پا، فوڈ سروس برنس کی توسیع اور صارفین اور گاہکوں کی خدمت اور خوشی کے لیے پورٹ فولیو میں توسیع کے ساتھ ترقی کے مرحلے میں داخل ہو چکی ہے۔ لاگت کی اصلاح کے اقدامات صحیح راستے پر جاری ہیں۔ مزید فعالیت میں ہمارے لوگوں کی صلاحیت، عملیت، ہیکنالوجی اور آلات پر ہماری بڑھتی ہوئی توجہ شامل ہے۔

2021-22 کے موجودہ وفاقی بجٹ میں ڈیری انڈسٹری پر کوئی منفی تبدیلی لاگو نہیں کی گئی ہے۔ چونکہ UHT دودھ کا محفوظ اور صحت مند پیکڈ دودھ میں بڑا حصہ ہے اور یہ اپنی غذائیت اور فوائد کے لیے مشہور ہے، اس لیے اسے زیور پیننگ ملی ہے جو بہت زیادہ مطلوبہ بعد از ٹیکس ریلیف فراہم کرے گی۔ حکومت پاکستان کی پالیسیاں جیسا کہ مذکورہ بالا تبدیلی، ڈیری کے شعبے میں مقامی سرمایہ کاری کی پائیدار ترقی میں اہم کردار ادا کرتی ہیں۔

انتظامیہ اپنے مقاصد کے حصول کے لیے نئی طاقت اور جذبے کے ساتھ چیلنجوں کا مقابلہ کرنے کے لیے پر عزم، متحرک اور پگھلا رہتی ہے۔ انتظامیہ کمپنی کے کاروبار کو منافع بخش بنانے کے لیے کاروباری حکمت عملیوں کا مسلسل جائزہ لیتی اور ترتیب نو کرتی رہتی ہے۔ بورڈ کمپنی پر اعتماد اور مسلسل تعاون کے لیے تمام قابل قدر حصص یافتگان کا شکر گزار ہے۔

*Jamil Khan*

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

*Muhammad Aslam*

محمد حبیب اسلم  
چیف ایگزیکٹو آفیسر

مورخہ 28 جولائی 2021

HALF YEAR ENDED  
30 JUNE

2021

## 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 statements of financial position of **Fauji Foods Limited** as at **30 June 2021** and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, 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 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

The figures of the condensed interim statement of profit or loss, condensed interim statement of other comprehensive income and related notes for the quarter ended 30 June 2021 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended 30 June 2021.

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

Date: 23 August 2021  
Lahore



**EY Ford Rhodes**  
Chartered Accountants  
Lahore



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**Condensed Interim  
Financial Statements**  
For the Half Year Ended  
30 June 2021

HALF YEAR ENDED  
30 JUNE

2021

**Condensed Interim  
Statement of Financial Position**  
As at 30 June 2021

	Note	(Un-audited) 30 June 2021 Rupees	(Audited) 31 December 2020 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b><u>Share capital and reserves</u></b>			
Authorized capital 1,000,000,000 (31 December 2020: 1,000,000,000) ordinary shares of Rs 10 each		<b>10,000,000,000</b>	10,000,000,000
Issued, subscribed and paid up share capital		<b>8,032,935,630</b>	8,032,935,630
<b>Capital reserves</b>			
Share premium	5	<b>1,922,317,157</b>	1,922,317,157
Surplus on revaluation of property, plant and equipment - net of tax		<b>1,225,973,674</b>	1,243,724,345
		<b>3,148,290,831</b>	3,166,041,502
<b>Revenue reserve</b>			
Accumulated loss		<b>(15,928,523,925)</b>	(15,187,985,634)
		<b>(4,747,297,464)</b>	(3,989,008,502)
<b><u>Non-current liabilities</u></b>			
Long term loans		<b>6,021,894,582</b>	6,117,124,491
Lease liabilities	6	<b>161,587,077</b>	187,399,528
Deferred liabilities		<b>82,459,947</b>	77,169,944
		<b>6,265,941,606</b>	6,381,693,963
<b><u>Current liabilities</u></b>			
Short term borrowings	7	<b>1,871,965,726</b>	1,875,297,551
Loan from Parent Company	8	<b>5,925,000,000</b>	5,925,000,000
Current portion of long term loans		<b>50,457,821</b>	50,457,824
Current portion of lease liabilities		<b>61,417,223</b>	67,330,169
Trade and other payables	9	<b>968,304,122</b>	873,500,682
Unclaimed dividend		<b>965,752</b>	965,752
Accrued finance cost	10	<b>1,082,553,212</b>	533,632,385
Provision for taxation		<b>83,468,191</b>	14,316,124
		<b>10,044,132,047</b>	9,340,500,487
<b>Contingencies and commitments</b>			
	11	<b>11,562,776,189</b>	11,733,185,948

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



Chairman



Chief Executive Officer



Director



Chief Financial Officer



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<b>ASSETS</b>	<b>Note</b>	<b>(Un-audited) 30 June 2021 Rupees</b>	<b>(Audited) 31 December 2020 Rupees</b>
<b><u>Non-current assets</u></b>			
Property, plant and equipment	12	7,275,231,876	7,550,092,840
Intangible assets		10,962,696	20,353,143
Security deposits		6,606,122	6,606,122
Deferred tax - net	19.1	-	-
		<b>7,292,800,694</b>	<b>7,577,052,105</b>
<b><u>Current assets</u></b>			
Stores, spares and loose tools		186,074,501	191,143,537
Stock-in-trade	13	1,217,430,590	543,982,813
Trade debts		474,524,408	350,850,105
Loans and advances		104,869,240	151,199,690
Deposits, prepayments and other receivables		79,912,076	76,170,474
Due from associated companies		5,868,457	2,878,540
Sales tax refundable - net		594,349,198	636,649,383
Income tax recoverable		1,357,789,984	1,314,371,072
Cash and bank balances	14	249,157,041	888,888,229
		<b>4,269,975,495</b>	<b>4,156,133,843</b>
		<b>11,562,776,189</b>	<b>11,733,185,948</b>

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

Chairman

Chief Executive Officer

Director

Chief Financial Officer

HALF YEAR ENDED  
30 JUNE

2021

**Condensed Interim  
Statement of Profit or Loss (Un-audited)  
For the Six Months Ended 30 June 2021**

	Note	Six Months Ended 30 June		Three months ended 30 June	
		2021 ( Rupees )	2020 ( Rupees )	2021 ( Rupees )	2020 ( Rupees )
Revenue from contracts with customers - Net	15	4,492,567,510	3,228,576,240	2,115,250,604	1,561,523,897
Cost of revenue	16	<b>(3,947,404,620)</b>	(3,337,911,282)	<b>(1,833,651,114)</b>	(1,570,536,243)
<b>Gross Profit / (loss)</b>		<b>545,162,890</b>	(109,335,042)	<b>281,599,490</b>	(9,012,346)
Marketing and distribution expenses		<b>(487,329,098)</b>	(435,932,690)	<b>(269,425,928)</b>	(222,745,948)
Administrative expenses		<b>(175,760,450)</b>	(182,514,343)	<b>(95,567,666)</b>	(90,523,862)
<b>Loss from operations</b>		<b>(117,926,658)</b>	(727,782,075)	<b>(83,394,104)</b>	(322,282,156)
Other income	17	61,431,519	31,436,590	23,948,366	11,925,827
Other expenses		-	(529,030)	-	(529,030)
Finance costs	18	<b>(632,641,756)</b>	(1,043,731,784)	<b>(318,632,136)</b>	(483,497,215)
<b>Loss before taxation</b>		<b>(689,136,895)</b>	(1,740,606,299)	<b>(378,077,874)</b>	(794,382,574)
Taxation	19	<b>(69,152,067)</b>	(38,628,401)	<b>(32,784,931)</b>	(33,722,647)
<b>Loss after taxation for the period</b>		<b>(758,288,962)</b>	(1,779,234,700)	<b>(410,862,805)</b>	(828,105,221)
<b>Loss per share - basic and diluted</b>		<b>(0.94)</b>	(3.37)	<b>(0.51)</b>	(1.57)



Chairman



Chief Executive Officer



Director



Chief Financial Officer

# Condensed Interim Statement of Comprehensive Income (Un-audited)

For the Six Months Ended 30 June 2021



fauji foods

	Six Months Ended 30 June		Three months ended 30 June	
	2021 ( Rupees )	2020 ( Rupees )	2021 ( Rupees )	2020 ( Rupees )
<b>Loss for the period</b>	<b>(758,288,962)</b>	(1,779,234,700)	<b>(410,862,805)</b>	(828,105,221)
<b><u>Other comprehensive income for the period</u></b>				
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)	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(758,288,962)</b>	(1,779,234,700)	<b>(410,862,805)</b>	(828,105,221)

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

Chairman

Chief Executive Officer

Director

Chief Financial Officer

HALF YEAR ENDED  
30 JUNE

2021

## Condensed Interim Statement of Changes In Equity (Un-audited)

For the Six Months Ended 30 June 2021

	Capital Reserve		Revenue reserve		
	Share capital	Share premium	Surplus on revaluation of property, plant and equipment-net of tax	Accumulated loss	Total
	----- Rupees -----				
<b>Balance as at 01 January 2020 (audited)</b>	5,284,071,920	1,925,340,907	1,309,417,781	(12,196,616,692)	(3,677,786,084)
<b><u>Total comprehensive income for the period</u></b>					
Net loss for the period	-	-	-	(1,779,234,700)	(1,779,234,700)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(1,779,234,700)	(1,779,234,700)
<b><u>Surplus transferred to accumulated losses</u></b>					
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	(32,812,021)	32,812,021	-
<b>Balance as at 30 June 2020 (un-audited)</b>	5,284,071,920	1,925,340,907	1,276,605,760	(13,943,039,371)	(5,457,020,784)
<b>Balance as at 01 January 2021 (audited)</b>	8,032,935,630	1,922,317,157	1,243,724,345	(15,187,985,634)	(3,989,008,502)
<b><u>Total comprehensive income for the period</u></b>					
Net loss for the period	-	-	-	(758,288,962)	(758,288,962)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(758,288,962)	(758,288,962)
<b><u>Surplus transferred to accumulated losses</u></b>					
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	(17,750,671)	17,750,671	-
<b>Balance as at 30 June 2021 (un-audited)</b>	8,032,935,630	1,922,317,157	1,225,973,674	(15,928,523,925)	(4,747,297,464)

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



Chairman



Chief Executive Officer



Director



Chief Financial Officer

# Condensed Interim Statement of Cash Flows (Un-audited)

For the Six Months Ended 30 June 2021



fauji foods

	Note	Six Months Ended	
		30 June	
		2021 ( Rupees )	2020 ( Rupees )
<b><u>Cash flows from operating activities</u></b>			
Loss before taxation		(689,136,895)	(1,740,606,299)
<i>Adjustments for non-cash items:</i>			
Depreciation on property, plant and equipment	12	219,129,896	381,039,978
Amortization of intangible assets		9,390,447	9,641,639
Gain on disposal of property, plant and equipment		(37,852,662)	(2,782,349)
Profit on bank deposits		(7,791,318)	(25,503,184)
Provision for employee retirement benefits		14,274,013	16,459,105
Finance cost		632,641,756	1,043,731,784
<b>Profit / (Loss) before working capital changes</b>		<b>140,655,237</b>	<b>(318,019,326)</b>
<b><u>Effect on cash flows due to working capital changes</u></b>			
<i>(Increase) / decrease in current assets:</i>			
Stores, spares and loose tools		5,069,036	30,419,686
Stock-in-trade		(673,447,777)	121,116,484
Trade debts		(123,674,303)	(107,241,739)
Loans and advances		46,330,450	(15,278,061)
Deposits, prepayments and other receivables		(3,741,602)	46,220,622
Due from associated companies		(2,989,917)	-
Sales tax refundable		42,300,185	(22,235,842)
<i>(Decrease) / increase in current liabilities:</i>			
Trade and other payables		94,803,440	171,808,512
		(615,350,488)	224,809,662
<b>Cash used in operations</b>		<b>(474,695,251)</b>	<b>(93,209,664)</b>
Income tax paid		(43,418,913)	(82,728,192)
Employee retirement benefits paid		(8,984,010)	(3,444,786)
<b>Net cash used in operating activities</b>		<b>(527,098,174)</b>	<b>(179,382,642)</b>

HALF YEAR ENDED  
30 JUNE

2021

## Condensed Interim Statement of Cash Flows (Un-audited)

For the Six Months Ended 30 June 2021

	Note	Six Months Ended	
		30 June	
		2021 (Rupees)	2020 (Rupees)
<b><u>Cash flows from investing activities</u></b>			
Capital expenditure		(18,012,383)	(103,275,193)
Income on bank deposits received		7,791,318	25,503,184
Sale proceeds from disposal of property, plant and equipment		111,596,114	6,421,896
<b>Net cash generated from / (used) in investing activities</b>		<b>101,375,049</b>	<b>(71,350,113)</b>
<b><u>Cash flows from financing activities</u></b>			
Short term borrowings - net		(6,439,676)	(34,346)
Finance cost paid		(83,720,929)	(931,567,409)
Long term loans		(95,229,912)	(24,084,352)
Lease rentals paid		(31,725,397)	(68,105,404)
Loan received from parent company		-	714,000,000
<b>Net cash used in financing activities</b>		<b>(217,115,914)</b>	<b>(309,791,511)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(642,839,039)</b>	<b>(560,524,266)</b>
<b>Cash and cash equivalents - at beginning of the period</b>		<b>(757,278,882)</b>	<b>(5,027,811,699)</b>
<b>Cash and cash equivalents - at end of the period</b>		<b>(1,400,117,921)</b>	<b>(5,588,335,965)</b>
<i>Cash and cash equivalents comprise of the following:</i>			
- Cash and bank balances	14	249,157,041	99,612,576
- Running finances	7	(1,649,274,962)	(5,687,948,541)
		<b>(1,400,117,921)</b>	<b>(5,588,335,965)</b>

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



Chairman



Chief Executive Officer



Director



Chief Financial Officer

# Notes to the Condensed Interim Financial Statements (Un-audited) For the Half Year Ended 30 June 2021



fauji foods

## I LEGAL STATUS AND OPERATIONS

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

The Company is principally engaged in processing and sale of toned milk, milk powder, fruit juices, allied dairy and food products. Following are the business units of the Company along with their respective locations:

<b>BUSINESS UNIT</b>	<b>LOCATION</b>
<b>Production Plant</b>	Bhalwal, District Sargodha
<b>Registered Office and Head Office</b>	42 CCA, Ex Park View, DHA Phase - VIII, Lahore.

1.1 Consequent to acquisition of the Company by Fauji Group in year 2015, the management has taken various operational measures towards transformation of the Company that includes curtailment of higher input costs, increasing production scales to optimum levels by BMR - balancing, modernization and replacement of production facility, strengthening of milk collection and sales and distribution structures. The management has also taken various financial initiatives towards improvement of liquidity that included time to time raising of equity finance through right issue, arrangement of long term and working capital facilities to support working capital and capital expenditure requirements. The Parent Company has approved additional financial support of Rs. 6,000 million out of which Rs. 5,925 million has been disbursed during the prior year for meeting the working capital requirements and contractual obligations of the Company. Further, the Parent has provided standby letter of credit amounting to Rs. 1,000 million and revolving corporate guarantee as additional security against syndicate finance facility.

Due to continuous operational losses for the last few years, current liabilities exceed current assets by Rs. 5,774 million, equity eroded and stands at negative Rs. 4,747 million and with the operations being financed through sponsor support/equity injection/ bank borrowings, the total debt amounts to Rs. 13,869 million as on 30 June 2021.

During the period, the Company has shown recovery compared to 2020 with a growth of 39% in revenue and reduction in loss from operations and net loss by 84% and 57% respectively. This has been a result of improved contribution margins due to price increase within the industry as well as specific measures implemented by the Company including optimization of product mix and cost reduction. Further, the restructuring of the overall financial debt of the company achieved in last

year helped the Company in focusing towards growth and financing its working capital requirements.

The management and the Board considers that the measures as explained above would result in availability of adequate financial resources for the Company to sustain the continuity of its business operations for the foreseeable future and thus maintain its going concern status. Accordingly, these condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will continue to operate its business, realize its assets, and discharge its liabilities, in the normal course of business.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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

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

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

- 2.2** The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2020.

Comparative condensed interim statement of financial position is stated from annual audited financial statements as of 31 December 2020, 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 ended 30 June 2020.

- 2.3** These condensed interim financial statements are unaudited but subject to limited scope review by the auditors and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017.



- 2.4** The condensed interim financial statements have been prepared under the historical cost convention except for recognition of certain employees' retirement benefits at present value. These condensed interim financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest Pak rupee unless otherwise stated.
- 2.5** The figures of the condensed interim statement of profit or loss, condensed interim statement of other comprehensive income and related notes for the quarters ended 30 June 2021 and 30 June 2020 have not been reviewed.
- 2.6** Provisions in respect of Workers' Welfare Fund, Workers' Profit Participation Fund and Taxation are estimated based on management judgment and prevailing laws, these are subject to final adjustments in the annual audited financial statements.

### **3 USE OF ESTIMATES AND JUDGEMENTS**

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

In preparing the condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2020.

### **4 SIGNIFICANT ACCOUNTING POLICIES**

#### **4.1 New standards, interpretations and amendments adopted by the Company**

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company's annual audited financial statements for the year ended 31 December 2020, except for the adoption of amendments to standards effective as of 1 January 2021. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Following amendments apply for the first time in 2021, but do not have an impact on the condensed interim financial statements of the Company:

Covid-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16;

Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

## 5 SHARE PREMIUM

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

## 6 LEASE LIABILITIES

		(Un-audited) 30 June 2021 (Rupees )	(Audited) 31 December 2020 (Rupees )
	Note		
Leased vehicles - secured	6.1	6,786,235	15,703,678
Leased machinery - unsecured		118,680,633	132,399,740
Leased building - unsecured		97,537,432	106,626,279
		<b>223,004,300</b>	254,729,697
Less: Current portion presented under current liabilities		<b>(61,417,223)</b>	(67,330,169)
		<b><u>161,587,077</u></b>	<b><u>187,399,528</u></b>

6.1 This represents payable to Askari Bank Limited, an associated undertaking.

## 7 SHORT TERM BORROWINGS

Running finance	7.1	1,649,274,962	1,646,167,111
Islamic mode of financing		222,690,764	229,130,440
		<b><u>1,871,965,726</u></b>	<b><u>1,875,297,551</u></b>

7.1 This includes balance of Rs. 279.03 million (31 December 2020: Rs. 333.33 million) payable to Askari Bank Limited, an associated undertaking.

## 8 LOAN FROM PARENT COMPANY

Mark-up based Subordinated Loan - Unsecured	8.1	<b><u>5,925,000,000</u></b>	<b><u>5,925,000,000</u></b>
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8.1 This represent utilized amount of loan availed from the Parent Company (Fauji Fertilizer Bin Qasim Limited) under markup arrangement on account of sponsor support of Rs. 6,000 million to meet working capital requirement of the Company. This loan is for a period of one year and carries markup at 3 months Kibor plus 1.5% per annum, payable quarterly in arrears.



fauji foods

## 9 TRADE AND OTHER PAYABLES

This includes due to associated undertakings, which are as follows:

	<b>30 June 2021 ( Rupees )</b>	31 December 2020 ( Rupees )
Noon Sugar Mills Limited	<b>4,071,076</b>	7,014,925
Fauji Security Services (Private) Limited	<b>272,400</b>	272,400
FFBL Power Company limited	<b>17,154,656</b>	7,438,194
Fauji Fertilizer Bin Qasim Limited	<b>405,399</b>	1,418,133
Fauji Foundation	<b>2,698,068</b>	-
	<b><u>24,601,599</u></b>	<b><u>16,143,652</u></b>

## 10 ACCRUED FINANCE COST

This includes amount of Rs. 23.38 million (31 December 2020: 15.7 million) payable to Askari Bank Limited, an associated undertaking and Rs. 563.31 million (31 December 2020: Rs. 286.37 million) payable to Fauji Fertilizer Bin Qasim Limited, the parent company.

## 11 CONTINGENCIES AND COMMITMENTS

### 11.1 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 2020.

### 11.2 Commitments

Guarantees aggregating to Rs. 14.78 million (31 December 2020: Rs. 14.78 million) have been issued by banks of the Company to Sui Northern Gas Pipeline Ltd, Pakistan State Oil and Controller Naval Account.

Commitments in respect of capital expenditure and against irrevocable letters of credit outstanding at the period end amounted to Rs.0.53 million (31 December 2020: Nil).

Commitments in respect of purchase of raw and packing material outstanding at the period end amounted to Rs. 6.64 million (31 December 2020: Nil).

12	<b>PROPERTY, PLANT AND EQUIPMENT</b>	Note	(Un-audited) 30 June 2021 ( Rupees )	(Audited) 31 December 2020 ( Rupees )
	Operating fixed assets			
	- Owned assets		<b>6,670,890,498</b>	6,910,241,527
	- Right of Use Assets		<b>381,206,654</b>	416,471,589
		<b>12.1</b>	<b>7,052,097,152</b>	7,326,713,116
	Capital work in progress	<b>12.2</b>	<b>223,134,724</b>	223,379,724
			<b>7,275,231,876</b>	7,550,092,840
<b>12.1</b>	<b>Operating fixed assets</b>			
	Net book value at beginning of the period / year		<b>7,326,713,116</b>	7,864,982,570
	Additions / transfers from capital work in progress during the period / year		<b>18,257,384</b>	180,420,285
	Disposals during the period / year		<b>(73,743,452)</b>	(68,824,308)
	Depreciation charged during the period / year		<b>(219,129,896)</b>	(650,884,534)
	Net book value at end of the period / year		<b>7,052,097,152</b>	7,326,713,116
<b>12.2</b>	<b>Capital work in progress</b>			
	Plant and machinery		<b>223,134,724</b>	223,379,724
<b>13</b>	<b>STOCK IN TRADE</b>			
	Raw and packing material			
	- In hand		<b>308,102,612</b>	467,962,968
	- In transit		<b>18,435,208</b>	14,841,894
			<b>326,537,820</b>	482,804,862
	Work-in-process		<b>156,790,888</b>	173,006,590
	Finished goods	<b>13.2</b>	<b>769,048,994</b>	156,040,982
			<b>1,252,377,702</b>	811,852,434
	Less: Stock written off during the year		-	(207,342,928)
	Less: Provision for obsolescence	<b>13.1</b>	<b>(34,947,112)</b>	(60,526,693)
			<b>1,217,430,590</b>	543,982,813



fauji foods

	<b>(Un-audited)</b> <b>30 June</b> <b>2021</b> <b>( Rupees )</b>	<b>(Audited)</b> <b>31 December</b> <b>2020</b> <b>( Rupees )</b>
<b>Note</b>		
<b>13.1 Movement in provision for obsolescence</b>		
Balance as at 01 January	<b>60,526,693</b>	55,283,299
Provision for the year	-	34,947,112
Written off during the period / year	<b>(25,579,581)</b>	(29,703,718)
Balance as at 30 June / 31 December	<b><u>34,947,112</u></b>	<b><u>60,526,693</u></b>

**13.2** The amount charged to statement of profit or loss on account of write down of finished goods to net realizable value amounts to Rs. 0.57 million (31 December 2020: Rs 2.2 million).

	<b>(Un-audited)</b> <b>30 June</b> <b>2021</b> <b>( Rupees )</b>	<b>(Audited)</b> <b>31 December</b> <b>2020</b> <b>( Rupees )</b>
<b>14 CASH AND BANK BALANCES</b>		
Cash-in-hand	<b>127,044</b>	95,940
<i>Cash at banks</i>		
- Current accounts	<b>143,041,009</b>	106,678,949
- Saving accounts	<b>14.1 105,767,497</b>	741,891,849
	<b>14.2 248,808,506</b>	848,570,798
Dividend account	<b>221,491</b>	221,491
Term Deposit Receipt	-	40,000,000
	<b><u>249,157,041</u></b>	<b><u>888,888,229</u></b>

**14.1** These carry profit at the rates ranging from 5.5% to 6.5% (31 Decemeber 2020: 4% to 6%) per annum.

**14.2** This includes balance of Rs. 57.73 million (31 December 2020: Rs. 804.7 million) with Askari Bank Limited, an associated undertaking.

15 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	(Un-audited)		(Un-audited)	
	Six Months Ended		Three months ended	
	30 June		30 June	
	2021	2020	2021	2020
	-----Rupees-----			
Gross revenue	4,994,738,841	3,699,165,914	2,355,889,777	1,784,093,321
Less: Sales tax	300,092,219	225,841,459	136,879,183	109,590,625
Trade discounts	202,079,112	244,748,215	103,759,990	112,978,799
	502,171,331	470,589,674	240,639,173	222,569,424
	<u>4,492,567,510</u>	<u>3,228,576,240</u>	<u>2,115,250,604</u>	<u>1,561,523,897</u>

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

16 COST OF REVENUE	(Un-audited)		(Un-audited)	
	Six Months Ended		Three months ended	
	30 June		30 June	
	2021	2020	2021	2020
	-----Rupees-----			
Raw materials consumed	2,928,697,580	1,834,555,782	1,112,231,449	834,765,504
Salaries, wages and other benefits	99,544,958	97,183,453	49,548,837	48,356,505
Power and fuel	144,794,583	118,358,632	76,027,355	54,279,297
Packing materials consumed	968,923,001	810,802,510	366,228,407	376,723,760
Freight and forwarding	65,259,552	54,686,683	28,845,292	26,132,927
Stores and spares consumed	43,567,638	63,307,294	20,239,668	29,278,739
Repair and maintenance	103,682,327	100,366,782	45,935,542	51,063,225
Rent, rates and taxes	290,560	4,629,262	290,560	2,375,508
Depreciation	179,376,532	332,602,303	89,719,521	174,525,107
Legal and professional charges	524,538	439,180	224,538	283,180
Insurance	4,078,160	4,889,820	1,935,322	2,432,810
Other expenses	5,457,501	548,381	1,755,173	260,772
	<u>4,544,196,930</u>	<u>3,422,370,082</u>	<u>1,792,981,664</u>	<u>1,600,477,334</u>
<b>Adjustment of work-in-process</b>				
Opening stock	173,006,590	146,456,393	176,555,053	225,237,029
Closing stock	(156,790,888)	(197,413,117)	(156,790,888)	(197,413,117)
	<u>16,215,702</u>	<u>(50,956,724)</u>	<u>19,764,165</u>	<u>27,823,912</u>
Cost of goods manufactured	<u>4,560,412,632</u>	<u>3,371,413,358</u>	<u>1,812,745,829</u>	<u>1,628,301,246</u>
<b>Adjustment of finished goods</b>				
Opening stock	156,040,982	283,032,995	789,954,279	258,770,068
Closing stock	(769,048,994)	(316,535,071)	(769,048,994)	(316,535,071)
	<u>(613,008,012)</u>	<u>(33,502,076)</u>	<u>20,905,285</u>	<u>(57,765,003)</u>
	<u>3,947,404,620</u>	<u>3,337,911,282</u>	<u>1,833,651,114</u>	<u>1,570,536,243</u>



## 17 OTHER INCOME

This includes an amount of Rs. 6.6 million (30 June 2020: Rs. 0.91 million) earned on account of profit on saving account maintained with Askari Bank Limited an associated Company.

18 FINANCE COST	Note	(Un-audited)		(Un-audited)	
		Six Months Ended		Three months ended	
		30 June		30 June	
		2021	2020	2021	2020
-----Rupees-----					
<i>Islamic mode of financing</i>					
- Short term borrowings		9,451,094	103,506,824	4,762,475	44,011,655
<i>Interest and mark-up on:</i>					
- Long term finance		262,503,894	300,756,425	132,732,746	133,669,652
- Short term borrowings		67,611,350	402,013,948	34,777,002	185,530,586
- Loan from Parent Company		270,233,701	192,455,111	137,732,686	92,411,046
- Lease liabilities		16,355,387	20,000,968	7,081,655	7,296,861
<i>Bank charges and commission</i>		6,486,330	24,998,508	1,545,572	20,577,415
		<b>632,641,756</b>	<b>1,043,731,784</b>	<b>318,632,136</b>	<b>483,497,215</b>

## 19 TAXATION

Current tax	19.1	69,152,067	27,190,423	32,784,931	22,284,669
Deferred tax		-	11,437,978	-	11,437,978
		<b>69,152,067</b>	<b>38,628,401</b>	<b>32,784,931</b>	<b>33,722,647</b>

19.1 The Company has deductible temporary differences arising mainly on unused tax losses. Recognition of deferred tax asset on these temporary differences has been restricted upto the extent of deferred tax liability; resulting in net deferred tax balance of Rs. Nil as at 31 December 2020 and 2019. No change in the Company's tax position has occurred during the period therefore, no further provision or reversal of deferred tax has been made.

## 20 RELATED PARTY TRANSACTIONS

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

Name of related party	Relationship	Nature of transactions	Six months ended	
			2021 Rupees	30 June 2020 Rupees
Fauji Fertilizer Bin Qasim Limited	Parent - 67.5% (Shareholding and common directorship)	Loan received	-	714,000,000
		Finance cost charged	270,233,701	192,455,111
		TA / DA & other expenses charged by related party	14,941	352,674
Fauji Foundation	Associated Undertaking 8.39%  (Shareholding and common directorship)	Expense of IT facilities charged by related party	3,000,000	3,000,000
		Management shared services charged by related party	2,501,354	-
Fauji Cereals	Associated Undertaking  (Common directorship)	TA/DA and boarding expenses charged by related party	1,446,725	-
		Salary of Personnel charged to the related party	4,938,165	-
FFBL Power Company Limited	Associated Undertaking (Common directorship)	TA/DA and Building rent and other expenses charged to the related party	442,458	-
		Purchase of coal	41,709,589	-
Askari Bank Limited	Associated Undertaking (Common directorship)	Finance cost charged by related party	13,417,208	54,439,026
		Interest income on saving accounts	6,565,253	1,165,988
Fauji Security Services (Private) Limited	Associated Undertaking (Common directorship)	Expenses paid against security services	232,000	520,760
Noon Sugar Mills Limited	Associated Undertaking (Common directorship)	Purchase of white sugar	14,138,880	19,835,769
Employee's Provident Fund Trust	Post employee benefit plan	Contribution for the year	25,667,756	24,395,585
Directors		Meeting fee	5,025,000	5,945,000
Key Management Personnel		Remuneration and benefits	50,435,857	37,171,563

## 21 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

21.1 The Company's financial risk management objectives and policies are consistent with that disclosed in the annual audited financial statements of the Company for the year ended 31 December 2020.

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



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	<b>(Un-audited)</b>	(Audited)
	<b>30 June</b>	31 December
	<b>2021</b>	2020
<b><u>Financial assets</u></b>		
<b>Debt instruments at amortised cost</b>	<b>( Rupees )</b>	( Rupees )
Security deposits	<b>54,103,092</b>	69,564,352
Trade debts	<b>474,524,408</b>	350,850,105
Due from employees	<b>12,135,862</b>	8,543,591
Due from associated companies	<b>5,868,457</b>	2,878,540
Other receivables	<b>21,446,496</b>	9,446,496
	<b>568,078,315</b>	441,283,084
	<b>249,157,041</b>	888,888,229
<b>Cash and bank balances</b>		
	<b>249,157,041</b>	888,888,229
<b>Total current</b>	<b>810,629,234</b>	1,323,565,191
<b>Total non-current</b>	<b>6,606,122</b>	6,606,122
<b><u>Financial liabilities</u></b>		
<b>At amortised cost</b>		
Lease liabilities	<b>223,004,300</b>	254,729,697
Long term finances	<b>6,072,352,403</b>	6,167,582,315
Trade and other payables	<b>913,748,519</b>	740,758,220
Short term borrowing	<b>1,871,965,726</b>	1,875,297,551
Loan from Parent Company	<b>5,925,000,000</b>	5,925,000,000
Accrued finance cost	<b>1,082,553,212</b>	533,632,385
	<b>16,088,624,160</b>	15,497,000,168
<b>Total current</b>	<b>9,905,142,501</b>	9,192,476,149
<b>Total non-current</b>	<b>6,183,481,659</b>	6,304,524,019

### 21.3 Fair value of financial instruments

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

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

30 June 2021 (Un-audited)							
Long term loans	Short term borrowings	Loan from Parent Company	Accrued finance cost	Liabilities against assets subject to finance lease	Unclaimed dividend	Total	
----- Rupees -----							
Balance as at 01 January 2021	6,167,582,315	1,875,297,551	5,925,000,000	533,632,385	254,729,697	965,752	14,757,207,700
<b>Cash flows</b>							
Borrowings repaid net of receipts	(95,229,912)	(6,439,676)	-	-	-	-	(101,669,588)
Repayment of lease rentals	-	-	-	-	(31,725,397)	-	(31,725,397)
Finance cost paid	-	-	-	(83,720,929)	-	-	(83,720,929)
Loan received	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-
<b>Total changes from financing cash flows</b>	<b>(95,229,912)</b>	<b>(6,439,676)</b>	<b>-</b>	<b>(83,720,929)</b>	<b>(31,725,397)</b>	<b>-</b>	<b>(217,115,914)</b>
<b>Other changes including non-cash</b>							
Changes in running finances	-	3,107,851	-	-	-	-	3,107,851
Finance cost	-	-	-	632,641,756	-	-	632,641,756
<b>Total liability related other changes</b>	<b>-</b>	<b>3,107,851</b>	<b>-</b>	<b>632,641,756</b>	<b>-</b>	<b>-</b>	<b>635,749,607</b>
<b>Closing as at 30 June 2021</b>	<b>6,072,352,403</b>	<b>1,871,965,726</b>	<b>5,925,000,000</b>	<b>1,082,553,212</b>	<b>223,004,300</b>	<b>965,752</b>	<b>15,175,841,393</b>

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

## 23 IMPACT OF COVID-19

The World Health Organization declared COVID-19 a global pandemic on 11 March 2020. Accordingly, on 20 March 2020, the Government of Pakistan announced temporary lock down as a measure to reduce the spread of COVID-19. The outbreak of COVID-19 has had a distressing impact on overall demand in the global economy with notable downgrade in growth forecasts.



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The Company's management is fully cognizant of the business challenges posed by the COVID-19 outbreak and closely monitoring the possible impacts on the Company's operations and liquidity positions and believes that its current policies for managing credit, liquidity and market risk are adequate in response to current situation.

The management has assessed the impact of the COVID-19 on the financial statements and concluded that, as the Company is engaged in the manufacturing and sale of food items mainly including dairy and allied products which are essential items, there is no material financial impact of COVID-19 on the carrying amounts of assets, liabilities, income or expenses which required specific disclosures.

## 24 DATE OF AUTHORIZATION

These condensed interim financial statements has been approved by the Board of Directors of the Company and authorized for issue on July 28, 2021.

Chairman

Chief Executive Officer

Director

Chief Financial Officer



**fauji foods**

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