FAUJI FOODS

DRIVING GROWTH

2024
ANNUAL REPORT

DRIVING **GROWTH**

Is more than just a theme; it's a reflection of our collective ambition to propel Fauji Foods and Pakistan forward. This year, our focus on expansion, efficiency, and innovation has enabled us to rise above challenges and continue our growth trajectory. By staying true to our core values and our vision of "Unleashing Pakistan's Promise in Everything We Touch," we have deepened our commitment to creating opportunities for our employees, farmers, and communities. With unwavering resolve, we continue to nurture sustainable progress, ensuring that our growth brings lasting value to all who are part of our journey.

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- SINCE 1966 -
nurpur
FULL CREAM MILK
1.0 LTR Net Vol.
Serving Quality Products Since 1970
200 gm
nurpur®
SALTED BUTTER
YOU NEVER HAD IT BETTER

VISION

Unleashing Pakistan's promise in everything we touch.

MISSION

We provide delicious food products that nourish and provide moments of joy to the people of Pakistan.
We are committed to producing our products in a way that is sustainable commercially and environmentally.

CORE VALUES

CARING

WE CARE DEEPLY ABOUT OUR EMPLOYEES, OUR CUSTOMERS, AND OUR COMMUNITY

EXCELLENCE

WE HOLD OURSELVES TO THE HIGHEST STANDARDS OF COMPETENCE, ALWAYS STRIVING TO IMPROVE AND EXCEED EXPECTATIONS

AGILITY AND PERSEVERANCE

WE EMBRACE AMBIGUITY AND NEVER GIVE UP, EVEN IN THE FACE OF ADVERSITY

CUSTOMER FOCUS

OUR CUSTOMERS ARE AT THE HEART OF EVERYTHING WE DO

OWNERSHIP AND ACCOUNTABILITY

WE HOLD OURSELVES ACCOUNTABLE FOR OUR OWN ACTIONS AND THOSE OF OUR TEAM


Serving Quality Products Since 1970
200 gm
nurpur®
SALTED BUTTER
YOU NEVER HAD IT BETTER

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. Arif ur Rehman

Mr. Mazhar Abbas Hasnani

Ms. Nosheen Akhtar

Mr. Basharat Ahmad Bhatti

Mr. Javed Kureishi

Mr. Yasir Ilyas Khan

Audit Committee

Mr. Javed Kureishi
Chairman

Syed Bakhtiyar Kazmi

Mr. Mazhar Abbas Hasnani

Mr. Basharat Ahmad Bhatti

HR&R Committee

Mr. Basharat Ahmad Bhatti
Chairman

Mr. Mazhar Abbas Hasnani

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 Adviser

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


fauji foods Ltd.
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BOARD OF DIRECTORS


Fauji®
ISO 9001-2015 CERTIFIED
CORN FLAKES
CERTIFIED HALAL PRODUCTS
حلال
HALAL
250 GRAMS APPROX
Each 30g serving contains
Energy 117Kcal 6%
Fat 0.15g <1%
Saturated Fat 0g <1%
Sugar 2.4g 3%
of an adult's guideline daily amount
Swiss Technology

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

Chairman / Director

With nearly four decades of distinguished military service, Lieutenant General Anwar Ali Hyder (Retired) brings consummate skill and experience in planning, organization and administration to his present assignment. Throughout his distinguished career he held prestigious positions in various command, staff and instructional roles, culminating in the position of Principal Staff Officer to the Chief of Army Staff as Adjutant General of Pakistan Army. A role in which he provided leadership and spearheaded several important welfare initiatives and large-scale commercial projects at the Army and national level, including strategizing the development and growth of Fauji Foundation Companies and serving as the Chairman of Army Welfare Trust.

His extensive experience in Pakistan Army includes noteworthy contributions in planning and development of Defence Housing Authorities (DHAs) all over the country and supervising development and management of countrywide mega housing projects such as Askari Housing Colonies.

He also had the distinctive opportunity of making contributions in the academic domain as President National Defence University and as member of the Board of Governors of NUST, NUMS and NUTECH.

Transitioning seamlessly into civilian leadership role, Lieutenant General Anwar Ali Hyder (Retired) assumed the chairmanship of Naya Pakistan Housing and Development Authority (NAPHDA) and played an important role in the interim Federal Cabinet as the Caretaker Minister for Defence and Defence Production. He also served as a member of the Apex Committee of Special Investment Facilitation Council (SIFC), where he made multifaceted contributions to national economic growth initiatives and in the process remained engaged with several public and private sector entities and multinational organizations.

His strategic prowess and commitment to excellence is complimented by his professional and academic qualifications, which include Masters in Strategic Studies from United States Army War College, Carlisle, Pennsylvania and MSc in War Studies from National Defence University, Islamabad. His dedication to duty and meritorious services in Pakistan Army were duly recognized through conferment of the Chief of Army Staff Commendation Card and the prestigious Hilal-e-Imtiaz (Military) by the President of Pakistan.

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

Director

Lieutenant General Ali Amir Awan, HI(M) was commissioned in 132 Medium Regiment Artillery on 11 March 1988. He is a graduate of Command and Staff College Quetta and National Defence University, Islamabad. He also holds Master degree in War Studies. General Officer has vast experience of Command & Staff Appointments including General Staff Officer-III and Brigade Major of an Infantry Brigade. General Officer has the honour of being instructor Class "B" at Pakistan Military Academy Kakul. General Officer has commanded 132 Medium Regiment Artillery, Swat Scouts, Infantry Brigade, Artillery Division at Operational area Swat and an Infantry Division. The General Officer has also served as Liaison Officer in United Nations Peace Keeping Mission in Haiti, Staff Officer at United States CENTCOM, Army and Air Attache in United Kingdom, Director Staff Duties (Alpha) in Chief of Army Staff Secretariat GHQ, Additional Secretary at Ministry of Defence Production and Inspector General Communication & Information Technology, GHQ. He has also served as Chairman POF Board Wah.

Presently, he is serving as MD Food Vertical, Fauji Foundation.

Syyed Bakhtiyar Kazmi

Director

Mr. Kazmi is a fellow chartered accountant with over 35 years of experience in a diverse range of sectoral and functional strata within national and regional economies. The key areas of his specialization are fiscal policy and macroeconomic research, greenfield and brownfield projects, strategic collaborations, mergers and acquisitions, outliers in accounting and finance, strategic level audit and assurance and tax reforms and strategic level advisory. He holds directorship on the Boards of following companies along with Fauji Foods Limited:

- Fauji Fertilizer Company Limited
- Fauji Cement Company Limited
- Askari Bank Limited
- Mari Energies Limited
- The Hub Power Company Limited
- Fauji Akbar Portia Marine Terminals Limited
- Fauji Trans Terminal Limited
- Fauji Oil Terminal & Distribution Company Limited
- Fauji Infraavest Foods Limited
- Foundation Power Company Daharki Limited
- Fauji Kabirwala Power Company Limited
- Foundation Solar Energy (Private) Limited
- Daharki Power Holdings Limited
- Fauji Fresh n Freeze Limited
- Foundation Wind Energy-I Limited
- Foundation Wind Energy-II Limited
- Fauji Meat Limited
- FFC Energy Limited
- Olive Technical Services Limited
- FFBL Power Company Limited
- FonGrow (Private) Limited
- Aether Technology (Private) Limited
- Mari Mining Company (Private) Limited
- Mari Technologies Limited
- Sky47 Limited
- FonGreen (Private) Limited
- HBL Zari Services Limited
- MedAsk (Private) Limited

Mr. Kazmi served KPMG for 35 years; interacted with the leadership in almost every industry, understanding their vision, their insights, and business strategies. His rigorous exposure to a diverse range of sectors and projects, enabled him to conceive and culminate strategic value additions for his clients. He successfully implemented a comprehensive service delivery framework that ensures quality assured service provision to KPMG's clients. As an auditor and an advisor, Mr Kazmi successfully delivered bestin-class and integrity driven services and branched into macroeconomic research with a focus on contributing towards fiscal and regulatory policies of Pakistan. He has served on a number of diverse forums / boards in the Private Sector, Public Sector & Civil Society Organization. As a thinker, he actively spreads his thoughts and ideas through his articles on national economics, business and taxation matters and issues, regularly published in reputable dailies.

Mr. Arif ur Rehman

Director

Mr. Arif started his professional career from Fauji Fertilizer Co (FFC) where he initially worked as Process Engineer in the Ammonia, Urea and Utilities plants. Later on he worked as Process Engineering In-charge, Operations Engineer-Ammonia and Ammonia DBN Commissioning Engineer. In mid-1994, his services were transferred to FJFC (FFBL) project team. He worked at FJFC for about 3 years and was a part of the multidisciplinary team that developed the FJFC Project from inception to firm order placement. He led the engineering and improvement of the Ammonia Plant. For that project he remained in USA for about a year as Ammonia Plant Lead.

In 1996, he joined ICI Pakistan's PTA Business, which was the first and is still the only PTA plant in Pakistan with new technology. He worked as the commissioning leader for the most complex, Oxidation Plant. Later on he led all the remaining sections of the PTA plant (Purification and Utilities) and took over as the first local Production Manager for the PTA Business in 2001. Later on he worked as Technical Services & DBN Manager and was appointed as Site Operations Manager in 2005, where he was responsible for Operations, Maintenance, Inspection and Materials Management.

In 2007 he joined the Fatima Group as Project Director and led the USD 750 Million Project from ground breaking till its commissioning. This was a green field project comprising of Ammonia, Urea, NP, CAN, Nitric Acid, Utilities and related facilities. One of the salient features of the job was that it was a self-managed EPC Project. Arif was engaged with dozens of international contractors directly and completed the project successfully in 2011.

After the commissioning of the project Arif was appointed its Director Operations. In that role he brought the site to its full potential by a series of revamps that included the plants and organizational and systems improvement. As a result the production increased from 0.8 to 1,475 Million tons per year and the bottom line improved from -PKR 2.0 Billion to +10 Billion.

In July 2016 he was appointed Chief Manufacturing Officer, based at the Head Office in Lahore with responsibility for all aspects of manufacturing for the Fatima Group's three Fertilizer Manufacturing facilities, Fatima Fertilizers, Sadiqabad; Pak Arab Fertilizer Company, Multan and Fatima Fertilizers, Lahore (Ex Dawood Hercules). He has responsibility for Operations, Costs, Budgets and People aspects for all Fertilizers. In addition he is also responsible for the Supply Chain Function for the entire group where he controls the budget of about USD 200 Million per year, growth, sustainability and strategy of the FG; Fertilizer Business.

Mr. Mazhar Abbas Hasnani

Director

Seasoned finance and investments executive, with deep, cross functional and cross industry experience backed by a consistent record of value creation spanning over 23 years. Experienced in leading large, diverse teams, experience in Executive Committee and Board Memberships in listed and unlisted companies, including JVs with international partners. Strong network of relationships with local and international capital providers, regulators and thought leaders. Progressive leadership roles across multiple functions and businesses within large, complex conglomerates.

Key Skills – M&A, Capital Markets, Fund Raising, Negotiations, Principal Investor Portfolio Management, Stakeholder Management (Sponsors, Regulators, Government, Equity and Debt Partners), Corporate Strategy, People Development, Investor Relations.

He is on the Boards of following entities:

- Fauji Fertilizer Company Limited
- Fauji Cement Company Limited
- Fauji Foods Limited
- Mari Energies Limited
- Fauji Akbar Portia Marine Terminals Limited
- Foundation Power Company Daharki Limited
- FFBL Power Company Limited
- Fauji Fresh N Freeze Limited
- FonGrow (Private) Limited
- Sky47 Limited

Ms. Nosheen Akhtar

Director

Ms. Nosheen Akhtar is a seasoned Human Resource Professional with diversified experience of 16 years in an extensive HR environment within the leading Airlines, FMCG, and the Education Sector. She joined Fauji Foundation in 2019 and currently serves as the General Manager HR, spearheading HR initiatives related to Organizational Design / Development, and Talent Management. She boasts a proven track record of transforming HR functions, with core strengths including, but not limited to, HR Strategy and policy making, designing and implementing Talent Management Programs aligned with business objectives, and facilitating Change Management processes.

Her accomplishments at different organizations testify to her acumen, expertise, and leadership. Prior to joining Fauji Foundation, she held the position of Group Head HR at Gourmet group and served as the Head of Human Resources in Airblue & Airsial. She holds a post-graduation degree in Economics and Finance. Furthermore, she possesses postgraduate diplomas/certifications in HR and is a certified HR Professional. She has attended various training programs from renowned institutes, including the Leadership Development Program certification from Ivy League Brown University, USA.

Nosheen's recent achievements, such as the HR Transformation at Fauji Foundation and the in-house development of a comprehensive Performance Management system, underscore her ability to drive positive change.

Mr. Basharat Ahmad Bhatti

Director Independent

Mr. Basharat Ahmad has 40 + years diversified business experience, with the government and Country's foremost Multinational Conglomerate – Unilever Pakistan, engaged in manufacturing and marketing world class Fast Moving Consumer Products including Oils & Fats, Personal & House Cleaning Products, Beverages, Ice cream & Frozen desserts.

His practical experience includes Factory Operations, Industrial Relations, Distribution & Logistics, Supply Chain Management, Sales & Sales Operations, Institutional Business, Trade Marketing, Customer Relations, Corporate Regulatory Affairs, Negotiations, Corporate Social Responsibility, Corporate Communication, Interface with the Federal and Provincial Governments on Tariff Rationalization, Rules & Regulations and System & Procedures.

He has been assisting the Federal Government and Provincial Governments on various projects like Formulation of Pure Food Rules, Standardization of Consumer Products at PSQCA, Negotiation on APTTA, Tariff rationalization at FBR, Ministry of Commerce and Ministry of Industry and Special Initiatives etc.

Mr. Ahmad remained responsible for Training of Unilever Pakistan sales & general management for six years. In the capacity of Corporate Facilitator, Total Quality Management, he trained the management as well as Non-Management Staff along with its practical implementation by process mapping, elimination of superfluous, simplification of system and procedures, thus made the business cost effective in obtaining substantial positive results contributing to Company's profitability.

In addition, Mr. Ahmad has 12 years teaching experience with various universities as visiting faculty. His specializations are: Retailing, Sales Management, Supply Chain Management, Entrepreneurship, Consumer Behavior, TQM, Brand Management, Marketing, Business Ethics, Industrial Marketing, Service Marketing, Integrated Marketing Communication, Advance Topic of Marketing, Customer Relations Management and Corporate Marketing for MS Management, EMBA and MBA classes.

He authored a book on "Successful Retailing".

Mr. Basharat Ahmad remained Vice Chairman & Director, Pakistan Dairy Association, Director, Pakistan Halal Product Development Board, Executive Committee Member, Duke of Edinburg Award Pakistan, Member Pakistan Soap Manufacturers Association, and Member Pakistan Tea Association.

Presently he is Chief Executive Officer, Progressive Associates, Independent Director Fauji Foods Limited.

Mr. Javed Kureishi

Director Independent

Mr. Javed is a seasoned, international banker having spent 34 years with Citibank. He has held a number of senior, leadership roles across corporate banking, country management, risk and public sector coverage. He worked for Citibank in 6 different locations including Pakistan, Egypt, South Africa, Czech Republic, UAE and Singapore where he spent the last 9 years before returning to Pakistan in oct 2019. His last assignment was Head of Public Sector Senior Coverage Group for Asia Pacific covering 14 countries. Javed has travelled extensively across the Asia Pacific and has a good working knowledge of the region.

Mr. Javed is presently working for the IFC as an external consultant responsible for Senior client coverage and business origination.

Mr. Javed has also been a keen cricketer. He captained Pakistan Under 19 in 1978-79 on its tour of Sri Lanka and India. He also played first class Cricket for PIA, and Sind and represented Sussex under 25 and combined English Universities.

He has a BA Hons from Sussex University UK and is married with 2 children.

Mr. Yasir Ilyas Khan

Director Independent

Sardar Yasir Ilyas Khan is the CEO of Centaurus group and former President of Islamabad Chamber of Commerce and Industry. He is also currently the President of Islamabad Developers Association, a community led organization comprising of developers and stakeholders involved in the development sector of Islamabad. He has done master's in business administration (MBA) from Kingston University London, graduated with a commendation on his thesis and Bachelors of Business Administration (BBA) from the American University of Dubai graduating with honors. A young and dynamic leader who is actively involved in diversified business activities, having a vast array of experience in developing renowned projects around Pakistan and the Middle East including retail, hospitality management, residential and commercial ventures. He has been called an innovative reformer in the business field and he has given special attention to promoting real commerce and trade in the region. He has received various awards in recognition of his great services for the business community and the country including several accolades by the President of Pakistan.

As a visionary businessman he has recently developed a flagship six star hotel in Islamabad which was inaugurated by the Prime Minster of Pakistan in Jan 2025 and the highest restaurant floor at 450ft was inaugurated by the acting President Yousaf Raza Gillani. During his tenure as President of Islamabad Chamber of Commerce & Industry he organized the largest Pakistan property, construction, housing and industrial expo through which 1 million housing units were committed towards the Naya Pakistan concept of the PM which showcased projects worth over Rs. 250 billion. He also Inaugurated a Double Decker Tourism Bus for Islamabad in addition to the inauguration of Technology parks, organized the largest mango festival showcasing over 200 varieties of mangos and 40 exporters from Multan. He also organized the largest automotive festival of the twin cities consecutively for the past 7 years along with the largest IT expo which generates millions in sales. He has organized the largest international cycling gala in which several foreigners also participated. To better deal with covid 19 he initiated the Corona Vaccination Drive through which door to door camps were established free of charge across ICCI, Centaurus, F-6, F-7, F-10, Blue Area, Sihala, Kahuta Triangle, I-9, PWD Islamabad.

Sardar Yasir Ilyas Khan has also served as a member on the following boards:

- Independent Director on State Engineering Corporation (SEC) Board, Ministry of Industries & Production, Government of Pakistan, Islamabad.
- Member, Regional Integrity Committee, Directorate General Intelligence & Investigation (IR), Government of Pakistan, Islamabad.
- Focal Person in the Group of Focal Persons on Islamic Refinance Schemes of State Bank of Pakistan, Karachi
- Vice Chairman, Regional Integrity Committee (RIC), Large Taxpayer's office, Islamabad
- Vice Chairman, Regional Integrity Committee" Corporate Tax Office, Islamabad
- Vice Chairperson, Integrity Committee of Regional Tax Office, Islamabad
- Member of committee constituted for the Complaint Cell, Model Custom Collectorate, Islamabad
- Member of Facilitation Committee for Economic Zones along Rawalpindi Ring Road Project, Rawalpindi Development Authority, Government of Punjab, Rawalpindi.
- Member Board of Directors of Quaid-e-Azam Thermal Power (Pvt) Ltd. Lahore
- Observer on Deign Vetting Committee (DVC), Building Control Directorate, CDA, Islamabad
- Member of Advisory Committee, Federal Tax Ombudsman Secretariat, Islamabad.
- External Member on First IIU's Advisory and Steering of ORIC and Business Incubation Centre, International Islamic University, Islamabad.
- Member of Corporate Advisory Board, Air University, Islamabad.
- Member of the Board of Trustees, Bahria University Endowment Fund Trust (BUEFT), Bahria University, Islamabad.
- Member of the Board of SSBC Management Committee of COMSATS, Islamabad.
- Member corporate advisory board Fatima Jinnah Women University


MUST
FRUIT DRINK
Dostea
Team
All In

CHAIRMAN'S MESSAGE

On behalf of the Board of Directors, it is my privilege to present the Annual Report for Fauji Foods Limited (FFL) for the year ended 31st December 2024.

This has been a transformative year for FFL as it achieved growth in revenue of 21% and in operating profit of 150%. This underlines the structural improvement across the entire value chain of the company.

These results come against the backdrop of a rapidly evolving global economy. In 2024 the global economy remained largely stagnant due to inflation, rising interest rates and geopolitical instability. Therefore global business adopted a cautious approach with a renewed focus on efficiencies.

Locally the food industry witnessed a shrinkage in demand due to precedent inflation. The dairy industry in Pakistan faced additional challenges, including reduced milk production due to changing weather patterns, high feed costs and reduced farmer earnings. The introduction of GST on packaged milk also affected the purchasing capacity of consumers, making dairy products increasingly unaffordable for the middle and low income segments of the population. The undeniable reality of climate change is also upon us and its impact on our local population, industry, and farmers will continue to shape our strategy and actions going forward.

Our future strategy focuses on sustainable growth while we continue to combat global and local challenges. Accordingly, we have consolidated Cereal and Pasta businesses with Dairy. This allows us to leverage our strong brands across the categories and drive growth through a well-primed and tech enabled route to the market. The synergies across the supply chain will further strengthen the margin structure. 2024 was truly a watershed year for FFL as it transformed into a broad-based food business. We remain heavily invested in Nutrition by virtue of our dairy and cereal portfolio. In a country where stunting and malnourishment is a serious threat for our future generations, it is incumbent upon us to play an active role in building awareness for shaping policy and providing solutions to the masses. Nurpur's participation in the school milk program is a first step in this direction. We will aim to build on this and expand the scope nationally.

FFL is proud to partner with its farmers for both cereal and dairy businesses. Our ambition to transform the Agri and dairy landscape of Pakistan was brought to life through our benchmark GRIDD program (Grass Root Incentivized Dairy Development). We worked with thousands of farmers to boost their productivity by providing essential inputs such as fertilizers, vaccines, feed, and advisory for enhancing yield. We are committed to a future where Pakistan can compete with the world on Dairy, Agri and livestock development. We are thankful to our partner companies and various institutions for their role in this program.

We also continued our partnership with the Pakistan Institute of Corporate Governance (PICG), which conducted a performance evaluation of our Board. Their positive assessment reaffirmed our adherence to effective governance standards, and we have implemented their previous recommendations to strengthen our framework. Additionally, the election of directors was carried out in line with our commitment to transparency and good governance.

I would like to thank our shareholders, regulatory authorities, and, most importantly, the dedicated team at FFL. Together, we have made meaningful progress, and I look forward to what lies ahead for all of us.

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

EXECUTIVE DIRECTOR'S MESSAGE

Fauji Foods Limited (FFL) has shown strong performance in a challenging economic environment. Despite other factors and the implementation of GST on packaged milk, FFL has grown manifolds. Our success has been driven by our strategic foresight, commitment to sustainable growth, and partnerships with our stakeholders.

FFL benefited from the creation of a Food Vertical within Fauji Foundation. This consolidation encompasses agriculture, farming, meat, and consumer businesses across four different companies. This integrated approach not only optimized synergies across our diverse operations but also allows us to unlock new opportunities. The fact that FFL can now source various grains for cereals from a reputed, high quality and modern agriculture farms within the food vertical (Fongrow), gives it a strong competitive advantage. Additionally, it has opened pathways to more efficient production practices, cost reduction, and the creation of sustainable supply chains. Likewise in dairy, FFL can leverage Fongrow's advanced breeding technology to improve dairy cattle genetics. By extending these capabilities to local dairy farmers, we aim to elevate their standards of production, increase productivity, and support the overall growth of Pakistan's agricultural sector.

Social development initiatives remain a cornerstone of FFL's vision. Through Project GRIDD (Grass Root Incentivized Dairy Development), we continue to work closely with small-scale rural farmers, providing them with the resources necessary to enhance their livelihoods. Access to high-quality agricultural inputs, vaccinations, and advanced tools to improve livestock breeds is enabling these farmers to increase production, improve their income, and strengthen the local economy. This initiative is not just about enhancing dairy and meat production; it is about fostering rural development, reducing poverty, and contributing to the socio-economic growth of Pakistan's agricultural landscape.

As we look to the future, we are focused on leveraging the synergies across our integrated operations to continue driving sustainable growth. With our expanded portfolio, commitment to innovation, and deep expertise in supply chain management, we are confident that FFL is well-positioned for continued success in the years ahead.

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

CEO'S MESSAGE

As we look back on the year 2024, I am pleased to share that Fauji Foods Limited (FFL) has made significant strides towards, not only within our dairy portfolio but also with our expanded presence in cereals and pasta. While we faced challenges throughout the year—driven by reduced purchasing power, punitive taxation on dairy, and ongoing national fiscal pressure, we have nonetheless delivered strong growth.

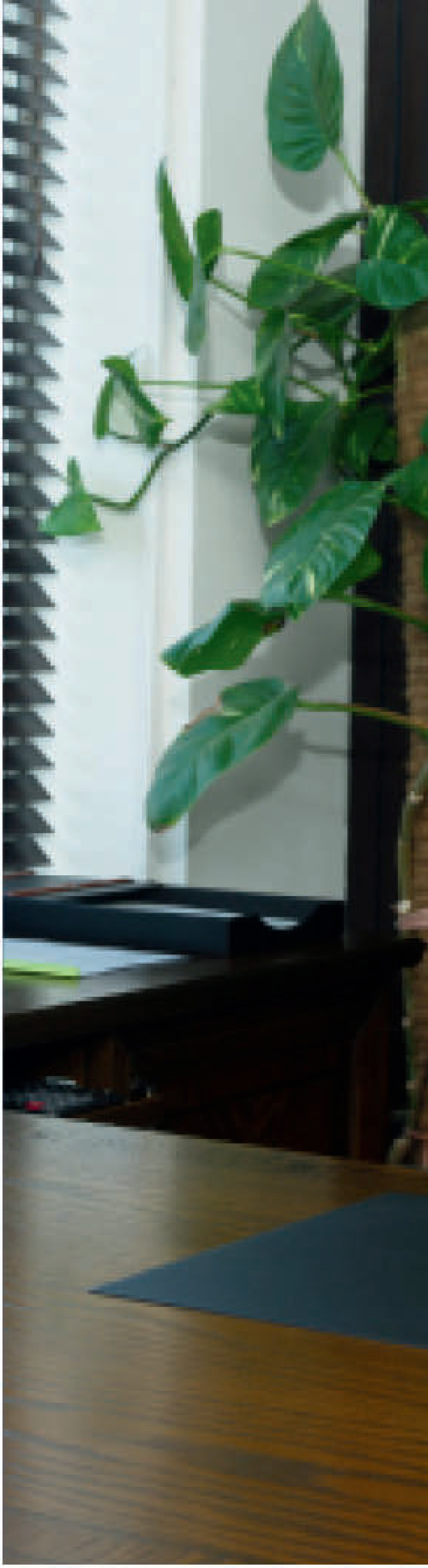
The company saw a notable 21% increase in revenue compared to 2023, reaching PKR 23.4 billion. This growth is primarily attributed to our continued focus on margin-accretive brands, helped by enhanced portfolio. Our dairy offerings, particularly Nurpur UHT Milk, experienced robust growth, maintaining its position as the fastest-growing brand in the category for the third consecutive year. Furthermore, the strategic acquisitions of cereals and pasta in early 2024 have significantly broadened our product range and positioning across multiple culinary occasions. With the launch of Opa Pasta later in the year, we now have a diverse food portfolio that spans multiple culinary occasions.

The operational improvements we have made, especially in the areas of reducing the cost of goods sold (COGS) and optimizing our supply chain, have been vital in enhancing our gross margin, which improved from 13.1% in 2023 to 15.8% in 2024. Our focus on lean, rigorous cost control is paying off, contributing to a remarkable 150% increase in operating profit, reaching PKR 1.02 billion. These efforts, along with a strategic focus on investing in capabilities and digital infrastructure, have been key to delivering sustainable growth.

Looking ahead, I am confident that our diversified portfolio, strong focus on margins, and ongoing investments in capabilities will continue to drive both top-line and bottom-line growth. Although challenges such as economic uncertainty and the imposition of GST on packaged milk may persist, we are well-positioned to navigate these hurdles and sustain our growth trajectory.

At Fauji Foods, we are driven by our vision of "Unleashing Pakistan's promise in everything we touch." As we continue to grow, we remain committed to not only building a successful business but also contributing meaningfully to the broader national landscape. I would like to extend my sincere thanks to our shareholders, customers, and employees for their continued trust and support as we move forward on this journey together.

Usman Zaheer Ahmad
Chief Executive Officer



LEADERSHIP TEAM

Sitting From Left To Right

Brig Naveed Azam Cheema (Retd)	Company Secretary
Lt Gen Ali Amir Awan, HI(M) (Retd)	Executive Director
Usman Zaheer Ahmad	Chief Executive Officer
Waseem Haider	Chief Financial Officer

Standing From Left To Right

Faisal Sheikh	Chief Human Resource Officer
Rao Muhammad Imran	Head R&D/Innovation, QA & Regulatory Affairs
Khurram Javaid	Chief Commercial Officer
Abdul Rehman Butt	Head Supply Chain Management
Hafiz Sajjad Hussain	Head Milk Collection & Agri Services
Lt Col M. Babar Rashid (Retd)	Head Admin
Muhammad Ifzal Akhtar	Factory Manager

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 58th Annual General Meeting of the shareholders of Fauji Foods Limited will be held on Thursday, March 20, 2025 at 11:00 a.m. at FFL Head Office, 42 CCA, Ex Park View, DHA Phase- VIII, Lahore and also virtually through video-link to transact the following business:

Ordinary Business:

1. To confirm the minutes of Extraordinary General Meeting held on November 26, 2024.

2. To receive, consider and adopt the audited accounts for the year ended December 31, 2024 and the reports of the Directors and Auditors thereon.

3. To appoint auditors for ensuing period till next Annual General Meeting and to fix their remuneration.

Other Business:

4. To transact any other business with the permission of the Chair.

Closure of Share Transfer Books:

Share transfer books of the Company will remain closed from March 14, 2025 to March 20, 2025 (both days inclusive) for the purpose of holding the Annual General Meeting.

By Order of the Board

Brig Naveed Azam Cheema (Retd)
Company Secretary

Lahore.
January 28, 2025

Notes:-

Circulation of annual report through QR code and through weblink:

In accordance with the Section 223 of the Companies Act, 2017 and pursuant to SRO 389(I)/2023 dated March 21, 2023 of the Securities & Exchange Commission of Pakistan the Company has obtained Shareholders' approval in the Extraordinary General Meeting of the Company held on December 28, 2023 to circulate the Annual Report of the Company to Members through QR enabled Code and Weblink. The Annual Report is available through following QR Code and Weblink.

Weblink	QR Code
http://www.faujifoods.com/pdf/financialResults/Annual-Report-2024.pdf	

Participation in the AGM Proceedings:

1. Any member of the Company entitled to attend and vote at the General Meeting may appoint a person/ representative as proxy to attend and vote in place of member at the meeting. Proxies in order to be effective must be received at Company's registered office duly stamped and signed not later than 48 hours before time of holding the meeting. A member cannot appoint more than one proxy. Attested copy of shareholder's CNIC must be attached with the proxy form.

2. The CDC/sub account holders are required to follow the under mentioned guidelines as laid down by Securities and Exchange Commission of Pakistan: -

   (a) For attending the meeting:

   i. In case of individuals, the account holder or sub-account holder shall authenticate his/her identity by showing his / her original national identity card or original passport at the time of attending the meeting.

ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of meeting.

(b) For appointing proxies:

i. In case of individuals, the account holder or sub-account holder shall submit the proxy form as per the above requirement.

ii. The proxy form shall be witnessed by the two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.

v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted to the Company along with proxy form.

3. Members, having physical shares, are advised to intimate any change in their registered address and the shareholders who have not yet submitted photocopies of their Computerized National Identity Cards (CNIC) are requested to send the same at the earliest to the Share Registrar of the Company.

4. Shareholders who wish to receive annual reports and notice of the General Meeting through e-mail are requested to provide, through a letter duly signed by them, their particulars, i.e. Name, Folio/ CDC A/C No., E-mail Address, Contact Number, CNIC Number (attach copy). Shareholders are also requested to notify immediately any change in their e-mail address to the Share Registrar of the Company i.e., M/s Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore.

Consent for Video Conference Facility

Members can also avail video conference facility in Karachi and Islamabad. In this regard please fill the following and submit to registered address of the Company 07 days before holding the general meeting.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at geographical location, to participate in the meeting through video conference at least 07 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of general meeting alongwith complete information necessary to enable them to access such facility.

I/We,__________________________________
___of_________________________, being a member of Fauji Foods Limited, holder of __________________ Ordinary Share(s) as per Register Folio / CDC Account No ________________ hereby opt for video conference facility at ________________.

Signature of member

5. E-Voting

Members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.

6. Participation in the AGM through video-link:

Video-link for participation virtually in the AGM shall be available on Company's website i.e., www.faujifoods.com.

Members are also requested to participate in the Annual General Meeting through the following means:

1.	WhatsApp No.	[0321-8318007] for queries & suggestions)
2.	Email ID	[secretary@faujifoods.com] (for queries & suggestions)
3.	Video Link	[Join Through Below Zoom Link]
https://ffbl.zoom.us/j/2315355306?pwd=dUFUL0pHNUlFSTdINzNZWVJWdVVDUT09		
	Meeting ID:	231 535 5306
	Passcode:	335335

DIRECTOR'S REPORT


- SINCE 1966 -
nurpur
FULL
CREAM
MILK
1.0LTR
Net Vol.

DIRECTOR'S REPORT

Economic Overview

In the calendar year 2024, Pakistan's economy faced several challenges as the country grappled with high inflation rates primarily driven by growing concerns for the situation in the Middle East, rising global commodity prices and internal fiscal pressures. In response, the government implemented various reforms aimed at stabilizing the economy, including adjustments to taxation and government spending policies. GDP growth showed a modest recovery, bolstered by improvements in agriculture and services sectors. Additionally, the trade deficit narrowed. Foreign direct investment (FDI) also saw an uptick as international & local investors expressed interest in the energy and infrastructure sectors, pushing the KSE 100 to cross the 100,000 mark. While the economic performance in 2024 was mixed, the government's commitment to structural reforms and fiscal discipline laid the groundwork for potential future growth. Based on the actions taken by the government, State Bank of Pakistan decided to further cut the policy rate by 200 bps to 13 percent, effective from December 17, 2024. Cumulatively, the policy rate reduced by 900 bps since June during last five consecutive monetary policy decisions.

While these developments provided a glimmer of hope, sustained efforts and policy implementation will be crucial to fully address the economic challenges and foster long-term stability and growth.

Business Review Consolidated

2024 saw Fauji Foods Limited (FFL) continue to stabilize and build on its wins. As a part of its strategy to become a leading powerhouse in Pakistan's food sector, Q1 2024 saw FFL acquire Fauji Cereals and Fauji Infraavest Foods Ltd. I am pleased to report that the business continued its growth trajectory despite continuous challenges posed by inflation, high interest rates and imposition of GST on Packaged Milk in Pakistan. Despite the imposition of GST on packaged milk, sales revenue of Fauji Foods Limited (FFL) grew by 21% over 2023. FFL's continued focus on channel & margin accretive portfolio and cost efficiencies played a significant role in improving the gross margin from 13.1% in 2023 to 15.8% in 2024, an increase of 2.7%. You will be pleased to note that the Profit After Tax (PAT) attributed to operations closed at Pkr 656.4 million vs SPLY PAT of Pkr 9 million (excluding deferred tax income of Pkr 596 million).

PKR million	2024	2023	Increase/ (Decrease) %
Net Revenue	23,404	19,371	21%
Gross Profit	3,686	2,544	45%
Profit / (Loss) after tax attributed to Operations	656	9	7,182%
Deferred Tax Adjustment	–	596*	–
Total Profit/ (Loss) after Tax	656	605	8.5%

** Deferred Tax income excluded to provide visibility on improvement in business operations*

Revenue
PKR Mn

Gross Profit
PKR Mn

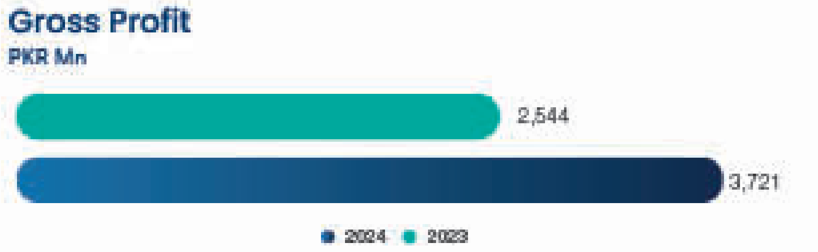
Profit after Tax
PKR Mn

Business Review Unconsolidated

2024 saw Fauji Foods Limited (FFL) continue to stabilize and build on its wins. As a part of its strategy to become a leading powerhouse in Pakistan's food sector, Q1 2024 saw FFL acquire Fauji Cereals and Fauji Infraavest Foods Ltd. I am pleased to report that the business continued its growth trajectory despite continuous challenges posed by inflation, high interest rates and imposition of GST on Packaged Milk in Pakistan. Despite the imposition of GST on packaged milk, sales revenue of Fauji Foods Limited (FFL) grew by 21% over 2023. FFL's continued focus on channel & margin accretive portfolio and cost efficiencies played a significant role in improving the gross margin from 13.1% in 2023 to 15.9% in 2024, an increase of 2.8%. You will be pleased to note that the Profit After Tax (PAT) attributed to operations closed at Pkr 717 million vs SPLY PAT of Pkr 9 million (excluding deferred tax income of Pkr 596 million).

PKR million	2024	2023	Increase/ (Decrease) %
Net Revenue	23,402	19,371	21%
Gross Profit	3,721	2,544	46%
Profit / (Loss) after tax attributed to Operations	717	9	7,856%
Deferred Tax Adjustment	–	596*	–
Total Profit/ (Loss) after Tax	717	605	19%

** Deferred Tax income excluded to provide visibility on improvement in business operations*



Operational efficiency

Cost management initiatives are being implemented across our value chain. An efficiency oriented lean management approach and mind-set is being strengthened. The Company has already started reaping benefits in key areas such as production and supply chain. Moreover, this mind-set is enabling optimization of fixed costs across the Company.

Future Outlook

I am grateful to our valued shareholders & regulatory authorities for approving the acquisitions of Fauji Cereals and Fauji Infraavest Limited by Fauji Foods Limited. These acquisitions, while EPS accretive, are expected to convert Fauji Foods into a consumer food powerhouse with FFL becoming one of the most diverse food companies in Pakistan. Its portfolio will enable it to not only own the breakfast occasion through cheese, butter, UHT Milk, cereals & pasta but will now go a long way in entrenching its taste credentials across multiple culinary occasions through its wide-ranging quality products.

Looking ahead, investment in brands and distribution infrastructure coupled with the acquisitions should continue to fuel growth & profitability. In line with the strategy of margin accretive launches, introduction of new products & margin focused growth will hasten improvement in FFL's financial performance at a faster pace. Continued economic uncertainty & imposition of GST on packaged milk category are expected to continue to be a challenge & are unlikely to go away soon. However, the strategy of pivoting to value added portfolio as well as the new businesses will enable FFL to grow sustainably. We are confident that FFL, driven by its vision of "Unleashing Pakistan's promise in everything we touch" will not only build a successful business but leave a mark on the broader national & international landscape for times to come.

Principle Risks and Uncertainties Facing the Company

Risks faced by the Company are not significantly different from those posed to other companies working in the dairy sector. Risks are reviewed by the management through a robust business and risk management process. Appropriate strategies and contingency plans are regularly reviewed to minimize the potential impact associated with these risks. There are no significant risk and uncertainties posed to the business and operations of the Company, except as disclosed in the Contingencies and Commitment notes to the financial statements.

Transaction with related parties

The Company carries out transactions with related parties on an arms' length basis and the amounts, due from and to, related parties as shown under respective heads. Except as disclosed in financial statements, no other transactions were executed with related parties.

Sustainability:

At Fauji Foods Limited (FFL), we believe in creating a positive impact on communities as part of our social responsibility. Through Project GRIDD (Grass Root Incentivized Dairy Development), we work closely with small-scale rural farmers, providing them with affordable access to essential resources such as quality agricultural inputs, vaccinations, and advanced tools to improve livestock breeds. These efforts aim to enhance dairy and meat production, uplift livelihoods, and combat poverty. By empowering small farmers, we are unlocking Pakistan's true agricultural potential, contributing to sustainable rural development, and fostering inclusive economic growth. Environmental stewardship lies at the heart of FFL's operations. To champion clean energy, we have installed a 1 MW solar power system and biomass-based biofuel boiler at our plant, significantly reducing our dependence on fossil fuels. In line with our closed-loop recycling approach, we repurpose ash from biofuel boilers as a partial replacement for fertilizer, supporting sustainable farming practices and minimizing waste. These initiatives underscore our commitment to reducing our carbon footprint and advancing a circular economy, as we strive to unleash Pakistan's promise in everything we touch, creating a greener, more sustainable future for generations to come.

Corporate and Financial Reporting Framework:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flow and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment except for those as disclosed in the financial statements.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.
- The system of internal controls is sound in design and has been effectively implemented and monitored with continuous improvements taking place.
- There are no significant doubts upon the Company's ability to continue as a 'going concern'.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on December 31, 2024 except for those disclosed in the financial statements.
- The Board has approved the remuneration policy of non-executive directors including independent directors.
- The pattern of shareholding and additional information regarding pattern of shareholding is included in this annual report.

Shares held by:			No. of Shares held	Percentage
I.	**Associated Companies, Undertakings and Related Parties:**			
	1.	Committee of Admin. Fauji Foundation (CDC)	67,371,916	2.6735
	2.	Fauji Fertilizer Bin Qasim Limited (now Fauji Fertilizer Company Limited) (CDC)	1,205,576,237	47.8410
	3.	FFBL Power Company Limited (CDC)	400,000,000	15.8732
	4.	FFC Energy Limited (CDC)	465,000,000	18.4527
II.	**Mutual Funds:**			
	1.	CDC - Trustee JS Momentum Factor Exchange Traded Fund (CDC)	352,692	0.0140
	2.	CDC - Trustee KSE Meezan Index Fund (CDC)	2,000,000	0.0794
	3.	CDC - Trustee Lakson Equity Fund (CDC)	3,001,567	0.1191
	4.	CDC - Trustee Lakson Islamic Tactical Fund (CDC)	98,194	0.0039
	5.	CDC - Trustee Lakson Tactical Fund (CDC)	110,728	0.0044
	6.	CDC - Trustee Meezan Asset Allocation Fund (CDC)	400,000	0.0159
	7.	CDC - Trustee UBL Retirement Savings Fund – Equity Sub Fund (CDC)	720,000	0.0286
	8.	CDC - Trustee Al-Ameen Islamic Ret. Sav. Fund- Equity Sub Fund (CDC)	980,000	0.0389
	9.	MCBFSL- Trustee Pak Oman Advantage Asset Allocation Fund (CDC)	500,000	0.0198
	10.	MCBFSL- Trustee Pak Oman Islamic Asset Allocation Fund (CDC)	500,000	0.0198
III.	**Directors, CEO and their Spouse and Minor Children:**			
	1.	Lt Gen Anwar Ali Hyder, HI(M) (Retd)	1	0.0000
	2.	Lt Gen Ali Amir Awan, HI(M) (Retd)	1	0.0000
	3.	Mr. Usman Zaheer Ahmad (CDC)	200,000	0.0079
	4.	Syed Bakhtiyar Kazmi	1	0.0000
	5.	Mr. Arif ur Rehman	70,001	0.0028
	6.	Mr. Mazhar Abbas Hasnani	1	0.0000
	7.	Ms. Nosheen Akhtar	1	0.0000
	8.	Mr. Basharat Ahmad Bhatti	1	0.0000
	9.	Mr. Javed Kureishi	1	0.0000
	10.	Mr. Yasir Ilyas Khan	1	0.0000
IV.	**Executives:**		–	–
V.	**Public Sector Companies & Corporations:**		–	–
VI.	**Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds**		7,053,460	0.2799
VII.	**Shareholders holding five percent or more voting interest in the listed company:**			
	1.	Fauji Fertilizer Bin Qasim Limited (now Fauji Fertilizer Company Limited) (CDC)	1,205,576,237	47.8410
	2.	FFBL Power Company Limited (CDC)	400,000,000	15.8732
	3.	FFC Energy Limited (CDC)	465,000,000	18.4527

- No trading in the shares of the Company carried-out by the Directors, CEO, CFO, Company Secretary and their spouse and minor children during the year ended December 31, 2024.

Board of Directors / Committees meetings during the year 2024:

Six meetings of the Board of Directors were held. Attendance by each director was as follow:

Name of Directors		No. of Meeting(s) Attended
Lt Gen Anwar Ali Hyder, HI(M) (Retd)	- Re-Elected on November 26, 2024	4
Lt Gen Ali Amir Awan, HI(M) (Retd)	- Re-Elected on November 26, 2024	5
Syed Bakhtiyar Kazmi	- Re-Elected on November 26, 2024	6
Mr. Arif ur Rehman	- Re-Elected on November 26, 2024	6
Mr. Mazhar Abbas Hasnani	- Elected on November 26, 2024	1
Ms. Nosheen Akhtar	- Re-Elected on November 26, 2024	5
Mr. Basharat Ahmad Bhatti, (Independent)	- Re-Elected on November 26, 2024	6
Mr. Javed Kureishi, (Independent)	- Re-Elected on November 26, 2024	6
Mr. Yasir Ilyas Khan, (Independent)	- Elected on November 26, 2024	1
Mr. Waqar Ahmed Malik	- Resigned w.e.f April 05, 2024	1
Dr. Nadeem Inayat	- Resigned w.e.f April 23, 2024	1
Mr. Sarfaraz Ahmed Rehman	- Resigned w.e.f February 01, 2024	1
Lt Gen Dr. Muhammad Zahid Latif Mirza (Retd)	- Retired w.e.f November 26, 2024	1
Mr. Ali Asrar Hossain Aga	- Retired w.e.f November 26, 2024	3

Five meetings of the Audit Committee were held. Attendance by each director was as follow:

Name of Directors	No. of Meeting(s) Attended
Mr. Javed Kureishi	5
Syed Bakhtiyar Kazmi	5
Mr. Mazhar Abbas Hasnani	0
Mr. Basharat Ahmad Bhatti	5
Dr. Nadeem Inayat	0
Mr. Ali Asrar Hossain Aga	2

Three meetings of the HR&R Committee were held. Attendance by each director was as follow:

Name of Directors	No. of Meeting(s) Attended
Mr. Basharat Ahmad Bhatti	1
Mr. Mazhar Abbas Hasnani	1
Ms. Nosheen Akhtar	2
Mr. Ali Asrar Hossain Aga	2
Mr. Arif ur Rehman	2
Dr. Nadeem Inayat	0

Auditors:

The Audit Committee reviewed the consent of retiring auditors A.F. Ferguson & Co. Chartered Accountants being eligible for re-appointment to provide external audit services to the Company. The Audit Committee has recommended the appointment of retiring auditors, A.F. Ferguson & Co. Chartered Accountants as statutory auditors of the Company for the ensuing year. The Board has endorsed the recommendation.

Compliance with the Code of Corporate Governance:

The requirements of the Listed Companies (Code of

Corporate Governance) regulations 2019, relevant for the year ended December 31, 2024 have been duly complied with. A statement to this effect is annexed with the report.

FFL follows a policy framework conducive to more environmentally friendly practices and proper waste management practices have been adopted for solid and liquid waste, air emission, soil pollution and noise.

Company's objective towards corporate social responsibility is to prioritize social good alongside the traditional corporate goal of generating profits.

Directors are under fiduciary responsibility to operate business under a system of governance and controls, which reinforces stakeholders' trust and confidence in the Company.

The remuneration to the Non-executive Directors (including independent Directors) is paid according to the remuneration policy approved by the Board.

Dividend:

The Board has not recommended any dividend during the year.

Annual General Meeting:

The 58th Annual General Meeting will be held on March 20, 2025 at 11:00 a.m. at Lahore to approve annual financial statements of the Company for the year ended December 31, 2024.

Acknowledgement:

The Board is thankful to the valuable shareholders and financial institutions for their trust and continued support to the Company. The Board would also like to place on record its appreciation to all employees of the Company for their dedication, diligence and hard work.

For and on behalf of the Board

Lt Gen Anwar Ali Hyder, HI(M) (Retd)	**Usman Zaheer Ahmad**
Chairman	Chief Executive Officer

Dated: January 28, 2025

STATEMENT OF COMPLIANCE
with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: Fauji Foods Limited
Year ended: December 31, 2024

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 09 as per the following:

a. Male:	08
b. Female:	01

2. The composition of Board is as follows:

Category	Names
Independent Directors	Mr. Basharat Ahmad Bhatti Mr. Javed Kureishi Mr. Yasir Ilyas Khan
Non-Executive Directors	Lt Gen Anwar Ali Hyder, HI(M) (Retd) (Chairman) Syed Bakhtiyar Kazmi Mr. Arif ur Rehman Mr. Mazhar Abbas Hasnani
Female Director	Ms. Nosheen Akhtar
Executive Director	Lt Gen Ali Amir Awan, HI(M) (Retd)
Chief Executive Officer	Mr. Usman Zaheer Ahmad

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. A casual vacancy occurring on 15 January, 2024 was filled by the Board of Directors on 15 January, 2024, Brig Naveed Azam Cheema (Retd) was appointed as Company Secretary in place of Brig Hamid Mahmood Dar (Retd).

6. A casual vacancy occurring on 23 October, 2023 was filled by the Board of Directors on 18 January, 2024, Ms. Nosheen Akhtar was appointed as female Director in place of Ms. Tania Shahid Aidrus.

7. A casual vacancy occurring on 01 February, 2024 was filled by the Board of Directors on 01 February, 2024, Lt Gen Dr. Muhammad Zahid Latif Mirza (Retd) was appointed as Director in place of Mr. Sarfaraz Ahmed Rehman.

8. A casual vacancy occurring on 05 April, 2024 was filled by the Board of Directors on 06 April, 2024, Lt Gen Anwar Ali Hyder, HI(M) (Retd) was appointed as Director in place of Mr. Waqar Ahmed Malik.

9. A casual vacancy occurring on 23 April, 2024 was filled by the Board of Directors on 24 April, 2024, Lt Gen Ali Amir Awan, HI(M) (Retd) was appointed as Director in place of Dr. Nadeem Inayat.

10. New Board was elected at the Extraordinary General Meeting of the Company held on 26 November, 2024. Consequently, the Board of Directors elected Lt Gen Anwar Ali Hyder, HI(M) (Retd) as new Chairman of the Board and formed it's committees.

11. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured a complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.

12. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.

13. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

14. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations which has been approved by BOD.

15. The following Directors have completed their Director's Training Program:

1)	Lt Gen Anwar Ali Hyder, HI(M) (Retd)	Director / Chairman
2)	Lt Gen Ali Amir Awan, HI(M) (Retd)	Director
3)	Syed Bakhtiyar Kazmi	Director
4)	Mr. Arif ur Rehman	Director
5)	Mr. Mazhar Abbas Hasnani	Director
6)	Mr. Basharat Ahmad Bhatti	Director
7)	Mr. Javed Kureishi	Director
8)	Ms. Nosheen Akhtar	Director

16. CEO and CFO duly endorsed the financial statements before approval of the Board.

17. The Board has formed committees comprising of members given below:

Audit Committee

Mr. Javed Kureishi	Chairman
Syed Bakhtiyar Kazmi	Member
Mr. Mazhar Abbas Hasnani	Member
Mr. Basharat Ahmad Bhatti	Member

HR & Remuneration Committee

Mr. Basharat Ahmad Bhatti	Chairman
Mr. Mazhar Abbas Hasnani	Member
Ms. Nosheen Akhtar	Member

18. The Terms of Reference of the Audit Committee and Human Resource Committee have been formed, documented and advised to the Committees for Compliance.

19. The frequency of meetings of the committees as per following:

	Board Committees	No.	Frequency
a)	Audit Committee	05	Quarterly
b)	HR and Remuneration Committee	03	Quarterly

20. The Board has set up an effective internal audit function staffed with persons who are suitably qualified and experienced for the purpose and are well conversant with the policies and procedures of the Company.

21. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.

22. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

23. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

24. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S. No.	Requirement	Explanation for Non-Compliance	Reg. No.
1.	**Responsibilities of the Board and its members** Adoption of the corporate governance practices	All mandatory requirements of Code are complied with and Company has adopted good corporate governance practices by complying with majority of the non-mandatory provisions.	10(1)
2.	**Nomination Committee** The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The Board performs all the functions of the Nomination Committee itself.	29(1)
3.	**Risk Management Committee** The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Audit Committee performs all the functions of the Risk Management Committee.	30(1)
4.	**Director's Training:** Companies are encouraged to arrange training for: (i) at least one female executive every year under the Directors' Training program from year July 2020; and (ii) at least one head of department every year under the Directors' Training program from July 2022.	The Company has not arranged any training program for any female executive or any head of department for the period ended December 31, 2024.	19(3)
5.	**Disclosure of significant policies on website** The company may post the following on its website: (1) key elements of its significant policies; (2) brief synopsis of terms of reference of the Board's committees.	The Company has placed some of its policies and brief synopsis of terms of reference of the Board's committees on website subsequent to year end.	35
6.	**Role of Board and its members to address sustainability Risks and Opportunity** The Board is responsible for governance and oversight of sustainability risks and opportunities and takes appropriate measures to address it. Further, the Board ensures that the Company's sustainability and DE&I related strategies are periodically reviewed and monitored. The Board may establish a dedicated sustainability committee or assign additional responsibilities to an existing Board committee.	The Board recognizes the inclusion of this requirement in the Code and intends to evaluate the best approach for integrating sustainability and DE&I governance, including the potential establishment of a dedicated committee or assigning these responsibilities to an existing committee.	10A

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

Usman Zaheer Ahmad
Chief Executive Officer

Dated: January 28, 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF FAUJI FOODS LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Fauji Foods Limited (the Company) for the year ended December 31, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2024.

Chartered Accountants
Place: Lahore
Date: February 25, 2025
UDIN: CR202410118RMTmjd2wi

DAIRY PORTFOLIO

Try, **Taste**, Love

CEREAL PORTFOLIO

Feel the **Crunch**!

OPA PASTA PORTFOLIO

Crave, **Cook**, Enjoy

FOOD SERVICES BUSINESS

OUR PARTNERSHIP

We hold various licenses, enabling us to trade a wide range of products both domestically and internationally. Our robust partnerships with renowned global brands like KFC and McDonald's highlight our commitment to quality and reliability.

OUR CERTIFICATIONS AND LICENSES

ISO 9001
FSSC 22000

SEDEX, GMP &
SQMS Approval

SUSTAINABILITY
ENVIRONMENT

SOLAR

1 MW Solar System at Dairy Plant

5000 MT CO_2 Reduction

1800 MT Fossil Fuel Reduction

37 M PKR Annual Savings

BIOMASS BOILER

4700 MT Reduction in Coal

13500 MT CO_2 Reduction

Air quality improvement

85 M PKR Annual Savings

CLOSED LOOP RECYCLING

- Repurposing biomass ash as eco-friendly fertilizer.
- Promoting sustainable farming and reducing chemical use.
- Minimizing waste and lowering carbon footprint.
- Supporting farmers with cost-effective solutions.

Pilot Project Completed

Circular Economy

SOCIAL

GRIDD

(Grass Root Incentived Dairy Development)

- Supporting farmers with affordable inputs, vaccinations, and improved livestock breeds.
- Goal: Boost income with better dairy and meat yields.

+40,000
Farmers Trained
on Breed Improvement

+20,000 Farmers
120,000 lives
impacted

+190,000
Fertilizer & Animal
Feed Supplied

+300,000
Medicines
Supplied

GOVERNANCE

GENDER PAY GAP STATEMENT

As required under the SECP circular no. 10 of 2024, the following is the Gender Pay Gap calculated for the year ended December 31, 2024. The pay gap has been calculated for all full-time employees' based on gross hourly salary.

FY 2024	Mean	Median
Gender Pay Gap	4.7%	-17.3%

At Fauji Foods Limited, men and women performing equal work receive equal remuneration. The key factor influencing our pay gap is the varying representation across different organizational levels and job roles. Our hiring practices and reward policies are designed to ensure fairness and consistency by considering both external market benchmarks and internal parity. We are committed to fostering gender diversity by hiring, retaining, and promoting women across diverse roles. Additionally, our ongoing focus on pay transparency will support efforts to reduce pay gaps over time.

UNCONSOLIDATED FINANCIAL STATEMENTS


Opa!
Shell
Pasta
Crave Cook Enjoy

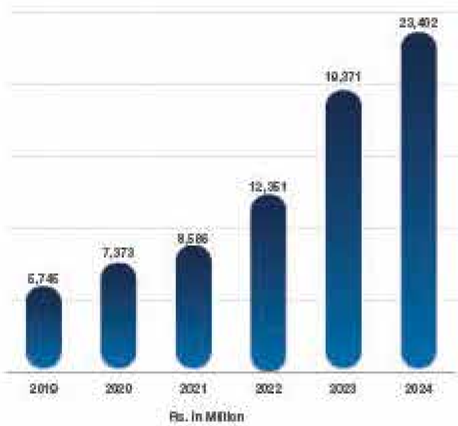
FINANCIAL PERFORMANCE

		Annual					
		2024	2023	2022	2021	2020	2019
Production							
Liquid Production - litres ('000)		67,225	58,527	59,041	57,078	61,144	60,874
Non - Liquid Products - Kgs ('000)		2,828	3,454	2,791	2,830	1,940	1,651
Financial Performance - Profitability							
Gross profit margin	%	15.9	13.1	7.8	10.7	0.8	(11.8)
EBITDA margin to revenue	%	7.3	5.6	(2.6)	(0.2)	(5.8)	(28.5)
Pre tax margin	%	5.3	1.4	(16.3)	(17.9)	(41.3)	(74.0)
Net profit margin	%	3.1	3.1	(17.6)	(14.6)	(41.5)	(100.8)
Return on equity	%	7.5	4.3	(53.6)	(35.5)	76.7	157.4
Return on capital employed	%	7.3	4.3	(22.6)	(12.9)	(127.8)	908.4
Operating Performance / Liquidity							
Total assets turnover	Times	1.3	1.2	0.9	0.6	0.6	0.5
Fixed assets turnover	Times	2.6	2.1	1.5	1.0	1.0	0.7
Debtors turnover	Days	18	10	17	19	13	10
Inventory turnover	Days	38	37	31	30	50	80
Creditors turnover	Days	25	21	25	25	39	62
Operating cycle	Days	31	25	23	24	24	28
Return on assets	%	3.9	3.7	(15.4)	(8.8)	(26.1)	(47.6)
Current ratio		1.1	3.4	1.3	1.3	0.4	0.3
Quick / Acid test ratio		0.8	2.3	1.0	1.1	0.4	0.2
Capital Market / Capital Structure Analysis							
Market value per share							
- Year end	Rs.	17.9	11.1	4.7	9.2	17.4	14.5
Breakup value / share	Rs.	3.8	5.6	2.6	2.2	(5.0)	(7.0)
Earning per share (pre tax)	Rs.	0.5	0.1	(1.3)	(1.0)	(3.9)	(8.0)
Earning per share (after tax)	Rs.	0.3	0.3	(1.4)	(0.8)	(3.9)	(11.0)
Earnings growth	%	9.6%	119.0%	(73.1%)	79.8%	64.2%	(103.2%)
Price earning ratio		63.0	42.9	(3.4)	(11.6)	(4.4)	(1.3)
Market price to breakup value		4.7	2.0	1.8	4.1	(3.5)	(2.1)
Debt : Equity		0.6	0.0	1.9	2.3	(3.6)	(3.8)

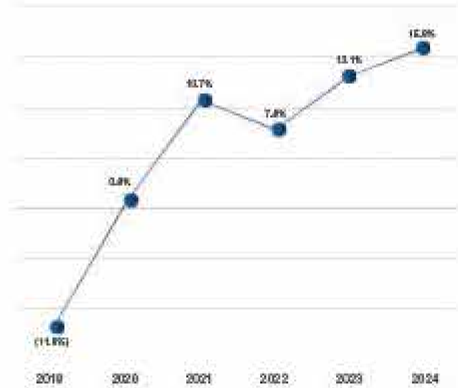
		Annual					
		2024	2023	2022	2021	2020	2019
Financial Position							
Share capital	Rs. (000)	25,199,631	25,199,631	15,840,882	15,840,882	8,032,936	5,284,072
Reserves	Rs. (000)	(17,871,249)	(13,590,766)	(13,925,332)	(14,541,006)	(13,265,668)	(10,271,276)
Revaluation surplus	Rs. (000)	2,247,212	2,446,561	2,131,899	2,225,644	1,243,724	1,309,418
Share holder's fund / Equity	Rs. (000)	9,575,594	14,055,427	4,047,449	3,525,519	(3,989,009)	(3,677,786)
Long term borrowings	Rs. (000)	139,926	–	5,536,164	6,117,338	6,304,524	2,963,889
Capital employed	Rs. (000)	9,794,912	14,105,782	9,614,409	9,718,112	2,392,685	(637,262)
Property, plant & equipment	Rs. (000)	9,040,379	9,028,156	8,138,696	8,521,212	7,550,093	8,106,036
Long term assets	Rs. (000)	9,290,124	9,071,160	8,154,165	8,529,390	7,577,052	8,152,036
Net current assets / Working capital	Rs. (000)	504,788	5,034,622	1,460,244	1,188,722	(5,184,367)	(8,789,298)
Liquid funds - net	Rs. (000)	3,004,097	1,300,840	1,145,482	1,873,907	888,888	114,134
Financial Performance							
Revenue	Rs. (000)	23,401,680	19,370,542	12,350,702	8,586,396	7,373,162	5,744,872
Gross profit	Rs. (000)	3,720,679	2,543,825	968,697	922,734	62,262	(678,827)
Operating Profit / (Loss)	Rs. (000)	1,055,135	408,114	(815,763)	(457,148)	(1,147,313)	(2,434,379)
Profit / (Loss) before tax	Rs. (000)	1,232,055	273,251	(2,009,458)	(1,536,489)	(3,043,795)	(4,253,029)
Profit / (Loss) after tax	Rs. (000)	717,137	605,112	(2,168,511)	(1,252,942)	(3,058,112)	(5,788,937)
EBITDA	Rs. (000)	1,711,624	1,092,387	(318,248)	(19,931)	(428,346)	(1,638,713)
Summary of Cash Flows							
Net cash flow from operating activities	Rs. (000)	2,050,649	161,168	(969,895)	(381,083)	(321,559)	(1,960,936)
Net cash flow from investing activities	Rs. (000)	(213,961)	(514,536)	20,163	105,945	(67,252)	(739,335)
Net cash flow from financing activities	Rs. (000)	(138,781)	2,214,267	220,591	1,201,499	4,659,344	2,215,323
Changes in cash & cash equivalents	Rs. (000)	1,697,906	1,860,899	(729,141)	926,361	4,270,533	(484,949)
Cash & cash equivalents - Year end	Rs. (000)	3,004,097	1,300,840	(560,059)	169,083	(757,279)	(5,027,812)

FINANCIAL PERFORMANCE

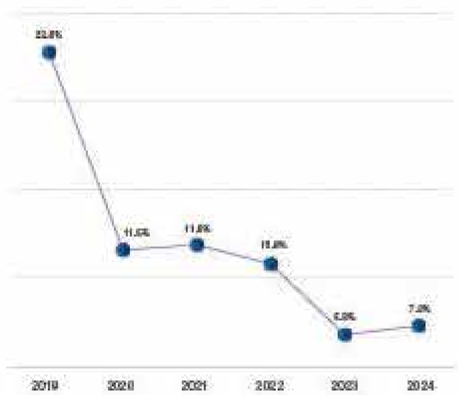
Revenue



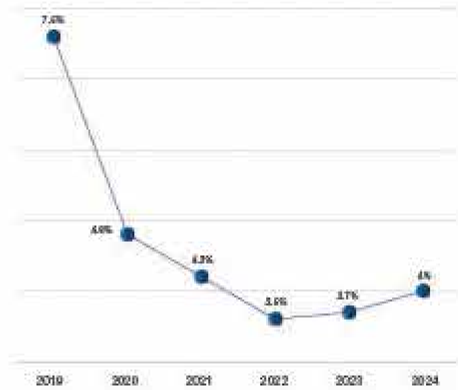
GROSS PROFIT/(LOSS)



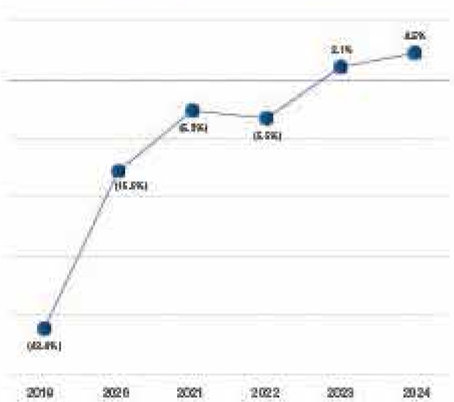
Marketing & Distribution to Revenue



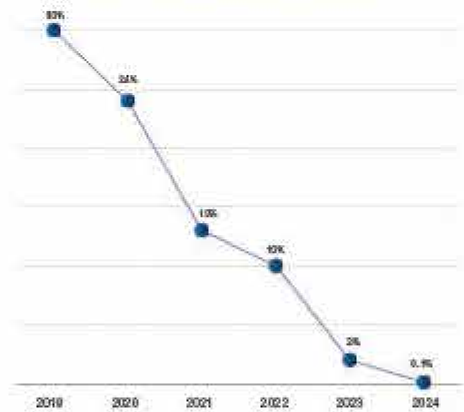
Administrative Expenses to Revenue



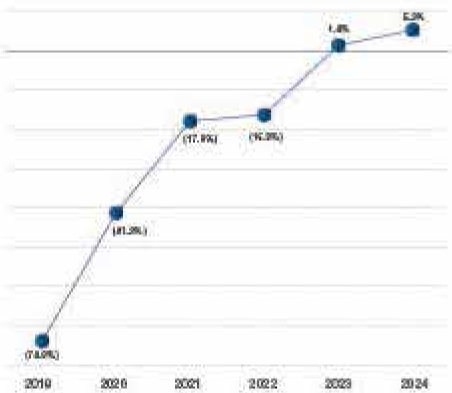
Operating Profit / (Loss)



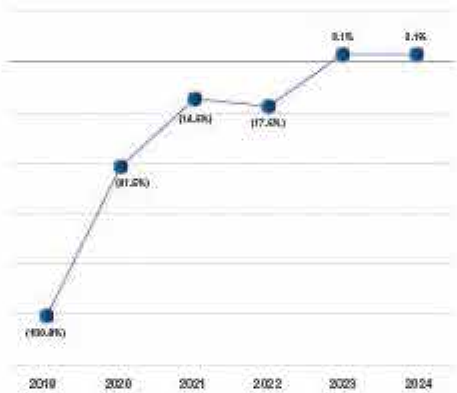
Finance Cost to Revenue



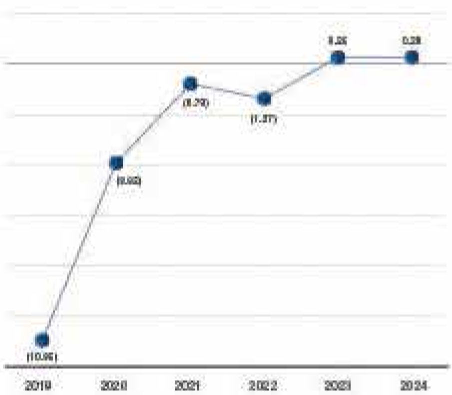
Profit / (Loss) before Tax



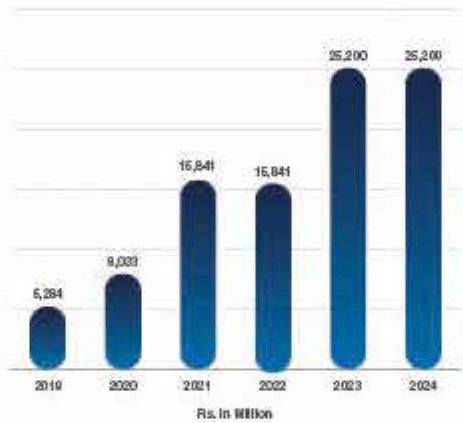
Profit after Tax



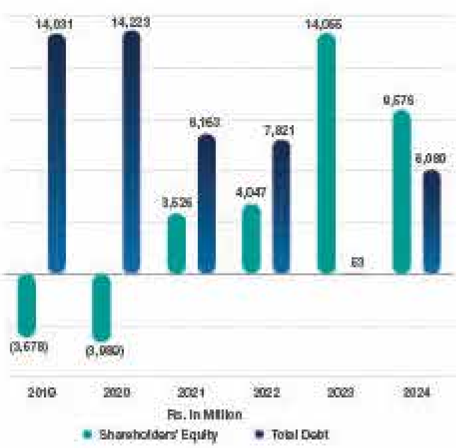
Earning / (Loss) per share



Paid-Up Share Capital



Shareholdrs' Equity & Total Debt



Asset Turnover

INDEPENDENT AUDITOR'S REPORT

To the Members of Fauji Foods Limited
Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Fauji Foods Limited (the Company), which comprise the unconsolidated statement of financial position as at December 31, 2024, the unconsolidated statement of profit or loss, the unconsolidated statement of other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Sr. #	Key audit matters	How the matter was addressed in our audit
1.	**Revenue from Contracts with Customers** (Refer note 3.14 and 30 to the annexed unconsolidated financial statements) The Company has recorded total net revenue from contracts with customers amounting to Rs. 23,402 million for the year ended December 31, 2024 as compared to Rs. 19,371 million during the previous year, which represents an increase of approximately 21% as compared to last year. The Company generates revenue from a wide range of products which are sold through different sales channels. The Company also offers various discounts, incentives and allowances from time to time on several product categories for the various types of customers.	Our audit procedures in respect of this matter included the following: - Obtained an understanding of the process relating to recording of revenue from contract with customers and testing the design, implementation and operating effectiveness of relevant key internal controls; - Assessed the appropriateness of the Company's revenue accounting policies and compliance of those policies with accounting and reporting standards as applicable in Pakistan; - Understood the nature of various discounts, incentives and allowances offered to variety of customers;

Sr. #	Key audit matters	How the matter was addressed in our audit
	Due to the above factors, we have identified recognition of revenue as an area of higher risk requiring significant auditor attention. Accordingly, it was considered as a key audit matter.	- Performed verification of sales, on sample basis, with underlying supporting evidence, such as sales orders, shipping documents and invoices; - Verified that revenue transactions at the end of the financial year and at the beginning of the new financial year have been recognized in the proper accounting period by comparing revenues close to the reporting date; and - Assessed the relevant disclosures made in the financial statements to determine whether these complied with the accounting and reporting standards as applicable in Pakistan.
2.	**Transfer of Fauji Cereals Business** (Refer note 1.1 and 3.19 to the annexed unconsolidated financial statements) Pursuant to the approval of Board of Directors dated November 21, 2023 and the Shareholder's approval dated December 28, 2023 and receipt of related regulatory and corporate approvals, the cereals business of Fauji Foundation operating under the brand-name 'Fauji Cereals' having no separate legal identity was transferred on February 19, 2024 to the Company through a Business Transfer Agreement against a consideration of Rs. 3,348 million payable on demand with an all-time option to convert into the ordinary shares of the Company to Fauji Foundation. Aforementioned business transfer transaction (the transaction) has been accounted for in the financial statements of the Company using predecessor method of accounting in accordance with the requirements of accounting standard issued by the Institute of Chartered Accountants of Pakistan on "Accounting for Common Control Transactions" as notified by Securities and Exchange Commission of Pakistan under S.R.O. 53 (I)/2022 dated January 12, 2022. We considered the business transfer of Fauji Cereals business to the Company to be a key audit matter as this was a significant transaction during the year.	Our audit procedures in respect of this matter included the following: - Inspected minutes of the meeting of the Board of Directors and shareholders of the Company to verify the approval of the transaction; - Inspecting approvals obtained by the Company from the relevant authorities in respect of the business transfer; - Reviewed the Business Transfer Agreement to obtain an understanding of the transaction, establish transaction date and other key terms; - Obtained the audited financial statements of Fauji Cereals as of the effective date of the transactions to trace the carrying amounts of assets acquired and liabilities assumed; - Obtained management consultant report for the verification of consideration under the Business Transfer Agreement; - Assessed whether appropriate accounting treatment has been applied to the transaction in the financial statements; and - Assessed the adequacy and appropriateness of the related disclosures in the financial statements as required under the accounting and reporting standards as applicable in Pakistan.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up

in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other matter

The unconsolidated financial statements for the year ended December 31, 2023 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated February 19, 2024.

The engagement partner on the audit resulting in this independent auditor's report is Amer Raza Mir.

A. F. Ferguson & Co.
Chartered Accountants
Lahore
Date: February 25, 2025
UDIN: AR202410118DGSUfXLoV

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

	Note	2024 Rupees	2023 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	4	28,000,000,000	28,000,000,000
Issued, subscribed and paid up share capital	4	25,199,631,390	25,199,631,390
Capital Reserves			
Share premium	5	1,801,082,303	1,801,082,303
Acquisition Reserve	1.1	(2,847,930,692)	–
Share deposit money	6	–	2,350,000,001
Surplus on revaluation of property, plant and equipment – net of tax	7	2,247,212,282	2,446,561,207
Revenue Reserve			
Accumulated loss		(16,824,400,787)	(17,741,847,841)
		9,575,594,496	14,055,427,060
Non–current liabilities			
Long term loans – secured	8	–	–
Lease liabilities	9	139,925,997	–
Employee retirement benefits	10	79,391,513	50,354,814
		219,317,510	50,354,814
Current liabilities			
Current portion of long term liabilities	11	31,118,725	52,635,293
Short term borrowings – secured	12	–	–
Trade and other payables	13	2,824,582,548	2,013,980,303
Loans payable to Ultimate Parent Company	14	5,908,554,693	–
Unclaimed dividend		965,752	965,752
Accrued finance cost	15	2,738,384	36,945,209
		8,767,960,102	2,104,526,557
Contingencies and commitments	16		
		18,562,872,108	16,210,308,431

The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.

Chairman **Chief Executive Officer** **Director** **Chief Financial Officer**

	Note	2024	2023
		Rupees	Rupees
ASSETS			
Non–current assets			
Property, plant and equipment	17	9,040,378,507	9,028,156,064
Intangible assets	18	16,945,565	9,884,767
Investment in Subsidiary Company	19	210,000,000	–
Security deposits		22,800,000	33,118,982
Deferred taxation – net	20	–	–
		9,290,124,072	9,071,159,813
Current assets			
Stores, spares and loose tools	21	261,692,900	265,476,703
Stock–in–trade	22	1,984,969,925	2,131,405,881
Trade receivables from contract with customers	23	1,785,932,226	497,680,233
Loans and advances	24	579,032,098	110,602,692
Deposits, prepayments and other receivables	25	540,234,221	144,814,491
Accrued interest	26	326,698,743	62,215,078
Tax refunds due from Government	27	790,090,889	2,363,458,455
Cash and cash equivalents			
– Cash and bank balances	28	304,097,034	300,840,028
– Short term investments	28	2,700,000,000	1,000,000,000
		9,272,748,036	6,876,493,561
Asset held for sale	29	–	262,655,057
		18,562,872,108	16,210,308,431

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2024

	Note	2024 Rupees	2023 Rupees Restated
Revenue from contracts with customers – net	30	23,401,680,285	19,370,542,292
Cost of revenue	31	(19,681,000,800)	(16,826,717,108)
Gross profit		3,720,679,485	2,543,825,184
Marketing and distribution expenses	32	(1,710,529,306)	(1,323,482,146)
Administrative expenses	33	(937,808,574)	(722,329,209)
Net impairment loss on financial assets	23	(17,207,097)	(89,900,000)
Profit from operations		1,055,134,508	408,113,829
Other income	34	548,734,693	238,475,021
Other expenses	35	(336,879,444)	(49,545,405)
Finance cost	36	(34,934,929)	(323,792,596)
Profit before levy and income tax		1,232,054,828	273,250,849
Levy	37	(102,312,146)	(218,196,002)
Profit before income tax		1,129,742,682	55,054,847
Income tax	38	(412,605,866)	550,056,814
Profit for the year		717,136,816	605,111,661
Earning per share – basic and diluted	39	0.28	0.26

The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.

Chairman **Chief Executive Officer** **Director** **Chief Financial Officer**

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2024

	2024 Rupees	2023 Rupees
Profit for the year	717,136,816	605,111,661
Other comprehensive income:		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax)	–	–
Other comprehensive income / (loss) that will not be reclassified to profit or loss in subsequent periods (net of tax):		
Surplus on revaluation of property, plant and equipment – net of tax	–	642,176,043
Remeasurement gain / (loss) on defined benefit plans	961,313	(496,804)
	961,313	641,679,239
Effect of change in tax rate on:		
Revaluation of property, plant and equipment	–	(204,746,802)
Total comprehensive income for the year	718,098,129	1,042,044,098

The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.

Chairman	Chief Executive Officer	Director	Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

	Share capital	Capital reserve				Revenue reserve	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, 2023	15,840,881,590	1,835,148,153	2,708,749,801	2,131,898,795	–	(18,469,229,527)	4,047,448,812
Profit after taxation for the year	–	–	–	–	–	605,111,661	605,111,661
Other comprehensive income / (loss) for the year	–	–	–	437,429,241	–	(496,804)	436,932,437
Total comprehensive income for the year	–	–	–	437,429,241	–	604,614,857	1,042,044,098
Transactions with owners in their capacity as owners recognised directly in equity:							
Issue of share capital	9,358,749,800	–	(708,749,800)	–	–	–	8,650,000,000
Share issuance cost	–	(34,065,850)	–	–	–	–	(34,065,850)
Share deposit money received	–	–	350,000,000	–	–	–	350,000,000
	9,358,749,800	(34,065,850)	(358,749,800)	–	–	–	8,965,934,150
Revaluation surplus realized through disposal of operating fixed assets	–	–	–	(19,313,014)	–	19,313,014	–
Incremental depreciation relating to surplus on revaluation – net of tax	–	–	–	(103,453,815)	–	103,453,815	–
Balance as at December 31, 2023	25,199,631,390	1,801,082,303	2,350,000,001	2,446,561,207	–	(17,741,847,841)	14,055,427,060
Balance as at January 1, 2024	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 year	–	–	–	–	–	717,136,816	717,136,816
Other comprehensive income for the year	–	–	–	–	–	961,313	961,313
Total comprehensive income for the year	–	–	–	–	–	718,098,129	718,098,129
Transactions with owners in their capacity as owners recognised directly in equity:							
Acquisition reserve (note 1.1)	–	–	–	–	(2,847,930,692)	–	(2,847,930,692)
Reclassification of share deposit money into loan (note 6)	–	–	(2,350,000,001)	–	–	–	(2,350,000,001)
	–	–	(2,350,000,001)	–	(2,847,930,692)	–	(5,197,930,693)
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	–	–	–	(112,727,748)	–	112,727,748	–
Balance as at December 31, 2024	25,199,631,390	1,801,082,303	–	2,247,212,282	(2,847,930,692)	(16,824,400,787)	9,575,594,496

The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.

Chairman	Chief Executive Officer	Director	Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	Note	2024	2023
		Rupees	Rupees
			Restated
Cash flows from operating activities			
Profit before income tax		1,129,742,682	55,054,847
Adjustments for non–cash items:			
Depreciation on property, plant and equipment	17.1.1	637,138,786	592,936,042
Amortization of intangible assets	18.1.1	2,143,332	1,437,009
Sales tax refundable written off	35	59,090,091	–
Provision for tax refundable balances	35	12,843,244	–
Gain on disposal of property, plant and equipment	34	(2,648,319)	(6,359,146)
Provision for obsolete stock	22.1 & 22.2	87,021,304	4,991,031
Write–off of stores, spares and loose tools	21.1	13,915,510	–
Write–off of stock in trade	22.1 & 22.2	102,842,043	–
Advances to supplier written off	17.2 & 24.3	15,948,501	10,217,400
Income tax refundable written off	35	14,229,824	–
Allowance for expected credit loss on security deposits	35	–	11,770,486
Profit on saving accounts	34	(137,142,744)	(79,049,367)
Profit on Term Deposit Receipts (TDRs)	34	(367,171,970)	(139,972,886)
Income from loan to subsidiary Company	34	(3,657,638)	–
Impairment charge on operating fixed assets	17.1	55,000,000	–
Allowance for expected credit losses on trade receivables	23.2	17,207,097	89,900,000
Provision for Worker's Profit Participation Fund	35	66,168,358	14,679,298
Provision for Worker's Welfare Fund	35	25,143,976	5,655,807
Provision for sales tax on sale of tea whitener		254,622,020	438,493,470
Provision for compensated leave absences	10.1.5	27,700,031	8,964,000
Provision for defined benefit plan	10.2.6	26,775,559	21,573,040
Impairment loss on asset held for sale	35	–	1,759,613
Levy	37	102,312,146	218,196,002
Finance cost	36	34,934,929	323,792,596
Operating profit before working capital changes		2,174,158,762	1,574,039,242
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		(6,298,291)	(80,380,708)
Stock–in–trade		262,948,960	(896,705,318)
Trade debts		(1,181,006,740)	(30,080,766)
Loans and advances		(465,938,695)	64,039,243
Deposits, prepayments and other receivables		(187,313,168)	(17,011,327)
Asset held for sale		262,655,057	–
Sales tax refundable		642,187,090	(662,363,862)
		(672,765,787)	(1,622,502,738)
Increase in current liabilities			
Trade and other payables		498,255,740	243,658,362
		(174,509,645)	(1,378,844,376)
Cash generated from operations		1,999,649,117	195,194,866
Income tax and levy refund / (paid)		75,477,284	(22,552,233)
Employee retirement benefits paid		(24,477,578)	(11,474,976)
Net cash generated from operating activities		2,050,648,823	161,167,657
Cash flows from investing activities			
Acquisition of property, plant and equipment		(456,480,219)	(789,857,212)
Acquisition of intangible assets		(9,204,130)	(5,392,450)
Sale proceeds from disposal of property, plant and equipment		8,234,295	82,932,603
Profit on saving accounts		137,142,744	79,049,367
Profit on Term deposit receipts		106,345,943	118,731,370
Net cash used in investing activities		(213,961,367)	(514,536,322)
Cash flows from financing activities			
Repayment of long term loans		–	(5,988,149,277)
Repayment of principal portion of lease liabilities		(69,639,696)	(74,380,569)
Finance cost paid		(69,141,754)	(689,136,909)
Proceeds received against issuance of shares		–	8,650,000,000
Share deposit money received from Fauji Foundation		–	350,000,000
Share issuance cost		–	(34,065,850)
Net cash flows (used in) / generated from financing activities		(138,781,450)	2,214,267,395
Net increase in cash and cash equivalents		1,697,906,006	1,860,898,730
Cash and cash equivalents – at beginning of the year		1,300,840,028	(560,058,702)
Cash and cash equivalents transferred from Fauji Cereals	1.1	5,351,000	–
Cash and cash equivalents – at end of the year	28	3,004,097,034	1,300,840,028

The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.

Chairman **Chief Executive Officer** **Director** **Chief Financial Officer**

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, 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
Registered Office and Head Office	42 CCA, Ex Park View, DHA Phase-VIII, Lahore

During the year, a Scheme of Arrangement (the Scheme) for merger / amalgamation of Fauji Fertilizer Bin Qasim Limited (FFBL) with and into Fauji Fertilizer Company Limited (FFC) has been approved by the Board of Directors and thereafter by the members of the respective Companies. The Scheme has also been sanctioned by the Honorable Lahore High Court, Rawalpindi Bench, and is effective from July 1, 2024, i.e. the date at which all assets and liabilities of FFBL are vested with FFC. As a consequence of the proposed merger, upon the sanction of the Scheme, and in terms thereof, the Company has now become a subsidiary of FFC.

1.1 Transfer of Fauji Cereals Project To The Company

With effect from February 19, 2024, the entire business of Fauji Cereals got transferred from Fauji Foundation to the Company. Fauji Cereals is engaged in the manufacturing and sales of cereals. The project started its operations in collaboration with Quaker Oats, England in 1954. The Project's main office is located at Dhamial Road, Rawalpindi and has its regional marketing offices in Lahore and Karachi.

The acquisition of Fauji Cereals Business has been identified as a 'Common Control Transaction' in light of the guidance provided in the financial reporting standard 'Accounting for Common Control Transactions' as developed by the Institute of Chartered Accountants of Pakistan and notified by the Securities and Exchange Commission of Pakistan ('SECP') vide its S.R.O. 53(I)/2022 dated January 12, 2022. In accordance with the said standard, the Company has applied the 'Predecessor Method' of accounting and measured all the assets acquired and the liabilities assumed at their carrying amounts as reflected in the statement of financial position of Fauji Cereals Business as at February 18, 2024.

Following are the details of the assets acquired, liabilities assumed and the consideration transferred:

	Note	Rupees
Assets acquired:		
Property, plant and equipment		26,364,000
Stores, spares and loose tools		3,833,000
Stock-in-trade		306,376,000
Trade receivables from contract with customers		124,452,000
Loans and advances		2,490,000
Deposits, prepayments and other receivables	1.1.1	197,787,000
Cash and bank balances		5,351,000
		666,653,000

	Note	Rupees
Liabilities assumed:		
Trade and other payables		(107,345,000)
Contract liabilities		(58,684,000)
		(166,029,000)
Net assets acquired		500,624,000
Consideration	1.1.2	3,348,554,692
Recognized in equity as acquisition reserve	1.1.3	(2,847,930,692)

1.1.1 An amount of Rs. 200 million was provisionally recognized as a receivable from Fauji Foundation as a part of Business Transfer Agreement during the half year ended June 30, 2024. The amount was subsequently finalized at Rs. 120.62 million and the corresponding adjustments has been made to the net assets acquired.

1.1.2 The consideration is payable on demand, with an all-time option to convert it into shares in a manner other than right at a price per share, which will be equal to the lower of par value or the average price per share on the stock exchange during the six months preceding the date on which the Fauji Foundation exercises its option to acquire shares. It has an interest-free grace period of two years, with an extension of time as mutually agreed upon by the parties. After two years, a markup of six months KIBOR plus spread of 50 basis points will be charged. Based on the terms and conditions of the agreement, the ultimate conversion value will not increase beyond the carrying amount of loan at any point of time when the option is exercised. Moreover, even if the option was measured at fair value through any valuation model, there would be no additional financial impact on the Company's financial statements over the entire term of the loans as the ultimate settlement amount would not exceed the total carrying amount of loans.

The Company engaged an external consultant to prepare a report on purchase price adjustment to the consideration determined under the Business Transfer Agreement. Based thereon, an adjustment amounting to Rs. 48.55 million has been made and the total consideration payable under the Business Transfer Agreement now stands at Rs. 3,348.55 million instead of Rs. 3,300 million as provisionally recognized during the half year ended June 30, 2024.

1.1.3 Based on the adjustments to the net assets and consideration payable as mentioned in note 1.1.1 and 1.1.2 respectively, an adjustment of Rs. 127.94 million has been made to the acquisition reserve.

1.1.4 As per the "Predecessor Method" of accounting given in the aforementioned Standard, the difference between consideration for acquisition and net carrying amount of the assets and liabilities received is recognized by the receiving entity within its 'equity'. Applying "predecessor method" has resulted in a significant negative acquisition reserve in the financials statement of the Company and has also impacted the standalone and consolidated financial statements of intermediate parent and associated companies namely Fauji Fertilizer Company Limited ('FFC'), Fauji Fertilizer Bin Qasim Limited (FFBL now merged with and into FFC), FFC Energy Limited (FFCEL) and FFBL Power Company Limited (FPCL). As these include listed companies with shareholdings from the general public, the negative acquisition reserve has resulted in equity erosion for non-controlling shareholders of the Company, FFC and FFBL.

The management of the Company has applied to the SECP vide letter dated December 31, 2024, to grant exemption from the mandatory application of "Predecessor Method" so that it may adopt "Acquisition Method" of accounting as the management believes that the "Acquisition Method" of accounting will better protect the interests of the non-controlling shareholders of the Company. The application is currently pending final decision of the SECP.

1.2 Acquisition of Fauji Infraavest Foods Limited

On February 20, 2024, the Company acquired 100% shareholding of Fauji Infraavest Foods Limited from Fauji Foundation against a consideration of Rs. 210 million. The consideration is payable on demand, with an all-time option to convert it into shares in a manner other than right at a price per share, which will be equal to the lower of par value or the average price per share on the stock exchange during the six months preceding the date on which the Fauji Foundation exercises its option to acquire shares. It has an interest-free grace period of two years, with an extension of time as mutually agreed upon by the parties. After two years, a markup of 6-Months KIBOR plus spread of 50 basis points will be charged. Based on the terms and conditions of the agreement, the ultimate conversion value will not increase beyond the carrying amount of loan at any point of time when the option is exercised. Moreover, even if the option was measured at fair value through any valuation model, there would be no additional financial impact on the Company's financial statements over the entire term of the loans as the ultimate settlement amount would not exceed the total carrying amount of loans.

2 BASIS OF PREPARATION

2.1 Separate financial statements

These unconsolidated 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.

	2024	2023	2024	2023
	(Number of shares)		(Direct holding percentage)	
The Company has the following subsidiary:				
Subsidiary Companies				
Fauji Infraavest Foods Limited	428,949,000	–	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 macaroni, couscous and similar farinaceous products.

2.2 Statement of compliance

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

– International Financial Reporting Standards ('IFRS') 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

On account of acquisition of Fauji Cereals Business during the year as referred in note 1.1 to the financial statements, the corresponding figures are not entirely comparable with the prior year.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise stated.

2.4 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Company's functional currency. All the financial information presented has been rounded off to the nearest rupees, except otherwise stated.

2.5 Initial application of standards, amendments or an interpretation to existing standards

2.5.1 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, 2024, 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 financial statements except for:

Securities Exchange Commission of Pakistan (SECP) vide its S.R.O. 1278(I)/2024 dated August 15, 2024 has notified an amendment in the Fourth Schedule of Companies Act, 2017 requiring listed companies and their subsidiaries to disclose certain information if they are not engaged in Shariah non-permissible business activities as disclosed in note 49 to the financial statements.

Further during the current year, the Institute of Chartered Accountants of Pakistan ('ICAP') has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12, Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). In accordance with the Guidance, the Company has changed its accounting policy retrospectively to designate the amount calculated on taxable income using the notified tax rate as an income tax expense under the scope of IAS 12 "Income Taxes". Any excess over the amount designated as income tax, is then recognized as a 'Levy' under IFRIC 21 "Levies" and IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", which were previously being recognized as 'Income tax'.

The Company has accounted for the effects of this change in accounting policy retrospectively under "IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures have been restated in this financial information. The effects of restatement is as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
		Rupees	
Effect on unconsolidated statement of profit or loss			
For the year ended December 31, 2024			
Levy	–	(102,312,146)	(102,312,146)
Profit before income tax	1,232,054,828	(102,312,146)	1,129,742,682
Income tax	(514,918,012)	102,312,146	(412,605,866)
Profit after income tax	717,136,816	–	717,136,816

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
		Rupees	
For the year ended December 31, 2023			
Levy	–	(218,196,002)	(218,196,002)
Profit before income tax	273,250,849	(218,196,002)	55,054,847
Income tax	331,860,812	218,196,002	550,056,814
Profit after income tax	605,111,661	–	605,111,661

The related changes to the unconsolidated statement of cash flows with respect to the amount of profit before income tax have been made as well.

2.5.2 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 year beginning on or after January 01, 2025 but are considered not to be relevant to the Company's operations and are, therefore, not detailed in these unconsolidated financial statements, except for the following:

a) Amendment to IAS 21 – Lack of Exchangeability

These amendments were in response to concerns raised when an entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

Assessing exchangeability between two currencies requires an analysis of different factors; such as the time frame for the exchange, the ability to obtain the other currency, markets or exchange mechanisms, the purpose of obtaining the other currency, and the ability to obtain only limited amounts of the other currency.

When a currency is not exchangeable into another currency, the spot exchange rate needs to be estimated. The objective in estimating the spot exchange rate at a measurement date is to determine the rate at which an orderly exchange transaction would take place at that date between market participants under prevailing economic conditions.

These amendments are not expected to have a material impact on the Company's financial statements when they become effective.

The new amendments are effective for annual reporting year beginning on or after January 1, 2025 with earlier application permitted.

b) Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

The amendments clarify the timing for recognizing and derecognizing certain financial assets and liabilities, introduce an exception for some financial liabilities settled via electronic cash transfers, provide additional guidance for assessing if a financial asset meets the Solely Payment of Principal and Interest ('SPPI') criterion, require new disclosures for instruments with cash flow changes linked to Environmental, Social and Governance ('ESG') targets, and update disclosures for equity instruments designated at FVOCI.

The Company is in the process of assessing the impact of this amendment on the Company's financial statements.

The above mentioned amendments are effective for accounting periods beginning on or after January 1, 2026.

c) **IFRS 18 Presentation and Disclosure in Financial Statements**

The new standard on presentation and disclosure in financial statements, IFRS 18, focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

The Company is in the process of assessing the impact of this amendment on the Company's financial statements.

The above mentioned standard is effective for accounting periods beginning on or after January 1, 2027.

d) **International Financial Reporting Standard (IFRS) S1, 'General requirements for disclosure of sustainability-related financial information' and International Financial Reporting Standard (IFRS) S2, 'Climate-related disclosures**

The International Sustainability Standards Board ('ISSB') issued its first two sustainability reporting standards on June 26, 2023, applicable on reporting periods beginning on or after July 01, 2025, as notified by the Securities Exchange Commission of Pakistan through order dated December 31, 2024. Subject to endorsement of the standards by local jurisdictions. These standards include the core framework for the disclosure of material information about sustainability-related risks, opportunities across an entity's value chain and set out the requirements for entities to disclose information about climate-related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity. The standards provide guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate-related disclosures. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. In addition, IFRS S2 requires entities to consider other industry-based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities. The cross-industry metrics include disclosures on greenhouse gas ('GHG') emissions, transition risks, physical risks, climate-related opportunities, capital deployment, internal carbon prices and remuneration.

The Company is in the process of assessing the impact of this amendment on the Company's financial statements.

Other than the aforementioned standards, interpretations and amendments, IASB has also issued the following standards and interpretations, which have not been notified locally or declared exempt by SECP as at December 31, 2024:

IFRS 1 (First Time Adoption of International Financial Reporting Standards)
IFRIC 12 (Service concession arrangements)

2.6 Significant Estimates and Judgements

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial period are described below. The Company based its assumptions and estimates on the parameters under which these financial statements were prepared. Existing circumstances and assumptions about the future development may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.6.1 Useful lives and residual value of property, plant and equipment

The Company reviews the useful lives and residual value of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge.

2.6.2 Revaluation of property, plant and equipment

Revaluation of property, plant and equipment is carried out by independent professional valuer. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values. The latest valuation of these assets was carried out on March 16, 2023 by an independent professional valuer, K.G. Traders (Private) Limited.

2.6.3 Valuation of stock in trade

The Company reviews the carrying amount of stock-in-trade, stores and spares on an annual basis, and as appropriate, inventory is written down to its net realizable value, or a provision is made for obsolescence if there is any change in the usage pattern and physical form of related inventory. Net realizable value signifies the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.6.4 Impairment of non financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ('DCF') model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

2.6.5 Estimation of provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

2.6.6 Provision for taxation

The Company takes into account the current income tax law and the decisions taken by appellate authorities. Pending instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its views on items of material nature are in accordance with law and the outcome is expected in favor of the Company, are shown as contingent liabilities.

2.6.7 Allowance for expected credit losses

The Company uses a provision matrix to calculate expected credit losses ('ECL') for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full and it is subsequently written off when there is no reasonable expectation of recovering the contractual cashflows. "

2.6.8 Compensated absences

Compensated absences is granted to all its permanent employees in accordance with the rules of the Company. Calculations in respect of unutilized privileged leaves accumulated as at December 31, 2024 require assumptions to be made of future outcomes, the principal ones being in respect of mortality rate, withdrawal rate, increase in remuneration and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

2.6.9 Staff retirement gratuity

Defined benefit plan is provided for permanent employees of the Company. The plan is typically structured as a separate legal entity managed by trustees. Calculations in this respect require assumptions to be made of future outcomes, the principal ones being in respect of mortality rate, withdrawal rate, increase in remuneration and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

2.6.10 Tax refunds due from Governments

Management has classified the whole of the amount of tax refundable (income tax and sales tax) as current asset based on the assessment that either the amount will be refunded in the next year or related settlement of amounts due to Government within next twelve months from reporting date.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies set out below have been consistently applied to all periods presented in these unconsolidated financial statements.

3.1 Taxation

Levy

As explained in note 2.5, in accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 'Application Guidance on Accounting for Minimum Taxes and Final Taxes' issued by the Institute of Chartered Accountants of Pakistan ('ICAP'), these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements, except for tax on normal business income which is specifically within the scope of IAS 12 and hence it continues to be categorised as current income tax.

Income tax

Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income as the case may be.

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted, after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred

Deferred tax is accounted for using the balance sheet method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. The carrying amount of all deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

3.2 Leases

At the inception of a contract, the Company assesses whether a contract is or contains lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct cost incurred less any lease incentive received. The right of use assets except for plant and machinery is subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability, if any. Right of use assets in respect of plant and machinery are stated at revalued amount carried out by independent valuers by reference to current market price less accumulated depreciation and any identified impairment loss. The right of use assets are depreciated using the straight line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or cost of the right of use asset reflects that the Company will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. Right of use asset is disclosed in the property, plant and equipment as referred to in note 17.1 of the financial statements.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company has used it incremental borrowing rate as the discount rate for leases where rate is not readily available. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in rate or a change in the terms of the lease arrangement, if there is change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in statement of profit or loss if the carrying amount of the right of use asset has been reduced to zero. Refer note 9 to these financial statements for disclosure of lease liabilities.

3.3 Employees' retirement benefits

3.3.1 Defined contribution plan

Provident fund

The Company is operating an approved provident fund scheme for all its employees since May 1, 1986. Equal monthly contributions are made by the employer and the employee to the fund in accordance with the fund rules at the rate of 10% of basic salary.

3.3.2 Accumulated compensated absences

The Company provides for compensated absences for all eligible employees in accordance with the rules of the Company. The Company accounts for these benefits in the year in which the absences are earned. Retired army officers and other employees are entitled to earned leaves of 30 days and 20 days per annum respectively. The unutilized leaves are accumulated subject to a maximum of 120 days for ex-servicemen and 20 days for management and 28 days for non-management employees. The unutilized accumulated leaves can be encashed at the time the employee leaves the Company. The accumulated leave balance in excess of above mentioned limits is ignored while determining benefit obligations.

The Company uses the actuarial valuations carried out using the projected unit credit method for valuation of its accumulated compensating absences. The latest valuation was carried out on December 31, 2024. Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to the statement of profit or loss. The amount recognized in the statement of financial position represents the present value of the defined benefit obligations. Actuarial gains and losses are charged to the statement of profit or loss immediately in the period when these occur.

3.3.3 Defined benefit plan

The Company operates an funded defined benefit gratuity plan for all permanent employees, having a service period of more than three years for retired army officers and more than five years for other employees. The Company recognizes expense in accordance with “IAS 19 Employee Benefits”.

The Company’s net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method. The latest valuation was carried out on December 31, 2024.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognized immediately in other comprehensive income. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan are recognized in the statement of profit or loss. Past service costs are immediately recognized in statement of profit or loss.

The future contribution rate includes allowances for deficit and surplus. Projected unit credit method, using the following significant assumptions, is used for valuation of the scheme:

- Discount rate: 12.00 percent per annum (2023: 16.75 percent per annum)
- Expected rate of increase in salary level: 11.00 percent per annum (2023: 15.75 percent per annum)
- Average duration of the plan: 8 years (2023: 8 years)
- Mortality rates: SLIC (2001-05)

Plan assets include short-term and long-term Government instruments, term finance certificates of financial institutions, investment in mutual funds and deposits with banks. Return on Government instruments and debt is at fixed and floating rates.

The Company’s Policy with regard to actuarial gains/losses is to immediately recognise all actuarial losses and gains in other comprehensive income under IAS 19, ‘Employee benefits’.

3.4 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Account balances are classified as current liabilities if payment is due within one year or less (or in the normal operating cycles of business if longer). If not, they are classified as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

3.5 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable, will result in an outflow of resources embodying economic benefits, to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.6 Property, plant and equipment

Property, plant and equipment except for freehold land, buildings on freehold land, plant and machinery, electric and gas installations and other work equipment are stated at cost less accumulated depreciation and identified impairment loss. Freehold land is stated at revalued amount carried out by independent valuers by reference to its current market price less any identified impairment loss. Buildings on freehold land, plant and machinery, electric and gas installations and other work equipment are stated at revalued amount carried out by independent valuers by reference to current market price less accumulated depreciation and any identified impairment loss. Cost in relation to property, plant and equipment comprises acquisition and other directly attributable costs.

Surplus on revaluation is booked by restating gross carrying amounts of respective assets being revalued, proportionately to the change in their carrying amounts due to revaluation. The accumulated depreciation at the date of revaluation is also adjusted to equal difference between gross carrying amounts and the carrying amounts of the assets after taking into account accumulated impairment losses.

Increase in the carrying amount arising on revaluation of property, plant and equipment is recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss, and depreciation based on the asset's original cost is transferred to retained earnings. Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to retained earnings. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred tax.

Depreciation on all property, plant and equipment, except freehold land, building and plant & machinery is charged to statement of profit or loss on the reducing balance method so as to write-off the depreciable amount of an asset over its remaining estimated useful life after taking into account the impact of their residual value, if considered significant. The assets' residual values and useful lives are reviewed at each financial year-end and adjusted if impact on depreciation is significant.

Useful lives are determined by the management based on expected usage of assets, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

Depreciation on additions to property, plant and equipment is charged from the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which the asset is disposed-off.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit or loss during the year in which these are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

The Company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment loss, if any. It consists of all expenditures and advances connected with specific assets incurred and made during installations and construction year. These are transferred to relevant property, plant and equipment as and when assets are available for use.

3.7 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification. Property, plant and equipment are not depreciated once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

3.8 Intangible assets

Expenditure incurred on intangible asset is capitalized and stated at cost less accumulated amortization and any identified impairment loss. Intangible assets with finite useful life are amortized using the straight-line method over the estimated useful life of three years. Amortization of intangible assets is commenced from the date an asset is capitalized.

3.9 Stores, spares and loose tools

Usable stores, spares and loose tools are valued principally at moving average cost, while items considered obsolete are impaired. Items in transit are stated at cost comprising invoice value plus other charges paid thereon up to the reporting date. The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence, if there is any change in usage pattern and physical form of related stores.

3.10 Stock-in-trade

Stock of finished goods is valued principally at the lower of average cost and net realizable value. Cost in relation to raw and packing materials is measured at moving average cost. Work-in-process and finished goods are measured at weighted average cost and cost comprises direct materials, labour and appropriate proportion of manufacturing overheads.

Stock in transit is stated at invoice value plus other charges incurred thereon up to the reporting date.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to be incurred to make the sale.

3.11 Financial assets other than investments in equity instruments of subsidiaries

3.11.1 Classification

The Company classifies its financial assets other than investments in subsidiaries in the following measurement categories:

– those to be measured subsequently at fair value [either through other comprehensive income ('OCI') or through profit or loss]; and
– those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ('FVOCI').

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

3.11.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

3.11.3 Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ('FVPL'), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

i) Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss.

ii) Fair value through other comprehensive income ('FVOCI'): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method. Impairment expenses are presented as a separate line item in the statement of profit or loss.

iii) Fair value through profit and loss ('FVPL'): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments except for investments in subsidiaries at fair value through other comprehensive income. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

3.11.4 Off-setting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.12 Impairment

Financial assets

The Company recognizes expected credit loss on financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Non - financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

3.13 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, balances at banks, short term investments and outstanding balance of short term running finances.

3.14 Revenue recognition

The Company is in the business of manufacture and sale of dairy products under the brand name of "Nurpur". These products include Ultra High Temperature milk, cheese, cream, skimmed milk powder, butter and other allied products. Further the Company is also in the business of manufacture and sale of cereals and pasta related products. Revenue is measured based on the consideration specified in a contract with a customer, net of returns, amounts collected on behalf of third parties (sales taxes etc.), pricing allowances, other trade discounts, volume discounts and price promotions to customers. Revenue is recognized when or as performance obligation is satisfied by transferring control of promised goods to a customer and control is transferred at point in time when a customer obtains control of the goods under the contract, usually when the customer acknowledges the receipt of goods.

3.15 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

3.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment. All non-current assets of the Company are located in Pakistan and more than 90% of the revenue is derived from sale of dairy and allied products.

3.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any related taxes.

3.18 Investment in subsidiaries

Investment in subsidiary companies is measured at cost as per the requirements of "IAS 27 - Separate Financial Statements". However, at subsequent reporting dates, the Company reviews the carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has suffered an impairment loss. If any such indication exists the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are recognized as an expense in the unconsolidated statement of profit or loss. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in unconsolidated statement of profit or loss.

3.19 Accounting of common control transactions - Predecessor method

The Company has adopted 'Predecessor Method' under 'Accounting for Common Control Transactions' (Accounting Standard) as developed by the Institute of Chartered Accountants of Pakistan (ICAP) and notified by the Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 53(I)/2022 dated January 12, 2022, as disclosed below:

a) Recognition principle

As at the date of common control transaction, the Company recognises the assets transferred and liabilities assumed of the transferred entity; or received from the transferring entity. The Company recognises, as part of applying the predecessor method, only the consideration transferred for the transferred entity and the assets acquired and liabilities assumed in the exchange for the transferred entity. Other transactions have been accounted for separately in accordance with the relevant International Financial Reporting Standards as notified under the Companies Act, 2017.

b) Measurement principle

The Company measures the assets and liabilities received from the transferred / transferring entity at their carrying amounts as reflected in the financial statements of the transferred / transferring entity, at the date of common control transaction. No fair value adjustments to the assets and liabilities of the transferred / transferring entity or recognition of new assets or liabilities for the transferred / transferring entity are recorded in the financial statements.

The Company recognises within its 'equity' the difference between consideration transferred, measured in accordance with this Accounting Standard and net of carrying amount of the assets and liabilities received from the transferred /transferring entity, measured in accordance with this accounting Standard. There is no recognition of new goodwill while accounting for the common control transaction, under the predecessor method.

4 SHARE CAPITAL

	2024	2023	2024	2023
	(Number of shares)		Rupees	Rupees
4.1 Authorized share capital				
Shares of Rs. 10 each	2,800,000,000	2,800,000,000	28,000,000,000	28,000,000,000
4.2 Issued, subscribed and paid up share capital				
Ordinary share capital				
Ordinary shares of Rs. 10 each fully paid in cash	1,557,228,762	1,557,228,762	15,572,287,620	15,572,287,620
Ordinary shares of Rs. 10 each issued as fully paid bonus shares	2,639,200	2,639,200	26,392,000	26,392,000
Ordinary shares of Rs. 10 each issued on conversion of loans	882,020,197	882,020,197	8,820,201,970	8,820,201,970
Ordinary shares of Rs. 10 each issued on conversion of accrued mark–up	70,874,980	70,874,980	708,749,800	708,749,800
Voting ordinary shares of Rs. 10 each issued on conversion of cumulative convertible preference shares	7,200,000	7,200,000	72,000,000	72,000,000
	2,519,963,139	2,519,963,139	25,199,631,390	25,199,631,390

	Note	2024	2023
		No. of Shares	No. of Shares
4.2.1 Movement during the year is as follows:			
Balance at the start of the year		2,519,963,139	1,584,088,159
Shares issued against:			
– Cash received during the year	4.2.2	–	865,000,000
– Accrued mark–up, transferred from share deposit money	4.2.3	–	70,874,980
Balance at the end of the year		2,519,963,139	2,519,963,139
4.2.2 These shares have been issued at par value (i.e. Rs. 10) to the following allotees:			
FFBL Power Company Limited – an associated undertaking		–	400,000,000
FFC Energy Limited – an associated undertaking		–	465,000,000
		–	865,000,000

4.2.3 These shares have been issued to the Fauji Fertilizer Bin Qasim Limited at par value (i.e. Rs. 10) which has now been merged into Fauji Fertilizer Company Limited as disclosed in note 1 to the financial statements.

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

	2024	2023	2024	2023
	Percentage held		(Number of shares)	
Ordinary share capital				
Fauji Fertilizer Company Limited / Fauji Fertilizer Bin Qasim Limited – voting ordinary shares	47.84%	47.84%	1,205,576,237	1,205,576,237
FFBL Power Company Limited – voting ordinary shares	15.87%	15.87%	400,000,000	400,000,000
FFC Energy Limited – voting ordinary shares	18.45%	18.45%	465,000,000	465,000,000
Fauji Foundation – voting ordinary shares	2.67%	2.67%	67,371,916	67,371,916
Directors, Officers, their spouse and minor children – voting ordinary shares	0.01%	0.01%	270,009	349,421
			2,138,218,162	2,138,297,574

4.2.5 The holder of ordinary shares is entitled to receive dividends as declared (if any), and to one vote per share at general meetings of the Company. The shareholders of the Company do not have any agreements for voting rights, board selection, rights of first refusal, and block voting.

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. The movement during the year is as follows:

	Note	2024	2023
		Rupees	Rupees
Balance at the start of the year		1,801,082,303	1,835,148,153
Share issuance cost		–	(34,065,850)
Balance at the end of the year		1,801,082,303	1,801,082,303
6 SHARE DEPOSIT MONEY			
Fauji Foundation	6.1	–	2,350,000,001

6.1 Under the terms of the agreement dated August 22, 2022, the Company received an amount of Rs. 2,350 million in prior years from Fauji Foundation. The amount was convertible in ordinary shares at face value. The Company, in its Extraordinary General Meeting held on October 18, 2022, had approved further issue of shares against the said amount, by way of other than right issue. The requisite approval from SECP was obtained on January 23, 2023 for issuance of shares against the above mentioned amount. The approval was valid for a period of 60 days. Prior to lapse of the said approval, a request was received from Fauji Foundation to defer the share allotment. Based on the above request, pursuant to the Board of Directors' approval dated March 01, 2023, the Company has deferred the allotment / issuance of Ordinary Shares at par value to Fauji Foundation, till further communication. During the current year, the Company received a letter from Fauji Foundation dated April 18, 2024 wherein the Foundation withdrew its consent to exercise the option to acquire shares and both the parties agreed on the amount as per the original loan agreement to be treated as a loan through addendum letter dated August 24, 2024. Accordingly, the amount has been reclassified from share deposit money to loan with mutual consent of both the Companies.

The loan is repayable on demand, with an all–time option to convert it into fully paid ordinary shares at or below par value. It has an interest–free grace period of two years, with an extension of time as mutually agreed upon by the parties. After two years, a markup of six months KIBOR plus spread of 200 basis points will be charged. Based on the terms and conditions of the agreement, the ultimate conversion value will not increase beyond the carrying amount of loan at any point of time when the option is exercised. Moreover, even if the option was measured at fair value through any valuation model, there would be no additional financial impact on the Company's financial statements over the entire term of the loans as the ultimate settlement amount would not exceed the total carrying amount of loans.

		Note	2024	2023
			Rupees	Rupees
7	**SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT – NET OF TAX**			
	Balance at the start of the year		2,446,561,207	2,131,898,795
	Surplus during the year		–	1,033,527,325
	Deferred tax liability on revaluation surplus		–	(391,351,282)
			–	642,176,043
	Net amount transferred to accumulated loss on account of:			
	– disposal of plant and machinery – net of deferred tax		(86,621,177)	(19,313,014)
	– incremental depreciation charged during the year – net of deferred tax		(112,727,748)	(103,453,815)
			(199,348,925)	(122,766,829)
	Impact of change in tax rate on revaluation surplus		–	(204,746,802)
	Balance at the end of the year – net of tax	7.1	2,247,212,282	2,446,561,207

7.1 This represents surplus (net of applicable deferred tax) arising on revaluation of freehold land, buildings on freehold land, plant and machinery (including plant and machinery appearing under right of use assets), electric and gas installation and other works equipment . This has been adjusted by incremental depreciation arising out of revaluation of above–mentioned assets except freehold land. The latest valuation was carried out by an independent professional valuer, K.G. Traders, on March 16, 2023. The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

		Note	2024	2023
			Rupees	Rupees
8	**LONG TERM LOANS – SECURED**			
	Long term loans – at amortised cost		–	–
	Syndicate finance facility	8.3	–	–
			–	–

8.1 In accordance with the consent granted by the financiers, the Company has exercised the pre–payment option, resulting in the complete repayment of this syndicate finance facility during the prior year. The funds for repayment were generated through the issuance of shares other than right issue. This syndicate finance facility was jointly led by Faysal Bank Limited, National Bank of Pakistan, MCB Bank Limited and Allied Bank Limited and participated by Askari Bank Limited, Alfalah Bank Limited, Soneri Bank Limited, Dubai Islamic Bank Limited and JS Bank Limited. The mark up was payable quarterly at the rate of 3 Months KIBOR plus 1.5% per annum.

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

		Note	2024	2023
			Rupees	Rupees
8.3	**The movement during the year is as follows:**			
	Balance at the start of the year		–	5,988,149,277
	Repayments during the year	8.3.1	–	(5,988,149,277)
	Balance at the end of the year		–	–
8.3.1	These represent repayments to the following financial institutions:			
	Syndicate finance facility			
	Allied Bank Limited		–	568,026,750
	National Bank of Pakistan		–	941,976,909
	MCB Bank Limited		–	1,084,158,027
	Faysal Bank Limited		–	1,733,459,001
	Askari Bank Limited		–	396,544,141
	Alfalah Bank Limited		–	247,840,088
	Soneri Bank Limited		–	495,680,176
	JS Bank limited		–	247,840,088
	Dubai Islamic Bank Limited		–	272,624,097
			–	5,988,149,277
9	**LEASE LIABILITIES**			
	Present value of lease liabilities against:			
	– leased vehicles		82,253,687	–
	– plant and machinery		–	34,918,252
	– leasehold land		88,791,035	–
	– leasehold buildings		–	17,717,041
			171,044,722	52,635,293
	Less: Current portion shown under current liabilities		(31,118,725)	(52,635,293)
		9.1	139,925,997	–

	Leased Vehicles	Leasehold Land	Plant and machinery	Leasehold Building	Total
			Rupees		
9.1 Movement of Lease Liabilities					
2024					
Opening balance	–	–	34,918,252	17,717,041	52,635,293
Lease liability recognized during the year	88,782,300	87,096,495	–	–	175,878,795
Finance cost charge	5,601,412	16,478,540	1,775,192	437,804	24,292,948
Payments	(12,130,025)	(14,784,000)	(36,693,444)	(18,154,845)	(81,762,314)
Closing balance	82,253,687	88,791,035	–	–	171,044,722
Less: current portion shown under current liabilities	(13,512,325)	(17,606,400)	–	–	(31,118,725)
	68,741,362	71,184,635	–	–	139,925,997
2023					
Opening balance	–	–	71,998,788	55,017,074	127,015,862
Finance cost charge	–	–	6,964,874	4,630,023	11,594,897
Payments	–	–	(44,045,410)	(41,930,056)	(85,975,466)
Closing balance	–	–	34,918,252	17,717,041	52,635,293
Less: current portion shown under current liabilities	–	–	(34,918,252)	(17,717,041)	(52,635,293)
	–	–	–	–	–

	2024	2023
	Rupees	Rupees
9.2 Commitments in relations to leases recognised under IFRS 16, are payable as follows:		
Payable not later than one year	42,900,412	54,848,284
Payable later than one year but not later than five years	207,818,836	–
Payable more than five years	106,410,670	–
	357,129,918	54,848,284
Future finance charges	(186,085,196)	(2,212,991)
Total lease liabilities	171,044,722	52,635,293

9.3 The Company has entered into lease arrangement with Fauji Foundation for land of Fauji Cereals and with the commercial bank for the lease of vehicles. The rentals under these agreements are repayable in 60 to 120 monthly instalments. The lease payments have been discounted at an implicit interest rate of 13.59% to 22.71% (2023: 8.20% to 13.59%) per annum. At the end of the respective lease term, the assets other than land, shall be transferred in the name of the Company. Taxes, repairs and insurance costs are to be borne by the Company.

9.4 The maturity analysis have been disclosed in note 44.7 of these financial statements.

		2024	2023
		Rupees	Rupees
9.5	**Amounts recognised in statement of profit and loss**		
	Finance cost on lease liabilities	24,292,948	11,594,897
	Depreciation on right of use assets	37,060,837	37,321,115
	Expense relating to leases of short term nature	35,428,022	9,172,749

9.6 The Company had total cash outflows for leases of Rs. 81.76 million (2023: Rs. 85.97 million).

		Note	2024	2023
			Rupees	Rupees
10	**EMPLOYEE RETIREMENT BENEFITS**			
	Accumulated compensated absences	10.1	48,915,991	27,206,296
	Defined benefit plan	10.2	30,475,522	23,148,518
			79,391,513	50,354,814
10.1	**Accumulated compensated absences**			
	Present value of defined benefit obligation	10.1.2	48,915,991	27,206,296
	Fair value of plan assets		–	–
		10.1.1	48,915,991	27,206,296
10.1.1	**Movement in accumulated compensated absences**			
	Opening Balance for the year		27,206,296	22,871,516
	Charge to unconsolidated statement of profit or loss	10.1.3	27,700,031	8,964,000
	Benefits paid during the year		(5,990,336)	(4,629,220)
	Closing Balance for the year		48,915,991	27,206,296
10.1.2	**Reconciliation of present value of defined benefit obligation**			
	Opening balance at the start of the year		27,206,296	22,871,516
	Current service cost		6,518,738	4,961,543
	Interest on defined benefit liability		2,027,682	1,361,895
	Benefits paid during the year		(5,990,336)	(4,629,220)
	Actuarial gain from changes in financial assumptions		19,153,611	2,640,562
	Closing balance for the year		48,915,991	27,206,296
10.1.3	**Charge to the unconsolidated statement of profit or loss**			
	Current service cost		6,518,738	4,961,543
	Interest on defined benefit liability		2,027,682	1,361,895
	Remeasurement loss	10.1.4	19,153,611	2,640,562
		10.1.5	27,700,031	8,964,000

		2024	2023
		Rupees	Rupees
10.1.4	**Remeasurement gain**		
	Actuarial (gain) / loss due to changes in financial assumptions	(107,952)	94,589
	Actuarial loss due to experience adjustments	19,261,563	2,545,973
		19,153,611	2,640,562
10.1.5	**Allocation of expense during the year**		
	Cost of revenue	11,080,005	3,585,600
	Marketing and distribution expense	11,080,005	3,585,600
	Administrative expense	5,540,021	1,792,800
		27,700,031	8,964,000
10.1.6	**Estimated expense to be charged to unconsolidated statement of profit or loss in next year**		
	Current service cost	6,817,227	6,518,738
	Interest expense on defined benefit plan – net	5,510,499	2,027,682
	Remeasurements of Net Defined Benefit liability/(Asset)	–	19,153,611
		12,327,726	27,700,031

		2024	2023
10.1.7	**The principal actuarial assumptions at the reporting date were as follows:**		
	Discount rate	12.00%	16.75%
	Expected per annum growth rate in salaries	11.00%	15.75%
	Expected mortality rate	SLIC (2001–2005)	SLIC (2001–2005)

As at December 31, 2024, average accumulation of leaves is 8 days per annum (2023: 8 days per annum), subject to a maximum accumulation of 20 days for management employees, 28 days for non–management employees and 120 days for ex–servicemen (2023: 20 days for management employees, 28 days for non–management employees and 120 days for ex–servicemen).

10.1.8 Sensitivity analysis

If the significant actuarial assumptions used to estimate the present value of liability at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the liability as at December 31, 2024 would have been as follows:

	Due to change in assumptions	
	2024	2023
	Rupees	
Present value of liability at the year end		
Discount Rate + 100 bps	45,172,542	25,124,558
Discount Rate – 100 bps	52,968,358	29,460,158
Salary increase + 100 bps	52,969,660	29,460,228
Salary increase – 100 bps	45,173,097	25,124,558

10.1.9 Undiscounted Future Payments

The Company expects to contribute to the scheme on the advice of the actuary. Expected future contributions are as follows:

	Note	2024 Rupees	2023 Rupees
Projected payments			
Year 1		5,861,372	4,905,835
Year 2		6,593,147	5,758,727
Year 3		7,468,529	6,518,482
Year 4		8,630,625	8,163,847
Year 5		10,095,378	8,905,373
More than 5 years		75,742,964	51,482,340
10.2 Defined benefit plan			
Present value of defined benefit obligation	10.2.2	108,853,348	79,401,123
Fair value of plan assets	10.2.3	(78,377,826)	(56,252,605)
	10.2.1	30,475,522	23,148,518
10.2.1 Movement in net defined benefit liability			
Opening balance for the year		23,148,518	7,924,430
Current service cost		24,446,489	20,976,588
Interest on net defined benefit liability		2,329,070	596,455
Total contributions		(18,487,242)	(6,845,759)
Charge to other comprehensive income	10.2.7	(961,313)	496,804
Closing balance for the year		30,475,522	23,148,518
10.2.2 Reconciliation of present value of defined benefit obligation			
Opening balance for the year		79,401,123	57,924,430
Current service cost		24,446,489	20,976,588
Interest on defined benefit liability		12,080,458	7,190,245
Benefits paid during the year		(14,557,970)	(7,316,857)
Actuarial gains		7,483,248	626,717
Closing balance for the year		108,853,348	79,401,123
10.2.3 Reconciliation of fair value of plan assets			
Opening balance for the year		56,252,605	50,000,000
Total contributions		18,487,242	6,845,759
Interest income for the year		9,751,388	6,593,790
Benefits paid during the year		(14,557,970)	(7,316,857)
Return on plan assets excluding interest income		8,444,561	129,913
Closing balance for the year		78,377,826	56,252,605
10.2.4 Fair value of gratuity fund assets			
Term Deposit Receipt		50,000,000	50,000,000
Accrued income		8,060,000	–
Bank – Saving Account		20,317,826	6,252,605
		78,377,826	56,252,605

	Note	2024	2023
		Rupees	Rupees
10.2.5 Charge to the unconsolidated statement of profit or loss			
Current service cost		24,446,489	20,976,585
Interest on defined benefit liability – net		2,329,070	596,455
	10.2.6	26,775,559	21,573,040
10.2.6 Allocation of expense during the year			
Cost of sales		10,710,226	8,629,216
Marketing and distribution expense		10,710,225	8,629,216
Administrative expense		5,355,108	4,314,608
		26,775,559	21,573,040
10.2.7 Charge to other comprehensive income			
– Actuarial (gains) / losses due to change in financial assumptions		(397,096)	102,365
– Actuarial losses due to experience adjustments		7,880,344	524,352
– Return on plan assets excluding Interest income		(8,444,561)	(129,913)
		(961,313)	496,804
10.2.8 Estimated expense to be charged to unconsolidated statement of profit or loss in next year			
Current service cost		27,602,006	24,446,489
Interest expense on defined benefit plan – net		3,657,063	2,329,070
		31,259,069	26,775,559

	2024	2023
10.2.9 The principal actuarial assumptions at the reporting date were as follows:		
Discount rate	12.00%	16.75%
Expected per annum growth rate in salaries	11.00%	15.75%
Expected mortality rate	SLIC (2001–2005)	SLIC (2001–2005)

As at December 31, 2024, the weighted average duration of the defined benefit obligation was 8 years (2023: 8 years).

10.2.10 Undiscounted future payments

The Company contributes to the gratuity fund based on the advice of the fund's actuary. Expected future contributions are as follows:

	2024 Rupees	2023 Rupees
Projected payments		
Year 1	10,175,339	7,980,748
Year 2	12,268,641	9,542,459
Year 3	14,416,273	11,017,018
Year 4	16,719,685	12,557,585
Year 5	19,105,837	14,077,293
More than 5 years	176,298,534	82,609,885

10.2.11 Sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the defined benefit obligation as at December 31, 2024 would have been as follows:

	Due to change in assumptions	
	2024	2023
Present value of defined benefit obligation at year end		
Discount Rate + 100 bps	100,525,475	73,326,506
Discount Rate – 100 bps	117,873,736	85,980,883
Salary increase + 100bps	117,871,130	85,978,982
Salary increase – 100bps	100,524,241	73,325,605

10.2.12 Risks on account of defined benefit plan

The Company faces the following risks on account of defined benefit plan:

Interest rate risk:

The present value of the defined benefit liability is calculated using a discount rate determined by reference to the market yields at the end of the reporting period on high quality corporate bonds, or where there is no deep market in such bonds, by reference to market yields on government bonds. Currencies and terms of bond yields used must be consistent with the currency and estimated term of the post employment benefit obligations being discounted. A decrease in bond interest rates will increase the liability, and vice versa.

Salary risk:

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Demographic risks:

– Mortality risk – The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

– Withdrawal risk – The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Investment risk:

The risk of the investment underperforming and being not sufficient to meet the liabilities.

		Note	2024	2023
			Rupees	Rupees
11	**CURRENT PORTION OF LONG TERM LIABILITIES**			
	Long term loans – secured	8	–	–
	Lease liabilities	9	31,118,725	52,635,293
			31,118,725	52,635,293
12	**SHORT TERM BORROWINGS – SECURED**			
	Short term running finance	12.1	–	–

12.1 The facility for short term running finance available to the Company from the Bank of Punjab has aggregate limit of Rs. 1,000 million (2023: Nil) at a markup rate of 3–month KIBOR plus 0.5% payable quarterly (2023: Nil). Facility is secured by way of first pari passu charge on all present and future fixed assets of the Company (excluding land and building) of Fauji Foods Limited with 25% margin . The unutilized facility at year end amounts to Rs. 1,000 million (2023: Nil). This facility is renewable on expiry date of February 28, 2025 at the discretion of bank.

		Note	2024	2023
			Rupees	Rupees
13	**TRADE AND OTHER PAYABLES**			
	Trade and other creditors	13.1	1,428,920,264	817,757,721
	Contract liabilities	13.2	299,249,089	133,178,553
	Accrued expenses		937,647,157	739,996,729
	Advance against disposal of machine	29	–	262,655,057
	Retention money payable		1,006,732	2,325,832
	Due to employees		5,310,385	1,357,389
	Withholding income tax payable		19,471,062	11,061,563
	Withholding sales tax payable		14,694,246	15,309,546
	Workers' Profit Participation Fund payable	13.3	78,897,038	15,109,286
	Workers' Welfare Fund payable	13.4	30,799,783	5,655,807
	Payable to Employees' Provident Fund	13.5	7,414,433	8,400,458
	Others		1,172,359	1,172,362
			2,824,582,548	2,013,980,303
13.1	**These include amounts due to the following related parties:**			
	Fauji Infraavest Foods Limited		12,502,370	–
	Askari Bank Limited		209,531	–
	Fauji Fertilizer Bin Qasim Limited		1,500,000	500,000
	Fauji Fertilizer Company Limited		918,453	–
	FonGrow Private Limited		2,222,469	–
	Fauji Foundation		33,449,727	11,648,867
		13.1.1	50,802,550	12,148,867

13.1.1 These are un–secured and for the normal course of business activities.

13.2 Contract liabilities represents short term advances received from customers against delivery of goods in future. Contract liabilities as at the beginning of the year, aggregating to Rs. 133.18 million (2023: Rs. 178.56 million), has been recognized as revenue, during the year.

13.2.1 Contract liabilities as at the reporting date are expected to be recognized as revenue by the end of next financial year.

		2024 Rupees	2023 Rupees
13.3	**Workers' Profit Participation Fund Payable**		
	Balance at the start of the year	15,109,286	429,988
	Acquisition of Fauji Cereals	14,207,000	–
	Charge for the year	66,168,358	14,679,298
	Payment during the year	(16,587,606)	–
	Balance at the end of the year	78,897,038	15,109,286
13.4	**Workers' Welfare Fund payable**		
	Balance at the start of the year	5,655,807	–
	Charge for the year	25,143,976	5,655,807
	Balance at the end of the year	30,799,783	5,655,807

13.4.1 Provision for Workers' Welfare Fund (WWF) is made as per the requirements of the Punjab Workers Welfare Fund Act as promulgated on December 13, 2019. However, payment has not been made due to ambiguity involved regarding institution in favor of whom liability should be discharged i.e. Federal or Provincial.

13.5 Payable to Employees' Provident Fund

All investments out of provident fund have been made in the collective investment schemes, listed equity and listed debt securities in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

		Note	2024 Rupees	2023 Rupees
14	**LOANS PAYABLE TO ULTIMATE PARENT COMPANY**			
	On account of acquisition related to Fauji Cereals	1.1	3,348,554,692	–
	On account of acquisition related to Fauji Infraavest Foods Limited	1.2	210,000,000	–
	Share deposit money reclassified into loan	6	2,350,000,001	–
			5,908,554,693	–
15	**ACCRUED FINANCE COST**			
	Mark–up based borrowings from conventional banks			
	– Short term borrowings – secured		2,738,384	–
	Mark up on guarantee			
	– Fauji Fertilizer Bin Qasim Limited		–	32,712,332
	– Fauji Foundation		–	4,232,877
			–	36,945,209
			2,738,384	36,945,209

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

Income tax

16.1.1 The DCIR, after conducting audit under section 177 of the Income Tax Ordinance, 2001 (the Ordinance) for the tax year 2005, had passed an amended assessment order under section 122 of the Ordinance raising tax demands of Rs. 34.99 million alleging that the Company suppressed its sales. The Commissioner Inland Revenue–Appeals (CIR–A) annulled this assessment order whereas the Appellate Tribunal Inland Revenue (ATIR) had set aside the order of CIR–A and remanded the case back to CIR–A for denovo proceedings. The CIR–A, vide his order dated September 3, 2012 has allowed partial relief of Rs. 11.32 million to the Company. The remaining disputed amount after rectification order under section 221 of the Income Tax Ordinance 2001 dated May 16, 2013 out of Rs. 34.99 million now stands at Rs. 18.28 million. Both the Company and the Department have filed appeals before the ATIR against the order of CIR–A, which are pending adjudications.

16.1.2 The DCIR, passed an order under section 122(5A) raising tax demands of Rs. 21.83 million by making addition to sales of Rs.177.79 million Being aggrieved of the order, the taxpayer filed an appeal before CIR–Appeals who vide order No. 0416 dated February 06, 2016 reduce the addition of differential amounts. Being further aggrieved of the CIRAppeals order, the taxpayer filed 2nd appeal before ATIR Lahore who vide order ITA No. 1541/LB/2016 dated March 03, 2022 deleted the order of CIR–A and DCIR. Against the order of ATIR, department has filed a reference before Lahore High Court with I.T.R. No. 33591/2022 dated May 30, 2022. Hearing date is awaited.

16.1.3 The taxpayer was served with notice under rule 44(4) of the Income Tax Rules 2002 dated March 02, 2021 issued by the DCIR. The taxpayer filed reply on March 08, 2021. The DCIR served a show cause notice under section 161 (IA) of the Ordinance dated October 04, 2021. The taxpayer filed reply for the same. DCIR passed time barred order under section 161 (1) of the Ordinance dated May 22, 2024 wherein total tax demand was raised amounting to Rs. 10.01 million being aggrieved of the said order, the taxpayer filed an appeal before CIR–A against the above mentioned order on June 12, 2024. The CIR–A remanded back the case to the DCIR vide order dated October 07, 2024. The DCIR issued a notice u/s 129 dated November 08, 2024. Subsequently, the taxpayer filed reply vide letter no. LT–2179–24 dated November 15, 2024. The proceeding remains pending adjudication.

16.1.4 The return for the tax year 2012 was taken as an assessment order in term of provisions of section 120. The taxpayer was selected for audit under section 177 vide Letter No. R–SGD–13–1277 dated March 12, 2013. An order was passed by the Assistant CIR vide order bearing barcode number 2012–SGD–20180924–04995 under section 122 through which the taxable income and tax payable was modified to Rs. 30 million. CIR(A) vide order dated October 15, 2018 confirmed the action of the Department in respect of certain additions and remanded back the case for the remaining. FFL being aggrieved filed appeal before ATIR. ATIR vide order dated March 10, 2022 decided in favor of FFL without creating any demand. Department has filed a reference vide I.T.R.No. 30918/2022 against the order of ATIR which is pending before the Lahore High Court.

16.1.5 DCIR issued an order under section 161 (1) of the Ordinance April 18, 2023 wherein total tax was charged at Rs. 338.65 million. The department adjusted the aforementioned amount of alleged tax default by making adjustment of income tax refunds pertaining to tax year(s) 2017 & 2018.

The taxpayer filed an appeal before CIR–A against the above mentioned order under section 161 (1) dated April 18, 2023. CIR–A issued appellate order on the matter dated August 07, 2023 wherein the case was annulled, remanded back to DCIR for re–assessment and confirmed the tax demand to the tune of Rs. 178.97 million, Rs. 126.25 million and Rs. 33.43 million respectively. On March 27 2024, the DCIR issued a notice regarding reassessment proceedings in respect of the amount of Rs. 126.25 million.

The tax department filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) against the annulled demand of Rs. 178.97 million. Meanwhile, the taxpayer also filed an appeal before the ATIR on October 04, 2023, challenging the confirmed tax demand of Rs. 33.43 million. Both of the appeals were heard on June 10, 2024, and the order was passed on July 09, 2024.

The ATIR annulled an amount of Rs. 212.39 million and remanded back an amount of Rs. 126.25 million. Following the order of the ATIR, the DCIR issued a notice on December 26, 2024 regarding the jurisdiction assumed in this case, and a hearing was scheduled for December 27, 2024 to conclude the proceedings. Consequently, the taxpayer filed application for appeal effect and thereafter appeal effect order was passed dated December 31, 2024, wherein demand amounting to Rs. 212.39 million was deleted. The proceeding remains pending adjudication.

Sales tax

16.1.6 During the year ended December 31, 2021, ADCIR issued a show cause notice, dated February 17, 2021 against inadmissible adjustment of input tax on goods not related to taxable supplies and non–withholding of sales tax from payment made against advertisement . Against the show cause notice, the ADCIR raised a sales tax demand of Rs. 100.00 million along with default surcharge and penalty. Being aggrieved of the said order, the Company filed an appeal before the CIR–A. On August 22, 2024, the honorable CIR–A upheld the order passed by the DCIR. Being aggrieved by the appellate order, the taxpayer filed an appeal before the Appellate Tribunal Punjab Revenue Authority on December 24, 2024, which remains pending adjudication.

16.1.7 Department vide order dated November 14, 2016 raised sales tax demand of Rs. 4.84 million under section 11(2) and 11(3) of the Sales Tax Act 1990 against inadmissible input tax claimed and non realization of sales tax on sale of scrap. FFL preferred an appeal before CIR–A which was decided against FFL vide CIR–A order dated May 08, 2017. Being aggrieved FFL preferred an appeal before ATIR. ATIR decided the case in favor of FFL vid order dated May 22, 2018 and waived off the whole tax demand. Department has filed reference before the Honorable Lahore High Court vide STR 64495/2020 in December 2020 which is pending adjudication.

16.1.8 The department issued show cause notice alleging adjustment of inadmissible input tax on goods not related to taxable supplies and non–withholding of sales tax from payment made against advertisement services. Against the show cause notice, Department raised sales tax demand of Rs. 138.00 million along with default surcharge and penalty. The Company preferred an appeal before CIR–A. CIR–A decided the case in favor of the Company through order dated October 29, 2020 and annulled the department's order. The department has filed an appeal before ATIR which is pending adjudication.

16.1.9 The DCIR has concluded the assessment and proceeding through its order u/s 11(2) for the period from July 2019 to December 2019 and has charged sales tax amounting Rs. 14.00 million. The Company being aggrieved by the order filed appeal before CIR–A who, through order 08/2020 dated October 29, 2020 remanded the case back to ACIR for re– assessment . The department has filed appeal before ATIR which is pending adjudication.

16.1.10 The department 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 CIR(A). The CIR(A) remanded the case back to department for fresh proceedings. The Company filed an appeal before ATIR on July 27, 2023 on the subject that the appellate order should annul the assessment order instead of remanding back to the tax officer. ATIR has stayed the remand back proceedings vide stay order dated June 4, 2024, while the hearing of main appeal is still pending.

Based on the opinion of the legal and 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 financial statements.

16.2 Commitments

16.2.1 Commitments in respect of capital expenditure outstanding at the period end amounted to Rs. 272.71 million (2023: Rs. 88.90 million).

16.2.2 Commitments in respect of letter of credit for the purchase of raw and packing material outstanding at the year end amounted to Rs. 89.50 million (2023: Rs. 99.24 million).

16.2.3 Guarantees aggregating to Rs. 194.75 million (2023: Rs. 21.89 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.

		Note	2024	2023
			Rupees	Rupees
17	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets			
	Owned assets	17.1	8,441,416,512	8,356,484,835
	Right of use assets		172,657,614	218,654,813
			8,614,074,126	8,575,139,648
	Capital work–in–progress	17.2	426,304,381	453,016,416
			9,040,378,507	9,028,156,064

17.1 Operating fixed assets

	December 31, 2024																			
	Cost / Revalued Amount									Depreciation								Accumulated Impairment	Book value	Rate of depreciation (%)
	As at 01 January	Acquisition of Fauji Cereals - Cost	Additions / transfers	Disposals	Transfer from ROUA to owned assets	Transfer to asset held for sale - Refer to note 29	Elimination of accumulated depreciation	Revaluation adjustment	As at 31 December	As at 01 January	Acquisition of Fauji Cereals - Accumulated depreciation	Charge for the year	Disposals	Transfer from ROUA to owned Asset	Transfer to asset held for sale	Elimination of accumulated depreciation	As at 31 December			
	Rupees																			
Owned assets:																				
Freehold land	781,625,000	–	–	–	–	–	–	–	781,625,000	–	–	–	–	–	–	–	–	–	781,625,000	–
Buildings on freehold land	1,103,625,066	41,463,927	12,961,083	–	–	–	–	–	1,158,050,076	60,768,646	25,337,871	77,874,054	–	–	–	–	163,980,571	–	994,069,505	3 – 6
Plant and machinery	6,337,147,287	292,070,341	360,997,321 *	–	212,867,123	–	–	–	7,203,082,072	388,042,283	289,951,735	440,424,398	–	15,881,636	–	–	1,134,300,052	55,000,000	6,013,782,020	6 – 20
Electric and gas installation	182,907,563	28,008,411	23,634,236 **	–	–	–	–	–	234,550,210	8,126,508	27,215,374	10,766,343	–	–	–	–	46,108,225	–	188,441,985	10 – 15
Other works equipment	178,887,446	4,285,484	26,935,041	–	–	–	–	–	210,107,971	17,962,672	1,886,063	14,076,077	–	–	–	–	33,924,812	–	176,183,159	10 – 15
Office and IT Equipment	174,227,875	8,555,050	56,516,132	(136,500)	–	–	–	–	239,162,557	89,800,351	6,259,402	26,966,161	(83,416)	–	–	–	122,942,498	–	116,220,059	10 – 33.33
Furniture and fixture	53,978,039	2,292,278	40,193,554***	–	–	–	–	–	96,463,871	27,000,412	1,278,500	3,750,863	–	–	–	–	32,029,775	–	64,434,096	10
Vehicles	204,092,646	42,759,470	1,006,388	(12,064,900)	–	–	–	–	235,793,604	68,305,215	41,139,654	26,220,053	(6,532,006)	–	–	–	129,132,916	–	106,660,688	20 – 25
	9,016,490,922	419,434,961	522,243,755	(12,201,400)	212,867,123	–	–	–	10,158,835,361	660,006,087	393,068,599	600,077,949	(6,615,422)	15,881,636	–	–	1,662,418,849	55,000,000	8,441,416,512	
Right of use assets ("ROUA"):																				
Building	133,686,254	–	–	–	–	–	–	–	133,686,254	122,545,734	–	11,140,520	–	–	–	–	133,686,254	–	–	20
Land	–	–	87,096,498	–	–	–	–	–	87,096,498	–	–	7,983,846	–	–	–	–	7,983,846	–	79,112,652	–
Plant and Machinery	212,867,123	–	–	–	(212,867,123)	–	–	–	–	5,352,830	–	10,528,806	–	(15,881,636)	–	–	–	–	–	6
Vehicles	–	–	100,952,627	–	–	–	–	–	100,952,627	–	–	7,407,665	–	–	–	–	7,407,665	–	93,544,962	20
	346,553,377	–	188,049,125	–	(212,867,123)	–	–	–	321,735,379	127,898,564	–	37,060,837	–	(15,881,636)	–	–	149,077,765	–	172,657,614	
	9,363,044,299	419,434,961	710,292,880	(12,201,400)	–	–	–	–	10,480,570,740	787,904,651	393,068,599	637,138,786	(6,615,422)	–	–	–	1,811,496,614	55,000,000	8,614,074,126	

	December 31, 2023																			
	Cost / Revalued Amount									Depreciation								Accumulated Impairment	Book value	Rate of depreciation (%)
	As at 01 January	Acquisition of Fauji Cereals - Cost	Additions / transfers	Disposals	Transfer from ROUA to owned assets	Transfer to asset held for sale - Refer to note 29	Elimination of accumulated depreciation	Revaluation adjustment	As at 31 December	As at 01 January	Acquisition of Fauji Cereals - Accumulated depreciation	Charge for the year	Disposals	Transfer from ROUA to owned Asset	Transfer to asset held for sale	Elimination of accumulated depreciation	As at 31 December			
	Rupees																			
Owned assets:																				
Freehold land	751,562,500	–	–	–	–	–	–	30,062,500	781,625,000	–	–	–	–	–	–	–	–	–	781,625,000	–
Buildings on freehold land	1,343,771,516	–	1,784,898	–	–	–	(463,007,365)	221,076,017	1,103,625,066	452,716,757	–	71,059,254	–	–	–	(463,007,365)	60,768,646	–	1,042,856,420	3 – 6
Plant and machinery	8,940,049,301	–	302,778,548	(174,294,222)	–	(276,874,000)	(3,172,742,781)	718,230,441	6,337,147,287	3,238,729,870	–	432,959,158	(98,444,634)	–	(12,459,330)	(3,172,742,781)	388,042,283	–	5,949,105,004	6 – 20
Electric and gas installation	26,411,303	–	173,306,096	–	–	–	(18,580,142)	1,770,306	182,907,563	18,247,877	–	8,458,773	–	–	–	(18,580,142)	8,126,508	–	174,781,055	10 – 15
Other works equipment	217,054,510	–	16,940,406	–	–	–	(68,456,929)	13,349,459	178,887,446	74,340,384	–	12,079,217	–	–	–	(68,456,929)	17,962,672	–	160,924,774	10 – 15
Office and IT Equipment	151,145,574	–	23,372,401	(290,100)	–	–	–	–	174,227,875	69,212,367	–	20,715,151	(127,167)	–	–	–	89,800,351	–	84,427,524	10 – 33.33
Furniture and fixture	49,560,539	–	4,417,500	–	–	–	–	–	53,978,039	24,351,070	–	2,649,342	–	–	–	–	27,000,412	–	26,977,627	10
Vehicles	66,247,058	–	105,080,530	(3,970,750)	36,735,808	–	–	–	204,092,646	31,684,865	–	7,694,032	(3,409,814)	32,336,132	–	–	68,305,215	–	135,787,431	20 – 25
	11,545,802,301	–	627,680,379	(178,555,072)	36,735,808	(276,874,000)	(3,722,787,217)	984,488,723	9,016,490,922	3,909,283,190	–	555,614,927	(101,981,615)	32,336,132	(12,459,330)	(3,722,787,217)	660,006,087	–	8,356,484,835	
Right of use assets ("ROUA"):																				
Building	133,686,254	–	–	–	–	–	–	–	133,686,254	95,808,483	–	26,737,251	–	–	–	–	122,545,734	–	11,140,520	20
Plant and Machinery	218,148,553	–	–	–	–	–	(54,320,032)	49,038,602	212,867,123	50,094,958	–	9,577,904	–	–	–	(54,320,032)	5,352,830	–	207,514,293	6
Vehicles	36,735,808	–	–	–	(36,735,808)	–	–	–	–	31,330,172	–	1,005,960	–	(32,336,132)	–	–	–	–	–	33.33
	388,570,615	–	–	–	(36,735,808)	–	(54,320,032)	49,038,602	346,553,377	177,233,613	–	37,321,115	–	(32,336,132)	–	(54,320,032)	127,898,564	–	218,654,813	
	11,934,372,916	–	627,680,379	(178,555,072)	–	(276,874,000)	(3,777,107,249)	1,033,527,325	9,363,044,299	4,086,516,803	–	592,936,042	(101,981,615)	-	(12,459,330)	(3,777,107,249)	787,904,651	-	8,575,139,648	

FAUJI FOODS

* These include capital expenditure amounting to Rs. 34.5 (2023: 2.4) million transferred from capital work in progress.

** These include capital expenditure amounting to 172.9 (2023: 12.78) million transferred from capital work in progress.

*** These include capital expenditure amounting to 5.3 (2023: Nil) million transferred from capital work in progress.

		Note	2024	2023
			Rupees	Rupees
17.1.1	**The depreciation charge has been allocated as follows:**			
	Cost of revenue	31	535,525,018	511,132,496
	Marketing and distribution expenses	32	39,420,971	15,853,275
	Administrative expenses	33	62,192,797	65,950,271
			637,138,786	592,936,042

17.1.2 The gross carrying value of fully depreciated assets that are still in use amounted to Rs. 408 million (2023: Rs. 38.56 million).

17.1.3 The manufacturing facility of the Company is located at Sargodha Road, Bhalwal, District Sargodha. Total owned area is 120 kanals and 5 marlas and covered area of building is 191,050 square feet.

17.1.4 During the year, the Company has recognized an impairment charge amounting to Rs. 55 million (2023: Nil) against idle and scrap assets, determined on the basis of fair value of the assets less cost of disposal. The Company based on a review for impairment on the operating assets identified that the carrying values of certain operating assets exceeds their estimated recoverable amount. Accordingly, provision for impairment was recognized.

17.1.5 Disposal of property, plant and equipment

	December 31, 2024						
	Cost / Revalued Amount	Net book value	Proceeds from disposal	Gain	Mode of disposal	Particulars of buyer	Relationship of purchaser with company or any of its directors
	Rupees						
Fixed assets sold having book value greater than Rs. 500,000							
Vehicles							
Suzuki Alto - AQK 926	2,655,950	2,346,089	2,600,000	253,911	Accidental	EFU Insurance	No relationship
Suzuki Alto - AQK 749	2,655,950	2,257,558	2,600,000	342,442	Accidental	EFU Insurance	No relationship
Assets having net book value less than Rs. 500,000	6,889,500	982,329	3,034,295	2,051,966			
	12,201,400	5,585,976	8,234,295	2,648,319			

	December 31, 2023						
	Cost / Revalued Amount	Net book value	Proceeds from disposal	Gain	Mode of disposal	Particulars of buyer	Relationship of purchaser with company or any of its directors
	Rupees						
Fixed assets sold having book value greater than Rs. 500,000							
Plant and machinery							
Packing machine - TBA 200 ML	95,835,336	38,584,019	40,996,486	2,412,467	Negotiation	Selo Foodtech	No relationship
Packing machine - TBA 250 ML	78,458,886	37,265,569	39,595,600	2,330,031	Negotiation	Selo Foodtech	No relationship
Assets having net book value less than Rs. 500,000	4,260,850	723,869	2,340,517	1,616,648			
	178,555,072	76,573,457	82,932,603	6,359,146			

17.1.6 The latest revaluation of freehold land, building on freehold land, plant and machinery, electric and gas installations and other work equipment was carried out on March 16, 2023, by an independent professional valuer, K.G. Traders (Private) Limited. As per the revaluation report, forced sale value of freehold land and buildings on freehold land was Rs. 664.38 million and Rs. 939.25 million, respectively and forced sales value of plant and machinery, electric and gas installations and other works equipment was Rs. 5,523 million.

Had these assets not been revalued, the carrying amount of freehold land, buildings on freehold land, plant and machinery, electric and gas installations and other work equipment would have been as follows:

	Note	2024	2023
		Rupees	Rupees
Freehold land		73,448,429	73,365,999
Buildings on freehold land		650,169,694	624,140,785
Plant and machinery – (including plant and machinery appearing under right of use assets)		4,057,571,049	3,765,268,572
Electric and gas Installations		191,225,097	170,453,451
Other works equipment		114,106,481	125,642,991
		5,086,520,750	4,758,871,798

	Note	2024	2023
17.2 Capital work–in–progress			
Plant and machinery	17.2.1	426,304,381	437,067,915
Advance against capital expenditure		–	15,948,501
		426,304,381	453,016,416

17.2.1 Plant and machinery

	December 31, 2024			
	As at January 1, 2024	Additions	Transfers	As at December 31, 2024
	Rupees			
Plant & Machinery	437,067,915	165,802,389	(207,452,731)	395,417,573
Buildings on Freehold land	–	30,886,808	–	30,886,808
Furniture & Fixtures	–	5,310,000	(5,310,000)	–
	437,067,915	201,999,197	(212,762,731)	426,304,381

	December 31, 2023			
	As at January 1, 2023	Additions	Transfers	As at December 31, 2023
	Rupees			
Plant & Machinery	228,617,127	223,625,880	(15,175,092)	437,067,915

		Note	2024	2023
			Rupees	Rupees
18	**INTANGIBLE ASSETS**			
	Software and licenses	18.1	7,819,489	4,541,191
	Capital work–in–progress (CWIP)	18.3	9,126,076	5,343,576
			16,945,565	9,884,767

18.1 Software and license

	December 31, 2024								
	Cost				Amortization			Book value	Rate of amortization (%)
	As at January 1, 2024	Additions	Transfer from CWIP	As at December 31, 2024	As at January 1, 2024	Charge for the year	As at December 31, 2024		
	Rupees								
Softwares	10,389,808	–	–	10,389,808	9,071,807	658,999	9,730,806	659,002	33.33
Licenses	62,404,373	5,421,630	–	67,826,003	59,181,183	1,484,333	60,665,516	7,160,487	33.33
	72,794,181	5,421,630	–	78,215,811	68,252,990	2,143,332	70,396,322	7,819,489	

	December 31, 2023								
	Cost				Amortization			Book value	Rate of amortization (%)
	As at January 1, 2023	Additions	Transfer from CWIP	As at December 31, 2023	As at January 1, 2023	Charge for the year	As at December 31, 2023		
	Rupees								
Softwares	8,412,808	–	1,977,000	10,389,808	8,412,808	658,999	9,071,807	1,318,001	33.33
Licenses	58,403,173	4,001,200	–	62,404,373	58,403,173	778,010	59,181,183	3,223,190	33.33
	66,815,981	4,001,200	1,977,000	72,794,181	66,815,981	1,437,009	68,252,990	4,541,191	

		Note	2024	2023
			Rupees	Rupees
18.1.1	**The amortization charge has been allocated as follows:**			
	Marketing and distribution expenses	32	658,999	658,999
	Administrative expenses	33	1,484,333	778,010
			2,143,332	1,437,009

18.2 This represent capital expenditure incurred on development of Milk Collection Automated System (MCAS).

		Note	2024	2023
			Rupees	Rupees
18.3	**Capital work–in–progress**			
	Software	18.3.1	9,126,076	5,343,576

18.3.1 Software

	December 31, 2024			
	As at January 1, 2024	Additions	Transfers	As at December 31, 2024
	Rupees			
Software	5,343,576	3,782,500	–	9,126,076

	December 31, 2023			
	As at January 1, 2023	Additions	Transfers	As at December 31, 2023
	Rupees			
Software	5,929,326	1,391,250	(1,977,000)	5,343,576

		2024	2023
		Rupees	Rupees
19	**INVESTMENT IN SUBSIDIARY COMPANY**		
	Investment – at cost	210,000,000	–

19.1 The Company holds 100% (2023: Nil) shares in Fauji Infraavest Foods Limited, a wholly owned subsidiary of the Company.

	Note	2024	2023
		Rupees	Rupees

20 Deferred taxation – net

The deferred tax asset comprises of the following:

	Note	2024 Rupees	2023 Rupees
Deductible temporary differences:			
– business losses		408,695,541	625,816,265
– unabsorbed depreciation losses		1,488,650,294	1,488,650,294
– lease liabilities		66,707,442	20,527,764
– provisions		35,054,903	25,353,949
		1,999,108,180	2,160,348,272
Less: Taxable temporary differences:			
– accelerated tax depreciation allowances		947,850,761	963,699,354
– surplus on revaluation of property, plant and equipment		983,920,950	1,111,373,541
– right of use assets		67,336,469	85,275,377
		1,999,108,180	2,160,348,272
Deferred taxation – net	20.3	–	–

20.1 As at December 31, 2024, the aggregate unrecognized unused tax losses and minimum tax credit available to the Company for set off against future taxable profit amount to Rs. 7,246.62 million (2023: Rs. 9,169.22 million) and Rs. 723.21 million (2023: Rs. 414.97 million) respectively.

20.2 The expiry of tax losses for which no deferred tax asset has been recognized is as follows:

Expiry tax year	Name	2024 Rupees
2026	Business loss – TY 2020	3,487,579,099
2027	Business loss – TY 2021	2,353,326,086
2028	Business loss – TY 2022	1,133,726,835
2029	Business loss – TY 2023	271,991,893
		7,246,623,913
2026	Minimum tax – TY 2023	158,641,265
2027	Minimum tax – TY 2024	256,337,806
2028	Minimum tax – TY 2025	308,229,210
		723,208,281
No expiry	Unused depreciation loss	–

20.3 Movement in deferred tax balances is as follows:

	December 31, 2024			
	Opening	Reversal from / (charge to) Profit or loss	OCI	Closing
	Rupees			
Deferred taxation				
Deductible / (taxable) temporary difference				
Unabsorbed depreciation losses	1,488,650,294	–	–	1,488,650,294
Business losses	625,816,265	(217,120,724)	–	408,695,541
Provisions	25,353,949	9,700,954	–	35,054,903
Lease liability	20,527,764	46,179,678	–	66,707,442
Right of use assets	(85,275,377)	17,938,908	–	(67,336,469)
Accelerated tax depreciation allowances	(963,699,354)	15,848,593	–	(947,850,761)
Surplus on revaluation of property, plant and equipment	(1,111,373,541)	127,452,591	–	(983,920,950)
	–	–	–	–

	December 31, 2023			
	Opening	Reversal from / (charge to) Profit or loss	OCI	Closing
	Rupees			
Deferred taxation				
Deductible / (taxable) temporary difference				
Unabsorbed depreciation losses	1,292,007,992	196,642,302	–	1,488,650,294
Business losses	–	625,816,265	–	625,816,265
Provisions	25,903,344	(549,395)	–	25,353,949
Lease liability	183,445,711	(162,917,947)	–	20,527,764
Right of use assets	(51,397,748)	(33,877,629)	–	(85,275,377)
Accelerated tax depreciation allowances	(856,193,574)	(107,505,780)	–	(963,699,354)
Surplus on revaluation of property, plant and equipment	(593,765,725)	78,490,268	(596,098,084)	(1,111,373,541)
	–	596,098,084	(596,098,084)	–

	2024	2023
	Rupees	Rupees
21 STORES, SPARES AND LOOSE TOOLS		
General items	26,417,164	20,458,842
Stores, spares and loose tools	242,003,222	253,630,662
	268,420,386	274,089,504
Less: provision for obsolescence	(6,727,486)	(8,612,801)
	261,692,900	265,476,703
21.1 Movement in provision for obsolescence		
Balance at the start of the year	8,612,801	8,612,801
Provision for the year	12,030,195	–
Written off during the year	(13,915,510)	–
Balance at the end of the year	6,727,486	8,612,801

	Note	2024	2023
		Rupees	Rupees
22 STOCK–IN–TRADE			
Raw and packing material			
– In hand		1,324,657,791	1,245,004,936
– In transit		44,542,468	14,515,083
		1,369,200,259	1,259,520,019
Work–in–process		58,355,602	84,444,173
Finished goods		557,430,540	803,278,904
		1,984,986,401	2,147,243,096
Less: Provision for obsolescence	22.1 & 22.2	(16,476)	(15,837,215)
	22.3 & 22.4	1,984,969,925	2,131,405,881
22.1 Movement in provision for obsolete raw materials			
Balance at the start of the year		–	–
Provision for the year		60,243,343	–
Written off during the year		(60,226,867)	–
Balance at the end of the year		16,476	–
22.2 Movement in provision for obsolete finished goods			
Balance at the start of the year		15,837,215	43,077,665
Provision for the year		26,777,961	4,991,031
Written off during the year		(42,615,176)	(32,231,481)
Balance at the end of the year		–	15,837,215

22.3 This includes work in process and finished goods held with Fauji Infraavest Foods Limited, a wholly owned subsidiary, amounting to Rs. 9.47 million (2023: Nil).

22.4 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. 4.77 million (2023: Rs. 1.57 million).

	Note	2024	2023
		Rupees	Rupees
23 TRADE RECEIVABLES FROM CONTRACT WITH CUSTOMERS			
Considered good			
Trade debts – Related parties	23.1	1,890,000	–
Trade debts – Others		1,784,042,226	497,680,233
		1,785,932,226	497,680,233
Considered doubtful		18,986,650	1,779,553
		1,804,918,876	499,459,786
Allowance for expected credit loss	23.2	(18,986,650)	(1,779,553)
		1,785,932,226	497,680,233
23.1 Due from related parties – considered good			
Fauji Fresh n Freeze Limited		1,890,000	–

		2024 Rupees	2023 Rupees
23.2	**Allowance for expected credit loss**		
	Balance at the start of the year	1,779,553	111,900,180
	Charge for the year	17,207,097	89,900,000
	Amount written off against trade receivables	–	(200,020,627)
	Balance at the end of the year	18,986,650	1,779,553

23.3 Trade receivables are non–interest bearing and become due after 7 to 30 days of the invoice date.

23.4 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs. 12.76 million (2023: Nil). No interest has been charged on the amounts due from related parties.

23.5 The aging analysis of these trade debts have been disclosed in Note 44.4 to these financial statements.

		Note	2024 Rupees	2023 Rupees
24	**LOANS AND ADVANCES**			
	Due from employees – considered good		7,869,938	4,490,093
	Deposit to collector of customs		4,104,947	7,509,549
	Advance against letter of credit		136,949,231	68,742,721
	Advance against bank guarantee		5,094,228	5,094,228
	Advances to suppliers	24.1	425,013,754	24,766,101
		24.2	579,032,098	110,602,692
	Provision for doubtful advances to suppliers	24.3	–	–
			579,032,098	110,602,692
24.1	**Break down of advances to suppliers**			
	Categories			
	– Up to Rs. 1 million		3,200,229	8,319,917
	– Rs. 1 million to Rs. 2 million		1,299,000	1,507,967
	– Rs. 2 million to Rs. 3 million		5,166,672	2,994,994
	– Above Rs. 3 million		415,347,853	11,943,223
			425,013,754	24,766,101

24.2 These are interest free and in the normal course of business.

		2024 Rupees	2023 Rupees
24.3	**Provision for doubtful advances to suppliers**		
	Balance at the start of the year	–	–
	Charge for the year	–	10,217,400
	Amount written off against advances	–	(10,217,400)
	Balance at the end of the year	–	–

	Note	2024	2023
		Rupees	Rupees
25 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Security deposits		131,301,089	89,861,018
Prepayments		20,640,072	11,958,973
Other receivables	25.2	388,293,060	42,994,500
		540,234,221	144,814,491
Allowance for expected credit loss – security deposits	25.1	–	–
		540,234,221	144,814,491
25.1 Movement of allowance for expected credit loss on security deposits			
Balance at the start of the year		–	–
Charge for the year		–	11,770,486
Amount written off		–	(11,770,486)
Balance at the end of the year		–	–
25.2 These include balances due from associated undertaking as follows:			
Fauji Fertilizer Company Limited		1,057,893	1,978
Fauji Foundation		285,610,565	11,816,781
Fauji Infraavest Foods Limited		94,235,407	–
Fauji Fresh n Freeze Limited		7,220,246	–
		388,124,111	11,818,759

25.2.1 The maximum aggregate amounts outstanding at any time during the year calculated by reference to month–end balances are as follows:

	2024		2023	
	Month	Maximum outstanding during the year	Month	Maximum outstanding during the year
		Rupees		
Fauji Fertilizer Company Limited	December	1,057,893	November	1,978
Fauji Foundation	December	285,610,565	December	11,816,781
Fauji Infraavest Foods Limited	December	94,235,407	–	–
Fauji Fresh n Freeze Limited	December	7,220,246	–	–

	Note	2024	2023
		Rupees	Rupees
26 ACCRUED INTEREST			
Interest accrued on Term Deposit Receipts (TDRs)	26.1	323,041,105	62,215,078
Income from loan to subsidiary company		3,657,638	–
		326,698,743	62,215,078

26.1 This includes Rs. 310.80 million (2023: Rs. 62.21 million) interest accrued on Term Deposit Receipts (TDRs) of Askari Bank Limited, an associated company.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

		Note	2024 Rupees	2023 Rupees
27	**TAX REFUNDS DUE FROM GOVERNMENT**			
	Sales tax refundable – net	27.1 & 27.2	516,406,716	1,499,378,986
	Income tax refundable – net	27.3 & 27.4	273,684,173	864,079,469
			790,090,889	2,363,458,455

27.1 These include provision for sales tax on tea whitener amounting to Rs. 693.02 million (2023: Rs. 438.49 million).

27.2 The Company has written off sales tax refundable pertaining to prior tax periods amounting to Rs. 59.09 million (2023: Nil).

27.3 These include provision for current tax amounting to Rs. 425.85 million (2023: Rs. 264.64 million).

27.4 The Company has written off income tax refunds pertaining to prior tax years amounting to Rs. 109.07 million (2023: Nil).

		Note	2024 Rupees	2023 Rupees
28	**CASH AND CASH EQUIVALENTS**			
	Cash and bank balances:			
	Cash in hand		58,395	378,240
	With banks on:			
	– Current accounts		140,501,184	27,892,522
	– Saving accounts	28.1	163,537,455	272,569,266
		28.2	304,038,639	300,461,788
	Total cash and bank balances		304,097,034	300,840,028
	Short term investments:			
	Term Deposit Receipts (TDRs)	28.3	2,700,000,000	1,000,000,000
			3,004,097,034	1,300,840,028

28.1 These saving accounts earned interest at 13.5% to 20.50% (2023: 14.5% to 20.5%) per annum during the year.

28.2 These include bank deposits amounting to Rs. 162.6 million (2023: Rs. 272 million) with Askari Bank Limited, an associated undertaking.

28.3 This includes TDRs kept with Askari Bank Limited, an associated undertaking amounting to Rs. 2,450 million. These carry mark-up at the rates ranging from 16.2% to 22.5% (2023: 17% to 22.5%) per annum and have one year maturity with premature encashment option without any surcharge.

		2024 Rupees	2023 Rupees
28.3.1	**Following is movement in TDRs during the year:**		
	Balance at the start of the year	1,000,000,000	970,000,000
	Additions during the year	2,900,000,000	2,870,000,000
	Encashed / matured during the year	(1,200,000,000)	(2,840,000,000)
	Balance at the end of the year	2,700,000,000	1,000,000,000

		Note	2024 Rupees	2023 Rupees
29	**ASSET HELD FOR SALE**			
	Asset held for sale	29.1	–	262,655,057

29.1 On December 18, 2023, pursuant to the approval of the Board of Directors of the Company, the Company classified a filling machine as 'asset held for sale', as these assets were available for immediate sale in their present condition and their sale was highly probable upon completion of necessary documentation. During the current year, in January 2024, the said asset was sold.

		2024 Rupees	2023 Rupees
30	**REVENUE FROM CONTRACTS WITH CUSTOMERS – NET**		
	Gross revenue	27,966,117,808	21,309,182,690
	Less: Sales tax	(2,593,138,683)	(833,549,793)
	Discounts, incentives and allowances	(1,971,298,840)	(1,105,090,605)
		(4,564,437,523)	(1,938,640,398)
		23,401,680,285	19,370,542,292

30.1 Disaggregation of revenue

The Company's gross revenue disaggregated by major product lines is as follows:

	2024 Rupees	2023 Rupees
Product Sales		
Dairy	25,863,109,265	21,204,277,781
Cereals	2,039,896,416	–
Pasta	39,294,201	–
	27,942,299,882	21,204,277,781
Services		
Tolling services	23,817,926	104,904,909
	27,966,117,808	21,309,182,690

30.2 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.

30.3 The Company mostly receives consideration from its customers in advance. In other case, credit term of 7 to 30 days is allowed.

		Note	2024 Rupees	2023 Rupees
30.4	**Customer balances**			
	Trade receivables from contract with customers	23	1,785,932,226	497,680,233
	Contract liabilities	13	299,249,089	133,178,553

		Note	2024 Rupees	2023 Rupees
31	**COST OF REVENUE**			
	Raw materials consumed	31.2	13,076,579,323	12,200,438,326
	Salaries, wages and other benefits	31.3	795,992,563	544,997,869
	Freight and forwarding		526,976,031	304,684,959
	Power and fuel		652,250,040	541,047,444
	Packing materials consumed	31.1	3,187,986,202	2,533,183,580
	Stores and spares consumed		164,657,240	143,344,845
	Repair and maintenance		336,516,671	181,195,604
	Depreciation	17.1.1	535,525,018	511,132,496
	Rent, rates and taxes		602,973	266,588
	Travelling and conveyance		18,537,273	16,749,095
	Communication, establishment & others		7,462,540	632,634
	Printing and stationery		3,071,921	2,231,999
	Legal and professional charges		5,743,271	5,462,353
	Insurance		8,880,820	7,269,320
	Others		23,052,541	5,153,112
			19,343,834,427	16,997,790,224
	Adjustment of work–in–process			
	Opening stock		84,444,173	157,048,335
	Stock transferred from Fauji Cereals		3,931,653	–
	Closing stock	22	(58,355,602)	(84,444,173)
			30,020,224	72,604,162
	Cost of goods manufactured		19,373,854,651	17,070,394,386
	Adjustment of finished goods			
	Opening stock		787,441,689	543,764,411
	Stock transferred from Fauji Cereals		77,135,000	–
	Closing stock	22	(557,430,540)	(787,441,689)
			307,146,149	(243,677,278)
			19,681,000,800	16,826,717,108

31.1 It includes late payment surcharge on payments over credit term amounting to Rs. 5.12 million (2023: Nil).

31.2 It includes toll manufacturing expenses charged by subsidiary Company during the year amounting to Rs. 5.56 million (2023: Nil).

31.3 Salaries, wages and other benefits include following in respect of employee benefits:

	2024 Rupees	2023 Rupees
Provident fund	13,735,216	11,365,760
Long term accumulated compensated absences	11,080,005	3,585,600
Gratuity	10,710,226	8,629,216
	35,525,447	23,580,576

		Note	2024	2023
			Rupees	Rupees
32	**MARKETING AND DISTRIBUTION EXPENSES**			
	Freight and forwarding		172,654,430	188,415,659
	Salaries, wages and other benefits	32.1	517,016,109	413,446,183
	Repair and maintenance		10,351,394	9,075,931
	Rent, rates and taxes		8,412,877	7,952,855
	Travelling and conveyance		25,342,618	11,667,622
	Vehicles' running and maintenance		101,233,442	84,316,132
	Advertisement and sales promotion		811,106,860	571,515,052
	Insurance		1,272,842	111,855
	Depreciation on property, plant and equipment	17.1.1	39,420,971	15,853,275
	Amortization of intangible assets	18.1.1	658,999	658,999
	Communication, establishment and others		23,058,764	20,468,583
			1,710,529,306	1,323,482,146

32.1 Salaries, wages and other benefits include following in respect of employee benefits:

	Note	2024	2023
		Rupees	Rupees
Provident fund		13,317,005	11,248,580
Long term accumulated compensated absences		11,080,006	3,585,600
Gratuity		10,710,225	8,629,216
		35,107,236	23,463,396

		Note	2024	2023
33	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and other benefits	33.1	510,647,534	395,645,296
	Travelling and conveyance		22,503,065	9,137,068
	Directors' meeting fee	40	18,475,000	12,530,000
	Rent, rates and taxes		29,858,911	3,119,015
	Entertainment		10,647,207	5,162,575
	Communication and establishment		28,621,562	19,820,010
	Printing and stationery		8,537,418	12,737,975
	Electricity, gas and water		18,291,866	16,546,710
	Insurance		1,446,165	1,133,642
	Repair and maintenance		26,925,007	15,373,661
	Vehicles' running and maintenance		45,343,844	35,471,246
	Subscription		56,426,895	31,766,872
	Legal and professional charges		75,374,863	75,489,340
	Auditors' remuneration	33.2	5,310,000	3,200,000
	Cash security charges		8,011,796	12,071,396
	Depreciation on property, plant and equipment	17.1.1	62,192,797	65,950,271
	Amortization of intangible assets	18.1.1	1,484,333	778,010
	Others		7,710,311	6,396,122
			937,808,574	722,329,209

33.1 Salaries, wages and other benefits include following in respect of employee benefits:

		2024	2023
		Rupees	Rupees
	Provident fund	10,739,762	8,970,085
	Long term accumulated compensated absences	5,540,021	1,792,800
	Gratuity	5,355,108	4,314,608
		21,634,891	15,077,493
33.2	**Auditors' remuneration**		
	Audit Services		
	Statutory audit fee	3,070,000	1,900,000
	Half yearly review	1,030,000	450,000
	Certification charges	800,000	500,000
	Out–of–pocket expenses	410,000	350,000
		5,310,000	3,200,000

33.2.1 The external auditors also performed a special purpose audit for a fee of Rs. 3.07 million with respect to the evaluation of the potential amalgamation of Fauji Fertilizer Bin Qasim Limited with and into Fauji Fertilizer Company Limited by way of a scheme of arrangement. The expense has been borne by Fauji Fertilizer Bin Qasim Limited.

	2024	2023
	Rupees	Rupees
Non–Audit Services		
ERP services	5,346,000	–

The aforementioned ERP services have been capitalized as part of cost of intangible assets.

		Note	2024	2023
			Rupees	Rupees
34	**OTHER INCOME**			
	Income from financial assets – non–Shariah compliant			
	Profit on Term Deposit Receipts (TDRs)		367,171,970	139,972,886
	Profit on saving accounts		137,142,744	79,049,367
	Income from loan to subsidiary company		3,657,638	–
			507,972,352	219,022,253
	Income from non–financial assets – Shariah compliant			
	Sale of scrap		35,532,915	10,718,427
	Net income from sale of fertilizers and helicaps		2,581,107	2,375,195
	Gain on disposal of property, plant and equipment – net	17.1.5	2,648,319	6,359,146
			40,762,341	19,452,768
			548,734,693	238,475,021

		Note	2024	2023
			Rupees	Rupees
35	**OTHER EXPENSES**			
	Exchange loss – net		1,073,205	3,498,595
	Provision for tax refundable balances		12,843,244	–
	Write off – tax refundable balances		73,319,915	–
	Write off – stock–in–trade		72,021,304	–
	Write off – obsolete stores		12,030,195	–
	Impairment charge on operating fixed assets	17.1	55,000,000	–
	Advances to supplier written off	17.2 & 24.3	15,948,501	10,217,400
	Allowance for expected credit loss on			
	security deposits	25.1	–	11,770,486
	Workers' Profit Participation Fund		66,168,358	14,679,298
	Impairment loss on asset held for sale		–	1,759,613
	Workers' Welfare Fund		25,143,976	5,655,807
	Others		3,330,746	1,964,206
			336,879,444	49,545,405
36	**FINANCE COST**			
	Interest / mark–up on interest / mark–up			
	based loans			
	– Long term loans		–	244,735,614
	– Short term borrowings		2,738,383	58,277,303
	– Lease liabilities		24,292,948	11,594,897
	Bank charges and commission		7,903,598	9,184,782
			34,934,929	323,792,596
37	**LEVY**			
	Levy – final tax		2,626,551	–
	Super tax on levy – final tax		905,707	–
	Levy – minimum tax		98,779,888	218,196,002
			102,312,146	218,196,002
38	**INCOME TAX**			
	– Charge for the year		323,546,409	46,452,644
	– Adjustments in respect of current income			
	tax of previous years		89,059,457	(411,374)
	Deferred tax:			
	– Relating to origination and reversal of			
	temporary differences		–	(596,098,084)
			412,605,866	(550,056,814)

		2024	2023
		Rupees	Rupees
38.1	**Tax charge reconciliation:**		
	Profit before levy and income tax	1,232,054,828	273,250,849
	Tax expense on accounting profit (29% as per Income Tax Ordinance)	357,295,900	79,242,746
	Tax effect of:		
	Change in expected tax rate	–	240,773,196
	Business losses adjusted during the year	(336,128,066)	(80,338,128)
	Effect of super tax – excluding levy	114,097,087	8,310,841
	Prior year tax charge	89,059,457	–
	Difference in tax rate of income	–	(12,749,473)
	Income chargeable under levy	102,312,146	218,196,002
	Minimum tax credit not recognized – excluding levy	209,449,322	(23,674,097)
	Recognition of previously unrecognised business losses	–	(625,816,265)
	Recognition of previously unrecognised depreciation losses	–	(196,642,302)
	Others	(21,167,834)	60,836,668
	Effective tax (including income tax and levy)	514,918,012	(331,860,812)

38.2 Reconciliation between current tax and levy

Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in profit and loss accounts as follows:

		2024	2023
		Rupees	Rupees
Current tax liability for the year as per applicable laws		514,918,012	(331,860,812)
Less:			
Portion of current tax liability as per tax laws, representing income tax under IAS 12		412,605,866	(550,056,814)
Portion of current tax computed as per current tax Laws representing levy in terms of requirements of IAS 37/ IFRIC 21		102,312,146	218,196,002
		–	–
39 EARNING PER SHARE – BASIC AND DILUTED			
Profit for the year	Rupees	717,136,816	605,111,661
Weighted average number of ordinary shares in issue during the year	Number	2,519,963,139	2,330,224,102
Earning per share – basic and diluted	Rupees	0.28	0.26

40 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to Chief Executive, directors and executives of the Company is as follows:

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	Rupees					
Managerial remuneration	30,797,424	22,529,026	–	–	186,737,902	129,557,414
Meeting fee	–	–	18,475,000	12,530,000	–	–
Provident fund	3,079,740	2,299,353	–	–	18,673,7901	2,955,741
House rent	13,858,836	10,138,071	–	–	168,064,112	116,601,672
Utilities	3,079,740	2,252,901	–	–	18,673,790	12,955,741
Relocation allowance	–	–	–	–	4,150,643	1,898,750
* Bonus	25,668,000	18,000,000	–	–	92,784,297*	113,738,512
Car Allowances	–	–	–	–	89,689,129	40,505,000
Reimbursement of expenses	3,600,000	4,320,000	–	–	3,493,231	5,355,820
	80,083,740	59,539,351	18,475,000	12,530,000	582,266,894	433,568,650
Number of persons	1	1	9	9	70	54

* These represent provision for bonus expense which is subject to annual performance appraisal.

40.1 The Company also provides Chief Executive and some of its executives with company maintained cars in accordance with the Company's policy.

40.2 This includes the meeting fees paid to one executive director amounting to Rs. 130,000 (2023: nil).

	Factory employees		Total employees	
	2024	2023	2024	2023
	(Number of persons)		(Number of persons)	
41 NUMBER OF EMPLOYEES				
Total number of employees at year end	266	237	443	415
Average number of employees during the year	262	232	437	404

	Capacity		Production	
	2024	2023	2024	2023
42 CAPACITY AND PRODUCTION				
Liquid products – liters	221,312,000	210,410,750	67,224,579	58,527,307
Non – Liquid products – Kg	7,156,800	7,156,800	2,828,401	3,454,028

The actual production is according to market demand.

43 RELATED PARTY TRANSACTIONS

Related parties comprise of Parent Company, subsidiaries and associates of Ultimate Parent Company, directors, entities with common directorship, post employment plans and key management personnel. Relevant balances are disclosed elsewhere in these financial statements. 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	2024	2023
			Rupees	Rupees
Fauji Fertilizer Bin Qasim Limited (now Fauji Fertilizer Company Limited)	Parent Company (Shareholding and common directorship)	Finance cost charged	–	2,712,329
		Professional fee charged by related party	22,000	–
		TA/DA, repair and maintenance and rent expense charged by related party	–	217,228
		Expense of IT facilities charged by related party	21,736,869	19,970,258
		Miscellaneous expense charged to related party by Company	–	47,334
		Expense charged to related party for special purpose audit	5,231,380	–
		Conversion of loan as subscription received against right issue and share issuance against accrued markup	–	708,749,800
		Purchase of Fertilizer	–	16,275,089
Fauji Fertilizer Company Limited	Parent Company (Shareholding and common directorship)	Purchase of Fertilizer	105,376,039	13,726,860
Fauji Foundation	Ultimate Parent Company (Shareholding and common directorship)	Management shared services charged by related party	3,914,917	5,728,947
		Director training fee charged by related party	403,125	–
		Advance leadership program expense charge by related party	5,880,000	–
		Consultancy expense for acquisition transactions charge by related party	7,369,941	–
		Miscellaneous expense charged to related party by Company	1,002,007	7,957,608
		Lease liability expense against right–of–use of asset	14,784,000	–
		Share deposit money received	–	350,000,000
		Consultancy fee charged by related party	–	1,302,265
		Finance cost charged	–	4,232,877

Name of related party	Relationship	Nature of transactions	2024	2023
			Rupees	Rupees
Fauji Fresh n Freeze Limited	Associated Undertaking (Common directorship)	Sale of cheese to related party	18,648,000	–
		Shared office cost charged to related party	7,220,246	–
Foundation Gas	Associated Undertaking (Common directorship)	Purchase of LPG	21,085,625	–
Fauji Infraavest Foods Limited	Wholly owned Subsidiary (100% Ownership)	Raw materials transferred to related party	2,670,501	–
		Lease payment to related party	19,200,000	–
		Purchase of dies machine for related party	10,655,490	–
		Tolling Expense cahrged by related party	6,559,365	–
		Interest income charged to related party	3,657,638	–
		Miscellaneous payment disbursement charged to related party	58,699,028	–
FFBL Power Company Limited	Associated Undertaking (Shareholding and common directorship)	Shares issuance	–	4,000,000,000
FFC Energy Limited	Associated Undertaking (Shareholding and common directorship)	Shares issuance	–	4,650,000,000
		Fair valuation of intangibles consultancy fee charged to related party	2,676,100	–
Foundation Solar Energy (Private) Limited	Associated Undertaking (Common directorship)	Purchase of solar panel	–	125,714,295
Askari Bank Limited	Associated Undertaking (Common directorship)	Finance cost on lease charged by related party	5,601,412	23,528,808
		Interest income on saving accounts	130,286,930	75,484,150
		Interest income on TDRs	319,008,170	139,972,886
Employee's Provident Fund Trust	Post employee benefit plan	Contribution for the year	82,553,478	69,266,604
Employee's Gratuity Fund Trust	Post employee benefit plan	Contribution for the year	18,487,242	7,924,431
Directors		Meeting fee	18,475,000	12,530,000
Key Management Personnel		Remuneration and benefits	160,715,542	163,387,857

43.1 Associated Companies / related parties percentage of shareholding has been disclosed in note 4.2.4

44 FINANCIAL RISK MANAGEMENT

44.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, price risk and currency risk), credit risk and liquidity risk. The Company's overall risk management program focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders. Risk management is carried out by the Company finance and planning department under policies approved by the senior management.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company's exposure to financial risk, the way these risks affects the financial position and performance and the manner in which such risks are managed are explained in the given notes.

44.2 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board. The Company is exposed to currency and interest rate risk only.

44.2.1 Foreign currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. This exist due to the Company's exposure resulting from outstanding import payments and foreign commercial transactions.

The Company is exposed to exchange risk arising from currency exposures mainly with respect to the Euro and US Dollar on import of raw material, packing material and stores and spares. Currently, the Company's foreign exchange risk exposure is restricted to the amounts payable to the foreign entities. The Company's is exposed to foreign exchange risk as at December 31, 2024, as it has financial instruments denominated in currency other than the functional currency of the Company.

A foreign exchange risk management policy has been developed and approved by the management. The policy allows the Company to take currency exposure for limited periods within predefined limits while open exposures are rigorously monitored. The Company ensures to the extent possible that it has options available to manage exposure, either through forward contracts, options or prepayments, etc. subject to the prevailing foreign exchange regulations.

The Company's exposure to foreign currency risk is as follows:

	2024			
	Euro	Rupees	Dollar	Rupees
Creditors	10,831	3,119,545	306,176	85,591,501

	2023			
	Euro	Rupees	Dollar	Rupees
Creditors	70,156	21,854,296	–	–

The following significant exchange rate applied during the year:

	Average rates		Reporting date rate (Bid-Offer average)	
	2024	2023	2024	2023
Euro	299.77	276.35	288.02	311.51
Dollar	280.65	254.05	279.55	281.74

Sensitivity analysis

A 15% strengthening of the functional currency against foreign currency at December 31, 2024, would have increased profit by Rs. 13.31 million (2023: Rs. 3.28 million). A 15% weakening of the functional currency against USD at December 31, 2024, would have had the equal but opposite effect of these amounts. The analysis assumes that all other variables remain constant.

44.2.2 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting all similar financial instruments traded in the market. As at December 31, 2024, the Company is not exposed to any significant other price risk as it has no such financial instruments.

44.2.3 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's interest rate risk arise from short and long–term borrowings and obligations under finance lease. As at December 31, 2024, the company is exposed to interest rate risk only due to obligation under finance lease as the Company has repaid all of its short and long term borrowings. Sensitivity to interest rate risk arises from mismatch of financial assets and liabilities that mature or reprice in a given period. The Company analyses its interest rate exposure on a regular basis by monitoring interest rate trends to determine whether they should enter into hedging alternatives.

At the year end, the interest rate profile of the Company's interest bearing financial instruments is as follows:

	2024	2023	2024	2023
	Effective rate		Rupees	Rupees
Financial assets				
Fixed rate instruments				
Saving accounts	13.50% to 20.50%	14.50% to 20.50%	163,537,455	272,569,266
Term Deposit Receipts	16.20% to 22.50%	17.00% to 22.50%	2,700,000,000	1,000,000,000
Total exposure			2,863,537,455	1,272,569,266
Variable rate instruments				
Loan to subsidiary company	13.18% to 22.26%	–	94,235,407	–
Financial liabilities				
Fixed rate instruments				
Lease liabilities	13.59% to 22.71%	8.20% to 13.59%	88,791,035	52,635,293
Variable rate instruments				
Lease liabilities	13.59% to 22.71%	8.20% to 13.59%	82,253,687	52,635,293
			82,253,687	52,635,293

The Company is not exposed to interest rate risk on its fixed rate instruments as the Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

The loans payable to the Ultimate Parent Company as disclosed in note 14 to the financial statements have a grace period mutually extendable before the markup will be charged and accordingly do not carry any interest rate exposure as of the reporting date.

Cash flow sensitivity analysis for variable rate instruments

At December 31, 2024, if interest rate on variable rate financial instruments has been 5% higher / lower with all other variables held constant, profit before tax for the year would have been Rs. 0.59 million (2023: Nil) higher / lower, mainly as a result of higher / lower interest expense on variable rate financial liabilities.

44.3 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to discharge its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits, advances, loans, interest accrued, short term investments, other receivables and from its financing activities including deposits with banks.

44.4 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2024	2023
		Rupees	Rupees
Financial assets at amortized cost			
Security deposits	25	154,101,089	106,180,000
Trade receivables from contract with customers	23	1,785,932,226	497,680,233
Due from employees	24	7,869,938	4,490,093
Other receivables	25	388,293,060	42,994,500
Accrued interest	26	326,698,743	62,215,078
Cash and bank balances	28	304,038,639	300,461,788
Term Deposit Receipts (TDRs)	28	2,700,000,000	1,000,000,000
		5,666,933,695	2,014,021,692

Geographically there is no concentration of credit risk. The maximum exposure to credit risk for trade debts at the reporting date are with dealers within the country.

Counter parties without external credit ratings

Trade receivables from contract with customers

These mainly include customers which are counter parties to trade debts. As explained in note 3.12, the Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts. Trade debts are written off when there is no reasonable expectation of recovery. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage different other forms of credit insurance). The calculation reflects the probability–weighted outcome, the time value of money and reasonable and supportable information that is available at the year end about past events, current conditions and forecasts of future economic conditions. The Company does not hold collateral as security. The aging of trade debts excluding related party balances at the reporting date is as follows:

	2024	2023
	Rupees	Rupees
0–30 days	1,161,599,759	262,974,217
31–60 Days	426,923,700	106,767,313
61–90 Days	151,035,058	36,064,565
Above 90 Days	63,470,359	93,653,691
	1,803,028,876	499,459,786

The aging of trade debts of related party balances at the reporting date is as follows:

	2024	2023
	Rupees	Rupees
0–30 days	–	–
31–60 Days	1,890,000	–
61–90 Days	–	–
Above 90 Days	–	–
	1,890,000	–

Security deposits, other receivables and due from employees

The Company has assessed, based on historical experience and available securities, that the expected credit loss associated with these financial assets is trivial and therefore no impairment charge has been accounted for. The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any default in meeting obligations.

44.5 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers and Utility Companies, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

Counter parties with external credit ratings

These include banking companies and financial institutions, which are counterparties to bank balances, TDRs and interest accrued. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non–performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

	Rating		Rating	2024	2023
Institutions	Short term	Long term	Agency	Rupees	Rupees
Bank balances and TDRs					
National Bank of Pakistan	AAA	A1+	PACRA	129,419	212,507
United Bank Limited	AAA	A–1+	JCR–VIS	–	–
Askari Bank Limited	AA+	A1+	PACRA	2,750,441,878	1,289,789,997
JS Bank Limited	AA	A1+	PACRA	420	1,270
Bank Alfalah Limited	AAA	A1+	PACRA	579	579
MCB Bank Limited	AAA	A1+	PACRA	1,578,073	1,600,858
Habib Bank Limited	AAA	A–1+	JCR–VIS	–	1,474
Habib Metropolitan Bank Limited	AA+	A1+	PACRA	–	–
Faysal Bank Limited	AA	A1+	PACRA	27,608	67,989
Bank Islami Pakistan Limited	AA–	A1	PACRA	–	–
Bank Al–Habib Limited	AAA	A1+	PACRA	7,259	7,665
Soneri Bank Limited	AA–	A1+	PACRA	14,749	8,760,310
Dubai Islamic Bank	AA	A–1+	JCR–VIS	–	–
Bank of Punjab	AA+	A1+	PACRA	251,819,514	–
Al Baraka Bank	A+	A–1	JCR–VIS	19,140	19,140
				3,004,038,639	1,300,461,789
Interest accrued on term deposit receipts (TDRs)					
Askari Bank Limited	AA+	A1+	PACRA	310,871,277	62,215,078
Bank of Punjab	AA+	A1+	PACRA	12,169,828	–
				323,041,105	62,215,078

44.6 Concentration of credit risk

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified and all other transactions are entered into with credit–worthy counterparties there–by mitigating any significant concentrations of credit risk.

44.7 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of adequate credit facilities. The Company finances its operations through equity, borrowings and working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. The Company's finance department aims at maintaining flexibility in funding by keeping regular committed credit lines available. The management uses different methods which assists it in monitoring cash flow requirements and optimizing the return on investments. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains an unavailed lines of credit.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 10 years
	Rupees			
At December 31, 2024				
Lease liabilities	171,044,722	357,129,998	42,900,492	314,229,506
Trade and other payables	2,381,471,330	2,381,471,330	2,381,471,330	–
Accrued finance cost	2,738,384	2,738,384	2,738,384	–
Loans to Ultimate Parent Company	5,908,554,693	5,908,554,693	5,908,554,693	–
	8,463,809,129	8,649,894,405	8,335,664,899	314,229,506

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 10 years
	Rupees			
At December 31, 2023				
Lease liabilities	52,635,293	54,848,284	54,848,284	–
Trade and other payables	1,833,665,548	1,833,665,548	1,833,665,548	–
Accrued finance cost	36,945,209	36,945,209	36,945,209	–
	1,923,246,050	1,925,459,041	1,925,459,041	–

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest / mark–up rates effective at the respective year–ends. The rates of interest / mark–up have been disclosed in the respective notes to these financial statements.

45 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non–financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the unconsolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the unconsolidated financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re–assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

45.1 Fair value hierarchy

		2024	
	Level 1	Level 2	Level 3
		Rupees	
Assets measured at fair value			
Revalued Property plant and equipment			
Freehold land	–	860,737,652	–
Buildings on freehold land	–	–	994,069,505
Plant and machinery (including right of use asset)	–	–	6,013,782,020
Electric and gas installations	–	–	188,441,985
Other works equipment	–	–	176,183,159
	–	860,737,652	7,372,476,669

	Level 1	2023 Level 2	Level 3
		Rupees	
Assets measured at fair value			
Revalued Property plant and equipment			
Freehold land	–	781,625,000	–
Buildings on freehold land	–	–	1,042,856,420
Plant and machinery (including right of use asset)	–	–	6,156,619,297
Electric and gas installations	–	–	174,781,055
Other works equipment	–	–	160,924,774
	–	781,625,000	7,535,181,546

Movements of the above mentioned assets and surplus on revaluation of these assets have been disclosed in note 17.1 and note 7, respectively to these financial statements. There were no transfers between levels 1, 2 and 3 during the year and there were no changes in valuation techniques during the years.

45.2 Valuation techniques used to derive level 2 and level 3 fair values

The Company obtains independent valuations for its certain classes of property, plant and equipment (more particularly described below) at least every three years. At the end of each reporting year, the management updates its assessment of the fair value of each asset mentioned above, taking into account the most recent independent valuation. The management determines an asset's value within a range of reasonable fair value estimates. Level 2 fair value of land has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price per square foot. Level 3 fair value of building on freehold land has been determined using a depreciated replacement cost approach, whereby, current cost of construction of a similar building in a similar location has been adjusted using a suitable depreciation rate to arrive at present market value. Level 3 fair value of plant and machinery, electric and gas installations and other work equipments has been determined using a depreciated replacement cost approach, whereby, the current replacement cost of items of similar make/origin, capacity and level of technology has been adjusted using a suitable depreciation rate on account of normal wear and tear.

Description	2024 Rupees	2023 Rupees	Significant unobservable inputs	Quantitative data / range and relationship to the fair value
Revalued Property plant and equipment				
Buildings on freehold land	994,069,505	1,042,856,420	Cost of construction of a new similar building. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using a suitable depreciation factor on cost of constructing a similar new building. Higher, the estimated cost of construction of a new building, higher the fair value. Further, higher the depreciation rate, the lower the fair value of the building.

Description	2024 Rupees	2023 Rupees	Significant unobservable inputs	Quantitative data / range and relationship to the fair value
Plant and machinery	6,013,782,020	6,156,619,297	Cost of acquisition of similar plant and machinery with similar level o technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using cost of acquisition of similar plant and machinery with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of plant and machinery. The higher the cost of acquisition of similar plant and machinery, higher the fair value of plant and machinery. Further, higher the depreciation rate, the lower the fair value of plant and machinery.
Electric and gas installations	188,441,985	174,781,055	Cost of acquisition of similar electric installations with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using cost of acquisition of similar electric installations with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of electric installations. The higher the cost of acquisition of similar electric installations, higher the fair value of tools and equipment. Further, higher the depreciation rate, the lower the fair value of electric installations.
Other works equipment	176,183,159	160,924,774	Cost of acquisition of similar electric installations with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using cost of acquisition of similar equipments with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of electric installations. The higher the cost of acquisition of similar works equipments, higher the fair value of tools and equipment. Further, higher the depreciation rate, the lower the fair value of other works equipments.

45.3 Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities. Fair value of the financial assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The Company's financial assets consist of loans and advances, short term deposits and investments, interest accrued, trade and other receivables and cash and bank balances. Its financial liabilities consist of lease liabilities, short term borrowings, trade and other payables (excluding statutory payables), and accrued finance cost. The above financial assets and liabilities approximate their carrying amounts largely due to the short–term maturities of these instruments. The management assessed that fair value of loans and advances, short term deposits and investments, interest accrued, trade and other receivables, cash and bank balances, trade and other payables and accrued finance cost approximate their carrying amounts largely due to the short–term maturities of these instruments.

46 Capital risk management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed.

The Company's objectives when managing capital are:

(i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, arrange new lines of credit or sell assets to reduce debt.

Neither there were any changes in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital employed. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables and accrued markup.

	Note	2024	2023
		Rupees	Rupees
Gearing ratio			
Long term loans – secured	8	–	–
Lease liabilities	9	171,044,722	52,635,293
Trade and other payables	13	2,824,582,548	2,013,980,303
Loans payable to Ultimate Parent Company	14	5,908,554,693	–
Accrued finance cost	15	2,738,384	36,945,209
		8,906,920,347	2,103,560,805
Less: Cash and cash equivalents	28	(3,004,097,034)	(1,300,840,028)
Net debt	A	5,902,823,313	802,720,777
Total equity		9,575,594,496	14,055,427,060
Equity and net debt	B	15,478,417,809	14,858,147,837
Gearing ratio	C = A/B	38%	5%

47 FINANCIAL INSTRUMENTS BY CATEGORIES

	Note	2024	2023
At amortized costs			
Financial assets			
Security deposits	25	154,101,089	106,180,000
Trade receivables from contract with customers	23	1,785,932,226	497,680,233
Due from employees	24	7,869,938	4,490,093
Other receivables	25	388,293,060	42,994,500
Accrued interest	26	326,698,743	62,215,078
Cash and bank balances	28	304,097,034	300,840,028
Term Deposit Receipts (TDRs)	28	2,700,000,000	1,000,000,000
		5,666,992,090	2,014,399,932
Financial liabilities			
Loans payable to Ultimate Parent Company	14	5,908,554,693	–
Trade and other payables	13	2,381,471,330	1,833,665,548
Accrued finance cost	15	2,738,384	36,945,209
Lease liabilities	9	171,044,722	52,635,293
		8,463,809,129	1,923,246,050

48 RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	2024							
	Liabilities					Equity		Total
	Long term loans	Payable to ultimate parent company	Accrued finance cost	Lease liabilities	Unclaimed dividend	Share deposit money	Share capital / share premium	
	Rupees							
Balance as at January 1, 2024	–	–	36,945,209	52,635,293	965,752	2,350,000,001	27,000,713,693	29,441,259,948
Cash flows								
Repayment of lease rentals	–	–	–	(69,639,696)	–	–	–	(69,639,696)
Finance cost paid	–	–	(69,141,754)	–	–	–	–	(69,141,754)
Total changes from financing cash flows	–	–	(69,141,754)	(69,639,696)	–	–	–	(138,781,450)
Other changes including non–cash								
Reclassification of share deposit money to loan	–	5,908,554,693	–	–	–	(2,350,000,001)	–	3,558,554,692
Finance cost	–	–	34,934,929	–	–	–	–	34,934,929
Assets acquired on lease	–	–	–	188,049,125	–	–	–	188,049,125
Total liability related other changes	–	5,908,554,693	34,934,929	188,049,125	–	(2,350,000,001)	–	3,781,538,746
Closing as at December 31, 2024	–	5,908,554,693	2,738,384	171,044,722	965,752	–	27,000,713,693	33,084,017,244

	2023							
	Liabilities					Equity		Total
	Long term loans	Short term borrowings	Accrued finance cost	Lease liabilities	Unclaimed dividend	Share deposit money	Share capital / share premium	
	Rupees							
Balance as at January 1, 2023	5,988,149,277	1,705,540,931	402,289,522	127,015,862	965,752	2,708,749,801	17,676,029,743	28,608,740,888
Cash flows								
Receipts against issuance of shares	–	–	–	–	–	–	8,650,000,000	8,650,000,000
Receipt of share deposit money	–	–	–	–	–	350,000,000	–	350,000,000
Repayment of long term loans	(5,988,149,277)	–	–	–	–	–	–	(5,988,149,277)
Repayment of lease rentals	–	–	–	(74,380,569)	–	–	–	(74,380,569)
Finance cost paid	–	–	(689,136,909)	–	–	–	–	(689,136,909)
Share issuance cost adjusted against share premium	–	–	–	–	–	–	(34,065,850)	(34,065,850)
Total changes from financing cash flows	(5,988,149,277)	–	(689,136,909)	(74,380,569)	–	350,000,000	8,615,934,150	2,214,267,395
Other changes including non–cash								
Changes in running finance	–	(1,705,540,931)	–	–	–	–	–	(1,705,540,931)
Finance cost	–	–	323,792,596	–	–	–	–	323,792,596
Share Issuance	–	–	–	–	–	(708,749,800)	708,749,800	–
Total liability related other changes	–	(1,705,540,931)	323,792,596	–	–	(708,749,800)	708,749,800	(1,381,748,335)
Closing as at December 31, 2023	–	–	36,945,209	52,635,293	965,752	2,350,000,001	27,000,713,693	29,441,259,948

49 DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON–PERMISSIBLE BUSINESS ACTIVITIES

Following information has been disclosed as required under Part 1 Clause VII of the Fourth Schedule to the Companies Act, 2017 as amended via S. R. O.1278(I)/2024 dated August 15, 2024:

Description	Explanation	Note	2024	2023
			Rupees	Rupees
Unconsolidated Statement of Financial Position				
Accrued finance cost	Accrued on conventional loans	15	2,738,384	36,945,209
Long term investment	Investment made under shariah permissible arrangement	19	210,000,000	–
Unconsolidated Statement of Profit or Loss				
Revenue earned for the year	Earned from shariah compliant business	30	23,401,680,285	19,370,542,292
Late payments for the year	Delay payment surcharge on payments over credit term	31	5,124,896	–
Source and detailed break up of other income				
Other income earned from non–financial assets (Shariah compliant) for the year	Earned from Shariah compliant transactions	34	40,762,341	19,452,768
Other income earned from financial assets (non–Shariah compliant) for the year	Earned from non–Shariah compliant transactions	34	507,972,352	219,022,253

50 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. During the year the following major reclassifications were made:

Reclassified from	Note	Reclassified to	Note	
				Rupees
Deposits, prepayments and other receivables	25	**Loans and advances**	24	
Deposit to collector of customs		Deposit to collector of customs		7,509,549

Reclassified from	Note	Reclassified to	Note	Rupees
Advance against letter of credit		Advance against letter of credit		68,742,721
Advance against bank guarantee		Advance against bank guarantee		5,094,228
Cost of revenue	31	**Cost of revenue**	31	
Freight and forwarding		Salaries, wages and other benefits		55,282,431
Repair and maintenance		Salaries, wages and other benefits		146,822,027
Other expenses	35	**Revenue from contracts with customers – net**	30	
Provision for sales tax on sale of tea whitener		Sales tax		438,493,470
Deposits, prepayments and other receivables	25	**Deposits, prepayments and other receivables**	25	
Current portion of security deposit		Non–Current portion of security deposit		6,000,000
Current portion of Bank guarantee		Non–Current portion of security deposit		16,800,000
Other expenses	35	**Net impairment loss on financial assets**	23	
Allowance for expected credit loss		Net impairment loss on financial assets		89,900,000

51 DATE OF AUTHORIZATION OF ISSUE

These financial statements have been authorized for issue by the Board of Directors of the Company on January 28, 2025.

Chairman **Chief Executive Officer** **Director** **Chief Financial Officer**

CONSOLIDATED FINANCIAL STATEMENTS

GROUP INFORMATION

Holding Company

Fauji Foods Limited

Subsidiary Company

Fauji Infraavest Foods Limited

Fauji Infraavest Foods Limited (FIFL) is engaged in the manufacturing of macaroni and other farinaceous products. The company was a wholly owned subsidiary of Fauji Foundation (FF) and commenced its commercial production on November 1, 2016. Its production facility is located at Dhamial Road, Rawalpindi.

On February 19, 2024, a Share Purchase Agreement was executed between Fauji Foundation (FF) as the seller and Fauji Foods Limited (FFL) as the buyer, resulting in FFL acquiring 100% ownership of FIFL. Following the acquisition, FIFL resumed its operations in November 2024.

The management of FFL anticipates that the future operations of FIFL will be smooth and profitable. Furthermore, the external auditors of FIFL have issued an unmodified opinion on the financial statements for the period from February 20 to December 31, 2024, confirming that the financial statements present a true and fair view of the company's financial position.

Composition of the Board

For the period from January 20 to December 31, 2024, the Board of Directors for FIFL were:

- Mr Waqar Ahmed Malik
- Mr Aziz Ikram
- Syed Bakhtiyar Kazmi
- Mr Muhammad Iqbal Mir
- Mr Tassawor Ishaque
- Mr Nadeem Inayat
- Mr Khurram Shahzad Khan

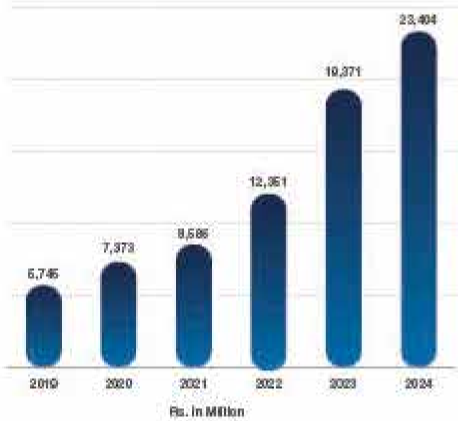
FINANCIAL PERFORMANCE

		Annual					
		2024	2023	2022	2021	2020	2019
Production							
Liquid Production - litres ('000)		67,225	58,527	59,041	57,078	61,144	60,874
Non - Liquid Products - Kgs ('000)		2,828	3,454	2,791	2,830	1,940	1,651
Financial Performance - Profitability							
Gross profit margin	%	15.7	13.1	7.8	10.7	0.8	(11.8)
EBITDA margin to revenue	%	7.3	5.6	(2.6)	(0.2)	(5.8)	(28.5)
Pre tax margin	%	5.0	1.4	(16.3)	(17.9)	(41.3)	(74.0)
Net profit margin	%	2.8	3.1	(17.6)	(14.6)	(41.5)	(100.8)
Return on equity	%	6.9	4.3	(53.6)	(35.5)	76.7	157.4
Return on capital employed	%	6.7	4.3	(22.6)	(12.9)	(127.8)	908.4
Operating Performance / Liquidity							
Total assets turnover	Times	1.3	1.2	0.9	0.6	0.6	0.5
Fixed assets turnover	Times	2.5	2.1	1.5	1.0	1.0	0.7
Debtors turnover	Days	18	10	17	19	13	10
Inventory turnover	Days	38	37	31	30	50	80
Creditors turnover	Days	25	21	25	25	39	62
Operating cycle	Days	31	25	23	24	24	28
Return on assets	%	3.5	3.7	(15.4)	(8.8)	(26.1)	(47.6)
Current ratio		1.0	3.4	1.3	1.3	0.4	0.3
Quick / Acid test ratio		0.8	2.3	1.0	1.1	0.4	0.2
Capital Market / Capital Structure Analysis							
Market value per share							
- Year end	Rs.	17.9	11.1	4.7	9.2	17.4	14.5
Breakup value / share	Rs.	3.8	5.6	2.6	2.2	(5.0)	(7.0)
Earning per share (pre tax)	Rs.	0.5	0.1	(1.3)	(1.0)	(3.9)	(8.0)
Earning per share (after tax)	Rs.	0.3	0.3	(1.4)	(0.8)	(3.9)	(11.0)
Earnings growth	%	0.3%	119.0%	(73.1%)	79.8%	64.2%	(103.2%)
Price earning ratio		68.8	42.9	(3.4)	(11.6)	(4.4)	(1.3)
Market price to breakup value		4.7	2.0	1.8	4.1	(3.5)	(2.1)
Debt : Equity		0.7	0.0	1.9	2.3	(3.6)	(3.8)

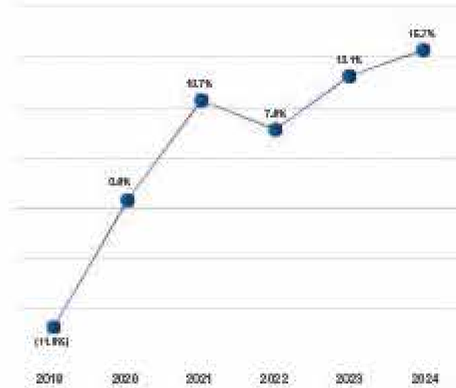
		Annual					
		2024	2023	2022	2021	2020	2019
Financial Position							
Share capital	Rs. (000)	25,199,631	25,199,631	15,840,882	15,840,882	8,032,936	5,284,072
Reserves	Rs. (000)	(17,931,988)	(13,590,766)	(13,925,332)	(14,541,006)	(13,265,668)	(10,271,276)
Revaluation surplus	Rs. (000)	2,247,212	2,446,561	2,131,899	2,225,644	1,243,724	1,309,418
Share holder's fund / Equity	Rs. (000)	9,514,855	14,055,427	4,047,449	3,525,519	(3,989,009)	(3,677,786)
Long term borrowings	Rs. (000)	224,554	–	5,536,164	6,117,338	6,304,524	2,963,889
Capital employed	Rs. (000)	9,851,272	14,105,782	9,614,409	9,718,112	2,392,685	(637,262)
Deferred liabilities/(assets)	Rs. (000)	31,998	–	–	–	–	–
Property, plant & equipment	Rs. (000)	9,518,419	9,028,156	8,138,696	8,521,212	7,550,093	8,106,036
Long term assets	Rs. (000)	9,558,165	9,071,160	8,154,165	8,529,390	7,577,052	8,152,036
Net current assets / Working capital	Rs. (000)	293,108	5,034,622	1,460,244	1,188,722	(5,184,367)	(8,789,298)
Liquid funds - net	Rs. (000)	3,008,952	1,300,840	1,145,482	1,873,907	888,888	114,134
Financial Performance							
Revenue	Rs. (000)	23,404,094	19,370,542	12,350,702	8,586,396	7,373,162	5,744,872
Gross profit	Rs. (000)	3,686,052	2,543,825	968,697	922,734	62,262	(678,827)
Operating Profit / (Loss)	Rs. (000)	1,018,204	408,114	(815,763)	(457,148)	(1,147,313)	(2,434,379)
Profit / (Loss) before tax	Rs. (000)	1,172,773	273,251	(2,009,458)	(1,536,489)	(3,043,795)	(4,253,029)
Profit / (Loss) after tax	Rs. (000)	656,398	605,112	(2,168,511)	(1,252,942)	(3,058,112)	(5,788,937)
EBITDA	Rs. (000)	1,702,917	1,092,387	(318,248)	(19,931)	(428,346)	(1,638,713)
Summary of Cash Flows							
Net cash flow from operating activities	Rs. (000)	2,105,630	161,168	(969,895)	(381,083)	(321,559)	(1,960,936)
Net cash flow from investing activities	Rs. (000)	(248,412)	(514,536)	20,163	105,945	(67,252)	(739,335)
Net cash flow from financing activities	Rs. (000)	(155,061)	2,214,267	220,591	1,201,499	4,659,344	2,215,323
Changes in cash & cash equivalents	Rs. (000)	1,702,157	1,860,899	(729,141)	926,361	4,270,533	(484,949)
Cash & cash equivalents - Year end	Rs. (000)	3,008,952	1,300,840	(560,059)	169,083	(757,279)	(5,027,812)

FINANCIAL PERFORMANCE

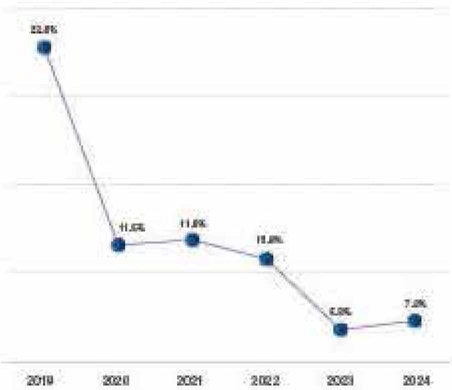
Revenue



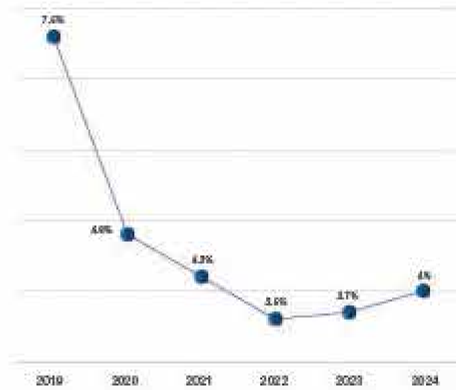
GROSS PROFIT/(LOSS)



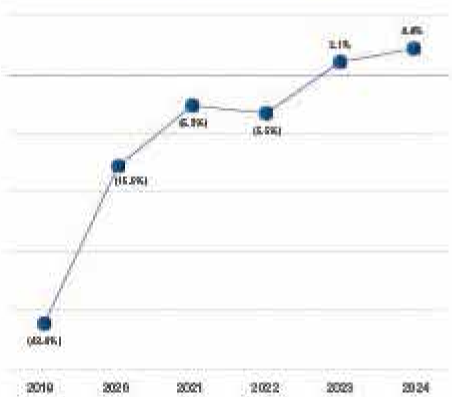
Marketing & Distribution to Revenue



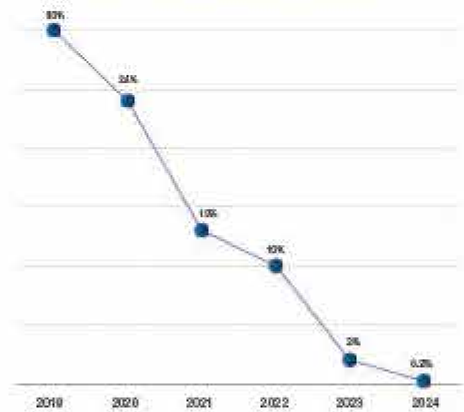
Administrative Expenses to Revenue



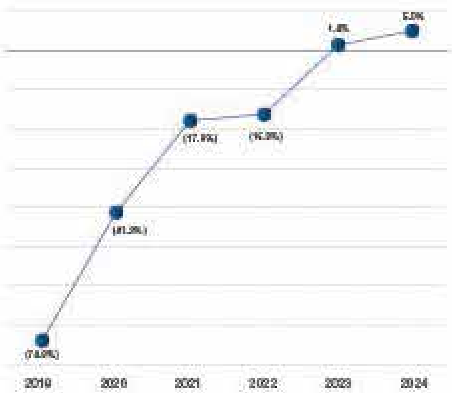
Operating Profit / (Loss)



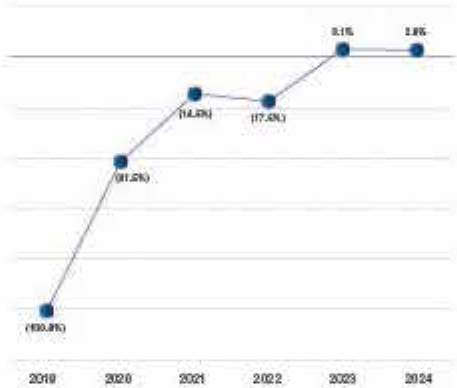
Finance Cost to Revenue



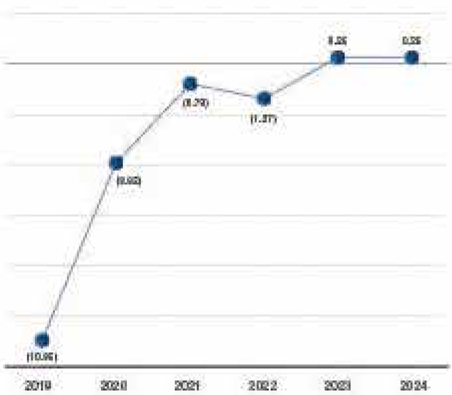
Profit / (Loss) before Tax



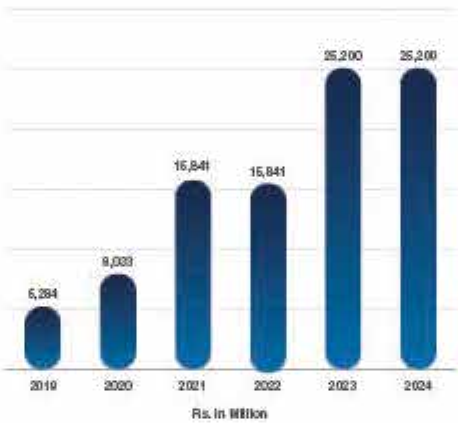
Profit after Tax



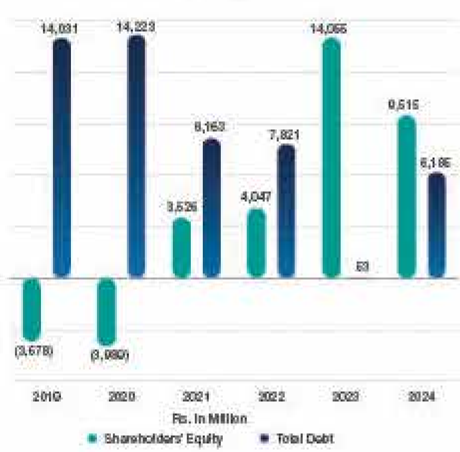
Earning / (Loss) per share



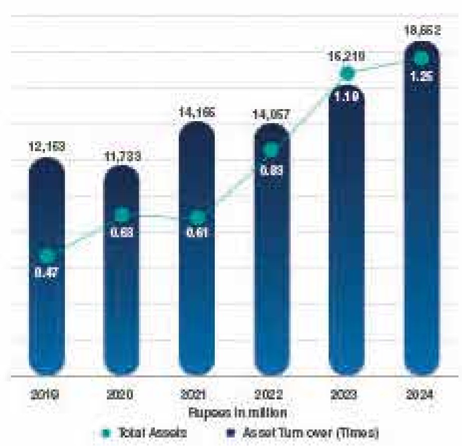
Paid-Up Share Capital



Shareholdrs' Equity & Total Debt



Asset Turnover



INDEPENDENT AUDITOR'S REPORT

To the Members of Fauji Foods Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Fauji Foods Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Sr. #	Key audit matters	How the matter was addressed in our audit
1.	**Revenue from Contracts with Customers** (Refer note 3.17 and 30 to the annexed consolidated financial statements) The Group has recorded total net revenue from contracts with customers amounting to Rs. 23,404 million for the year ended December 31, 2024 as compared to Rs. 19,371 million during the previous year, which represents an increase of approximately 21% as compared to last year. The Group generates revenue from a wide range of products which are sold through different sales channels. The Group also offers various discounts, incentives and allowances from time to time on several product categories for the various types of customers. Due to the above factors, we have identified recognition of revenue as an area of higher risk requiring significant auditor attention. Accordingly, it was considered as a key audit matter.	Our audit procedures in respect of this matter included the following: - Obtained an understanding of the process relating to recording of revenue from contract with customers and testing the design, implementation and operating effectiveness of relevant key internal controls; - Assessed the appropriateness of the Group's revenue accounting policies and compliance of those policies with accounting and reporting standards as applicable in Pakistan; - Understood the nature of various discounts, incentives and allowances offered to variety of customers; - Performed verification of sales, on sample basis, with underlying supporting evidence, such as sales orders, shipping documents and invoices;

Sr. #	Key audit matters	How the matter was addressed in our audit
		- Verified that revenue transactions at the end of the financial year and at the beginning of the new financial year have been recognized in the proper accounting period by comparing revenues close to the reporting date; and - Assessed the relevant disclosures made in the financial statements to determine whether these complied with the accounting and reporting standards as applicable in Pakistan.
2.	**Transfer of Fauji Cereals Business** (Refer note 1.1 and 3.3 to the annexed consolidated financial statements) Pursuant to the approval of Board of Directors dated November 21, 2023 and the Shareholder's approval dated December 28, 2023 and receipt of related regulatory and corporate approvals, the cereals business of Fauji Foundation operating under the brand-name 'Fauji Cereals' having no separate legal identity was transferred on February 19, 2024 to Fauji Foods Limited through a Business Transfer Agreement against a consideration of Rs. 3,348 million payable on demand with an all-time option to convert into the ordinary shares of Fauji Foods Limited to Fauji Foundation. Aforementioned business transfer transaction (the transaction) has been accounted for in the financial statements of the Group using predecessor method of accounting in accordance with the requirements of accounting standard issued by the Institute of Chartered Accountants of Pakistan on "Accounting for Common Control Transactions" as notified by Securities and Exchange Commission of Pakistan under S.R.O. 53 (I)/2022 dated January 12, 2022. We considered business transfer of Fauji Cereals business to the Group to be a key audit matter as this was a significant transaction during the year.	Our audit procedures in respect of this matter included the following: - Inspected minutes of the meeting of the Board of Directors and shareholders of Fauji Foods Limited to verify the approval of the transaction; - Inspecting approvals obtained by Fauji Foods Limited from the relevant authorities in respect of the business transfer; - Reviewed the Business Transfer Agreement to obtain an understanding of the transaction, establish transaction date and other key terms; - Obtained the audited financial statements of Fauji Cereals as of the effective date of the transactions to trace the carrying amounts of assets acquired and liabilities assumed; - Obtained management consultant report for the verification of consideration under the Business Transfer Agreement; - Assessed whether appropriate accounting treatment has been applied to the transaction in the financial statements; and - Assessed the adequacy and appropriateness of the related disclosures in the financial statements as required under the accounting and reporting standards as applicable in Pakistan.

Sr. #	Key audit matters	How the matter was addressed in our audit
3.	**Acquisition of Fauji Infraavest Foods Limited** (Refer note 1.2 and 3.2 to the annexed consolidated financial statements) Pursuant to the approval of Board of Directors dated November 21, 2023 and the Shareholder's approval dated December 28, 2023 and receipt of related regulatory and corporate approvals, Fauji Infraavest Foods Limited (FIFL) a wholly owned subsidiary of Fauji Foundation has been acquired on February 20, 2024 by Fauji Foods Limited through a Share Purchase Agreement against a consideration of Rs. 210 million payable on demand with an all-time option to convert into the ordinary shares of Fauji Foods Limited to Fauji Foundation. At the time of acquisition, the Group has assessed that FIFL does not meet the definition of a business as per International Financial Reporting Standards (IFRS) 3, Business Combinations, and has accordingly accounted for it under asset acquisition method in the Group's consolidated financial statements. We considered acquisition of Fauji Infraavest Foods Limited by the Group to be a key audit matter as this was a significant transaction during the year.	**Our audit procedures in respect of this matter included the following:** - Inspected minutes of the meeting of the Board of Directors and shareholders of Fauji Foods Limited to verify the approval of the transaction; - Inspecting approvals obtained by Fauji Foods Limited from the relevant authorities in respect of the acquisition; - Reviewed the Share Purchase Agreement to obtain an understanding of the transaction, establish transaction date and other key terms; - Traced the carrying amount and fair value of assets acquired and liabilities assumed as of the effective date of acquisition to the relevant supporting documentation; - Assessed whether appropriate accounting treatment has been applied to the transaction in the financial statements; and - Assessed the adequacy and appropriateness of the related disclosures in the financial statements as required under the accounting and reporting standards as applicable in Pakistan.

Information Other than the Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and unconsolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Amer Raza Mir.

A. F. Ferguson & Co.
Chartered Accountants
Lahore
Date: February 25, 2025
UDIN: AR2024101186ZJnjoNKA


SINCE 1966
nurpur
CHOCOLATE
FLAVOURED MILK
180ML
Net Volume

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

	Note	2024 Rupees	2023 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	4	28,000,000,000	28,000,000,000
Issued, subscribed and paid up share capital	4	25,199,631,390	25,199,631,390
Capital reserves			
Share premium	5	1,801,082,303	1,801,082,303
Acquisition reserve	1.1	(2,847,930,692)	–
Share deposit money	6	–	2,350,000,001
Surplus on revaluation of property, plant and equipment – net of tax	7	2,247,212,282	2,446,561,207
Revenue reserve			
Accumulated loss		(16,885,139,792)	(17,741,847,841)
		9,514,855,491	14,055,427,060
Non–current liabilities			
Long term loans – secured	8	–	–
Deferred taxation – net	9	31,998,000	–
Lease liabilities	10	224,554,358	–
Provision for dismantling	11	473,000	–
Employee retirement benefits	12	79,391,513	50,354,814
		336,416,871	50,354,814
Current liabilities			
Current portion of long term liabilities	13	52,078,725	52,635,293
Short term borrowings – secured	14	–	–
Trade and other payables	15	2,835,503,355	2,013,980,303
Loans payable to Ultimate Parent Company	16	5,908,554,693	–
Unclaimed dividend		965,752	965,752
Accrued finance cost	17	4,058,746	36,945,209
		8,801,161,271	2,104,526,557
Contingencies and commitments	18		
		18,652,433,633	16,210,308,431

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Chairman **Chief Executive Officer** **Director** **Chief Financial Officer**

	Note	2024	2023
		Rupees	Rupees
ASSETS			
Non–current assets			
Property, plant and equipment	19	9,518,419,276	9,028,156,064
Intangible assets	20	16,945,566	9,884,767
Security deposits		22,800,000	33,118,982
		9,558,164,842	9,071,159,813
Current assets			
Stores, spares and loose tools	21	261,692,900	265,476,703
Stock–in–trade	22	1,985,383,925	2,131,405,881
Trade receivables from contract with customers	23	1,785,932,226	497,680,233
Loans and advances	24	579,032,098	110,602,692
Deposits, prepayments and other receivables	25	447,901,614	144,814,491
Accrued interest	26	323,041,105	62,215,078
Tax refunds due from Government	27	702,332,889	2,363,458,455
Cash and cash equivalents			
– Cash and bank balances	28	308,952,034	300,840,028
– Short term investments	28	2,700,000,000	1,000,000,000
		9,094,268,791	6,876,493,561
Asset held for sale	29	–	262,655,057
		18,652,433,633	16,210,308,431

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2024

	Note	2024 Rupees	2023 Rupees Restated
Revenue from contracts with customers – net	30	23,404,093,663	19,370,542,292
Cost of revenue	31	(19,718,042,016)	(16,826,717,108)
Gross profit		3,686,051,647	2,543,825,184
Marketing and distribution expenses	32	(1,710,529,306)	(1,323,482,146)
Administrative expenses	33	(940,111,486)	(722,329,209)
Net impairment loss on financial assets	23	(17,207,097)	(89,900,000)
Profit from operations		1,018,203,758	408,113,829
Other income	34	546,055,414	238,475,021
Other expenses	35	(336,879,444)	(49,545,405)
Finance cost	36	(54,606,906)	(323,792,596)
Profit before levy and income tax		1,172,772,822	273,250,849
Levy	37	(102,312,146)	(218,196,002)
Profit before income tax		1,070,460,676	55,054,847
Income tax	38	(414,062,865)	550,056,814
Profit for the year		656,397,811	605,111,661
Earning per share – basic and diluted	39	0.26	0.26

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Chairman | **Chief Executive Officer** | **Director** | **Chief Financial Officer**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2024

	2024 Rupees	2023 Rupees
Profit for the year	656,397,811	605,111,661
Other comprehensive income:		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax)	–	–
Other comprehensive income / (loss) that will not be reclassified to profit or loss in subsequent periods (net of tax):		
Surplus on revaluation of property, plant and equipment – net of tax	–	642,176,043
Remeasurement gain / (loss) on defined benefit plans	961,313	(496,804)
	961,313	641,679,239
Effect of change in tax rate on:		
Revaluation of property, plant and equipment	–	(204,746,802)
Total comprehensive income for the year	657,359,124	1,042,044,098

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Chairman **Chief Executive Officer** **Director** **Chief Financial Officer**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

	Share capital	Capital reserve				Revenue reserve	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, 2023	15,840,881,590	1,835,148,153	2,708,749,801	2,131,898,795	–	(18,469,229,527)	4,047,448,812
Profit after taxation for the year	–	–	–	–	–	605,111,661	605,111,661
Other comprehensive income / (loss) for the year	–	–	–	437,429,241	–	(496,804)	436,932,437
Total comprehensive income for the year	–	–	–	437,429,241	–	604,614,857	1,042,044,098
Transactions with owners in their capacity as owners recognised directly in equity:							
Issue of share capital	9,358,749,800	–	(708,749,800)	–	–	–	8,650,000,000
Share issuance cost	–	(34,065,850)	–	–	–	–	(34,065,850)
Share deposit money received	–	–	350,000,000	–	–	–	350,000,000
	9,358,749,800	(34,065,850)	(358,749,800)	–	–	–	8,965,934,150
Revaluation surplus realized through disposal of operating fixed assets	–	–	–	(19,313,014)	–	19,313,014	–
Incremental depreciation relating to surplus on revaluation – net of tax	–	–	–	(103,453,815)	–	103,453,815	–
Balance as at December 31, 2023	25,199,631,390	1,801,082,303	2,350,000,001	2,446,561,207	–	(17,741,847,841)	14,055,427,060
Balance as at January 1, 2024	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 year	–	–	–	–	–	656,397,811	656,397,811
Other comprehensive income for the year	–	–	–	–	–	961,313	961,313
Total comprehensive income for the year	–	–	–	–	–	657,359,124	657,359,124
Transactions with owners in their capacity as owners recognised directly in equity:							
Acquisition reserve (note 1.1)	–	–	–	–	(2,847,930,692)	–	(2,847,930,692)
Reclassification of share deposit money into loan (note 6)	–	–	(2,350,000,001)	–	–	–	(2,350,000,001)
	–	–	(2,350,000,001)	–	(2,847,930,692)	–	(5,197,930,693)
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	–	–	–	(112,727,748)	–	112,727,748	–
Balance as at December 31, 2024	25,199,631,390	1,801,082,303	–	2,247,212,282	(2,847,930,692)	(16,885,139,792)	9,514,855,491

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Chairman **Chief Executive Officer** **Director** **Chief Financial Officer**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	Note	2024	2023
		Rupees	Rupees
			Restated
Cash flows from operating activities			
Profit before income tax		1,070,460,676	55,054,847
Adjustments for non–cash items:			
Depreciation on property, plant and equipment	19.1.1	665,362,401	592,936,042
Amortization of intangible assets	20.1.1	2,143,332	1,437,009
Sales tax refundable written off	35	59,090,091	–
Provision for sales tax refundable	35	12,843,244	–
Gain on disposal of property, plant and equipment	34	(2,648,319)	(6,359,146)
Provision for obsolete stock	22 & 22.2	87,021,304	4,991,031
Write–off of stores, spares and loose tools	21.1	13,915,510	–
Write–off of stock in trade	22.1 & 22.2	102,842,043	–
Advances to supplier written off	19.2 & 24.3	15,948,501	10,217,400
Income tax refundable written off	35	14,229,824	–
Allowance for expected credit loss on security deposits	35	–	11,770,486
Profit on saving accounts	34	(137,348,432)	(79,049,367)
Profit on Term Deposit Receipts (TDRs)	34	(367,171,970)	(139,972,886)
Finance cost on dismantling provision	36	51,000	–
Provision for missing Assets	19.1	55,000,000	–
Allowance for expected credit losses on trade receivables	23.2	17,207,097	89,900,000
Provision for Worker's Profit Participation Fund	35	66,168,358	14,679,298
Provision for Worker's Welfare Fund	35	25,143,976	5,655,807
Provision for sales tax on sale of tea whitener		254,622,020	438,493,470
Provision for compensated leave absences	12.1.1	27,700,031	8,964,000
Provision for defined benefit plan	12.2.6	26,775,559	21,573,040
Impairment loss on asset held for sale	35	–	1,759,613
Levy	37	102,312,146	218,196,002
Finance cost	36	54,555,906	323,792,596
Operating profit before working capital changes		2,166,224,298	1,574,039,242
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		(6,298,291)	(80,380,708)
Stock–in–trade		262,534,960	(896,705,318)
Trade debts		(1,181,006,740)	(30,080,766)
Loans and advances		(465,938,695)	64,039,243
Deposits, prepayments and other receivables		(94,962,561)	(17,011,327)
Asset held for sale		262,655,057	–
Sales tax refundable		650,979,915	(662,363,862)
		(572,036,355)	(1,622,502,738)
Increase in current liabilities			
Trade and other payables		506,019,947	243,658,362
		(66,016,408)	(1,378,844,376)
Cash generated from operations		2,100,207,890	195,194,866
Income tax and Levy paid		56,379,461	(22,552,233)
Employee retirement benefits paid		(50,957,578)	(11,474,976)
Net cash generated from operating activities		2,105,629,773	161,167,657
Cash flows from investing activities			
Acquisition of property, plant and equipment		(491,136,219)	(789,857,212)
Acquisition of intangible assets		(9,204,130)	(5,392,450)
Sale proceeds from disposal of property, plant and equipment		8,234,295	82,932,603
Profit on saving accounts		137,348,432	79,049,367
Profit on Term Deposit Receipts		106,345,943	118,731,370
Net cash used in investing activities		(248,411,679)	(514,536,322)
Cash flows from financing activities			
Repayment of long term loans		–	(5,988,149,277)
Repayment of principal portion of lease liabilities		(67,618,719)	(74,380,569)
Finance cost paid		(87,442,369)	(689,136,909)
Proceeds received against issuance of shares		–	8,650,000,000
Share deposit money received from Fauji Foundation		–	350,000,000
Share issuance cost		–	(34,065,850)
Net cash flows (used in) / generated from financing activities		(155,061,088)	2,214,267,395
Net increase in cash and cash equivalents		1,702,157,006	1,860,898,730
Cash and cash equivalents – at beginning of the year		1,300,840,028	(560,058,702)
Cash and cash equivalents transferred from Fauji Cereals	1.1	5,351,000	–
Cash and cash equivalents transferred from FIFL		604,000	–
Cash and cash equivalents - at end of the year	28	3,008,952,034	1,300,840,028

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Chairman **Chief Executive Officer** **Director** **Chief Financial Officer**

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

During the year, a Scheme of Arrangement (the Scheme) for merger / amalgamation of Fauji Fertilizer Bin Qasim Limited (FFBL) with and into Fauji Fertilizer Company Limited (FFC) has been approved by the Board of Directors and thereafter by the members of the respective Companies. The Scheme has also been sanctioned by the Honorable Lahore High Court, Rawalpindi Bench, and is effective from July 1, 2024, i.e. the date at which all assets and liabilities of FFBL are vested with FFC. As a consequence of the proposed merger, upon the sanction the Scheme, and in terms thereof, the Company has now become a subsidiary of FFC.

1.1 Transfer of Fauji Cereals Project to The Holding Company

With effect from February 19, 2024, the entire business of Fauji Cereals got transferred from Fauji Foundation to the Holding Company. Fauji Cereals is engaged in the manufacturing and sales of cereals. The project started its operations in collaboration with Quaker Oats, England in 1954. The Project's main office is located at Dhamial Road, Rawalpindi and has its regional marketing offices in Lahore and Karachi.

The acquisition of Fauji Cereals Business has been identified as a 'Common Control Transaction' in light of the guidance provided in the financial reporting standard 'Accounting for Common Control Transactions' as developed by the Institute of Chartered Accountants of Pakistan and notified by the Securities and Exchange Commission of Pakistan ('SECP') vide its S.R.O. 53(I)/2022 dated January 12, 2022. In accordance with the said standard, the Company has applied the 'Predecessor Method' of accounting and measured all the assets acquired and the liabilities assumed at their carrying amounts as reflected in the statement of financial position of Fauji Cereals Business as at February 18, 2024.

Following are the details of the assets acquired, liabilities assumed and the consideration transferred:

	Note	Rupees
Assets acquired:		
Property, plant and equipment		26,364,000
Stores, spares and loose tools		3,833,000
Stock–in–trade		306,376,000
Trade receivables from contract with customers		124,452,000
Loans and advances		2,490,000
Deposits, prepayments and other receivables	1.1.1	197,787,000
Cash and bank balances		5,351,000
		666,653,000

	Note	Rupees
Liabilities assumed:		
Trade and other payables		(107,345,000)
Contract liabilities		(58,684,000)
		(166,029,000)
Net assets acquired		500,624,000
Consideration	1.1.2	3,348,554,692
Recognized in equity as acquisition reserve		(2,847,930,692)

1.1.1 An amount of Rs. 200 million was provisionally recognized as a receivable from Fauji Foundation as a part of Business Transfer Agreement during the half year ended June 30, 2024. The amount was subsequently finalized at Rs. 120.62 million and the corresponding adjustments has been made to the net assets acquired.

1.1.2 The consideration is payable on demand, with an all–time option to convert it into shares in a manner other than right at a price per share, which will be equal to the lower of par value or the average price per share on the stock exchange during the six months preceding the date on which the Fauji Foundation exercises its option to acquire shares. It has an interest–free grace period of two years, with an extension of time as mutually agreed upon by the parties. After two years, a markup of six months KIBOR plus spread of 50 basis points will be charged. Based on the terms and conditions of the agreement, the ultimate conversion value will not increase beyond the carrying amount of loan at any point of time when the option is exercised. Moreover, even if the option was measured at fair value through any valuation model, there would be no additional financial impact on the Company's financial statements over the entire term of the loans as the ultimate settlement amount would not exceed the total carrying amount of loans.

The Group engaged an external consultant to prepare a report on purchase price adjustment to the consideration determined under the Business Transfer Agreement. Based thereon, an adjustment amounting to Rs. 48.55 million has been made and the total consideration payable under the Business Transfer Agreement now stands at Rs. 3,348.55 million instead of Rs. 3,300 million as provisionally recognized during the half year ended June 30, 2024.

1.1.3 Based on the adjustments to the net assets and consideration payable as mentioned in note 1.1.1 and 1.1.2 respectively, an adjustment of Rs. 127.94 million has been made to the acquisition reserve.

1.1.4 As per the "Predecessor Method" of accounting given in the aforementioned Standard, the difference between consideration for acquisition and net carrying amount of the assets and liabilities received is recognized by the receiving entity within its 'equity'. Applying "predecessor method" has resulted in a significant negative acquisition reserve in the financials statement of the Group and has also impacted the standalone and consolidated financial statements of intermediate parent and associated companies namely Fauji Fertilizer Company Limited ('FFC'), Fauji Fertilizer Bin Qasim Limited (FFBL now merged with and into FFC), FFC Energy Limited ('FFCEL') and FFBL Power Company Limited ('FPCL'). As these include listed companies with shareholdings from the general public, the negative acquisition reserve has resulted in equity erosion for non–controlling shareholders of the Group, FFC and FFBL.

The management of the Group has applied to the SECP vide letter dated December 31, 2024, to grant exemption from the mandatory application of "Predecessor Method" so that it may adopt "Acquisition Method" of accounting as the management believes that the "Acquisition Method" of accounting will better protect the interests of the non–controlling shareholders of the Group. The application is currently pending final decision of the SECP.

1.2 Acquisition of Fauji Infraavest Foods Limited – ("The Subsidiary Company")

With effect from February 20, 2024, Fauji Infraavest Foods Limited (FIFL) was acquired by the Group. The registered office of FIFL is situated at Fauji Towers, 68 Tipu Road, Chaklala, Rawalpindi. The principal activity of FIFL is to manufacture macaroni, couscous and farinaceous products.

At the time of acquisition, the Group has assessed that FIFL does not meet the definition of a business as per IFRS 3 and has accordingly accounted for it under asset acquisition method in the Group's financial statements. Upon the acquisition of net assets, the Group has identified and recognized the assets acquired and liabilities assumed at their fair values as at the acquisition date. Any difference between the net assets acquired and the fair value of the consideration has been allocated to non–financial assets, and no gain or loss has been recorded on the date of acquisition.

Following are the details of the assets acquired, liabilities assumed and consideration transferred:

	Note	As at acquisition date	
		Carrying values	Consideration allocated based on fair values
		Rupees	
Assets acquired:			
Property, plant and equipment		193,238,000	368,041,000
Deposits, prepayments and other receivables		18,000	18,000
Income tax refundable		356,000	356,000
Cash and bank balances		604,000	604,000
		194,216,000	369,019,000
Liabilities assumed:			
Trade and other payables		(3,157,000)	(3,157,000)
Provision for dismantling		(422,000)	(422,000)
Provision for taxation		(128,960,000)	(128,960,000)
Deferred tax liabilities		(26,480,000)	(26,480,000)
		(159,019,000)	(159,019,000)
Net assets acquired		353,235,000	528,038,000
Consideration payable	1.2.1		210,000,000

1.2.1 The consideration is payable on demand, with an all–time option to convert it into shares in a manner other than right at a price per share, which will be equal to the lower of par value or the average price per share on the stock exchange during the six months preceding the date on which the Fauji Foundation exercises its option to acquire shares. It has an interest–free grace period of two years, with an extension of time as mutually agreed upon by the parties. After two years, a markup of 6–Months KIBOR plus spread of 50 basis points will be charged. Based on the terms and conditions of the agreement, the ultimate conversion value will not increase beyond the carrying amount of loan at any point of time when the option is exercised. Moreover, even if the option was measured at fair value through any valuation model, there would be no additional financial impact on the Company's financial statements over the entire term of the loans as the ultimate settlement amount would not exceed the total carrying amount of loans.

As the financial year end of the subsidiary company is June 30, 2024 and precedes the day on which the holding company's financial year ends i.e December 31, 2024 by more than ninety days, the subsidiary company has made an interim closing on December 31, 2024 and has prepared special purpose financial statements for consolidation purposes as per requirement of section 228 of the Companies Act, 2017.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The corresponding amounts represent audited standalone figures of Fauji Foods Limited only and are not entirely comparable since the acquisition of Fauji Infraavest Foods Limited was completed during the year ended December 31, 2024. The accounting and reporting standards applicable in Pakistan comprise of:

– International Financial Reporting Standards (IFRS Standards) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except as otherwise stated.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Pakistani Rupees, which is the Group's functional currency and all financial information presented has been rounded off to the nearest rupee, except where otherwise stated.

2.4 Initial application of standards, amendments or an interpretation to existing standards

2.4.1 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, 2024, 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 financial statements except for:

The disclosure requirements contained in the Fourth Schedule to the Companies Act, 2017 have been revised resulting in disclosure requirement for companies not engaged in Shariah non–permissible business activities as disclosed in note 49.

Further during the current year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12, Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). In accordance with the Guidance, the Company has changed its accounting policy retrospectively to designate the amount calculated on taxable income using the notified tax rate as an income tax expense under the scope of IAS 12 "Income Taxes". Any excess over the amount designated as income tax, is then recognized as a 'Levy' under IFRIC 21 "Levies" and IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", which were previously being recognized as ""Income tax"".

The Group has accounted for the effects of this change in accounting policy retrospectively under IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors and the corresponding figures have been restated in this financial information. The effects of restatement is as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	Rupees		
Effect on consolidated statement of profit or loss			
For the year ended December 31, 2024			
Levy	–	(102,312,146)	(102,312,146)
Profit before income tax	1,172,772,822	(102,312,146)	1,070,460,676
Income tax	(516,375,011)	102,312,146	(414,062,865)
Profit after income tax	656,397,811	–	656,397,811
For the year ended December 31, 2023			
Levy	–	(218,196,002)	(218,196,002)
Profit before income tax	273,250,849	(218,196,002)	55,054,847
Income tax	331,860,812	218,196,002	550,056,814
Profit after income tax	605,111,661	–	605,111,661

The related changes to the consolidated statement of cash flows with respect to the amount of profit before income tax have been made as well.

2.5 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group

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

a) Amendment to IAS 21 – Lack of Exchangeability

These amendments were made in response to concerns raised that when an entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

Assessing exchangeability between two currencies requires an analysis of different factors; such as the time frame for the exchange, the ability to obtain the other currency, markets or exchange mechanisms, the purpose of obtaining the other currency, and the ability to obtain only limited amounts of the other currency.

When a currency is not exchangeable into another currency, the spot exchange rate needs to be estimated. The objective in estimating the spot exchange rate at a measurement date is to determine the rate at which an orderly exchange transaction would take place at that date between market participants under prevailing economic conditions.

These amendments are not expected to have a material impact on the Group's financial statements when they become effective.

The new amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted.

b) Amendment to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

The amendments clarify the timing for recognizing and derecognizing certain financial assets and liabilities, introduce an exception for some financial liabilities settled via electronic cash transfers, provide additional guidance for assessing if a financial asset meets the Solely Payment of Principal and Interest ('SPPI') criterion, require new disclosures for instruments with cash flow changes linked to Environmental, Social and Governance ('ESG') targets, and update disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group is in the process of assessing the impact of this amendment on the Group's financial statements.

The above mentioned amendments are effective for accounting periods beginning on or after January 1, 2026.

c) IFRS 18 Presentation and Disclosure in Financial Statements

The new standard on presentation and disclosure in financial statements, IFRS 18, focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management–defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

The Group is in the process of assessing the impact of this amendment on the Group's financial statements.

The above mentioned standard is effective for accounting periods beginning on or after January 1, 2027.

d) International Financial Reporting Standard (IFRS) S1, 'General requirements for disclosure of sustainability–related financial information' and International Financial Reporting Standard (IFRS) S2, 'Climate–related disclosures

The International Sustainability Standards Board ('ISSB') issued its first two sustainability reporting standards on June 26, 2023, applicable on reporting periods beginning on or after July 01, 2025, as notified by the Securities Exchange Commission of Pakistan through order dated December 31, 2024. Subject to endorsement of the standards by local jurisdictions. These standards include the core framework for the disclosure of material information about sustainability–related risks, opportunities across an entity's value chain and set out the requirements for entities to disclose information about climate–related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability–related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity. The standards provide guidance on identifying sustainability–related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability–related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate–related disclosures. IFRS S2 requires an entity to identify and disclose climate–related risks and opportunities that could affect the entity's prospects over the short, medium and long term. In addition, IFRS S2 requires entities to consider other industry–based metrics and seven cross–industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate–related risks and opportunities. The cross–industry metrics are disclosures on greenhouse gas ('GHG') emissions, transition risks, physical risks, climate–related opportunities, capital deployment, internal carbon prices and remuneration.

The Group is in the process of assessing the impact of this amendment on the Group's financial statements.

Other than the aforementioned standards, interpretations and amendments, IASB has also issued the following standards and interpretations, which have not been notified locally or declared exempt by SECP as at December 31, 2024:

IFRS 1 (First Time Adoption of International Financial Reporting Standards)
IFRIC 12 (Service concession arrangements)

2.6 Significant Estimates and Judgements

The preparation of consolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial period are described below. The Group based its assumptions and estimates on the parameters, under which these consolidated financial statements were prepared. Existing circumstances and assumptions about the future development may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

2.6.1 Useful lives and residual value of property, plant and equipment

The Group reviews the useful lives and residual value of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge.

2.6.2 Revaluation of property, plant and equipment

Revaluation of property, plant and equipment was carried out by an independent professional valuer. Revalued amounts of non–depreciable items were determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values. The latest valuation of these assets was carried out on March 16, 2023 by an independent professional valuer, K.G. Traders (Private) Limited.

2.6.3 Valuation of stock in trade

The Group reviews the carrying amount of stock–in–trade, stores and spares on an annual basis, and as appropriate, inventory is written down to its net realizable value, or a provision is made for obsolescence if there is any change in the usage pattern and physical form of related inventory. Net realizable value signifies the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.6.4 Impairment of non financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ('DCF') model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash–inflows and the growth rate used for extrapolation purposes.

2.6.5 Estimation of provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision had been originally recognised as part of the cost of an asset.

2.6.6 Provision for taxation

The Group takes into account the current income tax law and the decisions taken by appellate authorities. Pending instances where the Group's view differs from the view taken by the income tax department at the assessment stage and where the Group considers that its views on items of material nature are in accordance with law and the outcome is expected in favor of the Group, are shown as contingent liabilities.

2.6.7 Allowance for expected credit losses

The Group uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables. The provision rates are based on days past due for groups of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward–looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward–looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full and it is subsequently written off when there is no reasonable expectation of recovering the contractual cashflows. "

2.6.8 Compensated absences

Compensated absences are granted to all permanent employees in accordance with the rules of the Group. Calculations, in respect of unutilized privileged leaves accumulated as on December 31, 2024, require assumptions to be made of future outcomes, the principal ones being with respect to mortality rate, withdrawal rate, increase in remuneration and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

2.6.9 Staff retirement gratuity

Defined benefit plan is provided for permanent employees of the Group. The plan is typically structured as a separate legal entity managed by trustees. Calculations in this respect require assumptions to be made of future outcomes, the principal ones being in respect of mortality rate, withdrawal rate, increase in remuneration and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

2.6.10 Tax refunds due from Government

Management has classified the whole of the amount of tax refundable (income and sales tax) as a current asset based on the assessment that either the amount will be refunded in the next year or related settlement of amounts due to Government within next twelve months from reporting date.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies set out below have been consistently applied to all periods presented in these consolidated financial statements.

3.1 Principles of consolidation

Subsidiary

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The subsidiary is fully consolidated from the date at which control is transferred to the Group.

Inter–group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by the subsidiary have been adjusted to conform with the Group’s accounting policies.

3.2 Acquisition of assets

The group of assets (including the liabilities assumed) acquired as a result of any arrangement that does not meet the definition of a business are recognized under the asset acquisition method.

Upon the acquisition of net assets, the Group identifies and recognizes the assets acquired and liabilities assumed at their fair values as at the acquisition date. Any difference between the net assets acquired and the fair value of the consideration is allocated to non monetary assets, whereas the current assets and liabilities are measured at fair values on the acquisition date. Such a transaction or event, does not give rise to goodwill.

3.3 Accounting of common control transactions – Predecessor method

The Group has adopted ‘Predecessor Method’ under ‘Accounting for Common Control Transactions’ (Accounting Standard) as developed by the Institute of Chartered Accountants of Pakistan (ICAP) and notified by the Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 53(I)/2022 dated January 12, 2022, as disclosed below:

Recognition principle

As at the date of common control transaction, the Group recognises the assets transferred and liabilities assumed of the transferred entity; or received from the transferring entity. The Group recognises, as part of applying the predecessor method, only the consideration transferred for the transferred entity and the assets acquired and liabilities assumed in the exchange for the transferred entity. Other transactions have been accounted for separately in accordance with the relevant International Financial Reporting Standards as notified under the Companies Act, 2017.

Measurement principle

The Group measures the assets and liabilities received from the transferred / transferring entity at their carrying amounts as reflected in the financial statements of the transferred / transferring entity, at the date of common control transaction. No fair value adjustments to the assets and liabilities of the transferred / transferring entity or recognition of new assets or liabilities for the transferred / transferring entity are recorded in the financial statements.

The Group recognises within its 'equity' the difference between consideration transferred, measured in accordance with this Accounting Standard and net of carrying amount of the assets and liabilities received from the transferred /transferring entity, measured in accordance with this accounting Standard. There is no recognition of new goodwill while accounting for the common control transaction, under the predecessor method.

3.4 Taxation

Levy

As explained in note 2.4, in accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 'Application Guidance on Accounting for Minimum Taxes and Final Taxes' issued by the Institute of Chartered Accountants of Pakistan (ICAP), these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements, except for tax on normal business income which is specifically within the scope of IAS 12 and hence it continues to be categorised as current income tax.

Income tax

Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income as the case may be.

Current Tax:

Provision for current tax is based on the taxable income for the year, determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted, after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Tax:

Deferred tax is accounted for using the balance sheet method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. However, deferred tax is not accounted for, if it arises from initial recognition of an asset or liability in a transaction other than a business combination, that at the time of transaction neither affects accounting nor taxable profit or loss. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which, the deductible temporary differences, unused tax losses and tax credits, can be utilized. The carrying amount of all deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

3.5 Leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

The Group recognizes a right–of–use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at, or before the commencement date plus any initial direct cost incurred less any lease incentive received. The right–of–use asset, except for plant and machinery, is subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for certain re–measurements of the lease liability, if any. Right–of–use assets in respect of plant and machinery are stated at revalued amount carried out by independent valuers by reference to current market price less accumulated depreciation and any identified impairment loss. The right of use assets are depreciated using the straight line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or cost of the right of use asset reflects that the Group will exercise a purchase option. In that case, the right–of–use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. Right of use asset is disclosed in the property, plant and equipment as referred to in note 10 of the consolidated financial statements.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Group’s incremental borrowing rate. The Group has used its incremental borrowing rate as the discount rate for leases where the rate is not readily available. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made.

The lease liability is measured at amortized cost using the effective interest method. It is re–measured when there is a change in future lease payments arising from a change in rate or a change in the terms of the lease arrangement, if there is change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in–substance fixed lease payment. When the lease liability is re–measured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in consolidated statement of profit or loss if the carrying amount of the right of use asset has been reduced to zero. Refer note 10 to these consolidated financial statements for disclosure of lease liabilities.

3.6 Employees retirement benefits

3.6.1 Defined contribution plan

Provident fund

The Group is operating an approved Provident Fund scheme for all its employees since May 1, 1986. Equal monthly contributions are made by the employer and the employee to the Fund in accordance with the Fund Rules at the rate of 10% of basic salary.

3.6.2 Accumulated compensated absences

The Group provides for compensated absences for all eligible employees in accordance with the rules of the Group. The Group accounts for these benefits in the year in which the absences are earned. Retired army officers and other employees are entitled to earned leaves of 30 days and 20 days per annum respectively. The unutilized leaves are accumulated subject to a maximum of 120 days for ex–servicemen, 20 days for management and 28 days for non–management employees. The unutilized accumulated leaves can be enchased at the time the employee leaves the Group. The accumulated leave balance in excess of above mentioned limits is ignored while determining benefit obligations.

The Group uses the actuarial valuations carried out using the projected unit credit method for valuation of its accumulated compensating absences. The latest valuation was carried out on December 31, 2024. Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to the statement of profit or loss. The amount recognized in the statement of financial position represents the present value of the defined benefit obligations. Actuarial gains and losses are charged to the statement of profit or loss immediately in the period when these occur.

3.6.3 Defined benefit plan

The Group operates a funded defined benefit Gratuity plan for all permanent employees, having a service period of more than three years for retired army officers and more than five years for other employees. The Group recognizes expense in accordance with IAS–19, Employee Benefits.

The Group’s net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, and discounting that amount. The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method. The latest valuation was carried out on December 31, 2024.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognized immediately in other comprehensive income. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Expenses related to defined benefit plan are recognized in the statement of profit or loss. Past service costs are immediately recognized in statement of profit or loss.

The future contribution rate includes allowances for deficit and surplus. Projected unit credit method, using the following significant assumptions, is used for valuation of the scheme:

- Discount rate: 12.00 percent per annum (2023: 16.75 percent per annum)
- Expected rate of increase in salary level: 11.00 percent per annum (2023: 15.75 percent per annum)
- Average duration of the plan: 8 years (2023: 8 years)
- Mortality rates: SLIC (2001–05)

Plan assets include short–term and long–term Government instruments, term finance certificates of financial institutions, investment in mutual funds and deposits with banks. Return on Government instruments and debt is at fixed and floating rates.

The Group's Policy with regard to actuarial gains/losses is to immediately recognise all actuarial losses and gains in other comprehensive income under IAS 19, 'Employee benefits'.

3.7 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Account balances are classified as current liabilities if payment is due within one year or less (or in the normal operating cycles of business if longer). If not, they are classified as non–current liabilities.

Trade and other payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

3.8 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that it will result in an outflow of resources embodying economic benefits, to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.9 Property, plant and equipment

Property, plant and equipment except for freehold land, buildings on freehold land, plant and machinery, electric and gas installations and other work equipment are stated at cost less accumulated depreciation and identified impairment loss. Freehold land is stated at revalued amount carried out by independent valuers by reference to its current market price less any identified impairment loss. Buildings on freehold land, plant and machinery, electric and gas installations and other work equipment are stated at revalued amount carried out by independent valuers by reference to current market price less accumulated depreciation and any identified impairment loss. Cost, in relation to property, plant and equipment, comprises of acquisition and other directly attributable costs.

Revaluation surplus is booked by restating gross carrying amounts of respective assets being revalued, proportionately to the change in their carrying amounts due to revaluation. The accumulated depreciation at the date of revaluation is also adjusted to equal difference between gross carrying amounts and the carrying amounts of the assets after taking into account accumulated impairment losses.

Increase in the carrying amount arising on revaluation of property, plant and equipment is recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss, and depreciation based on the asset's original cost is transferred to retained earnings. Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to retained earnings. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred tax.

Depreciation on all property, plant and equipment, except freehold land, building and plant & machinery is charged to statement of profit or loss on the reducing balance method so as to write–off the depreciable amount of an asset over its remaining estimated useful life after taking into account the impact of their residual value, if considered significant. The assets' residual values and useful lives are reviewed at each financial year–end and adjusted if impact on depreciation is significant.

Useful lives are determined by the management based on expected usage of assets, expected physical wear and tear, technical and commercial obsolescence, legal and similar factors, depending on the use of the assets.

Depreciation on additions to property, plant and equipment is charged in full, in the month in which an asset is acquired, while no depreciation is charged for the month in which the asset is disposed off.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit or loss during the year in which these are incurred.

The gain or loss on disposal, or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

The Group assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Capital work–in–progress

Capital work–in–progress is stated at cost less identified impairment loss, if any. It consists of all expenditures and advances connected with specific assets incurred and made during installations and construction period. These are transferred to relevant property, plant and equipment when assets become available for use.

3.10 Non–current assets held for sale

The Group classifies non–current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non–current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification. Property, plant and equipment are not depreciated once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

3.11 Intangible assets

Expenditure incurred on intangible assets are capitalized and stated at cost less accumulated amortization and any identified impairment loss. Intangible assets with finite useful life are amortized using the straight–line method over the estimated useful life of three years. Amortization on intangible assets is commenced from the date an asset is capitalized.

3.12 Stores, spares and loose tools

Usable stores, spares and loose tools are valued principally at weighted–average cost, while items considered obsolete are impaired. Items in–transit are stated at cost comprising invoice value plus other charges paid thereon up to the reporting date. The Group reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence, if there is any change in usage pattern and physical form of related stores.

3.13 Stock–in–trade

Stock of finished goods are valued principally at the lower of average cost and net realizable value. Cost in relation to raw and packing materials is measured at moving average cost. Work–in–process and finished goods are measured at weighted average cost and cost comprises direct materials, labour and appropriate proportion of manufacturing overheads.

Stock–in–transit is stated at invoice value plus other charges incurred thereon up to the reporting date.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale.

3.14 Financial assets other than investments in equity instruments of subsidiaries

3.14.1 Classification

The Group classifies its financial assets other than investments in subsidiaries in the following measurement categories:

– those to be measured subsequently at fair value (either through other comprehensive income (‘OCI’) or through profit or loss); and
– those to be measured at amortised cost.

The classification depends on the Group’s business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when, and only when, its business model for managing those assets changes.

3.14.2 Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade date (the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred; and the Group has transferred substantially all the risks and rewards of ownership.

3.14.3 Measurement

At initial recognition, the Group measures financial assets at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The Group measures financial assets not at fair value through profit or loss (FVPL). Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

i) Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss.

ii) Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest (SPPI), are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method. Impairment expenses are presented as a separate line item in the statement of profit or loss.

iii) Fair value through profit and loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments except for investments in subsidiaries at fair value through other comprehensive income. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the statement of profit or loss as 'other income' when the Group's right to receive payments is established.

Changes in the fair value of financial assets carried at FVPL are recognised in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

3.14.4 Off–setting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.15 Impairment

Financial assets

The Group recognizes expected credit loss on financial assets measured at amortized cost. The Group measures loss allowances at an amount equal to lifetime ECLs. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group does not have any reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write–off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non – financial assets

The carrying amount of the Group's non–financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the higher of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

3.16 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, balances at banks, short term investments and outstanding balance of short term running finances.

3.17 Revenue recognition

The Group is in the business of manufacture and sale of dairy products under the brand name of "Nurpur". These products include Ultra High Temperature milk, cheese, cream, skimmed milk powder, butter and other allied products. Further the Group is also in the business of manufacture and sale of cereals and pasta related products. The measurement of revenue is based on the consideration specified in a contract with a customer, net of returns, amounts collected on behalf of third parties (sales taxes etc.), pricing allowances, other trade discounts, volume discounts and price promotions to customers. Revenue is recognized when or as performance obligation is satisfied by transferring control of promised goods to a customer and control is transferred at point in time when a customer obtains control of the goods under the contract, usually when the customer acknowledges the receipt of goods.

3.18 Contract liabilities

A contract liability is the obligation of the Group to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group satisfies the performance obligations to which they relate.

3.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Group that makes strategic decisions. On the basis of its internal reporting structure, the Group considers itself to be a single reportable segment. All non–current assets of the Group are located in Pakistan and more than 90% of the revenue is derived from sale of dairy and allied products.

3.20 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any related taxes.

4 SHARE CAPITAL

		2024	2023	2024	2023
		(Number of shares)		Rupees	Rupees
4.1	**Authorized share capital**				
	Shares of Rs. 10 each	2,800,000,000	2,800,000,000	28,000,000,000	28,000,000,000
4.2	**Issued, subscribed and paid up share capital**				
	Ordinary shares of Rs. 10 each fully paid in cash	1,557,228,762	1,557,228,762	15,572,287,620	15,572,287,620
	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	2,639,200	2,639,200	26,392,000	26,392,000
	Ordinary shares of Rs. 10 each issued on conversion of loans	882,020,197	882,020,197	8,820,201,970	8,820,201,970
	Ordinary shares of Rs. 10 each issued on conversion of accrued mark–up	70,874,980	70,874,980	708,749,800	708,749,800
	Voting ordinary shares of Rs. 10 each issued on conversion of cumulative convertible preference shares	7,200,000	7,200,000	72,000,000	72,000,000
		2,519,963,139	2,519,963,139	25,199,631,390	25,199,631,390

		Note	2024 No. of Shares	2023 No. of Shares
4.2.1	**Movement during the year is as follows:**			
	Balance at the start of the year		2,519,963,139	1,584,088,159
	Shares issued against:			
	– Cash received during the year	4.2.2	–	865,000,000
	– Accrued mark–up, transferred from share deposit money	4.2.3	–	70,874,980
	Balance at the end of the year		2,519,963,139	2,519,963,139
4.2.2	These shares have been issued at par value (Rs. 10) to the following allotees:			
	FFBL Power Company Limited – an associated undertaking		–	400,000,000
	FFC Energy Limited – an associated undertaking		–	465,000,000
			–	865,000,000

4.2.3 These shares were issued to Fauji Fertilizer Bin Qasim Limited at par value (Rs. 10) which has since merged into Fauji Fertilizer Company Limited, as disclosed in note 1 to the financial statements.

4.2.4 Ordinary shares of the Group held by associated undertakings and directors as at the reporting date, are as follows:

	2024	2023	2024	2023
	Percentage held		(Number of shares)	
Ordinary share capital				
Fauji Fertilizer Company Limited / Fauji Fertilizer Bin Qasim Limited				
– voting ordinary shares	47.84%	47.84%	1,205,576,237	1,205,576,237
FFBL Power Company Limited				
– voting ordinary shares	15.87%	15.87%	400,000,000	400,000,000
FFC Energy Limited				
– voting ordinary shares	18.45%	18.45%	465,000,000	465,000,000
Fauji Foundation				
– voting ordinary shares	2.67%	2.67%	67,371,916	67,371,916
Directors, Officers, their spouse and minor children				
– voting ordinary shares	0.01%	0.01%	270,009	349,421
			2,138,218,162	2,138,297,574

4.2.5 The holder of ordinary shares is entitled to receive dividends as declared (if any) and to one vote per share at general meetings of the Group. The shareholders of the Group do not have any agreements for voting rights, board selection, rights of first refusal, and block voting.

5 SHARE PREMIUM

This reserve can only be utilized by the Group for the purpose specified in Section 81(2) of the Companies Act, 2017. The movement during the year is as follows:

	Note	2024	2023
		Rupees	Rupees
Balance at the start of the year		1,801,082,303	1,835,148,153
Share issuance cost		–	(34,065,850)
Balance at the end of the year		1,801,082,303	1,801,082,303

6 SHARE DEPOSIT MONEY

	Note	2024	2023
Fauji Foundation	6.1	–	2,350,000,001

6.1 Under the terms of the agreement dated August 22, 2022, the Group received an amount of Rs. 2,350 million in prior years from Fauji Foundation. The amount was convertible in ordinary shares at face value. The Company, in its Extraordinary General Meeting held on October 18, 2022, had approved further issue of shares against the said amount, by way of other than right issue. The requisite approval from SECP was obtained on January 23, 2023 for issuance of shares against the above mentioned amount. The approval was valid for a period of 60 days. Prior to lapse of the said approval, a request was received from Fauji Foundation to defer the share allotment. Based on the above request, pursuant to the Board of Directors' approval dated March 01, 2023, the Company has deferred the allotment / issuance of Ordinary Shares at par value to Fauji Foundation, till further communication. During the current year, the Company received a letter from Fauji Foundation dated April 18, 2024 wherein the Foundation withdrew its consent to exercise the option to acquire shares and both the parties agreed on the amount as per the original loan agreement to be treated as a loan through addendum letter dated August 24, 2024. Accordingly, the amount has been reclassified from share deposit money to loan with mutual consent of both the Companies.

The loan is repayable on demand, with an all–time option to convert it into fully paid ordinary shares at or below par value. It has an interest–free grace period of two years, with an extension of time as mutually agreed upon by the parties. After two years, a markup of six months KIBOR plus spread of 200 basis points will be charged. Based on the terms and conditions of the agreement, the ultimate conversion value will not increase beyond the carrying amount of loan at any point of time when the option is exercised. Moreover, even if the option was measured at fair value through any valuation model, there would be no additional financial impact on the Company's financial statements over the entire term of the loans as the ultimate settlement amount would not exceed the total carrying amount of loans.

		Note	2024 Rupees	2023 Rupees
7	**SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT – NET OF TAX**			
	Balance at the start of the year		2,446,561,207	2,131,898,795
	Surplus during the year		–	1,033,527,325
	Deferred tax liability on revaluation surplus		–	(391,351,282)
			–	642,176,043
	Net amount transferred to accumulated loss on account of:			
	– disposal of plant and machinery – net of deferred tax		(86,621,177)	(19,313,014)
	– incremental depreciation charged during the year net of deferred tax		(112,727,748)	(103,453,815)
			(199,348,925)	(122,766,829)
	Impact of change in tax rate on revaluation surplus		–	(204,746,802)
	Balance at the end of the year – net of tax	7.1	2,247,212,282	2,446,561,207

7.1 This represents surplus (net of applicable deferred tax) arising on revaluation of freehold land, buildings on freehold land, plant and machinery (including plant and machinery appearing under right of use assets), electric and gas installation and other works equipment . This has been adjusted by incremental depreciation arising out of revaluation of above–mentioned assets except freehold land. The latest valuation was carried out by an independent professional valuer, K.G. Traders, on March 16, 2023. The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with Section 241 of the Companies Act, 2017.

		Note	2024 Rupees	2023 Rupees
8	**LONG TERM LOANS – SECURED**			
	Long term loans – at amortised cost		–	–
	Syndicate finance facility	8.3	–	–
			–	–

8.1 In accordance with the consent granted by the financiers, the Group has exercised the pre–payment option, resulting in the complete repayment of this syndicate finance facility during the prior year. The funds for repayment were generated through the issuance of shares other than right issue. This syndicate finance facility was jointly led by Faysal Bank Limited, National Bank of Pakistan, MCB Bank Limited and Allied Bank Limited and participated by Askari Bank Limited, Alfalah Bank Limited, Soneri Bank Limited, Dubai Islamic Bank Limited and JS Bank Limited. The mark–up was payable quarterly at the rate of 3–Months KIBOR plus 1.5% per annum.

8.2 The syndicate finance facility was secured by way of pari–passu charge amounting to Rs. 8,089 million inclusive of 25% margin on fixed assets along with mortgage by constructive deposit of title deeds of property / land measuring 120 kanals and building thereon situated in Mauza Purana, Bhalwal, Tehsil Bhalwal, District Sargodha in favour of security agent (i.e. Faysal Bank Limited). The syndicate finance facility was additionally secured through sponsor support in the form of Stand-by Letter of Credit amounting to Rs. 1,000 million from Askari Bank Limited and a revolving corporate guarantee. During the prior period, subsequent to repayment of this syndicate finance facility, these charges have been vacated in full.

		Note	2024	2023
			Rupees	Rupees
8.3	**The movement during the year is as follows:**			
	Balance at the start of the year		–	5,988,149,277
	Repayments during the year	8.3.1	–	(5,988,149,277)
	Balance at the end of the year		–	–
8.3.1	These represent repayments to the following financial institutions:			
	Syndicate finance facility			
	Allied Bank Limited		–	568,026,750
	National Bank of Pakistan		–	941,976,909
	MCB Bank Limited		–	1,084,158,027
	Faysal Bank Limited		–	1,733,459,001
	Askari Bank Limited		–	396,544,141
	Alfalah Bank Limited		–	247,840,088
	Soneri Bank Limited		–	495,680,176
	JS Bank limited		–	247,840,088
	Dubai Islamic Bank Limited		–	272,624,097
			–	5,988,149,277
9	**DEFERRED TAXATION – NET**			
	The deferred tax liability comprises of the following:			
	Deductible temporary differences:			
	– business losses		408,695,541	625,816,265
	– unabsorbed depreciation losses		1,488,650,294	1,488,650,294
	– lease liabilities		97,328,442	20,527,764
	– provisions		35,191,903	25,353,949
			2,029,866,180	2,160,348,272
	Less: Taxable temporary differences:			
	– accelerated tax depreciation allowances		983,075,761	963,699,354
	– surplus on revaluation of property, plant and equipment		983,920,950	1,111,373,541
	– right of use assets		94,867,469	85,275,377
			2,061,864,180	2,160,348,272
	Deferred taxation – net	9.1	31,998,000	–

9.1 As at December 31, 2024, the aggregate unrecognized unused tax losses and minimum tax credit available to the Group for set off against future taxable profit amount to Rs. 7,246.62 million (2023: Rs. 9,169.22 million) and Rs. 723.21 million (2023: Rs. 414.57 million) respectively.

9.2 The expiry of tax losses for which no deferred tax asset has been recognized is as follows:

Expiry tax year	Nature	2024 Rupees
2026	Business loss – TY 2020	3,487,579,099
2027	Business loss – TY 2021	2,353,326,086
2028	Business loss – TY 2022	1,133,726,835
2029	Business loss – TY 2023	271,991,893
		7,246,623,913
2026	Minimum tax – TY 2023	158,641,265
2027	Minimum tax – TY 2024	256,337,806
2028	Minimum tax – TY 2025	308,229,210
		723,208,281
No expiry	Unused depreciation loss	–

9.3 Movement in deferred tax balances is as follows:

	December 31, 2024				
		Reversal from / (charge to)			
	Opening	Acquisition of FIFL	Profit or loss	OCI	Closing
	Rupees				
Deferred taxation					
Deductible / (taxable) temporary difference					
Unabsorbed depreciation losses	1,488,650,294	8,528,000	(8,528,000)	–	1,488,650,294
Business losses	625,816,265	–	(217,120,724)	–	408,695,541
Provisions	25,353,949	122,000	9,715,954	–	35,191,903
Lease liability	20,527,764	–	76,800,678	–	97,328,442
Right of use assets	(85,275,377)	–	(9,592,092)	–	(94,867,469)
Accelerated tax depreciation allowances	(963,699,354)	(35,130,000)	15,753,593	–	(983,075,761)
Surplus on revaluation of property, plant and equipment	(1,111,373,541)	–	127,452,591	–	(983,920,950)
	–	(26,480,000)	(5,518,000)	–	(31,998,000)

	December 31, 2023			
		Reversal from / (charge to)		
	Opening	Profit or loss	OCI	Closing
	Rupees			
Deferred taxation				
Deductible / (taxable) temporary difference				
Unabsorbed depreciation losses	1,292,007,992	196,642,302	–	1,488,650,294
Business losses	–	625,816,265	–	625,816,265
Provisions	25,903,344	(549,395)	–	25,353,949
Lease liability	183,445,711	(162,917,947)	–	20,527,764
Right of use assets	(51,397,748)	(33,877,629)	–	(85,275,377)
Accelerated tax depreciation allowances	(856,193,574)	(107,505,780)	–	(963,699,354)
Surplus on revaluation of property, plant and equipment	(593,765,725)	78,490,268	(596,098,084)	(1,111,373,541)
	–	596,098,084	(596,098,084)	–

		Note	2024	2023
			Rupees	Rupees
10	**LEASE LIABILITIES**			
	Present value of lease liabilities against:			
	– leased vehicles		82,253,687	–
	– plant and machinery		–	34,918,252
	– leasehold land		194,379,396	–
	– leasehold buildings		–	17,717,041
			276,633,083	52,635,293
	Less: Current portion shown under			
	current liabilities		(52,078,725)	(52,635,293)
		10.1	224,554,358	–

		Leased Vehicles	Leasehold Land	Plant and machinery	Leasehold Building	Total
				Rupees		
10.1	**Movement of lease liabilities**					
	2024					
	Opening balance	–	–	34,918,252	17,717,041	52,635,293
	Lease liability recognized					
	during the year	88,782,300	190,663,879	–	–	279,446,179
	Finance cost charge	5,601,412	36,099,517	1,775,192	437,804	43,913,925
	Payments	(12,130,025)	(32,384,000)	(36,693,444)	(18,154,845)	(99,362,314)
	Closing balance	82,253,687	194,379,396	–	–	276,633,083
	Less: current portion shown					
	under current liabilities	(13,512,325)	(38,566,400)	–	–	(52,078,725)
		68,741,362	155,812,996	–	–	224,554,358
	2023					
	Opening balance	–	–	71,998,788	55,017,074	127,015,862
	Finance cost charge	–	–	6,964,874	4,630,023	11,594,897
	Payments	–	–	(44,045,410)	(41,930,056)	(85,975,466)
	Closing balance	–	–	34,918,252	17,717,041	52,635,293
	Less: current portion shown					
	under current liabilities	–	–	(34,918,252)	(17,717,041)	(52,635,293)
		–	–	–	–	–

		2024 Rupees	2023 Rupees
10.2	**Commitments in relations to leases recognised under IFRS 16, are payable as follows:**		
	Payable not later than one year	63,860,492	54,848,284
	Payable later than one year but not later than five years	348,578,026	–
	Payable more than five years	233,090,064	–
		645,528,582	54,848,284
	Future finance charges	(368,895,499)	(2,212,991)
	Total lease liabilities	276,633,083	52,635,293

10.3 The Group has entered into lease arrangements with Fauji Foundation for lease of land for cereals and pasta business units, and also with the commercial bank for the lease of vehicles. The rentals under these agreements are repayable in 60 to 120 monthly instalments. The lease payments have been discounted at an implicit interest rate of 13.59% to 22.74% (2023: 8.20% to 13.59%) per annum. At the end of the respective lease term, the assets other than land, shall be transferred in the name of the Group. Taxes, repairs and insurance costs are to be borne by the Group.

		2024 Rupees	2023 Rupees
10.4	**Amounts recognised in the consolidated statement of profit and loss**		
	Finance cost on lease liabilities	43,913,925	11,594,897
	Depreciation on right of use assets	45,691,452	37,321,115
	Expense relating to leases of short term nature	35,428,022	9,172,749

10.5 The Group had total cash outflows for leases of Rs. 99.36 million (2023: Rs. 85.97 million).

		2024 Rupees	2023 Rupees
11	**DEFERRED LIABILITIES**		
	Provision for dismantling		
	Provision for dismantling plant	473,000	–
	Less: Amount shown as current liability	–	–
		473,000	–
	Movement in provision for dismantling		
	Liability as at the acquisition date	422,000	–
	Unwinding during the period	51,000	–
	Change in estimate	–	–
	Liability at the end of period	473,000	–

		Note	2024	2023
			Rupees	Rupees
12	**EMPLOYEE RETIREMENT BENEFITS**			
	Accumulated compensated absences	12.1	48,915,991	27,206,296
	Defined benefit plan	12.2	30,475,522	23,148,518
			79,391,513	50,354,814
12.1	**Accumulated compensated absences**			
	Present value of defined benefit obligation	12.1.2	48,915,991	27,206,296
	Fair value of plan assets		–	–
		12.1.1	48,915,991	27,206,296
12.1.1	**Movement in accumulated compensated absences**			
	Opening Balance for the year		27,206,296	22,871,516
	Charge to consolidated statement of profit or loss	12.1.3	27,700,031	8,964,000
	Benefits paid during the year		(5,990,336)	(4,629,220)
	Closing Balance for the year		48,915,991	27,206,296
12.1.2	**Reconciliation of present value of defined benefit obligation**			
	Present value of benefit obligations at start of year		27,206,296	22,871,516
	Current service cost		6,518,738	4,961,543
	Interest on defined benefit liability		2,027,682	1,361,895
	Benefits paid during the year		(5,990,336)	(4,629,220)
	Charge to other comprehensive income		19,153,611	2,640,562
	Closing Balance for the year		48,915,991	27,206,296
12.1.3	**Charge to the consolidated statement of profit or loss**			
	Current service cost		6,518,738	4,961,543
	Interest on defined benefit liability		2,027,682	1,361,895
	Remeasurement loss	12.1.4	19,153,611	2,640,562
		12.1.5	27,700,031	8,964,000
12.1.4	**Remeasurement gain**			
	Actuarial (gain) / loss due to changes in financial assumptions		(107,952)	94,589
	Actuarial loss due to experience adjustments		19,261,563	2,545,973
			19,153,611	2,640,562
12.1.5	**Allocation of expense during the year**			
	Cost of revenue		11,080,005	3,585,600
	Marketing and distribution expense		11,080,005	3,585,600
	Administrative expense		5,540,021	1,792,800
			27,700,031	8,964,000

		2024	2023
		Rupees	Rupees
12.1.6	**Estimated expense to be charged to consolidated statement of profit or loss in next year**		
	Current service cost	6,817,227	6,518,738
	Interest expense on defined benefit plan – net	5,510,499	2,027,682
	Remeasurements of Net Defined Benefit liability/(Asset)	–	19,153,611
		12,327,726	27,700,031
12.1.7	**The principal actuarial assumptions at the reporting date were as follows:**		
	Discount rate	12.00%	16.75%
	Expected per annum growth rate in salaries	11.00%	15.75%
	Expected mortality rate	SLIC (2001–2005)	SLIC (2001–2005)

As at December 31, 2024, average accumulation of leaves was 8 days per annum (2023: 8 days per annum), subject to a maximum accumulation of 20 days for management employees, 28 days for non–management employees and 120 days for ex–servicemen (2023: 20 days for management employees, 28 days for non–management employees and 120 days for ex–servicemen).

12.1.8 Sensitivity analysis

If the significant actuarial assumptions used to estimate the present value of liability at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the liability as at December 31, 2024 would have been as follows:

	Due to change in assumptions	
	2024	2023
		Rupees
Present value of liability at year end		
Discount Rate + 100 bps	45,172,542	25,124,558
Discount Rate – 100 bps	52,968,358	29,460,158
Salary increase + 100bps	52,969,660	29,460,228
Salary increase – 100bps	45,173,097	25,124,558

12.1.9 Undiscounted Future Payments

The Group expects to contribute to the scheme on the advice of the actuary. Expected future contributions are as follows:

	2024	2023
	Rupees	Rupees
Projected payments		
Year 1	5,861,372	4,905,835
Year 2	6,593,147	5,758,727
Year 3	7,468,529	6,518,482
Year 4	8,630,625	8,163,847
Year 5	10,095,378	8,905,373
More than 5 years	75,742,964	51,482,340

		Note	2024	2023
			Rupees	Rupees
12.2	**Defined benefit plan**			
	Present value of defined benefit obligation	12.2.2	108,853,348	79,401,123
	Fair value of plan assets	12.2.3	(78,377,826)	(56,252,605)
		12.2.1	30,475,522	23,148,518
12.2.1	**Movement in net defined benefit liability**			
	Opening balance for the year		23,148,518	7,924,430
	Current service cost		24,446,489	20,976,588
	Interest on net defined benefit liability		2,329,070	596,455
	Total contributions		(18,487,242)	(6,845,759)
	Charge to other comprehensive income	12.2.7	(961,313)	496,804
	Closing balance for the year		30,475,522	23,148,518
12.2.2	**Reconciliation of present value of defined benefit obligation**			
	Opening balance for the year		79,401,123	57,924,430
	Current service cost		24,446,489	20,976,588
	Interest on defined benefit liability		12,080,458	7,190,245
	Benefits paid during the year		(14,557,970)	(7,316,857)
	Actuarial losses		7,483,248	626,717
	Closing balance for the year		108,853,348	79,401,123
12.2.3	**Reconciliation of fair value of plan assets**			
	Opening balance for the year		56,252,605	50,000,000
	Total contributions		18,487,242	6,845,759
	Interest income for the year		9,751,388	6,593,790
	Benefits paid during the year		(14,557,970)	(7,316,857)
	Return on plan assets excluding interest income		8,444,561	129,913
	Closing balance for the year		78,377,826	56,252,605
12.2.4	**Fair value of gratuity fund assets**			
	Term Deposit Receipt		50,000,000	50,000,000
	Accrued income		8,060,000	–
	Bank – Savings Account		20,317,826	6,252,605
			78,377,826	56,252,605
12.2.5	**Charge to consolidated statement of profit or loss**			
	Current service cost		24,446,489	20,976,585
	Interest on defined benefit liability – net		2,329,070	596,455
		12.2.6	26,775,559	21,573,040
12.2.6	**Allocation of expense during the year**			
	Cost of revenue		10,710,226	8,629,216
	Marketing and distribution expense		10,710,225	8,629,216
	Administrative expense		5,355,108	4,314,608
			26,775,559	21,573,040

		2024	2023
		Rupees	Rupees
12.2.7	**Charge to other comprehensive income**		
	– Actuarial (gains) / losses due to change in financial assumptions	(397,096)	102,365
	– Actuarial losses due to experience adjustments	7,880,344	524,352
	– Return on plan assets excluding interest income	(8,444,561)	(129,913)
		(961,313)	496,804
12.2.8	**Estimated expense to be charged to consolidated statement of profit or loss in next year**		
	Current service cost	27,602,006	24,446,489
	Interest expense on defined benefit plan – net	3,657,063	2,329,070
		31,259,069	26,775,559
12.2.9	**The principal actuarial assumptions at the reporting date were as follows:**		
	Discount rate	12.00%	16.75%
	Expected per annum growth rate in salaries	11.00%	15.75%
	Expected mortality rate	SLIC (2001–2005)	SLIC (2001–2005)

As at December 31, 2024, the weighted average duration of the defined benefit obligation was 8 years (2023: 8 years).

12.2.10 Undiscounted future payments

The Group contributes to the Gratuity Fund based on the advice of the Fund's actuary. Expected future contributions are as follows:

	2024	2023
	Rupees	Rupees
Projected payments		
Year 1	10,175,339	7,980,748
Year 2	12,268,641	9,542,459
Year 3	14,416,273	11,017,018
Year 4	16,719,685	12,557,585
Year 5	19,105,837	14,077,293
More than 5 years	176,298,534	82,609,885

12.2.11 Sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the defined benefit obligation as at December 31, 2024, would have been as follows:

	Due to change in assumptions	
	2024	2023
	Rupees	Rupees
Present value of defined benefit obligation at year end		
Discount Rate + 100 bps	100,525,475	73,326,506
Discount Rate – 100 bps	117,873,736	85,980,883
Salary increase + 100bps	117,871,130	85,978,982
Salary increase – 100bps	100,524,241	73,325,605

12.2.12 Risks on account of defined benefit plan

The Group faces the following risks on account of defined benefit plan:

Interest rate risk:

The present value of the defined benefit liability is calculated using a discount rate determined by reference to the market yields at the end of the reporting period on high quality corporate bonds, or where there is no deep market in such bonds, by reference to market yields on government bonds. Currencies and terms of bond yields used must be consistent with the currency and estimated term of the post employment benefit obligations being discounted. A decrease in bond interest rates will increase the liability, and vice versa.

Salary risk:

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Demographic risks:

– Mortality risk – The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

– Withdrawal risk – The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Investment risk:

The risk of the investment underperforming and being not sufficient to meet the liabilities.

		Note	2024	2023
			Rupees	Rupees
13	**CURRENT PORTION OF LONG TERM**			
	Liabilities long term loans – secured	8	–	–
	Lease liabilities	10	52,078,725	52,635,293
			52,078,725	52,635,293
14	**SHORT TERM BORROWINGS – SECURED**			
	Short term running finance	14.1	–	–

14.1 The facility for short term running finance available to the Company from the Bank of Punjab has aggregate limit of Rs. 1,000 million (2023: Nil) at a markup rate of 3–month KIBOR plus 0.5% payable quarterly (2023: Nil). Facility is secured by way of first pari passu charge on all present and future fixed assets of the Company (excluding land and building) of Fauji Foods Limited with 25% margin . The unutilized facility at year end amounts to Rs. 1,000 million (2023: Nil). This facility is renewable on expiry date of February 28, 2025 at the discretion of bank.

		Note	2024	2023
			Rupees	Rupees
15	**TRADE AND OTHER PAYABLES**			
	Trade and other creditors	15.1	1,438,010,068	817,757,721
	Contract liabilities	15.2	299,249,089	133,178,553
	Accrued expenses		937,647,157	739,996,729
	Advance against disposal of machine	29	–	262,655,057
	Retention money payable		1,006,732	2,325,832
	Due to employees		5,310,385	1,357,389
	Withholding income tax payable		21,302,062	11,061,563
	Withholding sales tax payable		14,694,246	15,309,546
	Workers' Profit Participation Fund payable	15.3	78,897,038	15,109,286
	Workers' Welfare Fund payable	15.4	30,799,783	5,655,807
	Payable to Employees' Provident Fund	15.5	7,414,433	8,400,458
	Others		1,172,362	1,172,362
			2,835,503,355	2,013,980,303
15.1	**These include amounts due to the following related parties:**			
	Askari Bank Limited		209,531	–
	Fauji Fertilizer Bin Qasim Limited		1,500,000	500,000
	Fauji Fertilizer Company Limited		918,453	–
	FonGrow Private Limited		2,222,469	–
	Fauji Foundation		33,635,727	11,648,867
		15.1.1	38,486,180	12,148,867

15.1.1 These are un–secured and for the normal course of business activities.

15.2 Contract liabilities represents short term advances received from customers against delivery of goods in future. Contract liabilities as at the beginning of the year, aggregating to Rs. 133.18 million (2023: Rs. 178.56 million), has been recognized as revenue, during the year.

15.2.1 Contract liabilities as at the reporting date are expected to be recognized as revenue by the end of next financial year.

		Note	2024	2023
			Rupees	Rupees
15.3	**Workers' Profit Participation Fund payable**			
	Balance at the start of the year		15,109,286	429,988
	Acquisition of Fauji Cereals		14,207,000	–
	Charge for the year		66,168,358	14,679,298
	Payment during the year		(16,587,606)	–
	Balance at the end of the year		78,897,038	15,109,286
15.4	**Workers' Welfare Fund payable**			
	Balance at the start of the year		5,655,807	–
	Charge for the year		25,143,976	5,655,807
	Balance at the end of the year	15.4.1	30,799,783	5,655,807

15.4.1 Provision for Workers' Welfare Fund (WWF) is made as per the requirements of the Punjab Workers Welfare Fund Act as promulgated on December 13, 2019. However, payment has not been made due to ambiguity involved regarding institution in favor of whom liability should be discharged i.e. Federal or Provincial.

15.5 Payable to Employees' Provident Fund

All investments out of Provident Fund have been made in the collective investment schemes, listed equity and listed debt securities in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

		Note	2024	2023
			Rupees	Rupees
16	**LOANS PAYABLE TO ULTIMATE PARENT COMPANY**			
	On account of acquisition related to Fauji Cereals	1.1	3,348,554,692	–
	On account of acquisition related to Fauji Infraavest Foods Limited	1.2	210,000,000	–
	Share deposit money reclassified into loan	6	2,350,000,001	–
			5,908,554,693	–
17	**ACCRUED FINANCE COST**			
	Mark–up based borrowings from conventional banks			
	– Short term borrowings – secured		4,058,746	–
	Mark–up on guarantee			
	– Fauji Fertilizer Bin Qasim Limited		–	32,712,332
	– Fauji Foundation		–	4,232,877
			–	36,945,209
			4,058,746	36,945,209

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 The Holding Company

Income tax

18.1.1.1 The DCIR, after conducting audit under Section 177 of the Income Tax Ordinance, 2001 (the Ordinance) for the tax year 2005, had passed an amended assessment order under section 122 of the Ordinance raising tax demands of Rs. 34.99 million alleging that the Company suppressed its sales. The Commissioner Inland Revenue–Appeals (CIR–A) annulled this assessment order whereas the Appellate Tribunal Inland Revenue (ATIR) had set aside the order of CIR–A and remanded the case back to CIR–A for denovo proceedings. The CIR–A, vide his order dated September 3, 2012, has allowed partial relief of Rs. 11.32 million to the Company. The remaining disputed amount after rectification order under section 221 of the Income Tax Ordinance, 2001, dated May 16, 2013 out of Rs. 34.99 million now stands at Rs. 18.28 million. Both the Company and the Department have filed appeals before the ATIR against the order of CIR–A, which are pending adjudications.

18.1.1.2 The DCIR, passed an order under section 122(5A) raising tax demands of Rs. 21.83 million by making addition to sales of Rs.177.79 million Being aggrieved of the order, the taxpayer filed an appeal before CIR–A who vide order No. 0416 dated February 06 ,2016, reduce the addition of differential amounts. Being further aggrieved of the CIR–A order, the taxpayer filed 2nd appeal before ATIR Lahore who vide order ITA No. 1541/LB/2016 dated March 03, 2022, deleted the order of CIR–A and DCIR. Against the order of ATIR, department has filed a reference before Lahore High Court with I.T.R. No. 33591/2022 dated May 30, 2022. Hearing date is yet pending.

18.1.1.3 The taxpayer was served with notice under rule 44(4) of the Income Tax Rules, 2002, dated March 02, 2021 issued by the DCIR. The taxpayer filed reply on March 08, 2021. The DCIR served a show cause notice under Section 161 (IA) of the Ordinance dated October 04, 2021. The taxpayer filed reply for the same. DCIR passed time barred order under section 161 (1) of the Ordinance dated May 22, 2024 wherein total tax demand was raised amounting to Rs. 10.01 million being aggrieved of the said order, the taxpayer filed an appeal before CIR–A against the above mentioned order on June 12, 2024. The CIR–A remanded back the case to the DCIR vide order dated October 07, 2024. The DCIR issued a notice u/s 129 dated November 08, 2024. Subsequently, the taxpayer filed reply vide letter no. LT–2179–24 dated November 15, 2024. The proceeding remains pending adjudication.

18.1.1.4 The return for the tax year 2012 was taken as an assessment order in term of provisions of Section 120. The taxpayer was selected for audit under section 177 vide Letter No. R–SGD–13–1277 dated March 12, 2013. An order was passed by the Assistant CIR vide order bearing barcode number 2012–SGD–20180924–04995 under Section 122 through which the taxable income and tax payable was modified to Rs. 30 million. CIR–A vide order dated October 15, 2018 confirmed the action of the Department in respect of certain additions and remanded back the case for the remaining. FFL being aggrieved filed appeal before ATIR. ATIR vide order dated March 10, 2022 decided in favor of FFL without creating any demand. Department has filed a reference vide I.T.R.No. 30918/2022 against the order of ATIR which is pending before Lahore High Court.

18.1.1.5 DCIR issued an order under section 161 (1) of the Ordinance on April 18, 2023 wherein total tax was charged at Rs. 338.65 million. The department adjusted the aforementioned amount of alleged tax default by making adjustment of income tax refunds pertaining to tax years, 2017 & 2018.

The taxpayer filed an appeal before CIR–Appeals against the above mentioned order under Section 161 (1) dated April 18, 2023. CIR–A issued appellate order on the matter dated August 07, 2023 wherein the case was annulled, remanded back to DCIR for re–assessment and confirmed the tax demand to the tune of Rs. 178.97 million, Rs. 126.25 million and Rs. 33.43 million respectively. On March 27, 2024, the DCIR issued a notice regarding reassessment proceedings in respect of the amount of Rs. 126.25 million.

The tax department filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) against the annulled demand of Rs. 178.97 million. Meanwhile, the taxpayer also filed an appeal before the ATIR on October 04, 2023, challenging the confirmed tax demand of Rs. 33.43 million. Both of the appeals were heard on June 10, 2024, and the order was passed on July 09, 2024.

The ATIR annulled an amount of Rs. 212.39 million and remanded back an amount of Rs. 126.25 million. Following the order of the ATIR, the DCIR issued a notice on December 26, 2024, regarding the jurisdiction assumed in this case, and a hearing was scheduled for December 27, 2024 to conclude the proceedings. Consequently, the taxpayer filed application for appeal effect and thereafter appeal effect order was passed dated December 31, 2024, wherein demand amounting to Rs.212.39 million was deleted.

Sales tax

18.1.1.6 During the year ended December 31, 2021, ADCIR issued a show cause notice, dated February 17, 2021 against inadmissible adjustment of input tax on goods not related to taxable supplies and non–withholding of sales tax from payment made against advertisement . Against the show cause notice, the ADCIR raised a sales tax demand of Rs. 100.00 million along with default surcharge and penalty. Being aggrieved of the said order, the Company filed an appeal before the CIR–A. On August 22, 2024, the honorable CIR–A upheld the order passed by the DCIR. Being aggrieved by the appellate order, the taxpayer filed an appeal before the Appellate Tribunal Punjab Revenue Authority on December 24, 2024, which remains pending adjudication.

18.1.1.7 Department vide order dated November 14, 2016 raised sales tax demand of Rs. 4.84 million under section 11(2) and 11(3) of the Sales Tax Act 1990 against inadmissible input tax claimed and non realization of sales tax on sale of scrap. FFL preferred an appeal before CIR–A which was decided against FFL vide CIR–A order dated May 08, 2017. Being aggrieved FFL preferred an appeal before ATIR. ATIR decided the case in favor of FFL vid order dated May 22, 2018 and waived off the whole tax demand. Department has filed reference before the Honorable Lahore High Court vide STR 64495/2020 in December 2020 which is pending adjudication.

18.1.1.8 The department issued show cause notice alleging adjustment of inadmissible input tax on goods not related to taxable supplies and non–withholding of sales tax from payment made against advertisement services. Against the show cause notice, Department raised sales tax demand of Rs. 138.00 million along with default surcharge and penalty. The Company preferred an appeal before CIR–A. CIR–A decided the case in favor of the Company through order dated October 29, 2020 and annulled the department's order. The department has filed an appeal before ATIR which is pending adjudication.

18.1.1.9 The DCIR has concluded the assessment and proceeding through its order u/s 11(2) for the period from July 2019 to December 2019 and has charged sales tax amounting Rs. 14.00 million. The Company being aggrieved by the order filed appeal before CIR–A who, through order 08/2020 dated October 29, 2020 remanded the case back to ACIR for re– assessment . The department has filed appeal before ATIR which is pending adjudication.

18.1.1.10 The department 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 CIR(A). The CIR(A) remanded the case back to department for fresh proceedings. The Company filed an appeal before ATIR on July 27, 2023 on the subject that the appellate order should annul the assessment order instead of remanding back to the tax officer. ATIR has stayed the remand back proceedings vide stay order dated June 4, 2024, while the hearing of main appeal is still pending.

18.1.2	**The Subsidiary Company**	**2024**
18.1.2.1	Claims lodged by suppliers not acknowledged by the Subsidiary Company.	2,714,000

These represent various claims lodged by the suppliers on account of raw materials provided and other selling and sales promotional expenses incurred on behalf of the Subsidiary Company. The Subsidiary Company has refused to record and pay off the claims as they believe that the grounds for such expenses are not valid as the Subsidiary Company had not pre–approved such expenses. The Subsidiary Company believes that any outflow in respect to these claims is not probable.

18.1.2.2 In the previous year, the Subsidiary Company was selected for audit, regarding tax year 2017, under section 214C of Income Tax Ordinance, 2001 (Ordinance) and notice was issued under section 177 (1) of the Ordinance and compliance was made. However, dissatisfied with the response, the Assistant/Deputy Commissioner (Audit–I) Inland Revenue Islamabad (ADCIR) issued a show cause notice under section 122 (9) of the Ordinance. Subsequently, the Subsidiary Company submitted partial reply on IRIS web portal along under section 122 (1) of the Ordinance, dated June 17, 2023 creating an income tax demand of Rs. 395.95 million. Consequently, the Subsidiary Company filed an appeal before Commissioner Inland Revenue (Appeals – IV), Islamabad on July 13, 2023, which is still pending adjudication.

18.1.2.3 The Company was issued a show cause notice under section 52 of Punjab Sales Tax on Services Act 2012 by the Additional Commissioner Inland Revenue (ACIR), Punjab Revenue Authority. Company have dualy responded to the notice on the basis of information provided by the Company. No order has been passed till date. The Company believes that any outflow in respect to these claims is not probable.

Based on the opinion of the legal and 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 financial statements.

18.2 Commitments

18.2.1 Commitments in respect of capital expenditure outstanding at the period end amounted to Rs. 272.7 million (2023: Rs. 88.9 million).

18.2.2 Commitments in respect of letter of credit for the purchase of raw and packing material outstanding at the period end amounted to Rs. 89.5 million (2023: Rs. 99.24 million).

18.2.3 Guarantees aggregating to Rs. 194.75 million (2023: Rs. 21.89 million) have been issued by banks of the Group to Sui Northern Gas Pipeline Ltd, Pakistan State Oil, Naval Accounts Karachi and Pakistan Oxygen Limited.

18.2.4 In July 2019, the Subsidiary Company raised purchase order amounting to Rs. 1.09 million for procurement of customized packing materials to M/S Expert Advertising. Due to the closure of operations, the Subsidiary Company has not yet lifted the packing materials despite them being made available by the supplier. The supplier has requested the Subsidiary Company to pay the outstanding amount under the purchase order by taking delivery of the packing material. However, the Subsidiary Company has disputed claim since it has not taken actual delivery of the packing material.

		Note	2024	2023
			Rupees	Rupees
19	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets			
	Owned assets	19.1	8,824,520,512	8,356,484,835
	Right of use assets		267,594,383	218,654,813
			9,092,114,895	8,575,139,648
	Capital work–in–progress	19.2	426,304,381	453,016,416
			9,518,419,276	9,028,156,064

19.1 Operating fixed assets

	December 31, 2024																					
	Cost / Revalued Amount										Depreciation											
	As at 01	Acquisition of Fauji Cereals - Cost	Acquisition of Fauji Infraavest - Cost	Additions / transfers	Disposals	Transfer from ROUA to owned assets	Transfer to asset held for sale - Refer to note 29	Elimination of accumulated depreciation	Revaluation adjustment	As at 31 December	As at 01 January	Acquisition of Fauji Cereals - Accumulated depreciation	Acquisition of Fauji Infraavest Foods Limited - Accumulated depreciation	Charge for the year	Disposals	Transfer from ROUA to owned Asset	Transfer to asset held for sale	Elimination of accumulated depreciation	As at 31 December	Accumulated Impairment	Book value	Rate of depreciation (%)
	Rupees																					
Owned assets:																						
Freehold land	781,625,000	–	–	–	–	–	–	–	–	781,625,000	–	–	–	–	–	–	–	–	–	–	781,625,000	–
Buildings on freehold land	1,103,625,066	41,463,927	111,811,000	20,787,083	–	–	–	–	–	1,277,687,076	60,768,646	25,337,871	–	83,729,054	–	–	–	–	169,835,571	–	1,107,851,505	3 – 6
Plant and machinery	6,337,147,287	292,070,341	181,214,000	371,652,321*	–	212,867,123	–	–	–	7,394,951,072	388,042,283	289,951,735	–	450,113,398	–	15,881,636	–	–	1,143,989,052	55,000,000	6,195,962,020	10 – 15
Electric and gas installation	182,907,563	28,008,411	28,447,000	24,012,236**	–	–	–	–	–	263,375,210	8,126,508	27,215,374	–	12,258,343	–	–	–	–	47,600,225	–	215,774,985	10 – 15
Other works equipment	178,887,446	4,285,484	46,569,000	26,935,041	–	–	–	–	–	256,676,971	17,962,672	1,886,063	–	16,495,077	–	–	–	–	36,343,812	–	220,333,159	10 – 33.33
Office and IT Equipment	174,227,875	8,555,050	–	72,313,132	(136,500)	–	–	–	–	254,959,557	89,800,351	6,259,402	–	27,104,161	(83,416)	–	–	–	123,080,498	–	131,879,059	10 – 33.33
Furniture and fixture	53,978,039	2,292,278	–	40,193,554***	–	–	–	–	–	96,463,871	27,000,412	1,278,500	–	3,750,863	–	–	–	–	32,029,775	–	64,434,096	10
Vehicles	204,092,646	42,759,470	–	1,006,388	(12,064,900)	–	–	–	–	235,793,604	68,305,215	41,139,654	–	26,220,053	(6,532,006)	–	–	–	129,132,916	–	106,660,688	20 – 25
	9,016,490,922	419,434,961	368,041,000	556,899,755	(12,201,400)	212,867,123	–	–	–	10,561,532,361	660,006,087	393,068,599	–	619,670,949	(6,615,422)	15,881,636	–	–	1,682,011,849	55,000,000	8,824,520,512	
Right of use assets ("ROUA"):																						
Building	133,686,254	–	–	–	–	–	–	–	–	133,686,254	122,545,734	–	–	11,140,520	–	–	–	–	133,686,254	–	–	20
Land	–	–	–	190,663,882	–	–	–	–	–	190,663,882	–	–	–	16,614,461	–	–	–	–	16,614,461	–	174,049,421	–
Plant and Machinery	212,867,123	–	–	–	–	(212,867,123)	–	–	–	–	5,352,830	–	–	10,528,806	–	(15,881,636)	–	–	–	–	–	6
Vehicles	–	–	–	100,952,627	–	–	–	–	–	100,952,627	–	–	–	7,407,665	–	–	–	–	7,407,665	–	93,544,962	20
	346,553,377	–	–	291,616,509	–	(212,867,123)	–	–	–	425,302,763	127,898,564	–	–	45,691,452	–	(15,881,636)	–	–	157,708,380	–	267,594,383	
	9,363,044,299	419,434,961	368,041,000	848,516,264	(12,201,400)	–	–	–	–	10,986,835,124	787,904,651	393,068,599	–	665,362,401	(6,615,422)	–	–	–	1,839,720,229	55,000,000	9,092,114,895	

	December 31, 2023																					
	Cost / Revalued Amount										Depreciation											
	As at 01	Acquisition of Fauji Cereals - Cost	Acquisition of Fauji Infraavest - Cost	Additions / transfers	Disposals	Transfer from ROUA to owned assets	Transfer to asset held for sale - Refer to note 29	Elimination of accumulated depreciation	Revaluation adjustment	As at 31 December	As at 01 January	Acquisition of Fauji Cereals - Accumulated depreciation	Acquisition of Fauji Infraavest Foods Limited - Accumulated depreciation	Charge for the year	Disposals	Transfer from ROUA to owned Asset	Transfer to asset held for sale	Elimination of accumulated depreciation	As at 31 December	Accumulated Impairment	Book value	Rate of depreciation (%)
	Rupees																					
Owned assets:																						
Freehold land	751,562,500	–	–	–	–	–	–	–	30,062,500	781,625,000	–	–	–	–	–	–	–	–	–	–	781,625,000	–
Buildings on freehold land	1,343,771,516	–	–	1,784,898	–	–	–	(463,007,365)	221,076,017	1,103,625,066	452,716,757	–	–	71,059,254	–	–	–	(463,007,365)	60,768,646	–	1,042,856,420	3 – 6
Plant and machinery	8,940,049,301	–	–	302,778,548	(174,294,222)	–	(276,874,000)	(3,172,742,781)	718,230,441	6,337,147,287	3,238,729,870	–	–	432,959,158	(98,444,634)	–	(12,459,330)	(3,172,742,781)	388,042,283	–	5,949,105,004	10 – 15
Electric and gas installation	26,411,303	–	–	173,306,096	–	–	–	(18,580,142)	1,770,306	182,907,563	18,247,877	–	–	8,458,773	–	–	–	(18,580,142)	8,126,508	–	174,781,055	10 – 15
Other works equipment	217,054,510	–	–	16,940,406	–	–	–	(68,456,929)	13,349,459	178,887,446	74,340,384	–	–	12,079,217	–	–	–	(68,456,929)	17,962,672	–	160,924,774	10 – 33.33
Office and IT Equipment	151,145,574	–	–	23,372,401	(290,100)	–	–	–	–	174,227,875	69,212,367	–	–	20,715,151	(127,167)	–	–	–	89,800,351	–	84,427,524	10 – 33.33
Furniture and fixture	49,560,539	–	–	4,417,500	–	–	–	–	–	53,978,039	24,351,070	–	–	2,649,342	–	–	–	–	27,000,412	–	26,977,627	10
Vehicles	66,247,058	–	–	105,080,530	(3,970,750)	36,735,808	–	–	–	204,092,646	31,684,865	–	–	7,694,032	(3,409,814)	32,336,132	–	–	68,305,215	–	135,787,431	20 – 25
	11,545,802,301	–	–	627,680,379	(178,555,072)	36,735,808	(276,874,000)	(3,722,787,217)	984,488,723	9,016,490,922	3,909,283,190	–	–	555,614,927	(101,981,615)	32,336,132	(12,459,330)	(3,722,787,217)	660,006,087	–	8,356,484,835	
Right of use assets ("ROUA"):																						
Building	133,686,254	–	–	–	–	–	–	–	–	133,686,254	95,808,483	–	–	26,737,251	–	–	–	–	122,545,734	–	11,140,520	20
Plant and Machinery	218,148,553	–	–	–	–	–	–	(54,320,032)	49,038,602	212,867,123	50,094,958	–	–	9,577,904	–	–	–	(54,320,032)	5,352,830	–	207,514,293	6
Vehicles	36,735,808	–	–	–	–	(36,735,808)	–	–	–	–	31,330,172	–	–	1,005,960	–	(32,336,132)	–	–	–	–	–	33.33
	388,570,615	–	–	–	–	(36,735,808)	–	(54,320,032)	49,038,602	346,553,377	177,233,613	–	–	37,321,115	–	(32,336,132)	–	(54,320,032)	127,898,564	–	218,654,813	
	11,934,372,916	–	–	627,680,379	(178,555,072)	–	(276,874,000)	(3,777,107,249)	1,033,527,325	9,363,044,299	4,086,516,803	–	–	592,936,042	(101,981,615)	–	(12,459,330)	(3,777,107,249)	787,904,651	–	8,575,139,648	

* These include capital expenditure amounting to Rs. 34.5 (2023: Rs. 2.4) million transferred from capital work in progress.

** These include capital expenditure amounting to Rs. 172.9 (2023: Rs. 12.78) million transferred from capital work in progress.

*** These include capital expenditure amounting to Rs. 5.3 (2023: Nil) million transferred from capital work in progress.

		Note	2024	2023
			Rupees	Rupees
19.1.1	**The depreciation charge has been allocated as follows:**			
	Cost of revenue	31	563,193,633	511,132,496
	Marketing and distribution expenses	32	39,420,971	15,853,275
	Administrative expenses	33	62,747,797	65,950,271
			665,362,401	592,936,042

19.1.2 The gross carrying value of fully depreciated assets that are still in use amounted to Rs. 408 million (2023: Rs. 38.56 million).

19.1.3 The manufacturing facility of the holding Company is located at Sargodha Road, Bhalwal, District Sargodha. Total owned area is 120 kanals and 5 marlas and covered area of building is 191,050 square feet.

19.1.4 During the year, the holding Company has recognized an impairment charge amounting to Rs. 55 million (2023: Nil) against idle and scrap assets, determined on the basis of fair value of the assets less cost of disposal. The Company based on a review for impairment on the operating assets identified that the carrying values of certain operating assets exceeds their estimated recoverable amount. Accordingly, provision for impairment was recognized.

19.1.5 Disposal of property, plant and equipment

	December 31, 2024						
	Cost / Revalued Amount	Net book value	Proceeds from disposal	Gain	Mode of disposal	Particulars of buyer	Relationship of purchaser with company or any of its directors
	Rupees						
Fixed assets sold having book value greater than Rs. 500,000							
Vehicles							
Suzuki Alto – AQK 926	2,655,950	2,346,089	2,600,000	253,911	Accidental	EFU Insurance	No relationship
Suzuki Alto – AQK 749	2,655,950	2,257,558	2,600,000	342,442	Accidental	EFU Insurance	No relationship
Assets having net book value less than Rs. 500,000	6,889,500	982,329	3,034,295	2,051,966			
	12,201,400	5,585,976	8,234,295	2,648,319			

	December 31, 2023						
	Cost / Revalued Amount	Net book value	Proceeds from disposal	Gain	Mode of disposal	Particulars of buyer	Relationship of purchaser with company or any of its directors
	Rupees						
Fixed assets sold having book value greater than Rs. 500,000							
Plant and machinery							
Packing machine – TBA 200 ML	95,835,336	38,584,019	40,996,486	2,412,467	Negotiation	Selo Foodtech	No relationship
Packing machine – TBA 250 ML	78,458,886	37,265,569	39,595,600	2,330,031	Negotiation	Selo Foodtech	No relationship
Assets having net book value less than Rs. 500,000	4,260,850	723,869	2,340,517	1,616,648			
	178,555,072	76,573,457	82,932,603	6,359,146			

19.1.6 The latest revaluation of freehold land, building on freehold land, plant and machinery, electric and gas installations and other work equipment was carried out on March 16, 2023, by an independent professional valuer, K.G. Traders (Private) Limited. As per the revaluation report, forced sale value of freehold land and buildings on freehold land was Rs. 664.38 million and Rs. 939.25 million, respectively and forced sales value of plant and machinery, electric and gas installations and other works equipment was Rs. 5,523 million.

Had these assets not been revalued, the carrying amount of freehold land, buildings on freehold land, plant and machinery, electric and gas installations and other work equipment would have been as follows:

	Note	2024	2023
		Rupees	Rupees
Freehold land		73,448,429	73,365,999
Buildings on freehold land		650,169,694	624,140,785
Plant and machinery – (including plant and machinery appearing under right of use assets)		4,057,571,049	3,765,268,572
Electric and gas Installations		191,225,097	170,453,451
Other works equipment		114,106,481	125,642,991
		5,086,520,750	4,758,871,798
19.2 Capital work–in–progress			
Plant and machinery	19.2.1	426,304,381	437,067,915
Advance against capital expenditure		–	15,948,501
		426,304,381	453,016,416

19.2.1 Plant and machinery

	December 31, 2024			
	As at January 1, 2024	As at Additions	Transfers	December 31, 2024
	Rupees			
Plant & Machinery	437,067,915	165,802,389	(207,452,731)	395,417,573
Buildings on Freehold land	–	30,886,808	–	30,886,808
Furniture & Fixtures	–	5,310,000	(5,310,000)	–
	437,067,915	201,999,197	(212,762,731)	426,304,381

	December 31, 2023			
	As at January 1, 2023	As at Additions	Transfers	December 31, 2023
	Rupees			
Plant & Machinery	228,617,127	223,625,880	(15,175,092)	437,067,915
	228,617,127	223,625,880	(15,175,092)	437,067,915

	Note	2024	2023
		Rupees	Rupees
20 INTANGIBLE ASSETS			
Software and licenses	20.1	7,819,490	4,541,191
Capital work–in–progress (CWIP)	20.3	9,126,076	5,343,576
		16,945,566	9,884,767

20.1 Software and license

	December 31, 2024								
	Cost				Amortization			Book value	Rate of amortization (%)
	As at January 1, 2024	Additions	Transfer from CWIP	As at December 31, 2024	As at January 1, 2024	Charge for the year	As at December 31, 2024		
	Rupees								
Softwares	10,389,808	–	–	10,389,808	9,071,807	658,999	9,730,806	659,002	33.33
Licenses	62,404,373	5,421,630	–	67,826,003	59,181,183	1,484,333	60,665,515	7,160,488	33.33
	72,794,181	5,421,630	–	78,215,811	68,252,990	2,143,332	70,396,321	7,819,490	

	December 31, 2023								
	Cost				Amortization			Book value	Rate of amortization (%)
	As at January 1, 2023	Additions	Transfer from CWIP	As at December 31, 2023	As at January 1, 2023	Charge for the year	As at December 31, 2023		
	Rupees								
Softwares	8,412,808	–	1,977,000	10,389,808	8,412,808	658,999	9,071,807	1,318,001	33.33
Licenses	58,403,173	4,001,200	–	62,404,373	58,403,173	778,010	59,181,183	3,223,190	33.33
	66,815,981	4,001,200	1,977,000	72,794,181	66,815,981	1,437,009	68,252,990	4,541,191	

	Note	2024	2023
		Rupees	Rupees
20.1.1 The amortization charge has been allocated as follows:			
Marketing and distribution expenses	32	658,999	658,999
Administrative expenses	33	1,484,333	778,010
		2,143,332	1,437,009

20.2 This represent capital expenditure incurred on development of Milk Collection Automated System (MCAS).

	Note	2024	2023
		Rupees	Rupees
20.3 Capital work–in–progress			
Software	20.3.1	9,126,076	5,343,576

20.3.1 Software

	December 31, 2024			
	As at January 1, 2024	As at Additions	Transfers	December 31, 2024
	Rupees			
Software	5,343,576	3,782,500	–	9,126,076
	5,343,576	3,782,500	–	9,126,076

	December 31, 2023			
	As at January 1, 2023	As at Additions	Transfers	December 31, 2023
	Rupees			
Software	5,929,326	1,391,250	(1,977,000)	5,343,576
	5,929,326	1,391,250	(1,977,000)	5,343,576

	Note	2024	2023
		Rupees	Rupees
21 STORES, SPARES AND LOOSE TOOLS			
General items		26,417,164	20,458,842
Stores, spares and loose tools		242,003,222	253,630,662
		268,420,386	274,089,504
Less: provision for obsolescence	21.1	(6,727,486)	(8,612,801)
		261,692,900	265,476,703
21.1 Movement in provision for obsolescence			
Balance at the start of the year		8,612,801	8,612,801
Provision for the year		12,030,195	–
Written off during the year		(13,915,510)	–
Balance at the end of the year		6,727,486	8,612,801

		Note	2024 Rupees	2023 Rupees
22	**STOCK–IN–TRADE**			
	Raw and packing material			
	– In hand		1,324,799,791	1,245,004,936
	– In transit		44,542,468	14,515,083
			1,369,342,259	1,259,520,019
	Work–in–process		58,355,602	84,444,173
	Finished goods		557,702,540	803,278,904
			1,985,400,401	2,147,243,096
	Less: Provision for obsolescence	22.1 & 22.2	(16,476)	(15,837,215)
		22.3	1,985,383,925	2,131,405,881
22.1	**Movement in provision for obsolete raw materials**			
	Balance at the start of the year		–	–
	Provision for the year		60,243,343	–
	Written off during the year		(60,226,867)	–
	Balance at the end of the year		16,476	–
22.2	**Movement in provision for obsolete finished goods**			
	Balance at the start of the year		15,837,215	43,077,665
	Provision for the year		26,777,961	4,991,031
	Written off during the year		(42,615,176)	(32,231,481)
	Balance at the end of the year		–	15,837,215

22.3 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. 4.77 million (2023: Rs. 1.57 million).

		Note	2024 Rupees	2023 Rupees
23	**TRADE RECEIVABLES FROM CONTRACT WITH CUSTOMERS**			
	Considered good			
	Trade debts – Related parties		1,890,000	–
	Trade debts – Others		1,784,042,226	497,680,233
			1,785,932,226	497,680,233
	Considered doubtful		18,986,650	1,779,553
			1,804,918,876	499,459,786
	Allowance for expected credit loss	23.2	(18,986,650)	(1,779,553)
			1,785,932,226	497,680,233
23.1	**Due from related parties – considered good**			
	Fauji Fresh n Freeze Limited		1,890,000	–

	2024	2023
	Rupees	Rupees
23.2 Allowance for expected credit loss		
Balance at the start of the year	1,779,553	111,900,180
Charge for the year	17,207,097	89,900,000
Amount written off against trade receivables	–	(200,020,627)
Balance at the end of the year	18,986,650	1,779,553

23.3 Trade receivables are non–interest bearing and become due after 7 to 30 days of the invoice date. Generally, balances outstanding for more than 90 days are treated as default.

23.4 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs. 12.76 million (2023: Nil). No interest has been charged on the amounts due from related parties.

23.5 The aging analysis of these trade debts have been disclosed in Note 44.5 to these financial statements.

	Note	2024	2023
		Rupees	Rupees
24 LOANS AND ADVANCES			
Due from employees – considered good		7,869,938	4,490,093
Deposit to collector of customs		4,104,947	7,509,549
Advance against letter of credit		136,949,231	68,742,721
Advance against bank guarantee		5,094,228	5,094,228
Advances to suppliers	24.1	425,013,754	24,766,101
	24.2	579,032,098	110,602,692
Provision for doubtful advances to suppliers	24.3	–	–
		579,032,098	110,602,692
24.1 Break down of advances to suppliers			
Categories			
– Up to Rs. 1 million		3,200,229	8,319,917
– Rs. 1 million to Rs. 2 million		1,299,000	1,507,967
– Rs. 2 million to Rs. 3 million		5,166,672	2,994,994
– Above Rs. 3 million		415,347,853	11,943,223
		425,013,754	24,766,101

24.2 These are interest free and in the normal course of business.

	2024	2023
	Rupees	Rupees
24.3 Provision for doubtful advances to suppliers		
Balance at the start of the year	–	–
Charge for the year	–	10,217,400
Amount written off against advances	–	(10,217,400)
Balance at the end of the year	–	–

		Note	2024 Rupees	2023 Rupees
25	**DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**			
	Security deposits		131,301,089	89,861,018
	Prepayments		22,352,063	11,958,973
	Other receivables	25.2	294,248,462	42,994,500
			447,901,614	144,814,491
	Allowance for expected credit loss – security deposits	25.1	–	–
			447,901,614	144,814,491
25.1	**Movement of allowance for expected credit loss on security deposits**			
	Balance at the start of the year		–	–
	Charge for the year		–	11,770,486
	Amount written off		–	(11,770,486)
	Balance at the end of the year		–	–
25.2	**These include balances due from associated undertaking as follows:**			
	Fauji Fertilizer Company Limited		1,057,893	1,978
	Fauji Foundation		285,801,374	11,816,781
	Fauji Fresh n Freeze Limited		7,220,246	–
			294,079,513	11,818,759

25.2.1 The maximum aggregate amounts outstanding at any time during the year calculated by reference to month–end balances are as follows:

	2024 Month	2024 Maximum outstanding during the year (Rupees)	2023 Month	2023 Maximum outstanding during the year (Rupees)
Fauji Fertilizer Company Limited	December	1,057,893	November	1,978
Fauji Foundation	December	285,801,374	December	11,816,781
Fauji Fresh n Freeze	December	7,220,246	–	–

		Note	2024 Rupees	2023 Rupees
26	**ACCRUED INTEREST**			
	Interest accrued on Term Deposit Receipts (TDRs)	26.1	323,041,105	62,215,078

26.1 This includes Rs. 310.8 million (2023: Rs. 62.2 million) interest accrued on Term Deposit Receipts (TDRs) of Askari Bank Limited, an associated company.

		Note	2024	2023
			Rupees	Rupees
27	**TAX REFUNDS DUE FROM GOVERNMENT**			
	Sales tax refundable – net	27.1 & 27.2	521,843,716	1,499,378,986
	Income tax refundable – net	27.3 & 27.4	180,489,173	864,079,469
			702,332,889	2,363,458,455

27.1 These include provision for sales tax on tea whitener amounting to Rs. 693.02 million (2023: Rs. 438.49 million).

27.2 The Group has written off sales tax refundable of Rs. 59.09 million (2023: Nil).

27.3 These include provision for current tax amounting to Rs. 425.95 million (2023: Rs. 264.64 million).

27.4 The Group has written off income tax refunds pertaining to prior tax years amounting to Rs. 109.07 million (2023: Nil).

		Note	2024	2023
			Rupees	Rupees
28	**CASH AND CASH EQUIVALENTS**			
	Cash and bank balances:			
	Cash in hand		58,395	378,240
	With banks on:			
	– Current accounts		140,623,184	27,892,522
	– Saving accounts	28.1	168,270,455	272,569,266
		28.2	308,893,639	300,461,788
	Total cash and bank balances		308,952,034	300,840,028
	Short term investments:			
	Term Deposit Receipts (TDRs)	28.3	2,700,000,000	1,000,000,000
			3,008,952,034	1,300,840,028

28.1 These saving accounts earned interest at 11.50% to 20.50% (2023: 14.5% to 20.5%) per annum during the year.

28.2 These include bank deposits amounting to Rs. 162.6 million (2023: Rs. 272 million) with Askari Bank Limited, an associated undertaking.

28.3 This includes TDR's kept with Askari Bank Limited, an associated undertaking, amounting to Rs. 2,450 million. These carry mark-up at the rates ranging from 16.2% to 22.5% (2023: 17% to 22.5%) per annum and have one year maturity with premature encashment option without any surcharge.

		2024	2023
		Rupees	Rupees
28.3.1	**Following is movement in TDRs during the year:**		
	Balance at the start of the year	1,000,000,000	970,000,000
	Additions during the year	2,900,000,000	2,870,000,000
	Encashed during the year	(1,200,000,000)	(2,840,000,000)
	Balance at the end of the year	2,700,000,000	1,000,000,000

		Note	2024	2023
			Rupees	Rupees
29	**ASSET HELD FOR SALE**			
	Asset held for sale	29.1	–	262,655,057

29.1 On December 18, 2023, pursuant to the approval of the Board of Directors of the holding Company, the holding Company classified a filling machine as 'asset held for sale', as these assets were available for immediate sale in their present condition and their sale was highly probable upon completion of necessary documentation. During the current year, in January 2024, the said asset was sold.

		2024	2023
		Rupees	Rupees
30	**REVENUE FROM CONTRACTS WITH CUSTOMERS – NET**		
	Gross revenue	27,969,987,279	21,309,182,690
	Less: Sales tax	(2,594,594,776)	(833,549,793)
	Discounts, incentives and allowances	(1,971,298,840)	(1,105,090,605)
		(4,565,893,616)	(1,938,640,398)
		23,404,093,663	19,370,542,292

30.1 Disaggregation of revenue

The Group's gross revenue disaggregated by major product lines is as follows:

	2024	2023
	Rupees	Rupees
Product Sales		
Dairy	25,863,109,265	21,204,277,781
Cereals	2,039,896,416	–
Pasta	39,294,201	–
	27,942,299,882	21,204,277,781
Services		
Tolling services	27,687,397	104,904,909
	27,969,987,279	21,309,182,690

30.2 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.

30.3 The Group mostly receives consideration from its customers in advance. In other case, credit term of 7 to 30 days is allowed.

		Note	2024	2023
			Rupees	Rupees
30.4	**Customer balances**			
	Trade receivables from contract with customers	23	1,785,932,226	497,680,233
	Contract liabilities	15	299,249,089	133,178,553

		Note	2024	2023
			Rupees	Rupees
31	**Cost of revenue**			
	Raw materials consumed		13,073,106,819	12,200,438,326
	Salaries, wages and other benefits	31.2	798,663,349	544,997,869
	Freight and forwarding		526,976,031	304,684,959
	Power and fuel		659,196,618	541,047,444
	Packing materials consumed	31.1	3,188,187,321	2,533,183,580
	Stores and spares consumed		164,657,240	143,344,845
	Repair and maintenance		339,330,226	181,195,604
	Depreciation	19.1.1	563,193,633	511,132,496
	Rent, rates and taxes		602,973	266,588
	Travelling and conveyance		18,537,273	16,749,095
	Communication, establishment & others		7,462,540	632,634
	Printing and stationery		3,071,921	2,231,999
	Legal and professional charges		5,743,271	5,462,353
	Insurance		9,078,057	7,269,320
	Others		23,340,371	5,153,112
			19,381,147,643	16,997,790,224
	Adjustment of work–in–process			
	Opening stock		84,444,173	157,048,335
	Stock transferred from Fauji Cereals		3,931,653	–
	Closing stock	22	(58,355,602)	(84,444,173)
			30,020,224	72,604,162
	Cost of goods manufactured		19,411,167,867	17,070,394,386
	Adjustment of finished goods			
	Opening stock		787,441,689	543,764,411
	Stock transferred from Fauji Cereals		77,135,000	–
	Closing stock	22	(557,702,540)	(787,441,689)
			306,874,149	(243,677,278)
			19,718,042,016	16,826,717,108

31.1 It includes late payment surcharge on payments over credit term amounting to Rs. 5.12 million (2023: Nil).

31.2 Salaries, wages and other benefits include following in respect of employee benefits:

	2024	2023
	Rupees	Rupees
Provident fund	13,735,216	11,365,760
Long term accumulated compensated absences	11,080,005	3,585,600
Gratuity	10,710,226	8,629,216
	35,525,447	23,580,576

		Note	2024 Rupees	2023 Rupees
32	**MARKETING AND DISTRIBUTION EXPENSES**			
	Freight and forwarding		172,654,430	188,415,659
	Salaries, wages and other benefits	32.1	517,016,109	413,446,183
	Repair and maintenance		10,351,394	9,075,931
	Rent, rates and taxes		8,412,877	7,952,855
	Travelling and conveyance		25,342,618	11,667,622
	Vehicles' running and maintenance		101,233,442	84,316,132
	Advertisement and sales promotion		811,106,860	571,515,052
	Insurance		1,272,842	111,855
	Depreciation on property, plant and equipment	19.1.1	39,420,971	15,853,275
	Amortization of intangible assets	20.1.1	658,999	658,999
	Communication, establishment and others		23,058,764	20,468,583
			1,710,529,306	1,323,482,146

32.1 Salaries, wages and other benefits include following in respect of employee benefits:

	Note	2024 Rupees	2023 Rupees
Provident fund		13,317,005	11,248,580
Long term accumulated compensated absences		11,080,005	3,585,600
Gratuity		10,710,225	8,629,216
		35,107,235	23,463,396

		Note	2024 Rupees	2023 Rupees
33	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and other benefits	33.1	511,286,323	395,645,296
	Travelling and conveyance		22,503,065	9,137,068
	Directors' meeting fee	40	18,475,000	12,530,000
	Rent, rates and taxes		29,858,911	3,119,015
	Entertainment		10,653,769	5,162,575
	Communication and establishment		28,621,562	19,820,010
	Printing and stationery		8,537,418	12,737,975
	Electricity, gas and water		18,291,866	16,546,710
	Insurance		1,446,165	1,133,642
	Repair and maintenance		27,088,036	15,373,661
	Vehicles' running and maintenance		45,343,844	35,471,246
	Subscription		56,617,035	31,766,872
	Legal and professional charges		75,395,163	75,489,340
	Auditors' remuneration	33.2	5,772,000	3,200,000
	Cash security charges		8,011,796	12,071,396
	Depreciation on property, plant and equipment	19.1.1	62,747,797	65,950,271
	Amortization of intangible assets	20.1.1	1,484,333	778,010
	Others		7,977,403	6,396,122
			940,111,486	722,329,209

33.1 Salaries, wages and other benefits include following in respect of employee benefits:

	2024	2023
	Rupees	Rupees
Provident fund	10,739,762	8,970,085
Long term accumulated compensated absences	5,540,021	1,792,800
Gratuity	5,355,108	4,314,608
	21,634,891	15,077,493

33.2 Auditors' remuneration

	2024	2023
Audit Services		
Statutory audit fee	3,070,000	1,900,000
Half yearly review	1,030,000	450,000
Certification charges	800,000	500,000
Special purpose audit fee	400,000	–
Out–of–pocket expenses	472,000	350,000
	5,772,000	3,200,000

33.2.1 The external auditors also performed a special purpose audit for a fee of Rs. 3.07 million with respect to the evaluation of the potential amalgamation of Fauji Fertilizer Bin Qasim Limited with and into Fauji Fertilizer Company Limited by way of a scheme of arrangement. The expense has been borne by Fauji Fertilizer Bin Qasim Limited.

	2024	2023
	Rupees	Rupees
Non–Audit Services		
ERP services	5,346,000	–

The aforementioned ERP services have been capitalized as part of cost of intangible assets.

	Note	2024	2023
		Rupees	Rupees
34 OTHER INCOME			
Income from financial assets – non–Shariah compliant			
Profit on Term Deposit Receipts (TDRs)		367,171,970	139,972,886
Profit on saving accounts		137,348,432	79,049,367
		504,520,402	219,022,253
Income from non–financial assets – Shariah compliant			
Sale of scrap		36,273,586	10,718,427
Net income from sale of fertilizers and helicaps		2,581,107	2,375,195
Gain on disposal of property, plant and equipment – net	19.1.5	2,648,319	6,359,146
Rebate on sui gas– utilities		32,000	–
		41,535,012	19,452,768
		546,055,414	238,475,021

		Note	2024 Rupees	2023 Rupees
35	**OTHER EXPENSES**			
	Exchange loss – net		1,073,205	3,498,595
	Provision for tax refundable balances		12,843,244	–
	Write off – tax refundable balances		73,319,915	–
	Write off – stock–in–trade		72,021,304	–
	Write off – obsolete stores		12,030,195	–
	Impairment charge on fixed assets		55,000,000	–
	Advances to supplier written off	19.2 & 24.3	15,948,501	10,217,400
	Allowance for expected credit loss on security deposits	25.1	–	11,770,486
	Workers' Profit Participation Fund		66,168,358	14,679,298
	Impairment loss on asset held for sale		–	1,759,613
	Workers' Welfare Fund		25,143,976	5,655,807
	Others		3,330,746	1,964,206
			336,879,444	49,545,405
36	**FINANCE COST**			
	Interest / mark–up on interest / mark–up based loans			
	– Long term loans		–	244,735,614
	– Short term borrowings		2,738,383	58,277,303
	– Finance cost on dismantling provision		51,000	–
	– Lease liabilities		43,913,925	11,594,897
	Bank charges and commission		7,903,598	9,184,782
			54,606,906	323,792,596
37	**LEVY**			
	Levy – final tax		2,626,551	–
	Super tax on levy – final tax		905,707	–
	Levy – minimum tax		98,779,888	218,196,002
			102,312,146	218,196,002
38	**INCOME TAX**			
	– Charge for the year		323,646,408	46,452,644
	– Adjustments in respect of current income tax of previous years		84,898,457	(411,374)
	Deferred tax:			
	– Relating to origination and reversal of temporary differences		5,518,000	(596,098,084)
			414,062,865	(550,056,814)

		2024 Rupees	2023 Rupees
38.1	**Tax charge reconciliation:**		
	Profit before levy and income tax	1,172,772,822	273,250,849
	Tax expense on accounting profit (29% as per Income Tax Ordinance)	340,104,118	79,242,746
	Tax effect of:		
	Change in expected tax rate	–	240,773,196
	Business losses adjusted during the period	(336,128,066)	(80,338,128)
	Effect of super tax – excluding levy	114,097,087	8,310,841
	Prior period tax charge	84,898,457	–
	Difference in tax rate of income	–	(12,749,473)
	Income chargeable under levy	102,312,146	218,196,002
	Minimum tax credit not recognized – excluding levy	217,120,724	(23,674,097)
	Recognition of previously unrecognised business losses	–	(625,816,265)
	Recognition of previously unrecognised depreciation losses	–	(196,642,302)
	Others	(6,029,455)	60,836,668
	Effective tax (including income tax and levy)	516,375,011	(331,860,812)

38.2 Reconciliation between current tax and levy

Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in profit and loss accounts as follows:

			2024 Rupees	2023 Rupees
	Current tax liability for the period as per applicable laws		516,375,011	(331,860,812)
	Less:			
	Portion of current tax liability as per tax laws, representing income tax under IAS 12		414,062,865	(550,056,814)
	Portion of current tax computed as per current tax Laws representing levy in terms of requirements of IAS 37/ IFRIC 21		102,312,146	218,196,002
			–	–
39	**EARNING PER SHARE – BASIC AND DILUTED**			
	Profit for the year	Rupees	656,397,811	605,111,661
	Weighted average number of ordinary shares in issue during the year	Number	2,519,963,139	2,330,224,102
	Earning per share – basic and diluted	Rupees	0.26	0.26

40 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to Chief Executive, directors and executives of the Company is as follows:

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	Rupees					
Managerial remuneration	30,797,424	22,529,026	–	–	186,737,902	129,557,414
Meeting fee	–	–	18,475,000	12,530,000	–	–
Provident fund	3,079,740	2,299,353	–	–	18,673,790	12,955,741
House rent	13,858,836	10,138,071	–	–	168,064,112	116,601,672
Utilities	3,079,740	2,252,901	–	–	18,673,790	12,955,741
Relocation allowance	–	–	–	–	4,150,643	1,898,750
Bonus	25,668,000	18,000,000	–	–	92,784,297*	113,738,512
Car Allowances	–	–	–	–	89,689,129	40,505,000
Reimbursement of expenses	3,600,000	4,320,000	–	–	3,493,231	5,355,820
	80,083,740	59,539,351	18,475,000	12,530,000	582,266,894	433,568,650
Number of persons	1	1	9	9	70	54

* These represent provision for bonus expense which is subject to annual performance appraisal.

40.1 The Group also provides Chief Executive and some of its executives with company maintained cars in accordance with the Company's policy.

40.2 This includes the meeting fees paid to one executive director amounting to Rs. 130,000 (2023: nil).

	Factory employees		Total employees	
	2024	2023	2024	2023
	(Number of persons)		(Number of persons)	
41 NUMBER OF EMPLOYEES				
Total number of employees at year end	266	237	443	415
Average number of employees during the year	262	232	437	404

	Capacity		Production	
	2024	2023	2024	2023
42 CAPACITY AND PRODUCTION				
Liquid products – liters	221,312,000	210,410,750	67,224,579	58,527,307
Non – Liquid products – Kg	7,156,800	7,156,800	2,828,401	3,454,028

The actual production is according to market demand.

43 RELATED PARTY TRANSACTIONS

Related parties comprise of Parent Company, subsidiaries and associates of Ultimate Parent Company, directors, entities with common directorship, post employment plans and key management personnel. Relevant balances are disclosed elsewhere in these financial statements. 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	2024	2023
Rupees	Rupees			
Fauji Fertilizer Bin Qasim Limited (Now Fauji Fertilizer Comapny Limited)	Parent Company (Shareholding and common directorship)	Finance cost charged	–	2,712,329
		Professional fee charged by related party	22,000	–
		TA/DA, repair and maintenance and rent expense charged by related party	–	217,228
		Expense of IT facilities charged by related party	21,736,869	19,970,258
		Miscellaneous expense charged to related party by Company	–	47,334
		Expense charged to related party for special audit	5,231,380	–
		Purchase of Fertilizer	–	16,275,089
		Conversion of loan as subscription received against right issue and share issuance against accrued markup	–	708,749,800
Fauji Fertilizer Company Limited	Parent Company (Shareholding and common directorship)	Purchase of Fertilizer	105,376,039	13,726,860
Fauji Foundation	Ultimate Parent Company (Shareholding and common directorship)	Management shared services charged by related party	3,914,917	5,728,947
		Director training fee charged by related party	403,125	–
		Advance leadership program expense charge by related party	5,880,000	–
		Consultancy expense for acquisition transactions charge by related party	7,369,941	–
		Miscellaneous expense charged to related party by Company	1,002,007	7,957,608
		Lease liability expense against right–of–use of asset	32,384,000	–
		Share deposit money received	–	350,000,000
		Consultancy fee charged by related party	–	1,302,265
		Finance cost charged	–	4,232,877

Name of related party	Relationship	Nature of transactions	2024	2023
			Rupees	Rupees
Fauji Fresh n Freeze Limited	Associated Undertaking (Common directorship)	Sale of cheese to related party	18,648,000	–
		Shared office cost charged to related party	7,220,246	–
Foundation Gas	Associated Undertaking (Common directorship)	Purchase of LPG	21,085,625	–
FFBL Power Company Limited	Associated Undertaking (Shareholding and Common directorship)	Shares issuance	–	4,000,000,000
FFC Energy Limited	Associated Undertaking (Shareholding and Common directorship)	Shares issuance	–	4,650,000,000
		Fair valuation of intangibles consultancy fee charged to related party	2,676,100	–
Foundation Solar Energy (Private) Limited	Associated Undertaking (Common directorship)	Purchase of solar panel	–	125,714,295
Askari Bank Limited	Associated Undertaking (Common directorship)	Finance cost on lease charged by related party	5,601,412	23,528,808
		Interest income on saving accounts	130,492,930	75,484,150
		Interest income on TDRs	319,008,170	139,972,886
Employee's Provident Fund Trust	Post employee benefit plan	Contribution for the period	82,553,478	69,266,604
Employee's Gratuity Fund Trust	Post employee benefit plan	Contribution for the period	18,487,242	7,924,431
Directors	Meeting fee		18,475,000	12,530,000
Key Management Personnel	Remuneration and benefits		160,715,542	163,387,857

44 FINANCIAL RISK MANAGEMENT

44.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk, price risk and currency risk), credit risk and liquidity risk. The Group's overall risk management program focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders. Risk management is carried out by the Group finance and planning department under policies approved by the senior management.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is also responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group's exposure to financial risk, the way these risks affects the financial position and performance and the manner in which such risks are managed are explained in the given notes.

44.2 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Group incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board. The Group is exposed to currency and interest rate risk only.

44.2.1 Foreign currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. This exist due to the Group's exposure resulting from outstanding import payments and foreign commercial transactions.

The Group is exposed to exchange risk arising from currency exposures mainly with respect to the Euro and US Dollar on import of raw material, packing material and stores and spares. Currently, the Group's foreign exchange risk exposure is restricted to the amounts payable to the foreign entities. The Group's is exposed to foreign exchange risk as at December 31, 2024, as it has financial instruments denominated in currency other than the functional currency of the Group.

A foreign exchange risk management policy has been developed and approved by the management. The policy allows the Group to take currency exposure for limited periods within predefined limits while open exposures are rigorously monitored. The Group ensures to the extent possible that it has options available to manage exposure, either through forward contracts, options or prepayments, etc. subject to the prevailing foreign exchange regulations.

The Group's exposure to foreign currency risk is as follows:

	2024			
	Euro	Rupees	Dollar	Rupees
Creditors	10,831	3,119,545	306,176	85,591,501

	2023			
	Euro	Rupees	Dollar	Rupees
Creditors	70,156	21,854,296	–	–

The following significant exchange rate applied during the year:

	Average rates		Reporting date rate (Bid-Offer average)	
	2024	2023	2024	2023
Euro	299.77	276.35	288.02	311.51
Dollar	280.65	254.05	279.55	281.74

Sensitivity analysis

A 15% strengthening of the functional currency against foreign currency at December 31, 2024, would have increased profit by Rs. 13.31 million (2023: Rs. 3.28 million). A 15% weakening of the functional currency against USD at December 31, 2024, would have had the equal but opposite effect of these amounts. The analysis assumes that all other variables remain constant.

44.2.2 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting all similar financial instruments traded in the market. As at December 31, 2024, the Group is not exposed to any significant other price risk as it has no such financial instruments.

44.2.3 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Group's interest rate risk arise from short and long–term borrowings and obligations under finance lease. As at December 31, 2024, the Group is exposed to interest rate risk only due to obligation under finance lease as the Group has repaid all of its short and long term borrowings. Sensitivity to interest rate risk arises from mismatch of financial assets and liabilities that mature or reprice in a given period. The Group analyses its interest rate exposure on a regular basis by monitoring interest rate trends to determine whether they should enter into hedging alternatives.

At the period end, the interest rate profile of the Group's interest bearing financial instruments is as follows:

	2024	2023	2024	2023
	Effective rate		Rupees	Rupees
Financial assets				
Fixed rate instruments				
Saving accounts	13.50% to 20.50%	14.50% to 20.50%	168,270,455	272,569,266
Term Deposit Receipts	16.20% to 22.50%	17.00% to 22.50%	2,700,000,000	1,000,000,000
Total exposure			2,868,270,455	1,272,569,266
Financial liabilities				
Fixed rate instruments				
Lease liabilities	13.59% to 22.71%	8.20% to 13.59%	194,379,396	52,635,293
Variable rate instruments				
Lease liabilities	13.59% to 22.71%	8.20% to 13.59%	82,253,687	52,635,293

The Group is not exposed to interest rate risk on its fixed rate instruments as the Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

The loans payable to the Ultimate Parent Company as disclosed in note 16 to the financial statements have a grace period mutually extendable before the markup will be charged and accordingly do not carry any interest rate exposure as of the reporting date.

Cash flow sensitivity analysis for variable rate instruments

At December 31, 2024, if interest rate on variable rate financial instruments has been 5% higher / lower with all other variables held constant, profit before tax for the year would have been Rs. 0.59 million (2023: Nil) higher / lower, mainly as a result of higher / lower interest expense on variable rate financial liabilities.

44.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to discharge its contractual obligations. The Group is exposed to credit risk from its operating activities (primarily trade receivables), deposits, advances, loans, interest accrued, short term investments, other receivables and from its financing activities including deposits with banks.

44.4 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2024	2023
		Rupees	Rupees
Financial assets at amortized cost			
Security deposits	25	154,101,089	106,180,000
Trade receivables from contract with customers	23	1,785,932,226	497,680,233
Due from employees	24	7,869,938	4,490,093
Other receivables	25	294,248,462	42,994,500
Accrued interest	26	323,041,105	62,215,078
Cash and bank balances	28	308,893,639	300,461,788
Term Deposit Receipts (TDRs)	28	2,700,000,000	1,000,000,000
		5,574,086,459	2,014,021,692

Geographically there is no concentration of credit risk. The maximum exposure to credit risk for trade debts at the reporting date are with dealers within the country.

44.5 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers and utility Companies, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

Counter parties with external credit ratings

These include banking companies and financial institutions, which are counterparties to bank balances, TDRs and interest accrued. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non–performance by these counterparties on their obligations to the Group. Following are the credit ratings of counterparties with external credit ratings:

	Rating		Rating	2024	2023
Institutions	Short term	Long term	Agency	Rupees	Rupees
Bank balances and TDRs					
National Bank of Pakistan	AAA	A1+	PACRA	129,419	212,507
United Bank Limited	AAA	A–1+	JCR–VIS	430,000	–
Askari Bank Limited	AA+	A1+	PACRA	2,754,865,378	1,289,789,997
JS Bank Limited	AA	A1+	PACRA	420	1,270
Bank Alfalah Limited	AAA	A1+	PACRA	579	579
MCB Bank Limited	AAA	A1+	PACRA	1,578,073	1,600,858
Habib Bank Limited	AAA	A–1+	JCR–VIS	–	1,474
Habib Metropolitan Bank Limited	AA+	A1+	PACRA	1,500	–
Faysal Bank Limited	AA	A1+	PACRA	27,608	67,989
Bank Islami Pakistan Limited	AA–	A1	PACRA	–	–
Bank Al–Habib Limited	AAA	A1+	PACRA	7,259	7,665
Soneri Bank Limited	AA–	A1+	PACRA	14,749	8,760,310
Dubai Islamic Bank	AA	A–1+	JCR–VIS	–	–
Bank of Punjab	AA+	A1+	PACRA	251,819,514	–
Al Baraka Bank	A+	A–1	JCR–VIS	19,140	19,140
				3,008,893,639	1,300,461,789

	Rating		Rating	2024	2023
Institutions	**Short term**	**Long term**	**Agency**	**Rupees**	**Rupees**
Interest accrued on term deposit receipts (TDRs)					
Askari Bank Limited	AA+	A1+	PACRA	310,871,277	62,215,078
Bank of Punjab	AA+	A1+	PACRA	12,169,828	–
				323,041,105	62,215,078

Counter parties without external credit ratings

Trade receivables from contract with customers

These mainly include customers which are counter parties to trade debts. As explained in note 3.12, the Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts. Trade debts are written off when there is no reasonable expectation of recovery. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage different other forms of credit insurance). The calculation reflects the probability–weighted outcome, the time value of money and reasonable and supportable information that is available at the period end about past events, current conditions and forecasts of future economic conditions. The Group does not hold collateral as security. The aging of trade debts excluding related party balances at the reporting date is as follows:

	2024	2023
	Rupees	**Rupees**
0–30 days	1,161,599,759	262,974,217
31–60 Days	426,923,700	106,767,313
61–90 Days	151,035,058	36,064,565
Above 90 Days	63,470,359	93,653,691
	1,803,028,876	499,459,786

The aging of trade debts of related party balances at the reporting date is as follows:

	2024	2023
	Rupees	**Rupees**
0–30 days	–	–
31–60 Days	1,890,000	–
61–90 Days	–	–
Above 90 Days	–	–
	1,890,000	–

Security deposits, other receivables and due from employees

The Group has assessed, based on historical experience and available securities, that the expected credit loss associated with these financial assets is trivial and therefore no impairment charge has been accounted for. The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any default in meeting obligations.

44.6 Concentration of credit risk

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instruments is broadly diversified and all other transactions are entered into with credit–worthy counterparties there–by mitigating any significant concentrations of credit risk.

44.7 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of adequate credit facilities. The Group finances its operations through equity, borrowings and working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. The Group's finance department aims at maintaining flexibility in funding by keeping regular committed credit lines available. The management uses different methods which assists it in monitoring cash flow requirements and optimizing the return on investments. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Group maintains an unavailed lines of credit.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 10 years
	Rupees			
At December 31, 2024				
Lease liabilities	276,633,083	357,129,998	42,900,492	314,229,506
Trade and other payables	2,383,146,704	2,383,146,704	2,383,146,704	–
Accrued finance cost	4,058,746	4,058,746	4,058,746	–
Loans to Ultimate Parent Company	5,908,554,693	5,908,554,693	5,908,554,693	–
	8,572,393,226	8,652,890,141	8,338,660,635	314,229,506

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 10 years
	Rupees			
At December 31, 2023				
Lease liabilities	52,635,293	54,848,284	54,848,284	–
Trade and other payables	1,833,665,548	1,833,665,548	1,833,665,548	–
Accrued finance cost	36,945,209	36,945,209	36,945,209	–
	1,923,246,050	1,925,459,041	1,925,459,041	–

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest / mark–up rates effective at the respective year–ends. The rates of interest / mark–up have been disclosed in the respective notes to these financial statements.

45 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

– In the principal market for the asset or liability; or

– In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non–financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

– Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

– Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

– Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re–assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

45.1 Fair value hierarchy

		2024	
	Level 1	Level 2	Level 3
	Rupees		
Assets measured at fair value			
Revalued Property plant and equipment			
Freehold land	–	955,674,421	–
Buildings on freehold land	–	–	1,107,851,505
Plant and machinery (including right of use asset)	–	–	6,195,962,020
Electric and gas installations	–	–	215,774,985
Other works equipment	–	–	220,333,159
	–	955,674,421	7,739,921,669

	Level 1	2023 Level 2	Level 3
	Rupees		
Assets measured at fair value			
Revalued Property plant and equipment			
Freehold land	–	781,625,000	–
Buildings on freehold land	–	–	1,042,856,420
Plant and machinery (including right of use asset)	–	–	6,156,619,297
Electric and gas installations	–	–	174,781,055
Other works equipment	–	–	160,924,774
	–	781,625,000	7,535,181,546

Movements of the above mentioned assets and surplus on revaluation of these assets have been disclosed in note 19.1 and note 7, respectively to these financial statements. There were no transfers between levels 1, 2 and 3 during the year and there were no changes in valuation techniques during the years.

45.2 Valuation techniques used to derive level 2 and level 3 fair values

The Group obtains independent valuations for its certain classes of property, plant and equipment (more particularly described below) at least every three years. At the end of each reporting period, the management updates its assessment of the fair value of each asset mentioned above, taking into account the most recent independent valuation. The management determines an asset's value within a range of reasonable fair value estimates. Level 2 fair value of land has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price per square foot. Level 3 fair value of building on freehold land has been determined using a depreciated replacement cost approach, whereby, current cost of construction of a similar building in a similar location has been adjusted using a suitable depreciation rate to arrive at present market value. Level 3 fair value of plant and machinery, electric and gas installations and other work equipments has been determined using a depreciated replacement cost approach, whereby, the current replacement cost of items of similar make/ origin, capacity and level of technology has been adjusted using a suitable depreciation rate on account of normal wear and tear.

Description	2024 Rupees	2023 Rupees	Significant unobservable inputs	Quantitative data / range and relationship to the fair value
Revalued Property plant and equipment				
Buildings on freehold land	1,107,851,505	1,042,856,420	Cost of construction of a new similar building. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using a suitable depreciation factor on cost of constructing a similar new building. Higher, the estimated cost of construction of a new building, higher the fair value. Further, higher the depreciation rate, the lower the fair value of the building.

Description	2024 Rupees	2023 Rupees	Significant unobservable inputs	Quantitative data / range and relationship to the fair value
Plant and machinery	6,195,962,020	6,156,619,297	Cost of acquisition of similar plant and machinery with similar level o technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using cost of acquisition of similar plant and machinery with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of plant and machinery. The higher the cost of acquisition of similar plant and machinery, higher the fair value of plant and machinery. Further, higher the depreciation rate, the lower the fair value of plant and machinery.
Electric and gas installations	215,774,985	174,781,055	Cost of acquisition of similar electric installations with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using cost of acquisition of similar electric installations with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of electric installations. The higher the cost of acquisition of similar electric installations, higher the fair value of tools and equipment. Further, higher the depreciation rate, the lower the fair value of electric installations.
Other works equipment	220,333,159	160,924,774	Cost of acquisition of similar electric installations with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using cost of acquisition of similar equipments with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of electric installations. The higher the cost of acquisition of similar works equipments, higher the fair value of tools and equipment. Further, higher the depreciation rate, the lower the fair value of other works equipments.

45.3 Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities. Fair value of the financial assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The Group's financial assets consist of loans and advances, short term deposits and investments, interest accrued, trade and other receivables and cash and bank balances. Its financial liabilities consist of lease liabilities, short term borrowings, trade and other payables (excluding statutory payables), and accrued finance cost. The above financial assets and liabilities approximate their carrying amounts largely due to the short–term maturities of these instruments. The management assessed that fair value of loans and advances, short term deposits and investments, interest accrued, trade and other receivables, cash and bank balances, trade and other payables and accrued finance cost approximate their carrying amounts largely due to the short–term maturities of these instruments.

46 Capital risk management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Group defines as operating income divided by total capital employed.

The Group's objectives when managing capital are:

(i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) to provide an adequate return to shareholders.

The Group manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may, for example, adjust the amount of dividends paid to shareholders, issue new shares, arrange new lines of credit or sell assets to reduce debt.

Neither there were any changes in the Group's approach to capital management during the period nor the Group is subject to externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital employed. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables and accrued markup.

	Note	2024	2023
		Rupees	Rupees
Gearing ratio			
Long term loans – secured	8	–	–
Lease liabilities	10	276,633,083	52,635,293
Trade and other payables	15	2,835,503,355	2,013,980,303
Loans payable to Ultimate Parent Company	16	5,908,554,693	–
Accrued finance cost	17	4,058,746	36,945,209
		9,024,749,877	2,103,560,805
Less: Cash and cash equivalents	28	(3,008,952,034)	(1,300,840,028)
Net debt	A	6,015,797,843	802,720,777
Total equity		9,514,855,491	14,055,427,060
Equity and net debt	B	15,530,653,334	14,858,147,837
Gearing ratio	C = A/B	39%	5%

47 FINANCIAL INSTRUMENTS BY CATEGORIES

	Note	2024	2023
At amortized costs			
Financial assets			
Security deposits	25	154,101,089	106,180,000
Trade receivables from contract with customers	23	1,785,932,226	497,680,233
Due from employees	24	7,869,938	4,490,093
Other receivables	25	294,248,462	42,994,500
Accrued interest	26	323,041,105	62,215,078
Cash and bank balances	28	308,952,034	300,840,028
Term Deposit Receipts (TDRs)	28	2,700,000,000	1,000,000,000
		5,574,144,854	2,014,399,932
Financial liabilities			
Loans payable to Ultimate Parent Company	16	5,908,554,693	–
Trade and other payables	15	2,383,146,704	1,833,665,548
Accrued finance cost	17	4,058,746	36,945,209
Lease liabilities	10	276,633,083	52,635,293
		8,572,393,226	1,923,246,050

48 RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	2024							
	Liabilities					Equity		Total
	Long term loans	Payable to ultimate parent Company	Accrued finance cost	Lease liabilities	Unclaimed dividend	Share deposit money	Share capital / share premium	
	Rupees							
Balance as at January 1, 2024	–	–	36,945,209	52,635,293	965,752	2,350,000,001	27,000,713,693	29,441,259,948
Cash flows								
Repayment of lease rentals	–	–	–	(67,618,719)	–	–	–	(67,618,719)
Finance cost paid	–	–	(87,442,369)	–	–	–	–	(87,442,369)
Total changes from financing cash flows	–	–	(87,442,369)	(67,618,719)	–	–	–	(155,061,088)
Other changes including non–cash								
Reclassification of share deposit money to loan	–	5,908,554,693	–	–	–	(2,350,000,001)	–	3,558,554,692
Finance cost	–	–	54,606,906	–	–	–	–	54,606,906
Assets acquired on lease	–	–	–	291,616,509	–	–	–	291,616,509
Total liability related other changes	–	5,908,554,693	54,606,906	291,616,509	–	(2,350,000,001)	–	3,904,778,107
Closing as at December 31, 2024	–	5,908,554,693	4,109,746	276,633,083	965,752	–	27,000,713,693	33,190,976,967

	2023							
	Liabilities					Equity		Total
	Long term loans	Short term borrowings	Accrued finance cost	Lease liabilities	Unclaimed dividend	Share deposit money	Share capital / share premium	
	Rupees							
Balance as at January 1, 2023	5,988,149,277	1,705,540,931	402,289,522	127,015,862	965,752	2,708,749,801	17,676,029,743	28,608,740,888
Cash flows								
Receipts against issuance of shares	–	–	–	–	–	–	8,650,000,000	8,650,000,000
Receipt of share deposit money	–	–	–	–	–	350,000,000	–	350,000,000
Repayment of long term loans	(5,988,149,277)	–	–	–	–	–	–	(5,988,149,277)
Repayment of lease rentals	–	–	–	(74,380,569)	–	–	–	(74,380,569)
Finance cost paid	–	–	(689,136,909)	–	–	–	–	(689,136,909)
Share issuance cost adjusted against share premium	–	–	–	–	–	–	(34,065,850)	(34,065,850)
Total changes from financing cash flows	(5,988,149,277)	–	(689,136,909)	(74,380,569)	–	350,000,000	8,615,934,150	2,214,267,395
Other changes including non–cash								
Changes in running finance	–	(1,705,540,931)	–	–	–	–	–	(1,705,540,931)
Finance cost	–	–	323,792,596	–	–	–	–	323,792,596
Share Issuance	–	–	–	–	–	(708,749,800)	708,749,800	–
Total liability related other changes	–	(1,705,540,931)	323,792,596	–	–	(708,749,800)	708,749,800	(1,381,748,335)
Closing as at December 31, 2023	–	–	36,945,209	52,635,293	965,752	2,350,000,001	27,000,713,693	29,441,259,948

49 DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON–PERMISSIBLE BUSINESS ACTIVITIES

Following information has been disclosed as required under Part 1 Clause VII of the Fourth Schedule to the Companies Act, 2017 as amended via S. R. O.1278(I)/2024 dated August 15, 2024:

Description	Explanation	Note	2024	2023
			Rupees	Rupees
Consolidated Statement of Financial Position				
Accrued finance cost	Accrued on conventional loans	17	4,058,746	36,945,209
Consolidated Statement of Comprehensive Income				
Revenue earned for the year	Earned from shariah compliant business	30	23,404,093,663	19,370,542,292
Late payments for the year	Delay payment surcharge on payments over credit term	31	5,124,896	–
Source and detailed break up of other income				
Other income earned from non-financial assets (Shariah compliant) for the year	Earned from Shariah compliant transactions	34	41,535,012	19,452,768
Other income earned from financial assets (non-Shariah compliant) for the year	Earned from non-Shariah compliant transactions	34	504,520,402	219,022,253

50 Date of authorization of issue

These financial statements have been authorized for issue by the Board of Directors of the Group on January 28, 2025.

Chairman | Chief Executive Officer | Director | Chief Financial Officer

FORM 20
THE COMPANIES ACT, 2017
(Section 227(2)(f))

PATTERN OF SHAREHOLDING

1.1 Name of the Company **FAUJI FOODS LIMITED**
2.1. Pattern of holding of the shares held by the shareholders as at **31-12-2024**

2.2 Number Of Shareholders	Shareholding From	To	Total Shares Held
2248	1	100	99,314
2216	101	500	812,224
1945	501	1,000	1,794,262
4394	1,001	5,000	12,894,435
1705	5,001	10,000	13,903,592
621	10,001	15,000	8,068,927
539	15,001	20,000	10,003,741
300	20,001	25,000	7,108,932
234	25,001	30,000	6,703,892
149	30,001	35,000	4,928,209
123	35,001	40,000	4,789,263
83	40,001	45,000	3,568,821
226	45,001	50,000	11,190,138
63	50,001	55,000	3,330,867
63	55,001	60,000	3,698,092
25	60,001	65,000	1,578,438
47	65,001	70,000	3,223,700
56	70,001	75,000	4,134,516
34	75,001	80,000	2,689,933
15	80,001	85,000	1,243,533
28	85,001	90,000	2,496,397
20	90,001	95,000	1,867,675
156	95,001	100,000	15,561,088
19	100,001	105,000	1,944,113
16	105,001	110,000	1,744,905
17	110,001	115,000	1,919,646
14	115,001	120,000	1,668,894
21	120,001	125,000	2,615,552
13	125,001	130,000	1,669,010
13	130,001	135,000	1,725,429
10	135,001	140,000	1,386,625
12	140,001	145,000	1,725,625
27	145,001	150,000	4,048,000
4	150,001	155,000	611,200
8	155,001	160,000	1,271,300
3	160,001	165,000	491,000
9	165,001	170,000	1,515,289

FORM 20
THE COMPANIES ACT, 2017
(Section 227(2)(f))

PATTERN OF SHAREHOLDING

2.2 Number Of Shareholders	Shareholding From	Shareholding To	Total Shares Held
12	170,001	175,000	2,083,012
4	175,001	180,000	710,900
3	180,001	185,000	549,066
7	185,001	190,000	1,320,349
2	190,001	195,000	387,384
58	195,001	200,000	11,582,492
4	200,001	205,000	810,885
8	205,001	210,000	1,671,545
6	210,001	215,000	1,280,416
4	215,001	220,000	877,076
2	220,001	225,000	447,982
5	225,001	230,000	1,140,533
2	230,001	235,000	465,002
5	235,001	240,000	1,189,500
2	240,001	245,000	488,000
13	245,001	250,000	3,250,000
2	250,001	255,000	506,000
3	255,001	260,000	776,194
4	265,001	270,000	1,076,000
1	270,001	275,000	275,000
2	275,001	280,000	558,092
1	280,001	285,000	285,000
1	285,001	290,000	286,230
4	290,001	295,000	1,173,500
18	295,001	300,000	5,400,000
1	300,001	305,000	302,715
3	305,001	310,000	923,658
4	310,001	315,000	1,255,200
4	315,001	320,000	1,278,229
2	320,001	325,000	646,590
1	325,001	330,000	328,725
2	330,001	335,000	666,994
6	345,001	350,000	2,100,000
1	350,001	355,000	352,692
1	360,001	365,000	362,604
1	370,001	375,000	375,000
4	375,001	380,000	1,511,968
1	385,001	390,000	387,685
2	390,001	395,000	789,003
10	395,001	400,000	4,000,000
2	405,001	410,000	811,244

2.2 Number Of Shareholders	Shareholding From	To	Total Shares Held
1	420,001	425,000	425,000
2	425,001	430,000	860,000
2	430,001	435,000	864,500
6	445,001	450,000	2,697,199
2	455,001	460,000	918,000
1	460,001	465,000	463,825
1	470,001	475,000	474,711
1	490,001	495,000	495,000
21	495,001	500,000	10,500,000
2	500,001	505,000	1,003,251
1	510,001	515,000	512,943
1	515,001	520,000	516,193
2	525,001	530,000	1,055,664
1	535,001	540,000	540,000
2	545,001	550,000	1,100,000
1	555,001	560,000	556,572
1	565,001	570,000	569,500
2	575,001	580,000	1,158,500
7	595,001	600,000	4,194,953
1	610,001	615,000	610,666
2	630,001	635,000	1,270,000
1	640,001	645,000	645,000
1	645,001	650,000	650,000
1	680,001	685,000	681,600
6	695,001	700,000	4,200,000
2	715,001	720,000	1,439,000
3	720,001	725,000	2,165,606
1	725,001	730,000	726,000
1	745,001	750,000	750,000
1	760,001	765,000	760,038
3	785,001	790,000	2,362,597
1	810,001	815,000	811,468
1	835,001	840,000	836,500
1	870,001	875,000	871,000
1	880,001	885,000	885,000
1	885,001	890,000	890,000
1	895,001	900,000	900,000
1	930,001	935,000	934,207
2	945,001	950,000	1,900,000
1	950,001	955,000	953,122
1	975,001	980,000	980,000

FORM 20
THE COMPANIES ACT, 2017
(Section 227(2)(f))

PATTERN OF SHAREHOLDING

2.2 Number Of Shareholders	Shareholding From	Shareholding To	Total Shares Held
2	985,001	990,000	1,972,495
10	995,001	1,000,000	10,000,000
1	1,035,001	1,040,000	1,036,816
1	1,090,001	1,095,000	1,090,679
2	1,095,001	1,100,000	2,200,000
2	1,100,001	1,105,000	2,208,900
1	1,135,001	1,140,000	1,140,000
1	1,145,001	1,150,000	1,146,151
1	1,205,001	1,210,000	1,207,900
1	1,225,001	1,230,000	1,226,729
1	1,280,001	1,285,000	1,282,727
1	1,295,001	1,300,000	1,300,000
1	1,325,001	1,330,000	1,329,757
1	1,345,001	1,350,000	1,348,500
1	1,360,001	1,365,000	1,362,500
1	1,400,001	1,405,000	1,401,120
2	1,495,001	1,500,000	3,000,000
1	1,500,001	1,505,000	1,502,813
1	1,595,001	1,600,000	1,600,000
1	1,615,001	1,620,000	1,617,000
1	1,695,001	1,700,000	1,700,000
2	1,780,001	1,785,000	3,564,050
1	1,820,001	1,825,000	1,825,000
1	1,840,001	1,845,000	1,843,684
1	1,845,001	1,850,000	1,845,784
5	1,995,001	2,000,000	10,000,000
2	2,095,001	2,100,000	4,200,000
1	2,130,001	2,135,000	2,135,000
1	2,195,001	2,200,000	2,200,000
1	2,245,001	2,250,000	2,249,598
1	2,320,001	2,325,000	2,322,865
1	2,375,001	2,380,000	2,377,000
1	2,405,001	2,410,000	2,407,525
1	2,545,001	2,550,000	2,507,857
1	3,000,001	3,005,000	3,001,567
1	3,240,001	3,245,000	3,243,000
1	3,995,001	4,000,000	4,000,000
1	4,120,001	4,125,000	4,123,285
1	6,185,001	6,190,000	6,186,724
1	6,685,001	6,690,000	6,687,302
1	14,780,001	14,785,000	14,784,001

2.2 Number Of Shareholders	Shareholding From	To	Total Shares Held
1	67,370,001	67,375,000	67,371,916
1	399,995,001	400,000,000	400,000,000
1	464,995,001	465,000,000	465,000,000
1	1,205,575,001	1,205,580,000	1,205,576,237
15849			2,519,963,139

2.3	Categories of shareholders	Share held	Percentage
2.3.1	Directors, Chief Executive Officers, and their spouse and minor children	270,009	0.0107%
2.3.2	Associated Companies, undertakings and related parties. (Parent Company)	2,137,948,153	84.8405%
2.3.3	NIT and ICP	258,300	0.0103%
2.3.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	4,045,784	0.1605%
2.3.5	Insurance Companies	3,007,676	0.1194%
2.3.6	Modarabas and Mutual Funds	8,663,181	0.3438%
2.3.7	Shareholders holding 10% or more	2,070,576,237	82.1669%
2.3.8	General Public		
	a. Local	318,956,363	12.6572%
	b. Foreign	3,294,679	0.1307%
2.3.9	Others (to be specified)		
	1- Investment Companies	318,000	0.0126%
	2- Joint Stock Companies	41,755,586	1.6570%
	3- Other Companies	1,445,408	0.0574%

نان ایگزیکٹیو ڈائریکٹرز (بشمول آزاد ڈائریکٹرز) کو معاوضے کی ادائیگی بورڈ کی طرف سے منظور شدہ معاوضہ پالیسی کے مطابق کی جاتی ہے۔

ڈیویڈنڈ:

بورڈ نے سال کے دوران کسی ڈیویڈنڈ کی سفارش نہیں کی ہے۔

سالانہ اجلاس عام:

31 دسمبر 2024 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ مالیاتی گوشواروں کی منظوری کے لیے 58 واں سالانہ اجلاس عام 20 مارچ 2025 کو صبح 11:00 بجے لاہور میں منعقد ہوگا۔

اظہار تشکر:

بورڈ قابل قدر شیئر ہولڈرز اور مالیاتی اداروں کا کمپنی پر اعتماد اور کمپنی کے ساتھ مسلسل تعاون کے لیے شکر گزار ہے۔ بورڈ کمپنی کے تمام ملازمین کی لگن، ہمدردی اور محنت کو بھی سراہتا ہے۔

منجانب بورڈ

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

عثمان ظہیر احمد
چیف ایگزیکٹو آفیسر

لاہور:
مورخہ 28 جنوری 2025

سال 2024 کے دوران بورڈ آف ڈائریکٹرز / کمیٹیوں کے اجلاس:

بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری حسب ذیل تھی:

ڈائریکٹرز کا نام		میٹنگز کی تعداد
لیفٹننٹ جنرل انور علی حیدر، ایچ آئی (ایم) (ریٹائرڈ)	26 نومبر 2024 کو دوبارہ منتخب ہوئے	4
لیفٹننٹ جنرل علی عامر اعوان، ایچ آئی (ایم) (ریٹائرڈ)	26 نومبر 2024 کو دوبارہ منتخب ہوئے	5
سید بختیار کاظمی	26 نومبر 2024 کو دوبارہ منتخب ہوئے	6
جناب عارف الرحمٰن	26 نومبر 2024 کو دوبارہ منتخب ہوئے	6
جناب مظہر عباس حسنانی	26 نومبر 2024 کو منتخب ہوئے	1
محترمہ نوشین اختر	26 نومبر 2024 کو دوبارہ منتخب ہوئیں	5
جناب بشارت احمد بھٹی، (آزاد)	26 نومبر 2024 کو دوبارہ منتخب ہوئے	6
جناب جاوید قریشی، (آزاد)	26 نومبر 2024 کو دوبارہ منتخب ہوئے	6
جناب یاسر الیاس خان، (آزاد)	26 نومبر 2024 کو منتخب ہوئے	1
جناب وقار احمد ملک	05 اپریل 2024 کو مستعفی ہو گئے	1
ڈاکٹر ندیم عنایت	23 اپریل 2024 کو مستعفی ہو گئے	1
جناب سرفراز احمد رحمان	یکم فروری 2024 کو مستعفی ہو گئے	1
لیفٹننٹ جنرل ڈاکٹر محمد زاہد لطیف مرزا (ریٹائرڈ)	26 نومبر 2024 کو ریٹائر ہو گئے	1
جناب علی اسرار حسین آغا	26 نومبر 2024 کو ریٹائر ہو گئے	3

آڈٹ کمیٹی کے پانچ اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری حسب ذیل تھی:

ڈائریکٹرز کا نام	میٹنگز کی تعداد
جناب جاوید قریشی	5
سید بختیار کاظمی	5
جناب مظہر عباس حسنانی	0
جناب بشارت احمد بھٹی	5
ڈاکٹر ندیم عنایت	0
جناب علی اسرار حسین آغا	2

HR&R کمیٹی کے تین اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری حسب ذیل تھی:

ڈائریکٹرز کا نام	میٹنگز کی تعداد
جناب بشارت احمد بھٹی	1
جناب مظہر عباس حسنانی	1
محترمہ نوشین اختر	2
جناب علی اسرار حسین آغا	2
جناب عارف الرحمٰن	2
ڈاکٹر ندیم عنایت	0

HR&R کمیٹی کے تین اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری حسب ذیل تھی:

ڈائریکٹرز کا نام	میٹنگز کی تعداد
جناب بشارت احمد بھٹی	1
جناب مظہر عباس حسنانی	1
محترمہ نوشین اختر	2
جناب علی اسرار حسین آغا	2
جناب عارف الرحمٰن	2
ڈاکٹر ندیم عنایت	0

آڈیٹرز

آڈٹ کمیٹی نے ریٹائر ہونے والے آڈیٹرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی کمپنی کو بیرونی آڈٹ خدمات فراہم کرنے کے لئے دوبارہ تقرری کے اہل ہونے کی بناء پر رضامندی کا جائزہ لیا۔ آڈٹ کمیٹی نے ریٹائر ہونے والے آڈیٹرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو آئندہ سال کے لئے کمپنی کے قانونی آڈیٹرز کے طور پر تعینات کرنے کی سفارش کی اور بورڈ نے اس سفارش کی توثیق کی ہے۔

کارپوریٹ گورننس کے ضابطہ کی تعمیل:

31 دسمبر 2024 کو ختم ہونے والے سال کے لیے متعلقہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تقاضوں کی پوری طرح سے تعمیل کی گئی ہے۔ اس سلسلے میں ایک بیان رپورٹ کے ساتھ منسلک ہے۔

FFL ایک پالیسی فریم ورک کی پیروی کرتا ہے جو زیادہ ماحول دوست طریقوں کے لیے موزوں ہے اور جس میں ٹھوس اور مائع فضلہ، ہوا کے اخراج، زمینی آلودگی اور شور کے لیے ویسٹ مینجمنٹ کے مناسب طریقے اپنائے گئے ہیں۔

کارپوریٹ سماجی ذمہ داری کی مد میں کمپنی کا مقصد منافع پیدا کرنے کے روایتی کارپوریٹ ہدف کے ساتھ ساتھ سماجی بھلائی کو بھی ترجیح دینا ہے۔

ڈائریکٹرز انتظامی اور کنٹرول نظام کے تحت کاروبار کو چلانے کی باضابطہ ذمہ داری کے تحت ہوتے ہیں، جس سے کمپنی پر اسٹیک ہولڈرز کے یقین اور اعتماد کو تقویت ملتی ہے۔

	ملکیتی حصص	ملکیتی حصص کی تعداد	فیصد
I	شریک کمپنیاں، ادارے اور متعلقہ فریق:		
1	انتظامیہ کمیٹی۔ فوجی فاؤنڈیشن (CDC)	67,371,916	2.6735
2	فوجی فرٹیلائزر بن قاسم لمیٹڈ (اب فوجی فرٹیلائزر کمپنی لمیٹڈ) (CDC)	1,205,576,237	47.8410
3	FFBL پاور کمپنی لمیٹڈ (CDC)	400,000,000	15.8732
4	FFC انرجی لمیٹڈ (CDC)	465,000,000	18.4527
II	میوچل فنڈز:		
1	CDC-ٹرسٹی JS مومینٹم فیکٹر ایکسچینج ٹریڈڈ فنڈ (CDC)	352,692	0.0140
2	CDC-ٹرسٹی KSE میزان انڈیکس فنڈ (CDC)	2,000,000	0.0794
3	CDC-ٹرسٹی لکسن ایکویٹی فنڈ (CDC)	3,001,567	0.1191
4	CDC-ٹرسٹی لکسن اسلامک ٹیکٹیکل فنڈ (CDC)	98,194	0.0039
5	CDC-ٹرسٹی لکسن ٹیکٹیکل فنڈ (CDC)	110,728	0.0044
6	CDC-ٹرسٹی میزان ایسیٹ ایلوکیشن فنڈ (CDC)	400,000	0.0159
7	CDC-ٹرسٹی یو بی ایل ریٹائرمنٹ سیونگز فنڈ - ایکویٹی سب فنڈ (CDC)	720,000	0.0286
8	CDC-ٹرسٹی الامین اسلامک ریٹائرمنٹ سیونگز فنڈ - ایکویٹی سب فنڈ (CDC)	980,000	0.0389
9	MCBFSL-ٹرسٹی پاک عمان ایڈوانٹیج ایسیٹ ایلوکیشن فنڈ (CDC)	500,000	0.0198
10	MCBFSL-ٹرسٹی پاک عمان اسلامک ایسیٹ ایلوکیشن فنڈ (CDC)	500,000	0.0198
III	ڈائریکٹرز، سی ای او اور ان کی شریک حیات اور نابالغ بچے:		
1	لیفٹیننٹ جنرل انور علی حیدر، ایچ آئی (ایم) (ریٹائرڈ)	1	0.0000
2	لیفٹیننٹ جنرل علی عامر اعوان، ایچ آئی (ایم) (ریٹائرڈ)	1	0.0000
3	جناب عثمان ظہیر احمد (CDC)	200,000	0.0079
4	سید بختیار کاظمی	1	0.0000
5	جناب عارف الرحمٰن	70,001	0.0028
6	جناب مظہر عباس حسنانی	1	0.0000
7	محترمہ نوشین اختر	1	0.0000
8	جناب بشارت احمد بھٹی	1	0.0000
9	جناب جاوید قریشی	1	0.0000
10	جناب یاسر الیاس خان	1	0.0000
IV	ایگزیکٹوز:	-	-
V	پبلک سیکٹر کمپنیاں اور کارپوریشنز:	-	-
VI	بینک، ترقیاتی مالیاتی ادارے، غیر بینکنگ مالیاتی کمپنیاں، انشورنس کمپنیاں، تکافل، مضاربہ اور پنشن فنڈز:	7,053,460	0.2799
VII	لسٹڈ کمپنی میں پانچ فیصد یا اس سے زیادہ ووٹنگ انٹرسٹ رکھنے والے شیئر ہولڈرز:		
1	فوجی فرٹیلائزر بن قاسم لمیٹڈ (اب فوجی فرٹیلائزر کمپنی لمیٹڈ) (CDC)	1,205,576,237	47.8410
2	FFBL پاور کمپنی لمیٹڈ (CDC)	400,000,000	15.8732
3	FFC انرجی لمیٹڈ (CDC)	465,000,000	18.4527

- 31 دسمبر 2024 کو ختم ہونے والے سال کے دوران ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور نابالغ بچوں کے ذریعے کمپنی کے شیئرز میں کوئی ٹریڈنگ نہیں کی گئی۔

آپریشنل کارکردگی

ہماری ویلیو چین میں لاگت کے انتظامی اقدامات کو نافذ کیا جا رہا ہے۔ کارکردگی پر مرکوز مینجمنٹ نقطہ نظر اور مائنڈ سیٹ کو مضبوط کیا جا رہا ہے۔ کمپنی نے پہلے ہی پیداوار اور سپلائی چین جیسے کلیدی شعبوں میں فوائد حاصل کرنا شروع کر دیے ہیں۔ اس کے علاوہ، یہ مائنڈ سیٹ کمپنی میں مقررہ لاگتوں کو کم کرنے کے قابل بنا رہا ہے۔

مستقبل کا نقطہ نظر

میں فوجی فوڈز لمیٹڈ کی جانب سے فوجی سیریلز اور فوجی انفرا ویسٹ فوڈز لمیٹڈ کے حصول کی منظوری دینے پر اپنے قابل قدر شیئر ہولڈرز اور ریگولیٹری اتھارٹیز کا مشکور ہوں۔ توقع کی جا رہی ہے کہ یہ حصولات فوجی فوڈز کو کنزیومر فوڈ پاور ہاؤس میں تبدیل کر دے گا اور ایف ایف ایل پاکستان کی سب سے متنوع فوڈ کمپنیوں میں سے ایک بن جائے گا۔ اس کا پورٹ فولیو نہ صرف چیز، مکھن، یو ایچ ٹی دودھ، اناج اور پاستا کے ذریعے ناشتے کے مواقعوں پر قابض ہو سکے گا بلکہ اب اپنے وسیع معیار کی مصنوعات کے ذریعے متعدد کھانوں کے مواقع پر اپنے ذائقے کی ساکھ کو بہتر بنانے میں ایک طویل سفر طے کرے گا۔

مستقبل کو دیکھتے ہوئے، برانڈز اور ڈسٹری بیوشن انفراسٹرکچر میں سرمایہ کاری کے ساتھ ساتھ حصولات کو ترقی اور منافع کو فروغ دینا جاری رکھنا چاہیے۔ مارجن کے اجراء کی حکمت عملی کے مطابق، نئی مصنوعات کے تعارف اور مارجن پر مرکوز نمو سے ایف ایف ایل کی مالی کارکردگی میں تیزی سے بہتری آئے گی۔ مسلسل معاشی بے یقینی اور پیک شدہ دودھ کی اقسام پر جی ایس ٹی کا نفاذ ایک چیلنج رہنے کی توقع ہے اور جس کا جلد ہی ختم ہونے کا امکان نہیں ہے۔ تاہم، ویلیو ایڈڈ پورٹ فولیو کے ساتھ ساتھ نئے کاروباروں کی طرف راغب کرنے کی حکمت عملی ایف ایف ایل کو پائیدار نمو کرنے کے قابل بنائے گی۔ ہمیں یقین ہے کہ ایف ایف ایل اپنے وژن "جس چیز کو ہم چھوتے ہیں پاکستان کے وعدوں کو اجاگر کرتی ہے" نہ صرف ایک کامیاب کاروبار کی تعمیر کرے گا بلکہ مستقبل میں وسیع تر قومی اور بین الاقوامی منظر نامہ پر اپنے نشانات چھوڑے گا۔

کمپنی کو درپیش اصل خطرات اور غیر یقینی صورتحال

کمپنی کو درپیش خطرات ڈیری سیکٹر میں کام کرنے والی دیگر کمپنیوں کو درپیش خطرات سے نمایاں طور پر مختلف نہیں ہیں۔ انتظامیہ کی طرف سے ایک مضبوط کاروبار اور رسک مینجمنٹ کے عمل کے ذریعے خطرات کا جائزہ لیا جاتا ہے۔ ان خطرات سے وابستہ ممکنہ اثرات کو کم کرنے کے لیے مناسب حکمت عملیوں اور ہنگامی منصوبوں کا باقاعدگی سے جائزہ لیا جاتا ہے۔ کمپنی کے کاروبار اور آپریشنز کو کوئی خاص خطرہ اور غیر یقینی صورتحال لاحق نہیں ہے، سوائے اس کے جو مالیاتی گوشواروں کے ہنگامی حالات اور کمٹمنٹ نوٹس میں ظاہر کیا گیا ہے۔

متعلقہ فریقوں کے ساتھ لین دین

کمپنی نے متعلقہ فریقوں کے ساتھ قابل رسائی بنیاد پر لین دین کیا ہے اور متعلقہ فریقوں کی طرف سے واجب الادا رقوم، جن کو متعلقہ ہیڈز کے تحت ظاہر کیا گیا ہے۔ مالی گوشواروں میں ظاہر کیے گئے کے سوائے، متعلقہ فریقوں کے ساتھ کوئی اور لین دین نہیں کیا گیا۔

پائیداری:

فوجی فوڈز لمیٹڈ (ایف ایف ایل) میں، ہم اپنی سماجی ذمہ داری کے حصے کے طور پر کمیونیٹیز پر مثبت اثر پیدا کرنے پر یقین رکھتے ہیں۔ پروجیکٹ GRIDD (گراس روٹ انیشیٹو اینڈ ڈیری ڈویلپمنٹ) کے ذریعے، ہم چھوٹے پیمانے پر دیہی کسانوں کے ساتھ مل کر کام کرتے ہیں، تاکہ انہیں مویشیوں کی نسلوں کو بہتر بنانے کے لئے معیاری زرعی ان پٹس، ویکسینیشن اور جدید آلات جیسے ضروری وسائل تک سستی رسائی فراہم کی جا سکے۔ ان کوششوں کا مقصد ڈیری اور گوشت کی پیداوار کو بڑھانا، معیشت کو بہتر بنانا اور غربت کا مقابلہ کرنا ہے۔ چھوٹے کاشتکاروں کو با اختیار بنا کر ہم پاکستان کی حقیقی زرعی صلاحیت کو بروئے کار لا کر، پائیدار دیہی ترقی میں اپنا حصہ ڈال رہے ہیں اور جامع اقتصادی ترقی کو فروغ دے رہے ہیں۔

ماحولیاتی سرپرستی ایف ایف ایل کی سرگرمیوں کا اہم مرکز ہے۔ کلین توانائی کو فروغ دینے کے لئے، ہم نے اپنے پلانٹ میں 1 میگاواٹ شمسی توانائی کا نظام اور بائیوماس پر مبنی بائیو فیول بوائلر نصب کیا ہے، جس سے فوسل ایندھن پر ہمارے انحصار کو نمایاں طور پر کم کیا ہے۔ ہمارے کلوزڈ لوپ ری سائیکلنگ نقطہ نظر کے مطابق، ہم کھاد کے جزوی متبادل کے طور پر بائیو فیول بوائلر سے راکھ کو دوبارہ استعمال، پائیدار کاشتکاری کے طریقوں کی حمایت اور فضلے کو کم کرتے ہیں۔ یہ اقدامات ہمارے کاربن کے اخراج کو کم کرنے اور ایک گرین معیشت کو آگے بڑھانے کے ہمارے عزم کو اجاگر کرتے ہیں، کیونکہ ہم آنے والی نسلوں کے لئے ایک سرسبز اور زیادہ پائیدار مستقبل تخلیق کرنے کے لئے پاکستان کے وعدہ کو عملی جامہ پہنانے کے لئے کوشاں ہیں۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی حسابات اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکوئٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں، سوائے جن کا مالی گوشواروں میں انکشاف کیا گیا ہے۔
- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اسکی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے گوئنگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- ٹیکس، ڈیوٹیز، لیویز اور دیگر چارجز کی مد میں کوئی قانونی ادائیگی واجب الادا نہیں ہے جو 31 دسمبر 2024 کو بقایا ہوں سوائے ان کے جن کا مالی گوشواروں میں انکشاف کیا گیا ہے۔
- بورڈ نے آزاد ڈائریکٹرز سمیت نان ایگزیکٹو ڈائریکٹرز کی معاوضہ پالیسی کی منظوری دی ہے۔
- نمونہ حصص داری اور نمونہ حصص داری کی بابت اضافی معلومات اس سالانہ رپورٹ میں شامل ہیں۔

اقتصادی جائزہ

گزشتہ سال 2024 میں، پاکستان کی معیشت کو متعدد چیلنجز کا سامنا کرنا پڑا کیونکہ ملک کو افراط زر کی بلند شرح کا سامنا رہا جس کی بنیادی وجہ مشرق وسطیٰ کی صورتحال کے بارے میں بڑھتے ہوئے خدشات، عالمی اجناس کی بڑھتی ہوئی قیمتوں اور اندرونی مالی دباؤ تھا۔ اس کے جواب میں حکومت نے معیشت کو مستحکم کرنے کے لیے مختلف اصلاحات نافذ کیں جن میں ٹیکسوں اور حکومتی اخراجات کی پالیسیوں میں ایڈجسٹمنٹ بھی شامل ہے۔ زراعت اور خدمات کے شعبوں میں بہتری کے باعث جی ڈی پی کی نمو میں معمولی بحالی ہوئی۔ اس کے علاوہ تجارتی خسارہ بھی کم ہوا۔ براہ راست غیر ملکی سرمایہ کاری (ایف ڈی آئی) میں بھی اضافہ دیکھا گیا کیونکہ بین الاقوامی اور مقامی سرمایہ کاروں نے توانائی اور بنیادی ڈھانچے کے شعبوں میں دلچسپی ظاہر کی، جس نے KSE100 کو 100,000 کا ہندسہ عبور کرنے پر مجبور کر دیا۔ اگرچہ 2024 میں معاشی کارکردگی محدود رہی، لیکن حکومت کی ساختی اصلاحات اور مالی نظم و ضبط کے عزم نے مستقبل میں ممکنہ ترقی کی بنیاد رکھی۔ حکومت کی جانب سے اٹھائے گئے اقدامات کی بنیاد پر اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ میں مزید 200 بی پی ایس کی کمی کر کے 13 فیصد کرنے کا فیصلہ کیا ہے جس کا اطلاق 17 دسمبر 2024 سے ہوگا۔ مجموعی طور پر گزشتہ پانچ مسلسل مانیٹری پالیسی فیصلوں کے دوران جون کے بعد سے پالیسی ریٹ میں 900 بی پی ایس کی کمی واقع ہوئی ہے۔

اگرچہ ان پیشرفتوں نے امید کی ایک کرن فراہم کی ہے، لیکن معاشی مشکلات سے مکمل طور پر نمٹنے اور طویل مدتی استحکام اور نمو کو فروغ دینے کے لئے پائیدار کوششیں اور پالیسی پر عمل درآمد انتہائی اہم ہوگا۔

کاروباری جائزہ مشترکہ

2024 میں فوجی فوڈز لمیٹڈ (ایف ایف ایل) نے اپنی کامیابیوں کو مستحکم اور آگے بڑھانا جاری رکھا۔ پاکستان کے فوڈ سیکٹر میں ایک اہم پاور ہاؤس بننے کی حکمت عملی کے ایک حصے کے طور پر، 2024 کی پہلی سہ ماہی میں ایف ایف ایل نے فوجی سیریلز اور فوجی انفراویسٹ فوڈز لمیٹڈ کو خرید لیا۔ مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ پاکستان میں افراط زر، بلند شرح سود اور پیک شدہ دودھ پر جی ایس ٹی کے نفاذ سے پیدا ہونے والی مسلسل مشکلات کے باوجود کاروبار نے اپنی نمو کی راہ جاری رکھی۔ پیک شدہ دودھ پر جی ایس ٹی کے نفاذ کے باوجود فوجی فوڈز لمیٹڈ (ایف ایف ایل) کی فروخت آمدنی میں 2023 کے مقابلے میں 21 فیصد اضافہ ہوا۔ چینل اور مارجن کے پورٹ فولیو اور لاگت کی کارکردگی پر ایف ایف ایل کی مسلسل توجہ نے مجموعی مارجن کو 2023 میں 13.1 فیصد سے 2024 میں 15.8 فیصد تک بہتر بنانے میں اہم کردار ادا کیا، جو کہ 2.7 فیصد کا اضافہ ہے۔ آپ کو یہ جان کر خوشی ہوگی کہ آپریشنز کے بعد از ٹیکس منافع (پی اے ٹی) 656.4 ملین روپے پر بند ہوا جبکہ گزشتہ سال اسی مدت میں پی اے ٹی 9 ملین روپے (596 ملین روپے کی مؤخر ٹیکس آمدنی کے علاوہ) تھا۔

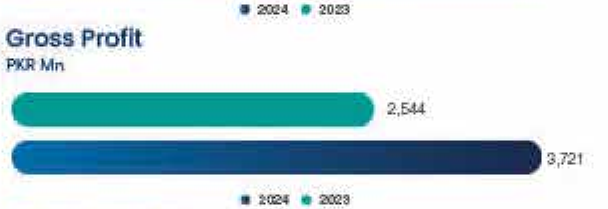
پاکستانی روپے ملین میں	2024	2023	اضافہ / (کمی) %
خالص آمدنی	23,404	19,371	21%
مجموعی منافع	3,686	2,544	45%
آپریشنز کے بعد از ٹیکس منافع / (نقصان)	656	9	7,182%
مؤخر ٹیکس ایڈجسٹمنٹ	-	596*	-
بعد از ٹیکس کل منافع / (نقصان)	656	605	8.5%

*مؤخر ٹیکس آمدنی کو کاروباری سرگرمیوں میں بہتری کے بارے میں واضح معلومات فراہم کرنے کے لئے خارج کیا گیا ہے۔

کاروباری جائزہ

2024 میں فوجی فوڈز لمیٹڈ (ایف ایف ایل) نے اپنی کامیابیوں کو مستحکم اور آگے بڑھانا جاری رکھا۔ پاکستان کے فوڈ سیکٹر میں ایک اہم پاور ہاؤس بننے کی حکمت عملی کے ایک حصے کے طور پر، 2024 کی پہلی سہ ماہی میں ایف ایف ایل نے فوجی سیریلز اور فوجی انفراویسٹ فوڈز لمیٹڈ کو خرید لیا۔ مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ پاکستان میں افراط زر، بلند شرح سود اور پیک شدہ دودھ پر جی ایس ٹی کے نفاذ سے پیدا ہونے والی مسلسل مشکلات کے باوجود کاروبار نے اپنی نمو کی راہ جاری رکھی۔ پیک شدہ دودھ پر جی ایس ٹی کے نفاذ کے باوجود فوجی فوڈز لمیٹڈ (ایف ایف ایل) کی فروخت آمدنی میں 2023 کے مقابلے میں 21 فیصد اضافہ ہوا۔ چینل اور مارجن کے پورٹ فولیو اور لاگت کی کارکردگی پر ایف ایف ایل کی مسلسل توجہ نے مجموعی مارجن کو 2023 میں 13.1 فیصد سے 2024 میں 15.9 فیصد تک بہتر بنانے میں اہم کردار ادا کیا، جو کہ 2.8 فیصد کا اضافہ ہے۔ آپ کو یہ جان کر خوشی ہوگی کہ آپریشنز کے بعد از ٹیکس منافع (پی اے ٹی) 717 ملین روپے پر بند ہوا جبکہ گزشتہ سال اسی مدت میں پی اے ٹی 9 ملین روپے (596 ملین روپے کی مؤخر ٹیکس آمدنی کے علاوہ) تھا۔

پاکستانی روپے ملین میں	2024	2023	اضافہ / (کمی) %
خالص آمدنی	23,402	19,371	21%
مجموعی منافع	3,721	2,544	46%
آپریشنز کے بعد از ٹیکس منافع / (نقصان)	717	9	7,856%
مؤخر ٹیکس ایڈجسٹمنٹ	-	596*	-
بعد از ٹیکس کل منافع / (نقصان)	717	605	19%



3۔ فزیکل شیئرز رکھنے والے ممبران کو ہدایت کی جاتی ہے کہ وہ اپنے رجسٹرڈ ایڈریس میں کسی تبدیلی کی اطلاع دیں اور جن شیئر ہولڈرز نے ابھی تک اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی فوٹو کاپیاں جمع نہیں کرائی ہیں ان سے درخواست کی جاتی ہے کہ وہ جلد از جلد کمپنی کے شیئر رجسٹرار کو ارسال کر دیں۔

4۔ شیئر ہولڈرز جو سالانہ رپورٹس اور اجلاس عام کے نوٹس ای میل کے ذریعے وصول کرنا چاہتے ہیں، ان سے درخواست کی جاتی ہے کہ وہ اپنے باقاعدہ دستخط شدہ لیٹر کے ذریعے، اپنی تفصیلات، یعنی نام، فولیو/سی ڈی سی اکاؤنٹ نمبر، ای میل ایڈریس، رابطہ نمبر، CNIC نمبر (کاپی منسلک کریں) فراہم کریں۔ شیئر ہولڈرز سے یہ بھی درخواست کی جاتی ہے کہ وہ اپنے ای میل ایڈریس میں کسی بھی تبدیلی کی اطلاع کمپنی کے شیئر رجسٹرار یعنی میسرز کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، K-1، کمرشل، ماڈل ٹاؤن، لاہور کو فوری طور پر مطلع کریں۔

ویڈیو کانفرنس سہولت کے لیے رضامندی

ممبران کراچی اور اسلام آباد میں ویڈیو کانفرنس کی سہولت بھی حاصل کر سکتے ہیں۔ اس سلسلے میں براہ کرم مندرجہ ذیل کو پُر کریں اور اجلاس عام کے انعقاد سے 07 دن پہلے کمپنی کے رجسٹرڈ ایڈریس پر جمع کرائیں۔

اگر کمپنی کو جغرافیائی محل وقوع پر رہنے والے مجموعی 10% یا اس سے زیادہ شیئر ہولڈنگ رکھنے والے اراکین سے اجلاس کی تاریخ سے کم از کم 07 دن پہلے ویڈیو کانفرنس کے ذریعے اجلاس میں شرکت کرنے کے لیے رضامندی حاصل ہوتی ہے، تو کمپنی اس شہر میں اس طرح کی سہولت کی دستیابی کے حوالے سے ویڈیو کانفرنس کی سہولت کا بندوبست کرے گی۔

کمپنی ممبران کو ویڈیو کانفرنس کی سہولت کے مقام کے بارے میں اجلاس عام کی تاریخ سے کم از کم 5 دن پہلے مطلع اور اس کے ساتھ اس طرح کی سہولت تک رسائی کے قابل بنانے کے لیے ضروری مکمل معلومات فراہم کرے گی۔

میں/ہم ______________________________،
ساکن ______________________ ، فوجی فوڈز لمیٹڈ، کے ممبر ہونے کی حیثیت سے
______________________ عام حصص بمطابق رجسٹر فولیو/CDC اکاؤنٹ نمبر
______________________ بذریعہ ہذا ______________________
______________________ میں ویڈیو کانفرنس کی سہولت کا
انتخاب کرتے ہیں۔

____

ممبر کے دستخط

5۔ ای ووٹنگ

ممبران کمپنیز ایکٹ 2017 کے سیکشن 145-143 اور کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کی لاگو شقوں کے تقاضوں کو پورا کرتے ہوئے رائے شماری کا مطالبہ کرنے کا اپنا حق استعمال کر سکتے ہیں۔

6۔ ویڈیو لنک کے ذریعے AGM میں شرکت:

AGM میں عملی طور پر شرکت کے لیے ویڈیو لنک کمپنی کی ویب سائٹ یعنی www.faujifoods.com پر دستیاب ہوگا۔

ممبران سے درخواست کی جاتی ہے کہ وہ مندرجہ ذیل ذرائع سے بھی سالانہ اجلاس عام میں شرکت کر سکتے ہیں۔

1۔	واٹس ایپ نمبر	[0321-8318007] (برائے سوالات اور تجاویز)
2۔	ای میل آئی ڈی	[secretary@faujifoods.com] (برائے سوالات اور تجاویز)
3۔	ویڈیو لنک	[ذیل زوم لنک کے ذریعے شامل ہوں]
https://ffbl.zoom.us/j/2315355306?pwd=dUFUL0pHNUIFSTdINzNZWVJWdVVDUT09		
	میٹنگ آئی ڈی:	2315355306
	پاس کوڈ:	335335

اطلاع برائے سالانہ اجلاس عام

بذریعہ نوٹس مطلع کیا جاتا ہے کہ فوجی فوڈز لمیٹڈ کے حصص داران کا 58واں سالانہ اجلاس عام بروز جمعرات، مورخہ 20 مارچ 2025، کو صبح 11:00 بجے FFL کے صدر دفتر، 42CCA، ایکس پارک ویو، ڈی ایچ اے فیز VIII، لاہور میں اور ورچوئلی وڈیو لنک کے ذریعے بھی، مندرجہ امور کی انجام دہی کے لئے منعقد کیا جائیگا:

عمومی امور

1۔ 26 نومبر 2024 کو منعقدہ غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنا۔

2۔ 31 دسمبر 2024 کو ختم ہونے والے سال کیلئے آڈٹ شدہ مالی گوشواروں معہ ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور وخوض اور منظوری دینا۔

3۔ آئندہ مدت اگلے AGM تک کے لئے کمپنی کے آڈیٹرز کی تقرری اور ان کے مشاہرے کا تعین کرنا۔

دیگر امور

4۔ صاحب صدر کی اجازت سے کسی دیگر امر پر کارروائی کرنا۔

حصص منتقلی کتابوں کی بندش

کمپنی کی حصص منتقلی کتابیں از 14 مارچ 2025 تا 20 مارچ 2025 (بشمول ہر دو ایام) سالانہ اجلاس عام کے انعقاد کے مقصد کے لئے بند رہیں گی۔

بحکم بورڈ

بریگیڈیئر نوید اعظم چیمہ (ریٹائرڈ)
کمپنی سیکرٹری

لاہور: مورخہ 28 جنوری 2025

نوٹس:

سالانہ رپورٹ کی کیو آر کوڈ اور ویب لنک کے ذریعے ترسیل:

کمپنیز ایکٹ 2017 کی دفعہ 223 کے مطابق اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے نوٹیفکیشن نمبر S.R.O.389(I)/2023 مورخہ 21 مارچ 2023 کی تعمیل میں کمپنی نے اپنی سالانہ رپورٹ اپنے ممبران کو کیو آر فعال کوڈ اور ویب لنک کے ذریعے ترسیل کرنے کے لئے 28 دسمبر 2023 کو منعقدہ کمپنی کے غیر معمولی اجلاس عام میں حصص داران کی منظوری حاصل کی ہے۔ سالانہ رپورٹ درج ذیل QR کوڈ اور ویب لنک کے ذریعے دستیاب ہے۔

ویب لنک	QR کوڈ
http://www.faujifoods.com/pdf/financialResults/Annual-Report-2024.pdf	

AGM کارروائی میں شرکت

1۔ اس اجلاس عام میں شرکت اور رائے دہی کا اہل ممبر اپنی جگہ اجلاس میں شرکت کرنے اور رائے دہی کیلئے کسی دیگر فرد/نامزدہ کو پروکسی مقرر کر سکتا/سکتی ہے۔ پراکسیاں تاکہ موثر ہو سکیں باقاعدہ مہر اور دستخط شدہ کمپنی کے رجسٹرڈ دفتر میں اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل لازماً وصول ہو جانی چاہئیں۔ ایک ممبر ایک سے زیادہ پراکسی مقرر نہیں کر سکتا۔ حصص دار کے CNIC کی مصدقہ کاپی پراکسی فارم کے ہمراہ لازماً منسلک ہونی چاہیے۔

2۔ سی ڈی سی اسب اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے بھیجی گئی گائیڈ لائنز کی پیروی کرنا لازمی ہوگی۔

(a) اجلاس میں شرکت کے لئے:

i) بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو اجلاس میں شرکت کے وقت اپنا اصل قومی شناختی کارڈ یا اصل پاسپورٹ دکھا کر اپنی شناخت ثابت کرنا ہوگی۔

ii) کارپوریٹ ادارہ ہونے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی معہ مخصوص دستخط اجلاس کے وقت مہیا کرنا ہوگا۔

(b) پراکسیز کی تقرری کے لئے:

i) بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو بالا ریکوائرمنٹ کے مطابق پراکسی فارم جمع کروانا ہوگا۔

ii) پروکسی فارم پر دو افراد کی گواہی ہونی چاہیے جن کے نام، پتے اور سی این آئی سی نمبر فارم میں درج ہوں۔

iii) مالک انتفاعی اور پروکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پروکسی فارم کے ہمراہ منسلک ہونا چاہئیں۔

iv) پراکسی اجلاس میں شرکت کے وقت اپنا اصل قومی شناختی کارڈ یا اصل پاسپورٹ مہیا کرے گا۔

v) کارپوریٹ ادارہ ہونے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی معہ مخصوص دستخط پراکسی فارم کے ہمراہ کمپنی کو پیش کرنا ہوگا۔

FAUJI FOODS LIMITED

FORM OF PROXY

58th Annual General Meeting

Registered Folio No. ____________

CDC Account No. ______________

I/We ____

(Name)

of ____

(Address)

being a member of F A U J I F O O D S L I M I T E D, hereby appoint

____

(Name)

of ____

(Address)

or failing him ____

(Name)

of ____

(Address)

(also being a member of the Company) as my/ our proxy to attend, act and vote for me/ us and on my/ our behalf, at the 58th Annual General Meeting of the Company to be held on Thursday, March 20, 2025 at 11:00 a.m. at FFL Head Office, 42 CCA, Ex Park View, DHA Phase-VIII, Lahore and also virtually through video-link and at any adjournment thereof.

As witness my hand this ________________ day of ____________ 2025.

Revenue Stamp Rs. 50/-

____

Signature of the Shareholder / Appointer

Witness 1

Signature ____________________

Name ____________________

Address ____________________

____

CNIC # ____________________

Witness 2

Signature ____________________

Name ____________________

Address ____________________

____

CNIC # ____________________

NOTE:

Proxies in order to be effective must reach the Company's Registered Office not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed. Proxies of the Members through CDC shall be accompanied with attested copies of their CNIC.

SECP's Circular No.1 dated 26th January, 2000 is on the reverse side of the form.

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Blue Area, Islamabad

January 26, 2000

Circular No. 1 of 2000

Sub: Guidelines For Attenting General Meetings and Appointment Of Proxies

The shares of a number of listed Companies are now being maintained as "book entry Security" on the Central Depository System (CDS) of the Central Depository Company of Pakistan Limited (CDC). It has come to the notice of the Commission that there is some confusion about the authenticity of relevant documents in the matter of beneficial owners of the shares registered in the name of CDC for purposes of attending the general meetings and for verification of instruments of proxies. The issue has been examined and pending the further instruction to be issued in this regard, the following guideline for the convenience of the listed Companies and the beneficial owners are laid down:

A. Attending of meeting in person by account holders and / or sub-account holders and persons whose securities are in group account and their registration details are uploads to CDS:

1) The Company shall obtain list of beneficial owners from the CDC as per Regulation # 12.3.5 of the CDC Regulations.

2) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are up-loaded as per the Regulations, shall authenticate his identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

3) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.

B. Appointment of Proxies:

1) In case of individual, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulation, shall submit the proxy form as per requirement notified by the Company.

2) The proxy form shall be witnessed by the two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

3) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

4) The proxy shall produce his original CNIC or original passport at the time of the meeting.

5) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted along with proxy form to the Company.

فوجی فوڈز لمیٹڈ

پراکسی فارم

58واں سالانہ اجلاس عام

رجسٹرڈ فولیو نمبر ____________

سی ڈی سی اکاؤنٹ نمبر ____________

میں/ہم ____________

(نام)

____

(پتہ)

بحیثیت ممبر/ممبران فوجی فوڈز لمیٹڈ، یہاں پر تقرر کرتا ہوں/کرتے ہیں۔

____

(نام)

____

(پتہ)

یا اسکی غیر حاضری کی صورت میں ____________

(نام)

____

(پتہ)

(کمپنی کا/کی رکن ہونے کے ناطے) ہمارے ایماء پر مورخہ 20 مارچ 2025 بروز جمعرات کو صبح 11:00 بجے کمپنی کے صدر دفتر FFL CCA، 42 ایکس پارک ویو، ڈی ایچ اے فیز VIII، لاہور میں اور ورچوئل وڈیو لنک کے ذریعے بھی منعقد ہونے والے کمپنی کے 58ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، یا کسی بھی التواء کی صورت میں اپنا/ہمارا بطور نمائندہ مقرر کرتا ہوں/کرتے ہیں۔

بطور گواہ آج بتاریخ ____________ 2025

-/50 روپے کا رسیدی ٹکٹ یہاں چسپاں کریں

____

شیئر ہولڈر کے دستخط

گواہ 1

دستخط ____________

نام ____________

پتہ ____________

شناختی کارڈ نمبر ____________

گواہ 2

دستخط ____________

نام ____________

پتہ ____________

شناختی کارڈ نمبر ____________

نوٹ:

پراکسی اسی صورت میں قابل قبول ہوگی کہ اس پر دستخط، رسیدی ٹکٹ، گواہان کے دستخط ہوئے ہوں اور اس کو اجلاس سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ پتہ پر بھیج دیا جائے۔ سی ڈی سی کے ممبران کو اپنی پراکسی تصدیق شدہ قومی شناختی کارڈ کے ہمراہ بھیجنا ہوگی۔

SECP کا سرکلر نمبر 1 مورخہ 26 جنوری 2000 اس فارم کی پشت پر چھپا ہوا ہے۔

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Blue Area, Islamabad

January 26, 2000

Circular No. 1 of 2000

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