



FAUJI FOODS

Delivering

# growth

A white arrow pointing downwards and to the right, integrated into the 't' of the word 'growth'.

FOR THE QUARTER ENDED MARCH 31, **2026**



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FAUJI FOODS

# CORPORATE INFORMATION

## Board of Directors

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

## Audit Committee

Mr. Javed Kureishi  
Chairman  
Syed Bakhtiyar Kazmi  
Mr. Mohammad Majid Munir  
Mr. Basharat Ahmad Bhatti

## HR&R Committee

Mr. Basharat Ahmad Bhatti  
Chairman  
Mr. Mohammad Majid Munir  
Ms. Nosheen Akhtar  
Mr. Yasir Ilyas Khan

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

## Plant

Bhalwal, District Sargodha

## Bankers

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

# DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of Fauji Foods Limited (FFL) is pleased to present the Directors' Report along with the unaudited condensed interim financial information of the Company for the three-month period ended March 31, 2026.

### Market Overview and Performance:

Despite a volatile global economic landscape, Pakistan remains a high-potential market for the consumer goods sector, particularly within the food and dairy segments. FFL has navigated these complexities with agility, leveraging its robust distribution network and diverse portfolio to emerge as a dominant player in the market.

The Middle East conflict of 2026 has significantly impacted Pakistan's macroeconomic environment, leading to sharp increases in fuel, energy, and import costs. Petrol and diesel prices surged to **PKR 321.17/liter** and **PKR 335.86/liter**, respectively, marking a staggering increase of over **25%** within just three months. Similarly, LNG import costs also saw a sharp increase. This has placed immense pressure on households and industries alike.

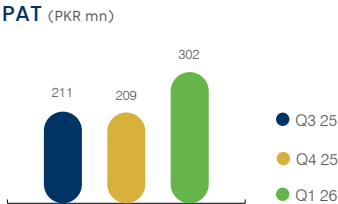
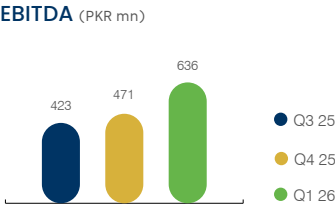
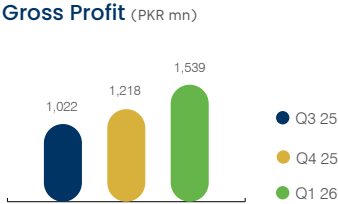
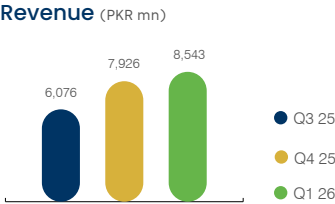
Furthermore, global supply chain disruptions caused by the conflict have worsened the situation by starting to create shortages of essential imported raw materials and escalating transportation costs. Inflationary pressures, combined with these supply chain disruptions, have left businesses struggling to maintain profitability while ensuring consistent supply to consumers. These challenges are forcing companies to rethink cost & pricing strategies to survive in this volatile economic landscape.

### Financial Highlights:

**Revenue Excellence:** The Company achieved its highest-ever quarterly revenue of **PKR 8.54 billion**, representing an **8% growth over SPLY**.

**Margin Expansion:** Our commitment to "Commercial Sustainability" is evidenced by a **9.4%** increase in absolute Gross Margins despite input cost pressures generated by war in the Middle East.

**Operating Resilience:** Despite the current economic challenges, FFL delivered an Operating Profit of **PKR 439 million** and an EBITDA of **PKR 636 million with a PAT of PKR 302 million**.



## Strategic Pillars

FFL's focus on margin-accretive growth and cost efficiencies has brought long-term sustainability to our results. The impact of these strategic pillars is outlined below:

- **High-Value Revenue Growth:** Net revenue grew by 8% over SPLY, this revenue growth was not just a volume play but a continued focus on margin accretive products. Despite continued decline in UHT Milk category, FFL delivered a **7.3% increase in value** compared to SPLY, reinforcing our brand's premium position in the market.
- **Operational Excellence and Sustainability:** Through a focus on high-margin products, cost-optimization and supply chain efficiencies, FFL continued to maintain its **Gross profit margin at 18%**. High-Margin Cereals business continues to enhance our margin profile. Furthermore, our 1 MW Solar and Biomass projects are actively shielding the Company from rising energy costs.
- **Capability:** A business is only as strong as its backbone. We continue to invest in acquiring and retaining top talent. With a firm performance management system in place, our organizational culture has seen a significant shift, with employee engagement scores **increasing three-fold**, ensuring we have the leadership and passion required to sustain this momentum.

## Future Outlook

Looking ahead, war in the Middle East will continue to pose economic challenges and FFL is proactively identifying opportunities and taking necessary steps to mitigate the associated risks. Our strategy is clear: continue aggressive investment in brand equity, expand our distribution footprint, and scale the high-margin portfolio while keeping the cost base in check. We will continue to penetrate the market with innovative product launches that prioritize margin-led growth.

Driven by our vision of **“Unleashing Pakistan’s promise in everything we touch,”** we are not merely building a company; we are creating a legacy of excellence that will resonate across the national landscape.

The Board extends its deepest gratitude to our shareholders and stakeholders for their unwavering trust and partnership.



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



**Usman Zaheer Ahmad**  
Chief Executive Officer

**Dated: April 27, 2026**


## اسٹریٹجک ستون:

ایف ایف ایل (FFL) کی مارجن میں اضافے پر مبنی ترقی اور لاگت میں بہتری کی حکمت عملی نے طویل مدتی پائیداری کو یقینی بنایا ہے۔ ان اسٹریٹجک ستونوں کے اثرات درج ذیل ہیں:

- **اعلیٰ قدر پر مبنی آمدنی میں اضافہ:** خاص آمدنی میں گزشتہ سال کے اسی عرصے (SPLY) کے مقابلے میں %18 اضافہ ہوا۔ یہ اضافہ صرف حجم پر مبنی نہیں بلکہ زیادہ منافع بخش مصنوعات پر مسلسل توجہ کا نتیجہ ہے۔ یو ایچ ٹی دو مہنگی کیٹیگری میں کی کے باوجود ایف ایف ایل نے قدر کے لحاظ سے %3.17 اضافہ حاصل کیا، جو مارکیٹ میں برانڈ کی پرہیزگار قیمت کو مزید مضبوط بناتا ہے۔
- **آپریٹیشنل بہتری اور پائیداری:** اعلیٰ مارجن مصنوعات، لاگت میں بہتری اور سیپائی چین کی کارکردگی پر توجہ کے ذریعے کمپنی نے مجموعی منافع کا مارجن %18 برقرار رکھا۔ اعلیٰ مارجن سیریلز برنس مسلسل مارجن پر وفا کھلتے بنا رہا ہے۔ سزیہ برآں، 1 میگا واٹ کے سولار اور بائیو ماس منصوبے توانائی کی بڑھتی لاگت کے اثرات کو کم کرنے میں معاون ثابت ہو رہے ہیں۔
- **صلاحیت:** کسی بھی کاروبار کی اصل طاقت اس کے انسانی وسائل ہوتے ہیں۔ کمپنی بہترین ٹیلنٹ کے حصول اور اسے برقرار رکھنے میں مسلسل سرمایہ کاری کر رہی ہے۔ مضبوط کارکردگی کے نظام کے باعث تنظیمی ثقافت میں نمایاں بہتری آئی ہے، جہاں ملازمین کی شمولیت میں تین گنا اضافہ ہوا ہے، جو مستقبل کی قیادت اور ترقی کے لیے اہم ہے۔

## مستقبل کا نقطہ نظر:

- مستقبل میں مشرق وسطیٰ کی جنگ معاشی مشکلات پیدا کرتی رہے گی، تاہم ایف ایف ایل ان خطرات کو کم کرنے کے لیے فعال اقدامات کر رہی ہے۔ کمپنی کی حکمت عملی واضح ہے: براہِ رابطہ دہلیو میں جارحانہ سرمایہ کاری جاری رکھنا، ڈسٹری بیوٹن نیٹ ورک کو مزید وسعت دینا، اور زیادہ منافع بخش مصنوعات کے پورٹ فولیو کو فروغ دینا، جبکہ لاگت کو قابو میں رکھنا۔
- کمپنی مارکیٹ میں جدید مصنوعات متعارف کروا کر مارجن پر مبنی ترقی کو مزید تیز کرے گی۔ "پاکستان کی صلاحیت کو ہر پہلو میں اجاگر کرنے" کے دؤن کے تحت، کمپنی صرف ایک کاروبار نہیں بلکہ ایک پائیدار اور باوقار ورثہ تشکیل دے رہی ہے جو قومی سطح پر نمایاں ہوگا۔
- بورڈ اے پی ممبرز شیئر ہولڈرز اور دیگر اسٹیک ہولڈرز کا ان کے مسلسل اعتماد اور تعاون پر وہی شکر یہ ادا کرتا ہے۔

  
 محسن عظیم احمد  
 چیف ایگزیکٹو آفیسر

  
 لیغٹنٹ جنرل انونٹی میجر  
 چیئر مین  
 مورخہ 27 اپریل 2026

# ڈائریکٹرز کی تحصص داران کورپورٹ

فونڈ ڈیلمنڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2026 کو ختم ہونے والی سرمایہ کے لیے کمپنی کی مجموعی غیر آڈٹ شدہ عبوری مالیاتی معلومات کے سمر اوڈائریکٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہا ہے۔

## مارکیٹ کا جائزہ اور کارکردگی:

عالمی معیشت اتار چڑھاؤ کے باوجود، پاکستان، کمزیر مگر ڈیٹیکٹر، خصوصاً فوڈ اور ڈیری کے شعبوں میں ایک اعلیٰ صلاحیت رکھنے والی مارکیٹ کے طور پر برقرار ہے۔ ایف ایف ایل (FFL) نے ان مشکلات کے باوجود اپنی سٹیبل سٹریٹیجی پیش کر کے ورک اور متنوع پروڈکٹ پورٹ فولیو کی بدولت مؤثر حکمت عملی اپناتے ہوئے مارکیٹ میں ایک نمایاں مقام حاصل کیا ہے۔

2026 میں مشرق وسطیٰ کے تنازع نے پاکستان کے سیکرور اکانامک ماحول پر نمایاں اثرات مرتب کیے، جس کے نتیجے میں ایندھن، توانائی اور درآمدی لاگت میں شدید اضافہ ہوا۔ پیٹرول اور ڈیزل کی قیمتیں بااثر تیب 321.17 روپے فی لیٹر اور 335.86 روپے فی لیٹر تک پہنچ گئیں، جو صرف تین ماہ میں 25% سے زائد اضافہ ظاہر کرتی ہیں۔ اسی طرح ایل این جی کی درآمدی لاگت میں بھی نمایاں اضافہ دیکھنے میں آیا، جس سے گھریلو اور صنعتی دونوں شعبوں پر دباؤ بڑھ گیا۔

مزید برآں، اس تنازع کے باعث عالمی سپلائی چین میں رکاوٹیں پیدا ہوئیں، جس سے ضروری درآمدی خام مال کی قلت اور زراعتی پیمیشن لاگت میں اضافہ ہوا۔ مچھانی کے دباؤ اور سپلائی چین مسائل نے کاروباری اداروں کے لیے مبالغہ برقرار رکھنا اور صارفین کو مسلسل سپلائی چین پر مبنی مبالغہ مزید مشکل بنا دیا ہے۔ ان حالات نے کمپنیوں کو اپنی لاگت اور قیمتوں کی حکمت عملیوں پر نظر ثانی کرنے پر مجبور کر دیا ہے۔

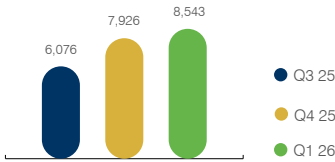
## اہم مالی جھلکیاں:

آمدنی میں نمایاں کارکردگی: کمپنی نے اپنی تاریخ کی بلند ترین سرمایہ آمدنی 8.54 بلین روپے حاصل کی، جو گزشتہ سال کے اسی عرصے کے مقابلے میں 8% اضافہ ظاہر کرتی ہے۔

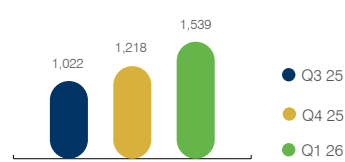
منافع کے مارجن میں اضافہ: "کمرشل سولین" ایبلٹی کے عزم کے تحت، کمپنی نے مشرق وسطیٰ کی صورتحال کے باعث بڑھتی لاگت کے باوجود مجموعی منافع (گراس مارجن) میں 9.4% اضافہ حاصل کیا۔

آپریٹیشنل استحکام: موجودہ معاشی مشکلات کے باوجود، ایف ایف ایل نے 439 بلین روپے کا آپریٹنگ منافع، 636 بلین روپے کا EBITDA اور 302 بلین روپے کا بعد از ٹیکس منافع (PAT) حاصل کیا، جو کمپنی کی مستحضر آپریٹیشنل کارکردگی کی عکاسی کرتا ہے۔

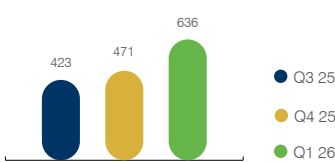
Revenue (PKR mn)



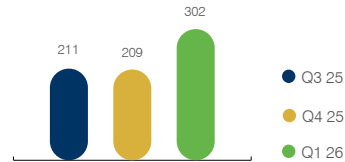
Gross Profit (PKR mn)



EBITDA (PKR mn)



PAT (PKR mn)





UNCONSOLIDATED CONDENSED  
**INTERIM FINANCIAL STATEMENTS**

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As At March 31, 2026

	Note	Un-audited March 31, 2026	Audited December 31, 2025
		Rupees	Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital		28,000,000,000	28,000,000,000
Issued, subscribed and paid up share capital		25,199,631,390	25,199,631,390
<b>Capital Reserves</b>			
Share premium		1,801,082,303	1,801,082,303
Acquisition Reserve	6	(2,847,930,692)	(2,847,930,692)
Surplus on revaluation of property, plant and equipment – net of tax		2,096,941,147	2,123,068,119
<b>Revenue Reserve</b>			
Accumulated loss		(15,129,172,654)	(15,476,025,399)
		11,120,551,494	10,799,825,721
<b>Non-current liabilities</b>			
Lease liabilities		221,679,070	232,318,997
Employee retirement benefits		66,630,741	99,039,968
		288,309,811	331,358,965
<b>Current liabilities</b>			
Current portion of long term liabilities		87,433,382	83,808,156
Trade and other payables	7	3,388,336,576	3,095,049,422
Contract liabilities	8	444,799,959	586,180,204
Loans payable to Ultimate Parent Company		5,908,554,693	5,908,554,693
Income tax provision – net		–	95,565,229
Unclaimed dividend		965,752	965,752
		9,830,090,362	9,770,123,456
<b>Contingencies and commitments</b>			
	9	21,238,951,667	20,901,308,142

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



Chairman



Chief Executive Officer



Director



Chief Financial Officer



	Note	Un-audited March 31, 2026	Audited December 31, 2025
		Rupees	Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	9,361,078,904	9,284,688,997
Intangible assets		56,692,037	58,462,247
Investment in Subsidiary Company		210,000,000	210,000,000
Security deposits		22,800,000	22,800,000
		9,650,570,941	9,575,951,244
<b>Current assets</b>			
Stores, spares and loose tools		309,577,911	281,699,086
Stock-in-trade	11	3,651,850,256	2,444,520,293
Trade receivables from contracts with customers		2,819,514,875	2,123,422,761
Loans and advances		204,706,403	381,400,520
Deposits, prepayments and other receivables		710,629,758	853,202,467
Accrued interest		37,384,529	167,366,957
Balance with statutory authorities:			
– Sales tax refundable – net		694,132,527	754,446,655
– Income tax receivable – net		13,205,459	–
Cash and cash equivalents:	12		
– Cash and bank balances		1,097,379,008	1,869,298,159
– Short term investments		2,050,000,000	2,450,000,000
		11,588,380,726	11,325,356,898
		21,238,951,667	20,901,308,142

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

For the three months period ended March 31, 2026

	Note	March 31, 2026	March 31, 2025
		Rupees	Rupees
Revenue from contracts with customers – net	13	8,539,474,749	7,907,237,721
Cost of revenue	14	(6,993,827,801)	(6,487,027,975)
<b>Gross profit</b>		<b>1,545,646,948</b>	<b>1,420,209,746</b>
Marketing and distribution expenses		(840,384,286)	(696,687,226)
Administrative expenses		(257,017,307)	(244,997,133)
<b>Profit from operations</b>		<b>448,245,355</b>	<b>478,525,387</b>
Other income		102,022,511	133,661,653
Other expenses		(40,116,855)	(51,603,695)
Finance cost		(14,113,243)	(10,962,082)
<b>Profit before levy and income tax</b>		<b>496,037,768</b>	<b>549,621,263</b>
Levy		(25,089,557)	(8,627,584)
<b>Profit before income tax</b>		<b>470,948,211</b>	<b>540,993,679</b>
Income tax		(150,222,438)	(179,530,310)
<b>Profit for the period</b>		<b>320,725,773</b>	<b>361,463,369</b>
<b>Earning per share – basic and diluted</b>	15	<b>0.13</b>	<b>0.14</b>

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



Chairman



Chief Executive Officer



Director



Chief Financial Officer



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

For the three months period ended March 31, 2026

	March 31, 2026	March 31, 2025
	Rupees	Rupees
<b>Profit for the period</b>	320,725,773	361,463,369
<b>Other comprehensive income:</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>	-	-
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
– Remeasurement (loss) / gain on defined benefit plans	-	-
<b>Other comprehensive (loss) / income for the period</b>	-	-
<b>Total comprehensive income for the period</b>	320,725,773	361,463,369

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



Chairman



Chief Executive Officer



Director



Chief Financial Officer

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

For the three months period ended March 31, 2026

	Share capital	Capital Reserve			Acquisition reserve	Revenue reserves	Total
		Share premium	Share deposit money	Surplus on revaluation of property, plant and equipment - net of tax		Accumulated loss	
<b>Rupees</b>							
<b>Balance as at January 1, 2025 (audited)</b>	25,199,631,390	1,801,082,303	-	2,247,212,282	(2,847,930,692)	(16,824,400,787)	9,575,594,496
Profit after taxation for the period	-	-	-	-	-	361,463,369	361,463,369
Other comprehensive income for the period	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	-	361,463,369	361,463,369
Incremental depreciation relating to surplus							
on revaluation – net of tax	-	-	-	(28,181,937)	-	28,181,937	-
<b>Balance as at March 31, 2025 (un-audited)</b>	25,199,631,390	1,801,082,303	-	2,219,030,345	(2,847,930,692)	(16,434,755,481)	9,937,057,865
<b>Balance as at January 1, 2026 (audited)</b>	25,199,631,390	1,801,082,303	-	2,123,068,119	(2,847,930,692)	(15,476,025,399)	10,799,825,721
Profit after taxation for the period	-	-	-	-	-	320,725,773	320,725,773
Other comprehensive income for the period	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	-	320,725,773	320,725,773
Incremental depreciation relating to surplus							
on revaluation – net of tax	-	-	-	(26,126,972)	-	26,126,972	-
<b>Balance as at March 31, 2026 (un-audited)</b>	25,199,631,390	1,801,082,303	-	2,096,941,147	(2,847,930,692)	(15,129,172,654)	11,120,551,494

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



Chairman



Chief Executive Officer



Director



Chief Financial Officer



# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN-AUDITED)

For the three months period ended March 31, 2026

	March 31, 2026	March 31, 2025
	Rupees	Rupees
<b>Cash flows from operating activities</b>		
Profit before income tax	470,948,211	540,993,679
Adjustments for non-cash items:		
Depreciation on property, plant and equipment	163,225,531	159,451,226
Amortization of ROU	23,068,416	8,406,544
Amortization of intangible assets	2,012,290	949,985
(Gain) / loss on disposal of property, plant and equipment	(2,647,787)	983,017
(Reversal) / provision for obsolete stock	(150,906)	23,937,611
Profit on bank deposits	(91,522,807)	(133,661,653)
Provision for Worker's Profit Participation Fund	26,775,534	33,269,469
Provision for Worker's Welfare Fund	12,697,359	16,662,646
Written off assets	-	16,670,806
Provision for retirement benefit	13,659,651	10,896,699
Levy	25,089,557	8,627,584
Finance cost	14,113,243	10,962,082
<b>Operating profit before working capital changes</b>	<b>653,354,706</b>	<b>698,149,695</b>
<b>Effect on cash flows due to working capital changes (Increase) / decrease in current assets:</b>		
Stores, spares and loose tools	(27,878,825)	5,518,036
Stock-in-trade	(1,207,179,057)	(405,220,920)
Trade debts	(696,092,114)	(503,241,113)
Loans and advances	176,694,117	169,926,698
Deposits, prepayments and other receivables	142,572,709	(211,055,088)
Sales tax refundable	60,314,128	337,750,310
	(1,551,569,042)	(606,322,077)
<b>Increase in current liabilities</b>		
Trade and other payables	112,434,011	250,053,044
	112,434,011	250,053,044
<b>Cash (used in) / generated from operations</b>	<b>(785,780,325)</b>	<b>341,880,662</b>
Income tax and levy paid	(284,082,683)	(127,169,228)
Employee retirement benefits paid	(46,068,878)	(1,055,887)
<b>Net cash (used in) / generated from operating activities</b>	<b>(1,115,931,886)</b>	<b>213,655,547</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(246,158,009)	(258,068,615)
Sale proceeds from disposal of property, plant and equipment	5,389,867	1,716,589
Income on bank deposits received	225,418,821	429,962,630
<b>Net cash (used in) / generated from investing activities</b>	<b>(15,349,321)</b>	<b>173,610,604</b>
<b>Cash flows from financing activities</b>		
Repayment of principal portion of lease liabilities	(26,524,701)	(19,265,025)
Finance cost paid	(14,113,243)	(13,700,466)
<b>Net cash flows (used in) financing activities</b>	<b>(40,637,944)</b>	<b>(32,965,491)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,171,919,151)</b>	<b>354,300,660</b>
<b>Cash and cash equivalents – at beginning of the period</b>	<b>4,319,298,159</b>	<b>3,004,097,034</b>
<b>Cash and cash equivalents – at end of the period</b>	<b>3,147,379,008</b>	<b>3,358,397,694</b>

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



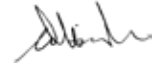
Chairman



Chief Executive Officer



Director



Chief Financial Officer

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

For the three months period ended March 31, 2026

- 1 Fauji Foods Limited ("the Company") was incorporated in Pakistan on 26 September 1966 as a Public Company and its shares are quoted on Pakistan Stock Exchange. It is principally engaged in processing and sale of toned milk, milk powder, fruit juices, allied dairy and food products. The registered office of the Company is situated at 42 CCA, Ex Park View, DHA Phase-VIII, Lahore and the manufacturing facility is located at Bhalwal, District Sargodha. The Company is a subsidiary of Fauji Fertilizer Limited, the Parent Company.
- 2 The unconsolidated condensed interim financial statements of the Company for the first quarter ended 31 March, 2026 is un-audited and has been presented in accordance with the requirements of the International Accounting Standard (IAS – 34 Interim Financial Reporting) and provisions of or directives issued under the Companies Act, 2017 (the Act). In case where the requirements differ, the provisions of or directives issued under the Act have been followed. These are required to be presented to the shareholders under section 237 of the Act.
- 3 The unconsolidated condensed interim financial statements does not include all the information required for the full financial statements and should be read in conjunction with the audited unconsolidated financial statements of the Company as at and for the year ended 31 December, 2025.
- 4 The accounting policies and the methods of computation adopted in the preparation of the unconsolidated condensed interim financial statements are the same as those applied in the preparation of audited unconsolidated annual financial statements of the Company for the year ended 31 December, 2025.
- 5 The preparation of the unconsolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of the unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to annual audited unconsolidated financial statements for the year ended 31 December, 2025.

- 6 In continuation to Note 1.1.3 to the 2025 unconsolidated audited annual financial statements, the matter is still pending adjudication in Islamabad High Court. The Company intends to restate its financial statements to apply "Acquisition Method" of accounting. The Company will continue to apply the "Predecessor Method" till final decision by the Islamabad High Court.

	Note	Un-audited March 31, 2026	Audited December 31, 2025	
		Rupees	Rupees	
<b>7</b>	<b>Trade and other payables</b>			
	Trade and other creditors	7.1	2,063,224,333	1,610,889,912
	Accrued expenses		1,054,306,994	1,193,755,002
	Retention money payable		1,006,732	1,006,732
	Due to employees		60,210,764	44,913,160
	Withholding income tax payable		40,437,184	28,579,538
	Withholding sales tax payable		28,016,037	25,958,491
	Workers' Profit Participation Fund payable		41,601,121	113,988,547
	Workers' Welfare Fund payable		87,458,948	74,761,590
	Payable to Employees' Provident Fund		10,902,101	24,088
	Others		1,172,362	1,172,362
			3,388,336,576	3,095,049,422
<b>7.1</b>	<b>These include amounts due to the following related parties:</b>			
	Fauji Fertilizer Company Limited		42,281,451	40,781,451
	FonGrow (Private) Limited		341,452	341,452
	Fauji Infraavest Foods Limited		5,638,920	4,568,679
	Foundation Gas		–	190,080
	Fauji Foundation		63,268,177	50,613,477
			111,530,000	96,495,139
<b>8</b>	<b>Contract liabilities</b>			
	Advances from customers in respect of revenue recognized at a point in time	8.1	444,799,959	586,180,204
<b>8.1</b>	<b>These include advances received from associated undertaking as follows:</b>			
	Fauji Fresh n Freeze Limited		1,241,220	1,302,000
	Askari Bank Limited		439,018	70,826,255
			1,680,238	72,128,255

## 9 Contingencies and commitments

### Contingencies

There has been no significant change in contingencies as reported in the audited unconsolidated financial statements of the Company for the year ended December 31, 2025, except for the following:

### Sale tax

- (i) The Deputy Commissioner Inland Revenue (DCIR) issued a Show Cause Notice dated November 6, 2025, regarding inadmissible input tax claims for the tax periods 2023–2024, initially raising a demand of Rs. 211 million. Following the Company's formal response, the DCIR issued an Order on March 31, 2026, significantly reducing the demand to Rs. 11 million. Aggrieved by this assessment, the Company is currently in the process of filing an appeal before the Commissioner Inland Revenue (Appeals).

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

For the three months period ended March 31, 2026

- (ii) The pre-refund audit conducted for the tax periods January 2016 to June 2016 and December 2020 to December 2022, in respect of refund claims amounting to Rs. 828 million. Subsequently, the Deputy Commissioner Inland Revenue issued a show cause notice on dated 11 June 2025, expressing the intention to reject sales tax refund claims and to recover short-paid sales tax under section 11E(1)(a) of the Sales Tax Act, 1990. Subsequently, the taxpayer filed a detailed reply contesting the proposed demand as unlawful and supporting its position with relevant factual data dated 15 August 2025. Thereafter, the department passed an order dated January 29, 2026, creating a revised demand of Rs. 1.4 billion along with a penalty of Rs. 73 million. Being aggrieved by the said order, the Company filed an appeal on February 27, 2026. Notwithstanding the above, the matter is still pending adjudication.
- (iii) 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 created sales tax demand amounting Rs. 14 million. The Company being aggrieved by the order filed appeal before CIR-A who, through order dated October 29, 2020 remanded the case back to DCIR for re-assessment. The department has filed appeal before ATIR. Subsequently the ATIR has dismissed the departmental appeal and remand back the case to department vide order dated January 19, 2026.
- (iv) 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. 138.74 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. Subsequently the ATIR has dismissed the departmental appeal and upheld the order of CIR-Appeal vide order dated January 19, 2026.

## Commitments

- (i) Commitments in respect of capital expenditure outstanding at the period / year end amounted to Rs. 141.90 million (December 31, 2025: Rs. 223.09 million).
- (ii) Commitments in respect of letter of credit for the purchase of raw and packing material outstanding at the period / year end amounted to Rs. 46.95 million (December 31, 2025: Rs. 131.01 million).
- (iii) The Company has issued following guarantees:  
Guarantees aggregating Rs. 380.00 million (31 December 2025: Rs. 368.00 million) have been issued by banks on behalf of the Company Sui Northern Gas Pipeline Limited, Pakistan State Oil, Naval Accounts Karachi, Pakistan Oxygen Limited, Director General Special Education, Director General Remount Veterinary and Programme Director PMIU-PESRP.

	Note	Un-audited March 31, 2026	Audited December 31, 2025
		Rupees	Rupees
<b>10 Property, plant and equipment</b>			
Operating fixed assets	10.1	8,345,926,890	8,471,206,194
Capital work-in-progress	10.2	1,015,152,014	813,482,803
		9,361,078,904	9,284,688,997
<b>10.1 Operating fixed assets</b>			
Opening balance – net book value		8,471,206,194	8,614,074,126
Additions during the period / year		43,795,157	363,840,331
Right of use asset during the period / year		19,961,561	249,705,795
		8,534,962,912	9,227,620,252
Book value of property plant and equipment			
– Disposed off during the period / year		(2,742,076)	(39,727,745)
– Written off during the period / year		–	(52,588,905)
Depreciation charged during the period / year		(186,293,946)	(719,097,408)
		8,345,926,890	8,416,206,194
Reversal of impairment		–	55,000,000
		8,345,926,890	8,471,206,194
<b>10.2 Capital work-in-progress</b>			
Plant and machinery		850,592,514	707,994,403
Building on freehold land		90,263,109	47,860,886
Electric and gas installations		57,976,397	44,742,824
Computer and fixtures		14,119,994	12,884,690
Other work equipment		2,200,000	–
		1,015,152,014	813,482,803
<b>11 Stock-in-trade</b>			
Raw and packing material			
– In hand		917,270,598	1,171,211,554
– In transit		46,081,921	39,806,148
		963,352,519	1,211,017,702
Work-in-process		168,042,614	154,389,568
Finished goods		2,545,309,433	1,104,118,239
		3,676,704,566	2,469,525,509
Less: provision for obsolescence	11.1 & 11.2	(24,854,310)	(25,005,216)
		3,651,850,256	2,444,520,293
<b>11.1 Movement in provision for obsolete raw materials</b>			
Balance at the start of the period / year		17,920,666	16,476
Provision / (reversal) for the period / year		(150,906)	17,904,190
Balance at the end of the period / year		17,769,760	17,920,666
<b>11.2 Movement in provision for obsolete finished goods</b>			
Balance at the start of the period / year		7,084,550	–
Provision for the period / year		–	36,084,585
Written off during the period / year		–	(29,000,035)
Balance at the end of the period / year		7,084,550	7,084,550

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

For the three months period ended March 31, 2026

	Note	Un-audited March 31, 2026	Audited December 31, 2025
		Rupees	Rupees
<b>12 Cash and Cash Equivalents</b>			
Cash and bank balances:			
Cash in hand		552,887	686,184
With banks on:			
– Current accounts		99,653,607	132,180,428
– Saving accounts	12.1	997,172,514	1,736,431,547
	12.2	1,096,826,121	1,868,611,975
<b>Total cash and bank balances</b>		<b>1,097,379,008</b>	<b>1,869,298,159</b>
<b>Short term investments:</b>			
Term Deposit Receipts (TDRs)	12.3	2,050,000,000	2,450,000,000
		<b>3,147,379,008</b>	<b>4,319,298,159</b>

**12.1** These saving accounts earned interest at 8.75% to 10.50% (December 31, 2025: 7.5% to 15%) per annum during the period / year.

**12.2** These include bank deposits amounting to Rs. 318.00 million (December 31, 2025: Rs. 651.62 million) with Askari Bank Limited, an associated undertaking.

**12.3** This includes TDRs kept with Askari Bank Limited, an associated undertaking amounting to Rs. 600 million (December 31, 2025: Rs. Nil). These carry mark-up at the rates ranging from 10.50% to 10.55% (December 31, 2025: 10.5% to 16.20%) per annum and have one year maturity with premature encashment option without any surcharge.

		Un-audited March 31, 2026	Un-audited March 31, 2025
		Rupees	Rupees
<b>13 Revenue from contracts with customers – net</b>			
Gross revenue		10,324,840,288	9,571,940,057
Less: sales tax		(1,273,140,422)	(1,109,485,143)
Discounts, incentives and allowances		(512,225,117)	(555,217,193)
		(1,785,365,539)	(1,664,702,336)
		<b>8,539,474,749</b>	<b>7,907,237,721</b>

	Note	Un-audited March 31, 2026	Un-audited March 31, 2025
		Rupees	Rupees
<b>14</b>	<b>Cost of revenue</b>		
	Raw materials consumed	6,561,815,634	5,376,698,486
	Salaries, wages and other benefits	312,996,289	241,446,914
	Power and fuel	225,691,701	126,614,176
	Packing materials consumed	997,925,512	944,165,359
	Stores and spares consumed	47,803,856	43,522,719
	Repair and maintenance	115,798,976	98,493,441
	Depreciation on property, plant and equipment	152,078,343	144,901,249
	Rent, rates and taxes	516,275	465,393
	Travelling and conveyance	9,633,437	7,049,267
	Printing and stationery	996,491	973,778
	Legal and professional charges	375,379	249,998
	Insurance	5,527,725	2,721,304
	Communication, establishment and others	17,512,423	21,019,826
		8,448,672,041	7,008,321,910
	Adjustment of work-in-process		
	Opening stock	154,389,568	58,355,602
	Closing stock	(168,042,614)	(109,139,149)
		(13,653,046)	(50,783,547)
	Cost of goods manufactured	8,435,018,995	6,957,538,363
	Adjustment of finished goods		
	Opening stock	1,097,033,689	557,430,540
	Closing stock	(2,538,224,883)	(1,027,940,929)
		(1,441,191,194)	(470,510,389)
		6,993,827,801	6,487,027,975
<b>15</b>	<b>Earning per share – basic and diluted</b>		
	Profit for the period	Rupees 320,725,773	361,463,369
	Weighted average number of ordinary shares outstanding during the period	Number 2,519,963,139	2,519,963,139
	Earning per share – basic and diluted	Rupees 0.13	0.14

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

For the three months period ended March 31, 2026

## 16 Related party transactions

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

Name of related party	Relationship	Nature of transactions	(Un-audited)	(Un-audited)
			March 31, 2026	March 31, 2025
			Rupees	Rupees
Fauji Fertilizer Company Limited	Parent Company (Shareholding and common directorship)	Expense of IT facilities charged by related party	1,500,000	1,500,000
		Sale of goods to related party	12,691,952	-
Fauji Foundation	Ultimate Parent Company (Shareholding and common directorship)	Management shared services charged by related party	1,500,000	1,500,000
		Interest income charged to related party	1,137,542	-
		Sales collection charged to related party	-	32,227,802
		SAP Rise fee charged by related party	242,080	-
		Miscellaneous expense charged by related party	289,740	-
		Lease liability expense against right-of-use of asset	4,730,880	4,300,800
		Sale of goods to related party	4,834,319	-
Fauji Fresh n Freeze Limited	Associated Undertaking (Common directorship)	Sale of coal to related party	-	10,043,575
		Management shared services and shared office cost charged to related party	54,598,315	30,119,352
		Miscellaneous expense charged to related party by Company	-	327,560
Sona Welfare Foundation	Associated Undertaking	Sale of goods to related party (Common directorship)	-	60,388,395
Fauji Meat Limited	Associated Undertaking (Common directorship)	Management shared services charged to related party	871,839	1,364,832
FonGrow Pvt Ltd	Associated Undertaking (Common directorship)	Management shared services and shared office cost charged to related party	3,302,336	4,821,061
Foundation Gas	Associated Undertaking (Common directorship)	Purchase of LPG	2,039,685	1,441,460
Fauji Infraavest Foods Limited	Wholly owned Subsidiary (100% Ownership)	Miscellaneous expense charged to related party by Company	-	3,541,702
		Tolling Expense charged by related party	734,026	3,205,939
		Interest income charged to related party	3,913,586	3,680,769

Name of related party	Relationship	Nature of transactions	(Un-audited)	(Un-audited)
			March 31, 2026	March 31, 2025
			Rupees	Rupees
		Miscellaneous payment disbursement charged to related party	8,988,652	25,289,381
Fauji Cement Company Limited	Associated Undertaking (Common directorship)	Sale of goods to related party	167,800	–
Askari Bank Limited	Associated Undertaking (Common directorship)	Finance cost on lease charged by related party	1,812,303	2,604,005
		Interest income on saving accounts	15,264,577	3,830,969
		Interest income on TDRs	2,254,521	81,116,180
		Sale of goods to related party	178,434,037	–
Employee's Provident Fund Trust	Post employee benefit plan	Contribution for the period	32,039,510	24,311,473
Employee's Gratuity Fund Trust	Post employee benefit plan	Contribution for the period	44,848,467	–
Directors		Meeting fee	1,305,000	520,000
Key Management Personnel		Remuneration and benefits	85,606,763	82,353,411

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

	Un-audited March 31, 2026	Audited December 31, 2025
	Rupees	Rupees
<b>Other receivables</b>		
Fauji Fertilizer Company Limited	139,440	139,440
Fauji Foundation	180,887,404	373,616,526
Fauji Meat Limited	5,112,005	4,240,166
FonGrow (Private) Limited	19,812,835	16,510,499
Fauji Fresh n Freeze Limited	24,717,034	267,684
Fauji Infraavest Foods Limited	152,259,948	142,201,055
<b>Due from related parties – considered good</b>		
Fauji Fertilizer Company Limited	9,532,695	10,123,031
Fauji Cement Limited	446,128	925,328
Sona Welfare Foundation	11,046,799	–
Fauji Foundation	2,916,487	1,923,190

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

## For the three months period ended March 31, 2026

### 17 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	Un-audited March 31, 2026	Audited December 31, 2025
		Rupees	Rupees
<b>Unconsolidated Statement of Financial Position</b>			
<b>Assets</b>			
Shariah compliant bank balances	Shariah	5,119,585	1,457,143
<b>Liabilities</b>			
Lease liabilities (including current portion)	Shariah	154,811,958	151,619,394

Description	Explanation	Un-audited March 31, 2026	Un-audited March 31, 2025
		Rupees	Rupees
<b>Unconsolidated Statement of Profit or Loss</b>			
Revenue earned for the period	Earned from shariah compliant business	8,539,474,749	7,907,237,721
Markup paid on Islamic mode of lease liability	Shariah	4,815,631	-
<b>Source and detailed break up of other income</b>			
Other income earned from non-financial assets (Shariah compliant)	Earned from Shariah compliant transactions	6,586,118	5,870,215
Other income earned from financial assets (non-Shariah compliant)	Earned from non-Shariah compliant transactions	95,436,393	127,791,438

### 18 Date of authorization of issue

These unconsolidated condensed interim financial statements were authorized for issue on April 27, 2026 by the board of directors of the Company.

### 19 Events after the balance sheet date

There are no subsequent events occurring after balance sheet date.



Chairman



Chief Executive Officer



Director



Chief Financial Officer



CONSOLIDATED CONDENSED  
INTERIM FINANCIAL STATEMENTS

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As At March 31, 2026

	Note	Un-audited March 31, 2026	Audited December 31, 2025
		Rupees	Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital		28,000,000,000	28,000,000,000
Issued, subscribed and paid up share capital		25,199,631,390	25,199,631,390
<b>Capital Reserves</b>			
Share premium		1,801,082,303	1,801,082,303
Acquisition Reserve	6	(2,847,930,692)	(2,847,930,692)
Surplus on revaluation of property, plant and equipment – net of tax		2,096,941,147	2,123,068,119
<b>Revenue Reserve</b>			
Accumulated loss		(15,291,040,699)	(15,618,757,452)
		10,958,683,449	10,657,093,668
<b>Non-current liabilities</b>			
Lease liabilities		307,635,507	327,795,734
Deferred taxation – net		27,007,000	27,007,000
Provision for dismantling		539,000	539,000
Employee retirement benefits		66,630,741	99,039,968
		401,812,248	454,381,702
<b>Current liabilities</b>			
Current portion of long term liabilities		111,052,582	97,328,433
Trade and other payables	7	3,413,298,454	3,119,130,847
Contract liabilities	8	444,799,959	586,180,204
Loans payable to Ultimate Parent Company		5,908,554,693	5,908,554,693
Income tax provision – net		78,458,541	188,991,229
Unclaimed dividend		965,752	965,752
		9,957,129,981	9,901,151,158
<b>Contingencies and commitments</b>			
	9	21,317,625,678	21,012,626,528

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.



Chairman



Chief Executive Officer



Director



Chief Financial Officer



	Note	Un-audited March 31, 2026	Audited December 31, 2025
		Rupees	Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	9,826,219,205	9,755,615,204
Intangible assets		56,692,037	58,462,247
Security deposits		22,800,000	22,800,000
		9,905,711,242	9,836,877,451
<b>Current assets</b>			
Stores, spares and loose tools		309,592,911	281,722,309
Stock-in-trade	11	3,651,850,256	2,444,520,293
Trade receivables from contracts with customers		2,819,776,875	2,124,493,367
Loans and advances		204,706,403	381,400,520
Deposits, prepayments and other receivables		558,419,810	711,049,329
Accrued interest		16,784,346	150,680,360
Balance with statutory authorities:			
– Sales tax refundable – net		698,862,527	759,731,079
– Income tax receivable – net		–	483,977
Cash and cash equivalents:	12		
– Cash and bank balances		1,101,921,308	1,871,667,843
– Short term investments		2,050,000,000	2,450,000,000
		11,411,914,436	11,175,749,077
		21,317,625,678	21,012,626,528

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

For the three months period ended March 31, 2026

	Note	March 31, 2026	March 31, 2025
		Rupees	Rupees
Revenue from contracts with customers – net	13	8,543,130,724	7,907,237,721
Cost of revenue	14	(7,003,940,182)	(6,500,157,277)
<b>Gross profit</b>		1,539,190,542	1,407,080,444
Marketing and distribution expenses		(840,384,286)	(696,687,226)
Administrative expenses		(259,537,307)	(248,295,133)
<b>Profit from operations</b>		439,268,949	462,098,085
Other income		98,128,925	130,045,884
Other expenses		(40,116,855)	(51,603,695)
Finance cost		(20,324,243)	(16,985,082)
<b>Profit before levy and income tax</b>		476,956,776	523,555,192
Levy		(25,089,557)	(8,627,584)
<b>Profit before income tax</b>		451,867,219	514,927,608
Income tax		(150,277,438)	(179,530,310)
<b>Profit for the period</b>		301,589,781	335,397,298
<b>Earning per share – basic and diluted</b>	15	0.12	0.13

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.



Chairman



Chief Executive Officer



Director



Chief Financial Officer



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

For the three months period ended March 31, 2026

	March 31, 2026	March 31, 2025
	Rupees	Rupees
<b>Profit for the period</b>	301,589,781	335,397,298
<b>Other comprehensive income:</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>	-	-
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
– Remeasurement (loss) / gain on defined benefit plans	-	-
<b>Other comprehensive (loss) / income for the period</b>	-	-
<b>Total comprehensive income for the period</b>	301,589,781	335,397,298

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.



Chairman



Chief Executive Officer



Director



Chief Financial Officer

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

For the three months period ended March 31, 2026

	Share capital	Capital Reserve			Revenue reserves	Total	
		Share premium	Share deposit money	Surplus on revaluation of property, plant and equipment - net of tax	Acquisition reserve		Accumulated loss
<b>Rupees</b>							
<b>Balance as at January 1, 2025 (audited)</b>	25,199,631,390	1,801,082,303	-	2,247,212,282	(2,847,930,692)	(16,885,139,792)	9,514,855,491
Profit after taxation for the period	-	-	-	-	-	335,397,297	335,397,297
Other comprehensive income for the period	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	-	335,397,297	335,397,297
Incremental depreciation relating to surplus							
on revaluation – net of tax	-	-	-	(28,181,937)	-	28,181,937	-
<b>Balance as at March 31, 2025 (un-audited)</b>	25,199,631,390	1,801,082,303	-	2,219,030,345	(2,847,930,692)	(16,521,560,558)	9,850,252,788
<b>Balance as at January 1, 2026 (audited)</b>	25,199,631,390	1,801,082,303	-	2,123,068,119	(2,847,930,692)	(15,618,757,452)	10,657,093,668
Profit after taxation for the period	-	-	-	-	-	301,589,781	301,589,781
Other comprehensive income for the period	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	-	301,589,781	301,589,781
Incremental depreciation relating to surplus							
on revaluation – net of tax	-	-	-	(26,126,972)	-	26,126,972	-
<b>Balance as at March 31, 2026 (un-audited)</b>	25,199,631,390	1,801,082,303	-	2,096,941,147	(2,847,930,692)	(15,291,040,699)	10,958,683,449

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.



Chairman



Chief Executive Officer



Director



Chief Financial Officer



# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN-AUDITED)

For the three months period ended March 31, 2026

	March 31, 2026	March 31, 2025
	Rupees	Rupees
<b>Cash flows from operating activities</b>		
Profit before income tax	451,867,219	514,927,608
Adjustments for non-cash items:		
Depreciation on property, plant and equipment	171,853,937	165,915,468
Amortization of ROU	23,068,416	11,858,730
Amortization of intangible assets	2,012,290	949,985
(Gain) / loss on disposal of property, plant and equipment	(2,647,787)	983,017
(Reversal) / provision for obsolete stock	(150,906)	23,937,611
Profit on bank deposits	(91,542,807)	(130,045,884)
Provision for Worker's Profit Participation Fund	26,775,534	33,269,469
Provision for Worker's Welfare Fund	12,697,359	16,662,646
Written off assets	-	16,670,806
Provision for retirement benefit	13,659,651	10,896,699
Levy	25,089,557	8,627,584
Finance cost	20,324,243	16,985,082
<b>Operating profit before working capital changes</b>	<b>653,006,706</b>	<b>691,638,821</b>
<b>Effect on cash flows due to working capital changes (Increase) / decrease in current assets:</b>		
Stores, spares and loose tools	(27,870,602)	5,518,036
Stock-in-trade	(1,207,179,057)	(405,220,920)
Trade debts	(695,283,508)	(503,241,113)
Loans and advances	176,694,117	169,926,698
Deposits, prepayments and other receivables	152,629,519	(189,368,024)
Sales tax refundable	60,868,552	336,049,310
	(1,540,140,979)	(586,336,013)
<b>Increase in current liabilities</b>		
Trade and other payables	113,314,464	254,387,316
	113,314,464	254,387,316
<b>Cash (used in) / generated from operations</b>	<b>(773,819,809)</b>	<b>359,690,124</b>
Income tax and levy paid	(285,415,706)	(127,540,229)
Employee retirement benefits paid	(46,068,878)	(1,055,887)
<b>Net cash (used in) / generated from operating activities</b>	<b>(1,105,304,393)</b>	<b>231,094,008</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(249,000,509)	(265,977,715)
Sale proceeds from disposal of property, plant and equipment	5,389,867	1,716,589
Income on bank deposits received	225,438,821	426,369,992
<b>Net cash (used in) / generated from investing activities</b>	<b>(18,171,821)</b>	<b>162,108,866</b>
<b>Cash flows from financing activities</b>		
Repayment of principal portion of lease liabilities	(25,946,078)	(18,362,386)
Finance cost paid	(20,324,243)	(21,043,828)
<b>Net cash flows (used in) financing activities</b>	<b>(46,270,321)</b>	<b>(39,406,214)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,169,746,535)</b>	<b>353,796,660</b>
<b>Cash and cash equivalents – at beginning of the period</b>	<b>4,321,667,843</b>	<b>3,008,952,034</b>
<b>Cash and cash equivalents – at end of the period</b>	<b>3,151,921,308</b>	<b>3,362,748,694</b>

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.



Chairman



Chief Executive Officer



Director



Chief Financial Officer

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

For the three months period ended March 31, 2026

## 1 The Group and its 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 has 100% owned subsidiary "Fauji Infraavest Foods Limited". 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 Group along with their respective locations:

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

2 The consolidated condensed interim financial statements of the Group for the first quarter ended 31 March, 2026 is un-audited and has been presented in accordance with the requirements of the International Accounting Standard (IAS – 34 Interim Financial Reporting) and provisions of or directives issued under the Companies Act, 2017 (the Act). In case where the requirements differ, the provisions of or directives issued under the Act have been followed. These are required to be presented to the shareholders under section 237 of the Act.

3 The consolidated condensed interim financial statements does not include all the information required for the full financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Group as at and for the year ended 31 December, 2025.

4 The accounting policies and the methods of computation adopted in the preparation of the consolidated condensed interim financial statements are the same as those applied in the preparation of audited consolidated annual financial statements of the Group for the year ended 31 December, 2025.

5 The preparation of the consolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of the consolidated condensed interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to annual consolidated audited financial statements for the year ended 31 December, 2025.

6 In continuation to Note 1.1.3 to the 2025 consolidated audited annual financial statements, the matter is still pending adjudication in Islamabad High Court. The Group intends to restate its financial statements to apply "Acquisition Method" of accounting. The Group will continue to apply the "Predecessor Method" till final decision by the Islamabad High Court.

	Note	Un-audited March 31, 2026	Audited December 31, 2025
		Rupees	Rupees
<b>7 Trade and other payables</b>			
Trade and other creditors	7.1	2,082,207,385	1,627,121,630
Accrued expenses		1,058,633,820	1,199,773,440
Retention money payable		1,006,732	1,006,732
Due to employees		60,210,764	44,913,160
Withholding income tax payable		42,089,184	30,410,808
Withholding sales tax payable		28,016,037	25,958,491
Workers' Profit Participation Fund payable		41,601,121	113,988,547
Workers' Welfare Fund payable		87,458,948	74,761,590
Payable to Employees' Provident Fund		10,902,101	24,088
Others		1,172,362	1,172,361
		3,413,298,454	3,119,130,847
<b>7.1 These include amounts due to the following related parties:</b>			
Fauji Fertilizer Company Limited		42,281,451	40,781,451
FonGrow (Private) Limited		341,452	341,452
Foundation Gas		–	190,080
Fauji Foundation		86,704,542	68,398,992
		129,327,445	109,711,975
<b>8 Contract liabilities</b>			
Advances from customers in respect of revenue recognized at a point in time	8.1	444,799,959	586,180,204
<b>8.1 These include advances received from associated undertaking as follows:</b>			
Fauji Fresh n Freeze Limited		1,241,220	1,302,000
Askari Bank Limited		439,018	70,826,255
		1,680,238	72,128,255

## 9 Contingencies and commitments

### Contingencies

There has been no significant changes in contingencies as reported in the audited consolidated financial statements of the Group for the year ended December 31, 2025, except for the following:

### Sale tax

- (i) The Deputy Commissioner Inland Revenue (DCIR) issued a Show Cause Notice dated November 6, 2025, regarding inadmissible input tax claims for the tax periods 2023–2024, initially raising a demand of Rs. 211 million. Following the Holding Company's formal response, the DCIR issued an Order on March 31, 2026, significantly reducing the demand to Rs. 11 million. Aggrieved by this assessment, the Holding Company is currently in the process of filing an appeal before the Commissioner Inland Revenue (Appeals).

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

For the three months period ended March 31, 2026

- (ii) The pre-refund audit conducted for the tax periods January 2016 to June 2016 and December 2020 to December 2022, in respect of refund claims amounting to Rs. 828 million. Subsequently, the Deputy Commissioner Inland Revenue issued a show cause notice on dated 11 June 2025, expressing the intention to reject sales tax refund claims and to recover short-paid sales tax under section 11E(1)(a) of the Sales Tax Act, 1990. Subsequently, the taxpayer filed a detailed reply contesting the proposed demand as unlawful and supporting its position with relevant factual data dated 15 August 2025. Thereafter, the department passed an order dated January 29, 2026, creating a revised demand of Rs. 1.4 billion along with a penalty of Rs. 73 million. Being aggrieved by the said order, the Holding Company filed an appeal on February 27, 2026. Notwithstanding the above, the matter is still pending adjudication.
- (iii) 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 created sales tax demand amounting Rs. 14 million. The Holding Company being aggrieved by the order filed appeal before CIR-A who, through order dated October 29, 2020 remanded the case back to DCIR for re-assessment. The department has filed appeal before ATIR. Subsequently the ATIR has dismissed the departmental appeal and remand back the case to department vide order dated January 19, 2026.
- (iv) 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. 138.74 million along with default surcharge and penalty. The Holding Company preferred an appeal before CIR-A. CIR-A decided the case in favor of the Holding Company through order dated October 29, 2020 and annulled the department's order. The department has filed an appeal before ATIR. Subsequently the ATIR has dismissed the departmental appeal and upheld the order of CIR-Appeal vide order dated January 19, 2026.

## Commitments

- (i) Commitments in respect of capital expenditure outstanding at the period / year end amounted to Rs. 141.90 million (December 31, 2025: Rs. 223.09 million).
- (ii) Commitments in respect of letter of credit for the purchase of raw and packing material outstanding at the period / year end amounted to Rs. 46.95 million (December 31, 2025: Rs. 131.01 million).
- (iii) The Group has issued following guarantees:  
Guarantees aggregating Rs. 380.00 million (31 December 2025: Rs. 368.00 million) have been issued by banks on behalf of the Group Sui Northern Gas Pipeline Limited, Pakistan State Oil, Naval Accounts Karachi, Pakistan Oxygen Limited, Director General Special Education, Director General Remount Veterinary and Programme Director PMIU-PESRP.

	Note	Un-audited March 31, 2026	Audited December 31, 2025
		Rupees	Rupees
<b>10 Property, plant and equipment</b>			
Operating fixed assets	10.1	8,811,067,191	8,941,040,901
Capital work-in-progress	10.2	1,015,152,014	814,574,303
		9,826,219,205	9,755,615,204
<b>10.1 Operating fixed assets</b>			
Opening balance – net book value		8,941,040,901	9,092,114,895
Additions during the period / year		47,729,157	390,448,331
Right of use asset during the period / year		19,961,561	249,705,795
		9,008,731,619	9,732,269,021
Book value of property plant and equipment			
– Disposed off during the period / year		(2,742,076)	(39,727,745)
– Written off during the period / year		–	(52,588,905)
Depreciation charged during the period / year		(194,922,352)	(753,911,470)
		8,811,067,191	8,886,040,901
Reversal of impairment		–	55,000,000
		8,811,067,191	8,941,040,901
<b>10.2 Capital work-in-progress</b>			
Plant and machinery		850,592,514	709,085,903
Building on freehold land		90,263,109	47,860,886
Electric and gas installations		57,976,397	44,742,824
Computer and fixtures		14,119,994	12,884,690
Other work equipment		2,200,000	–
		1,015,152,014	814,574,303
<b>11 Stock-in-trade</b>			
Raw and packing material			
– In hand		917,270,598	1,171,211,554
– In transit		46,081,921	39,806,148
		963,352,519	1,211,017,702
Work-in-process		168,042,614	154,389,568
Finished goods		2,545,309,433	1,104,118,239
		3,676,704,566	2,469,525,509
Less: provision for obsolescence	11.1 & 11.2	(24,854,310)	(25,005,216)
		3,651,850,256	2,444,520,293
<b>11.1 Movement in provision for obsolete raw materials</b>			
Balance at the start of the period / year		17,920,666	16,476
Provision / (reversal) for the period / year		(150,906)	17,904,190
Balance at the end of the period / year		17,769,760	17,920,666
<b>11.2 Movement in provision for obsolete finished goods</b>			
Balance at the start of the period / year		7,084,550	–
Provision for the period / year		–	36,084,585
Written off during the period / year		–	(29,000,035)
Balance at the end of the period / year		7,084,550	7,084,550

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

For the three months period ended March 31, 2026

	Note	Un-audited March 31, 2026	Audited December 31, 2025
		Rupees	Rupees
<b>12 Cash and cash equivalents</b>			
Cash and bank balances:			
Cash in hand		553,187	686,484
With banks on:			
– Current accounts		99,769,607	132,296,636
– Saving accounts	12.1	1,001,598,514	1,738,684,723
	12.2	1,101,368,121	1,870,981,359
<b>Total cash and bank balances</b>		<b>1,101,921,308</b>	<b>1,871,667,843</b>
<b>Short term investments:</b>			
Term Deposit Receipts (TDRs)	12.3	2,050,000,000	2,450,000,000
		<b>3,151,921,308</b>	<b>4,321,667,843</b>

**12.1** These saving accounts earned interest at 8.75% to 10.50% (December 31, 2025: 7.5% to 15%) per annum during the period / year.

**12.2** These include bank deposits amounting to Rs. 322.07 million (December 31, 2025: Rs. 651.62 million) with Askari Bank Limited, an associated undertaking.

**12.3** This includes TDRs kept with Askari Bank Limited, an associated undertaking amounting to Rs. 600 million (December 31, 2025: Rs. Nil). These carry mark-up at the rates ranging from 10.50% to 10.55% (December 31, 2025: 10.5% to 16.20%) per annum and have one year maturity with premature encashment option without any surcharge.

		Un-audited March 31, 2026	Un-audited March 31, 2025
		Rupees	Rupees
<b>13 Revenue from contracts with customers – net</b>			
Gross revenue		10,328,496,263	9,571,940,057
Less: sales tax		(1,273,140,422)	(1,109,485,143)
Discounts, incentives and allowances		(512,225,117)	(555,217,193)
		(1,785,365,539)	(1,664,702,336)
		<b>8,543,130,724</b>	<b>7,907,237,721</b>

	Note	Un-audited March 31, 2026	Un-audited March 31, 2025
		Rupees	Rupees
<b>14</b>	<b>Cost of revenue</b>		
	Raw materials consumed	6,561,081,609	5,373,492,547
	Salaries, wages and other benefits	314,292,289	242,344,914
	Power and fuel	227,546,701	129,134,176
	Packing materials consumed	997,925,512	944,416,359
	Stores and spares consumed	47,803,856	43,522,719
	Repair and maintenance	115,931,976	100,905,441
	Depreciation on property, plant and equipment	159,478,749	153,878,491
	Rent, rates and taxes	516,275	465,392
	Travelling and conveyance	9,633,437	7,049,267
	Printing and stationery	996,491	973,778
	Legal and professional charges	375,379	249,998
	Insurance	5,626,725	2,752,304
	Communication, establishment and others	17,575,423	22,265,826
		8,458,784,422	7,021,451,212
	Adjustment of work-in-process		
	Opening stock	154,389,568	58,355,602
	Closing stock	(168,042,614)	(109,139,149)
		(13,653,046)	(50,783,547)
	Cost of goods manufactured	8,445,131,376	6,970,667,665
	Adjustment of finished goods		
	Opening stock	1,097,033,689	557,430,540
	Closing stock	(2,538,224,883)	(1,027,940,929)
		(1,441,191,194)	(470,510,389)
		7,003,940,182	6,500,157,277
<b>15</b>	<b>Earning per share – basic and diluted</b>		
	Profit for the period	Rupees 301,589,781	335,397,298
	Weighted average number of ordinary shares outstanding during the period	Number 2,519,963,139	2,519,963,139
	Earning per share – basic and diluted	Rupees 0.12	0.13

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

For the three months period ended March 31, 2026

## 16 Related Party Transactions

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

Name of related party	Relationship	Nature of transactions	(Un-audited)	(Un-audited)
			March 31, 2026	March 31, 2025
			Rupees	Rupees
Fauji Fertilizer Company Limited	Parent Company (Shareholding and common directorship)	Expense of IT facilities charged by related party	1,500,000	1,500,000
		Sale of goods to related party	12,691,952	-
Fauji Foundation	Ultimate Parent Company (Shareholding and common directorship)	Management shared services charged by related party	1,500,000	1,500,000
		Interest income charged to related party	1,137,542	-
		Sales collection charged to related party	-	32,227,802
		SAP Rise fee charged by related party	242,080	-
		Miscellaneous expense charged by related party	289,740	-
		Lease liability expense against right-of-use of asset	10,362,880	9,420,800
		Sale of goods to related party	4,834,319	-
Fauji Fresh n Freeze Limited	Associated Undertaking (Common directorship)	Sale of coal to related party	-	10,043,575
		Management shared services and shared office cost charged to related party	54,598,315	30,119,352
		Miscellaneous expense charged to related party by the Holding Company	-	327,560
Sona Welfare Foundation	Associated Undertaking (Common directorship)	Sale of goods to related party	-	60,388,395
Fauji Meat Limited	Associated Undertaking (Common directorship)	Management shared services charged to related party	871,839	1,364,832
FonGrow Pvt Ltd	Associated Undertaking (Common directorship)	Management shared services and shared office cost charged to related party	3,302,336	4,821,061
Foundation Gas	Associated Undertaking (Common directorship)	Purchase of LPG	2,039,685	1,441,460
Fauji Cement Company Limited	Associated Undertaking (Common directorship)	Sale of goods to related party	167,800	-

Name of related party	Relationship	Nature of transactions	(Un-audited)	(Un-audited)
			March 31, 2026	March 31, 2025
			Rupees	Rupees
Askari Bank Limited	Associated Undertaking (Common directorship)	Finance cost on lease charged by related party	1,812,303	2,604,005
		Interest income on saving accounts	15,284,869	3,830,969
		Interest income on TDRs	2,254,521	81,116,180
		Sale of goods to related party	178,434,037	–
Employee's Provident Fund Trust	Post employee benefit plan	Contribution for the period	32,039,510	24,311,473
Employee's Gratuity Fund Trust	Post employee benefit plan	Contribution for the period	44,848,467	–
Directors		Meeting fee	1,305,000	520,000
Key Management Personnel		Remuneration and benefits	85,606,763	82,353,411

**16.2** Relevant related party balances are disclosed elsewhere in these consolidated condensed interim financial statements except for the following:

	Un-audited March 31, 2026	Audited December 31, 2025
	Rupees	Rupees
<b>Other receivables</b>		
Fauji Fertilizer Company Limited	139,440	139,440
Fauji Foundation	180,887,404	373,616,526
Fauji Meat Limited	5,112,005	4,240,166
FonGrow (Private) Limited	19,812,835	16,510,499
Fauji Fresh n Freeze Limited	24,717,034	267,684
<b>Due from related parties – considered good</b>		
Fauji Fertilizer Company Limited	9,532,695	10,123,031
Fauji Cement Limited	446,128	925,328
Sona Welfare Foundation	11,046,799	–
Fauji Foundation	2,916,487	1,923,190

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

## For the three months period ended March 31, 2026

### 17 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	Un-audited March 31, 2026	Audited December 31, 2025
		Rupees	Rupees
<b>Consolidated Statement of Financial Position</b>			
<b>Assets</b>			
Shariah compliant bank balances	Shariah	5,119,585	1,457,143
<b>Liabilities</b>			
Lease liabilities (including current portion)	Shariah	154,811,958	151,619,394

Description	Explanation	Un-audited March 31, 2026	Un-audited March 31, 2025
		Rupees	Rupees
<b>Consolidated Statement of Profit or Loss</b>			
Revenue earned for the period	Earned from shariah compliant business	8,543,130,724	7,907,237,721
Markup paid on Islamic mode of lease liability	Shariah	4,815,631	-
<b>Source and detailed break up of other income</b>			
Other income earned from non-financial assets (Shariah compliant)	Earned from Shariah compliant transactions	6,586,118	5,904,215
Other income earned from financial assets (non-Shariah compliant)	Earned from non-Shariah compliant transactions	91,542,807	124,141,669

### 18 Date of authorization of issue

These consolidated condensed interim financial statements were authorized for issue on April 27, 2026 by the board of directors of the Holding Company.

### 19 Events after the balance sheet date

There are no subsequent events occurring after balance sheet date.



Chairman



Chief Executive Officer



Director



Chief Financial Officer










FAUJI FOODS

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