



UNLEASHING PAKISTAN'S PROMISE IN EVERYTHING WE TOUCH

Fauji Foods Limited

Head Office

42 CCA, Ex Park View, DHA Phase - VIII, Lahore.

Tel: +92-42-37136310, 37136315-17

Web: www.faujifoods.com

Unleashing Pakistan's Promise in Everything We Touch

Fauji Foods' cover represents our reason for being. We are driven by the opportunity to change our world for the better. Fauji Foods is committed to helping its employees, customers, farmers, stakeholders to achieve their potential. Hence our vision statement: "Unleashing Pakistan's Promise in Everything We Touch."

This statement is deeply ingrained in our organizational DNA. United as a singular front, it propelled the positive transformation in our journey. Rooted in the heart of Pakistan, our products signify not only a dairy legacy but also a revival journey, upholding the highest quality standards. We embody unity and pride in every local ingredient, crafting an experience resonating with the authentic taste of Pakistan.

At Fauji Foods, our story is one of resurrection, marked by a new resolve. True to our roots and our mission of reaching the hearts and homes of all Pakistanis, we move forward with unwavering dedication.

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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 & Environmentally**

CORE VALUES

EXCELLENCE

We hold ourselves to the highest standards of competence, always striving to improve and exceed expectations.



CUSTOMER FOCUS

Our customers are at the heart of everything we do.



AGILITY AND PERSEVERANCE

We embrace ambiguity and never give up, even in the face of adversity.



OWNERSHIP AND ACCOUNTABILITY

We hold ourselves accountable for our own actions and those of our team.



CARING

We care deeply about our employees, our customers, and our community.



OUR HERITAGE

For generations, we have been an integral part of Pakistani households, offering high-quality food products that have become staples in their daily routines.

Situated within the Fauji Group of Companies, Fauji Foods Limited, primarily owned by FFBL, was established in 2015 following the takeover of Noon Pakistan Limited, a company with a dairy legacy spanning over 50 years in Pakistan.

Nurpur, originating in 1966, has left a lasting impression on countless generations, with its unrivaled taste serving as a cornerstone of its enduring legacy. Renowned as the most loved butter brand in Pakistan, Nurpur has become the most loved household name, symbolizing quality and taste.



TRANSFORMATION STRATEGY

The transformation strategy has been a torch bearer for FFL for the past 3 years, but started to deliver the requisite results this year. The path this year has been focused on driving sustainable and profitable growth which is why the company is back on track. The key pillars for this were Fueling Portfolio Growth, COGS reduction and enhanced capabilities.

Revitalizing the House of Nurpur for every Pakistani's breakfast led to an outstanding 85% overall brand growth. As part of our dynamic turnaround, the repositioning not only skyrocketed awareness across categories but also injected a fresh wave of excitement, making Nurpur an essential and vibrant choice for consumers.

FFL's transformation strategy encompassed various key initiatives that drove positive change across our operations. RTM Optimization and Digitization initiatives were instrumental, leading to notable improvements. By implementing sales tracking software in over 35,000 outlets, we gained access to real-time data, enhancing our decision-making processes.

Moreover, a strategic emphasis was placed on B2B accounts, strengthening of longstanding partnerships with industry giants such as Unilever, McDonald's and KFC.

To achieve operational excellence, we focused on reducing COGS through packaging efficiencies and the adoption of energy-efficient solutions in our factories.

Additionally, our growth trajectory was propelled by the integration of planning processes, resulting in a smarter, more organized, and agile organization. Furthermore, our commitment to hiring individuals with the right skills for each role contributed significantly to our overall efficiency improvements.

Our transformation strategy involved the implementation of a range of strategic initiatives, including enhancements in cash flow management, improvements in planning and forecasting processes, opportunity sizing, and contextualization, as well as a shift towards fact-based decision-making. These measures collectively paved the way for a more agile, efficient, and forward-thinking organization, positioning us for sustained growth and success in the future.



Margin Accretive Growth

Portfolio Pivot	B2B Sales	Route to Market
68% to 85% <small>(2022 Vs 2023)</small> Value Added Portfolio	7X FSD Sales Growth Since 2020	+12,000 <small>(2022 Vs 2023)</small> Outlet Expansion over LY



Sustainability & COGS Initiatives

Energy Efficiencies	Operational Efficiencies	Procurement Efficiencies
Circa 1 Bn in savings		



Capability Development: People & Processes

Employee Engagement	Processes	Digitization
+35% <small>(2021 Vs 2023)</small> Employee Engagement Score Increase vs LY	18-month Sales & Operating planning horizon	35,000 Outlets tracked through sales tracking software

CORPORATE INFORMATION

Board of Directors

Mr. Waqar Ahmed Malik

Chairman

Mr. Arif ur Rehman

Dr. Nadeem Inayat

Syed Bakhtiyar Kazmi

Mr. Ali Asrar Hossain Aga

Mr. Basharat Ahmad Bhatti

Mr. Javed Kureishi

Lt Gen Dr. Muhammad

Zahid Latif Mirza (Retd)¹

Mr. Sarfaraz Ahmed Rehman²

Ms. Nosheen Akhtar³

Audit Committee

Mr. Javed Kureishi

Chairman

Dr. Nadeem Inayat

Syed Bakhtiyar Kazmi

Mr. Basharat Ahmad Bhatti

HR&R Committee

Mr. Ali Asrar Hossain Aga

Chairman

Dr. Nadeem Inayat

Mr. Arif ur Rehman

Operation and Business Committee⁴

Lt Gen Dr. Muhammad

Zahid Latif Mirza (Retd)

Chairman

Mr. Ali Asrar Hossain Aga

Mr. Basharat Ahmad Bhatti

Chief Executive Officer

Mr. Usman Zaheer Ahmad

Chief Financial Officer

Mr. Waseem Haider

Company Secretary

Brig Naveed Azam Cheema (Retd)⁵

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

EY Ford Rhodes

Chartered Accountants

Legal Advisers

Mr. Khurram Raza

Advocate Supreme Court

Website

www.faujifoods.com

Plant

Bhalwal, District Sargodha

Bankers

Albaraka Bank

Askari Bank Limited

Bank Alfalah Limited

Bank Al-Habib Limited

Faysal Bank Limited

Habib Bank Limited

JS Bank Limited

MCB Bank Limited

National Bank of Pakistan

Soneri Bank Limited

1. Appointed as Director w.e.f. February 01, 2024

2. Resigned as Director from the Board w.e.f. February 01, 2024

3. Appointed as Director w.e.f. January 18, 2024 in place of Ms. Tania Shahid Aidrus

4. Reconstituted on February 01, 2024

5. Appointed as Company Secretary w.e.f. January 15, 2024 in place of Brig Hamid Mahmood Dar, SI(M), (Retd)

BOARD OF DIRECTORS

Leading by example



Mr. Waqar Ahmed Malik
Chairman/Director

A fellow member of the Institute of Chartered Accountants of England & Wales (ICAEW) and is also an alumnus of the Harvard Business School (HBS) and INSEAD. Outside work, he is keen on art and horticulture. His career spans more than three decades in both the global and Pakistani business arenas. He specializes in transformation and turnaround along with a keen understanding of governance.

His expertise extends across diverse industries including chemicals, petrochemicals, consumer goods, life sciences, fertilizer, E&P, and cement.

Earlier, he served with the British giant then ICI Plc UK Ltd for 28 years in various roles including in Pakistan, the UK, the Americas & Europe. His last role with them was CEO of ICI Pakistan Ltd from 2005 to 2012.

He participates actively in social and philanthropic activities through I-Care Foundation, as a Trustee, where he contributes to improving the quality of life of the underprivileged by enhancing the level of philanthropic support.

He is a recipient of Sitara-e-Imtiaz given by the President of the Islamic Republic of Pakistan for his contribution towards the economy, public service, and social welfare in Pakistan and the British Asian Trust Award by Prince Charles (Now HM King Charles III).

He is currently serving as a Non-Executive Director on the Boards of following entities:

Public Listed Companies

- Mari Petroleum Company Ltd - Director & Chairman
- Fauji Fertilizer Company Ltd - Director & Chairman
- Fauji Cement Company Ltd - Director & Chairman
- Askari Bank Ltd - Director & Chairman
- Fauji Fertilizer Bin Qasim Ltd - Director & Chairman
- Fauji Foods Ltd - Director & Chairman
- Pakistan Oxygen Ltd - Director & Chairman

Non-Listed Companies & Institutions

- Fauji Fresh n Freeze Ltd - Director & Chairman
- Fauji Akbar Portia Marine Terminals Ltd - Director & Chairman
- Fauji Trans Terminal Ltd - Director & Chairman
- Fauji Oil Terminal & Distribution Company Ltd - Director & Chairman
- Fauji Infraavest Foods Ltd - Director & Chairman
- FFBL Power Company Ltd - Director & Chairman
- Foundation Power Company Daharki Ltd - Director & Chairman
- Fauji Kabirwala Power Company Ltd - Director & Chairman
- Daharki Power Holding Ltd - Director & Chairman
- Pakistan Maroc Phosphore SA - Director
- FonGrow (Pvt) Ltd - Director & Chairman
- Fauji Meat Ltd - Director & Chairman
- Foundation Solar Energy (Pvt) Ltd - Director & Chairman
- Pakistan Mobile Communications Ltd - Director
- Foundation University - President

Earlier, he served on various boards of prominent organizations:

- Member of the Board of Governors, Lahore University of Management Sciences
- Director, Pakistan Business Council
- President, Overseas Chamber of Commerce & Industry
- Director, State Bank of Pakistan
- Director, Standard Chartered Bank (Pak) Ltd
- Director, Engro Corporation Ltd
- Chairman, Pakistan Petroleum Ltd
- Director, Engro Polymer and Chemicals Ltd
- Director, TPL Insurance Ltd
- Director, Raffan Maize Ltd



**Lieutenant General
Dr. Muhammad Zahid Latif
Mirza (Retd)**
Director

General Dr. Zahid is a graduate of National Defense University Islamabad, Command & Staff College Quetta and Peoples Liberation Army Command College, China. An alumni of Near East South Asia Centre for Strategic Studies, Washington DC & Cranfield University, UK. Retired from Pakistan Army in 2018.

A Scholar at Heart with four Master Degrees (1) Political Science (2) History (3) Defense & Strategic Studies (4) War Studies. Also holds MPhil Degree in (Peace & Conflict Studies) with distinction and is winner Chancellor's Gold Medal. Has done his Doctorate in Diplomacy from Peking University in 2019.

Has vast experience encompassing military diplomacy, handling of peace and conflict issues and tribal conflict resolution. Has lectured in USA, UK and Chinese academic institutions. Has remained on the visiting faculty of various universities in Islamabad. He was also a visiting Professor with Sichuan University and a senior research fellow with Beijing Foreign Studies University.

Areas of expertise include Politics of South Asia, Afghanistan, National Security Dynamics and Foreign Policy of Pakistan.



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 (now 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 bottomline 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.



Dr. Nadeem Inayat Director

Dr. Nadeem Inayat is the Senior Director Strategy and Merger & Acquisitions at Fauji Foundation and holds directorship on the Board of following companies along with Fauji Foods Limited:

Askari Bank Limited
Daharki Power Holdings Limited
Fauji Akbar Portia Marine Terminals Limited
Fauji Cement Company Limited
Fauji Fertilizer Bin Qasim Limited
Fauji Fertilizer Company Limited
Fauji Infrainvest Foods Limited
Fauji Kabirwala Power Company Limited
Fauji Meat Limited
Fauji Oil Terminal & Distribution Company Limited
Fauji Trans Terminal Limited
Foundation Power Company Daharaki Limited
Foundation Wind Energy-I & II Limited
Mari Petroleum Company Limited
Pakistan Maroc Phosphore S.A.
FonGrow (Private) Ltd

Dr. Inayat holds a Doctorate in Economics and has over 28 years of diversified experience in the corporate sector particularly in corporate governance, policy formulation, project appraisal, implementation, monitoring & evaluation, restructuring, and collaboration with donor agencies. He also conducted various academic courses on Economics, International Trade and Finance at reputable institutions of higher education in Pakistan. He is also a member of Pakistan Institute of Development Economics.



Syed 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:

Askari Bank Limited
Daharki Power Holding Limited
Fauji Akbar Portia Marine Terminals Limited
Fauji Cement Company Limited
Fauji Fertilizer Bin Qasim Limited
Fauji Fertilizer Company Limited
Fauji Fresh n Freeze Limited
Fauji Infrainvest Foods Limited
Fauji Kabirwala Power Company Limited
Fauji Oil Terminal & Distribution Company Limited
Fauji Trans Terminal Limited
FFC Energy Limited
Foundation Power Company Daharaki Limited
Foundation Wind Energy-I & II Limited
Olive Technical Services Limited
Fauji Meat Limited
FonGrow (Private) Ltd

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 best-in-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. Ali Asrar Hossain Aga Director

Mr. Ali A. Aga has over 38 years of multi industry experience in a wide range of management positions in General Management, Marketing, Human Resource Management, Corporate Affairs, Operations and Supply Chain Management in ICI Pakistan as well as German company Hoechst and other national companies.

He is currently the Managing partner Middle East - South Asia & Chief Executive Pakistan for Ward Howell International, a global Leadership & Management consulting company. Prior to his involvement with Ward Howell in 2014, he was working with Pakistan's leading company ICI where he worked for almost 25 years in various senior positions. He was appointed the Chief Executive of ICI Pakistan & Chairman of ICI Pakistan Power Gen Limited during the transition period of ICI Pakistan's ownership from Akzo Nobel Netherlands to the YB Group in Pakistan in 2013. He also held the position of a Director on the Board of ICI Pakistan and worked as Vice President & Managing Director of ICI's flagship Soda Ash Business from 2008 to 2014. He has also served as General Manager Human Resource for the ICI Group in Pakistan from 2004 to 2008 and looked after HR for the ICI group in Pakistan and Middle East, and was also responsible for leadership development programs for the Regional & Industrial Business of ICI plc globally.

Ali Aga has also served as a Director on the Boards of Pakistan PTA Ltd, Akzo Nobel Pakistan Limited, ICI Power Gen Ltd, Descon Oxychem Limited and Pakistan Society for Training & Development. He is a Certified Director and Accredited Trainer on Corporate Governance by IFC and Pakistan Institute of Corporate Governance (PICG), and a visiting Faculty for PICG's Director's training program.

He is Director in Ittehad Chemicals Ltd. and has served as Independent Director on the Boards of Public Sector Companies STEDEC Technology Commercialization Corporation of Pakistan, Inland Water Transport Company of Pakistan and Engineering Development Board. He is also involved in volunteer work in the field of management development and has served as the Vice Chairman of the Lahore Chapter of Management Association of Pakistan and a Council member of the Lahore Chapter of Marketing Association of Pakistan.

Ali Aga holds an MBA degree from Drexel University U.S.A. and a BSc. (Engg.) in Chemical Engineering from University of the Punjab. He has attended the Advanced Management Program at Harvard Business School and has been a guest speaker at various local and international conferences and seminars.



Mr. Javed Kureishi
Director

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. He is also on 3 other company boards including the Pakistan Stock Exchange.

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 Sindh 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. Basharat Ahmad Bhatti
Director

Mr. Basharat Ahmad has 45 years diversified business experience, with the government and Country's foremost Multinational Conglomerates & local Industry - Hoechst Pharmaceutical, Unilever Pakistan & Bunny Foods, engaged int manufacturing and marketing world-class Fast-Moving Consumer Products including Oils & Fats, Personal & Home Cleaning Products, Beverages, Ice cream & Frozen desserts, Bakery products etc.

His practical experience includes Supply Chain Management, Sales & Sales Operations, Trade Marketing, Customer Relations, Factory operations, Industrial 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 is an International Trainer and Facilitator of Total Quality Management.

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.

In addition, he has 18 years teaching and training exposure which includes, MBA, MS & MPhil students as well as Middle and Senior Management level.

Presently he is Chief Executive Officer, Progressive Associates, Independent Director Fauji Foods Limited and Corporate Director, Bin Mehtab Consultants.



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.

CHAIRMAN'S MESSAGE

Dairy is deeply rooted in Pakistani culture, however the industry's growth remained slow due to multiple challenges that affected our country. The economy in 2023 remained sluggish and was characterized by escalating inflation, geopolitical tensions and financial stability concerns. External financing conditions tightened, leading to a notable decline in Foreign Exchange reserves. Record-high inflation and fiscal pressures exacerbated risks to the country's debt sustainability.

Despite these socioeconomic factors, I am pleased to report that Fauji Foods recorded its first year of profit. The board governed strategy was instrumental in achieving growth and should continue to deliver in future. The Board's careful oversight helped in achieving optimal resource utilization, heightened transparency, improved disclosures and better governance across all processes. The Board has also approved the Company vision and strategy, which should see Fauji Foods become a leading FMCG in Pakistan. The proposed acquisition of Fauji Cereal and Pasta is in line with the strategy to deliver Margin Accretive Growth, own the breakfast table and extend its portfolio to multiple culinary occasions.

Central to our operations is a steadfast dedication to principles of good governance. We prioritize accountability, transparency, and ethical conduct in all facets of our endeavors. To ensure an objective evaluation of our governance practices and Board operations, we engaged the Pakistan Institute of Corporate Governance (PICG). Their assessment confirmed the efficacy of our Board and our commitment to sound governance practices. We have acted upon their previous recommendations to continuously strengthen our Company's governance framework.

The focus this year has been on sustainable developments. This strategic focus underscores our commitment to implementing practices and projects that balance economic growth, environmental stewardship and social responsibility. Our Solar Power Plant boasts a 1 MW capacity, producing an annual output of 1,239,988 kWh units of electricity, effectively curbing 850,000 kilograms of CO2 emissions. Additionally, we have achieved a significant milestone by transitioning from coal to biomass, resulting in substantial reductions in both carbon and sulfur emissions. This shift away from coal not only lowers operational expenses but also contributes to a more environmentally friendly profile. As a result, annual carbon emissions have been reduced by 12 million kilograms, and 5,233 tons of coal imports have been eliminated. Furthermore, the initiation of the GRIDD program aims to revolutionize farmer economics and enhance productivity.

As Chairman, I feel privileged to be part of this journey of corporate success as we continue to push the performance standards, seize the opportunities coming our way and deliver sustainable growth.

Waqar Ahmed Malik
Chairman



CEO'S MESSAGE

As we conclude a challenging yet transformative year, I feel delighted to present Fauji Foods' financial results for the year 2023, to the Board of Directors.

FFL delivered Rs 605 mn PAT in FY 2023 (+128% over LY). The company has now been in the green for ten months. The three strategic pillars of a) Margin Accretive Growth b) COGS reduction and c) Capability Development helped deliver a Revenue of Rs 19.8 bn (+60%), GP of Rs 2.98 bn (+207%), EBIDTA of Rs 1.09 bn (443%). The PAT included deferred tax income of Rs 596 mn.

Nurpur continued to drive volume growth. The successful marketing campaign and Route to Market have ensured that Nurpur remains the fastest growing UHT milk in Pakistan for second successive year. The strategic pivot to margin accretive portfolio continues to deliver as the entire value portfolio grew significantly in volume and value.

The commercial sustainability is reflected through improved structure of the P&L as Gross Margins increased from 7.8% to 15.1% in 2023. This was achieved through focus on cost efficiencies backed by twin sustainability projects of 1 MW solar and biomass. These projects along with optimized sourcing and improved efficiencies across the entire value chain helped counter the high inflation in 2023. All of the above was underpinned through a cultural shift and a strong talent backbone, a fact reflected in Employee Engagement score that not only is ahead of the industry benchmark but has nearly tripled in three years.

Additionally, the focus this year has also been on Sustainable Dairy Development, hence FFL initiated the ambitious GRIDD program with the goal of transforming farmer economics and enhancing productivity. Collaborating with key partners, including Fauji Foundation, the Department of Livestock Punjab, other

group companies and State Institutions.

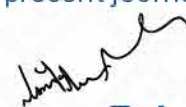
With the GRIDD program, FFL provided farmers with timely and accurate inputs such as fertilizers, vaccinations, feed and support for genetic improvement. This transformative program was designed to increase yields, offer improved prices directly to farmers and eliminate middlemen.

So far, the project has been implemented in Punjab reaching prime locations in Sargodha, TobaTek Singh and Faisalabad. Within a few months it has positively impacted milk productivity.

Looking ahead, the investment in brands and distribution infrastructure should continue to fuel growth. To further compliment growth and as part of its "Margin Accretive Growth strategy" FFL received the board and shareholders' authorizations in Q4 2023 to acquire Fauji Cereals and Fauji Infraavest Foods Limited (Pasta). The compelling synergies across the three businesses will broaden the margin base and improve the P&L structure. This allows FFL to own the breakfast table and extend its portfolio across multiple culinary occasions. The acquisitions, once completed (post statutory approvals), are expected to be EPS accretive.

We are confident that FFL driven by its vision of "Unleashing Pakistan's promise in everything we touch" will not only build a successful business but leave a mark on the broader national landscape for times to come.

I want to express my gratitude to the Honorable Members of the Board and shareholders for their continued guidance and support, which has been instrumental in our present journey.



Usman Zaheer Ahmad
Chief Executive Officer



LEADERSHIP TEAM



Sitting From Left To Right

Brig Naveed Azam Cheema (Retd)	Company Secretary
Usman Zaheer Ahmad	Chief Executive Officer
Faisal Sheikh	Chief Human Resources Officer
Muhammad Ifzal Akhtar	Factory Manager

Standing From Left To Right

Waseem Haider	Chief Financial Officer
Lt. Col M. Babar Rashid (Retd)	Head Admin
Hafiz Sajjad Hussain	Head Milk Collection & Agri Services
Abdul Rehman Butt	Head Supply Chain
Khurram Javaid	Chief Commercial Officer
Rao Muhammad Imran	Head R&D/Innovation, QA & Regulatory Affairs

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 57th Annual General Meeting of the shareholders of Fauji Foods Limited will be held on Monday, March 25, 2024 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 December 28, 2023.
2. To receive, consider and adopt the audited accounts for the year ended December 31, 2023 and the reports of the Directors and Auditors thereon.
3. To appoint the External Auditors of the Company for the ensuing period till next AGM and to fix their remuneration. The present auditors EY Ford Rhodes, Chartered Accountants have retired and the Board has recommended A.F. Ferguson & Co., Chartered Accountants as Auditors of the Company for the year ending on December 31, 2024.

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 19, 2024 to March 25, 2024** (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 23, 2024

Notes:

Availability of Audited Financial Statements on Company's Website:

In terms of the approval of the members of the Company in their Extraordinary General Meeting held on December 28, 2023 and pursuant to the SECP's Notification No. SRO 389(I)/2023 dated March 21, 2023 the audited financial statements of the Company for the year ended December 31, 2023 along with Directors' and Auditor's Report, Chairman's Report, Notice of AGM and other related materials have been made available on the Company's website, which can be downloaded and viewed from the following QR Code and weblink as given hereunder:

Weblink

QR Code

<https://www.faujifoods.com/pdf/financialResults/Annual-Report-2023.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 i.e., M/s Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore.
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 10 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 10 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=dUFUL0pHNUIFSTdINzNZWVJWdVVDUT09>

Meeting ID: 231 535 5306
Passcode: 335335

DIRECTORS' REPORT

For the year ended December 31, 2023

DIRECTOR'S REPORT FY 2023

Economic Overview

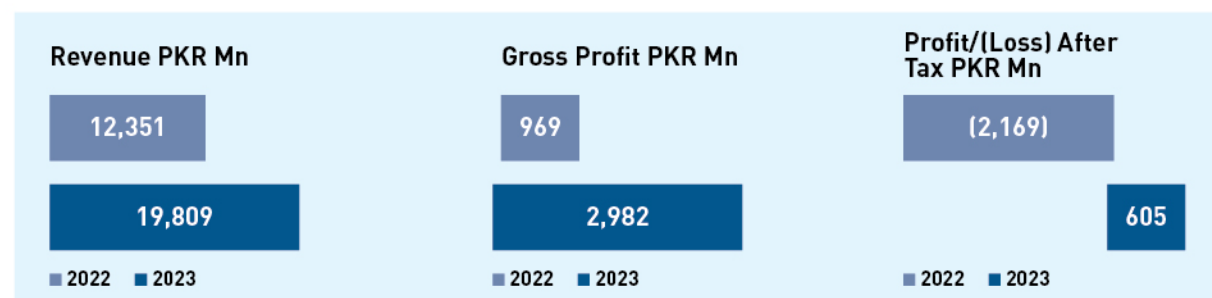
In 2023, the Pakistani economy continued to grapple with inflationary pressures, which were exacerbated by rising energy costs and continued supply chain disruptions. The annual inflation rate accelerated to 29.2% in November 2023, following a 26.9% hike in the previous month, primarily fueled by a sharp rise in housing & utilities costs, which soared to 33% from 20.5% in October. Food inflation also quickened to 28%, up from 26.8% in the preceding month. The central bank of Pakistan maintained the key interest rate at 22% for the fourth consecutive time during its policy meeting on December 12th, 2023. Despite efforts to attract foreign investment and enhance export competitiveness, the economy continued to show sluggish growth while unemployment remained a key concern, underscoring the need for comprehensive structural reforms to address these pressing economic issues.

On a positive note, there are some signs of improvement in the economy. Notable developments included the successful completion of the staff-level agreement for the first review under the IMF SBA program, anticipated to unlock financial inflows and strengthen the SBP's FX reserves. Efforts to diversify exports and enhance industrial productivity showed some early promise, contributing to a more balanced trade profile and improved export performance in certain sectors. 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

While Fauji Foods Limited (FFL) began its steady turnaround in 2022, I am pleased to report that the business turned a corner in 2023, recording PAT positive results from March till Dec 2023 with its highest PAT in Q4 2023. Sales revenue of Fauji Foods Limited (FFL) grew by 60.4% over 2022 with margin accretive portfolio growing in volume by 43% vs same period last year (SPLY). While focus on channel & margin accretive portfolio continued, cost efficiencies contributed ~PKR 1.0 billion in the gross margin & played a significant role in improving the gross margin from 7.8% in 2022 to 15.1%, an increase of 7.3% during the year. After a successful and sustainable business turnaround in 2023, FFL has booked deferred tax income of PKR 596 mn in the financials against the carried forward tax losses. You will be pleased to note that the profit after tax closed at PKR 605 million vs SPLY Loss after tax of PKR 2,169 million.

PKR million	2023	2022	Increase/(Decrease) %
Net Revenue	19,809	12,351	60.4%
Gross profit	2,982	969	207.7%
Profit / (Loss) after tax	605	(2,169)	127.9%



The share generated a return of 118% in 2023, outperforming the benchmark index by 63pps. This resulted in the company joining the club of USD 100mn market cap.

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.

Sustainable Dairy Development

To achieve sustainable sectoral growth, it is of immense importance that there is a lasting relationship formed with the farmers. Driven by our vision of **"Unleashing Pakistan's Promise in Everything We Touch"**, FFL launched the ambitious GRIDD program to change the farmer economics and productivity. FFL partnered with Fauji Foundation, Department of Livestock Punjab, other group companies and State Institutions to deliver timely and right input to farmers such as Fertilizer, Vaccinations, Feed and Genetics Improvement Support. The program is transformational in nature. It will improve the yield, provide better prices to the farmers at their doorstep by eliminating middleman, and once rolled out across Pakistan be a potential driver of GDP growth.

Future Outlook

I am grateful to our valued shareholders for approving the acquisitions of Fauji Cereals and Fauji Infraavest Foods Limited. These acquisitions 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 but will now entrench its taste credentials across multiple culinary occasions through pasta, and other wide-ranging products.

Pending the requisite regulatory & legal approvals, these acquisitions are expected to be EPS accretive transactions for FFL.

Looking ahead, investment in brands and distribution infrastructure coupled with the acquisitions should continue to fuel growth & profitability. With the legacy debt burden now removed, introduction of new products & margin focused growth will hasten improvement in FFL's financial performance at a faster pace. The economic uncertainty, high inflationary environment & a high interest rate 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 cover the expected inflation through pricing & margin management. We are confident that FFL, driven by its vision of **"Unleashing Pakistan's Promise in Everything We Touch"** will not only build a successful business but leave a mark on the broader national & 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 risks 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.

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, 2023 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 (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 ABL Pension Fund – Equity Sub Fund (CDC)	20,000	0.0008
2.	CDC - Trustee AKD Aggressive Income Fund (CDC)	2,000,000	0.0794
3.	CDC - Trustee First Capital Mutual Fund (CDC)	75,000	0.0030
4.	CDC - Trustee JS Momentum Factor Exchange Traded Fund (CDC)	64,771	0.0026
5.	CDC - Trustee Lakson Equity Fund (CDC)	1,750,207	0.0695
6.	CDC - Trustee Lakson Islamic Tactical Fund (CDC)	138,854	0.0055
7.	CDC - Trustee Lakson Tactical Fund (CDC)	165,495	0.0066
III.	Directors, CEO and their Spouse and Minor Children:		
1.	Mr. Waqar Ahmed Malik (CDC)	500	0.0000
2.	Mr. Usman Zaheer Ahmad (CDC)	200,000	0.0079
3.	Mr. Sarfaraz Ahmed Rehman	7	0.0000
4.	Mr. Arif ur Rehman	70,001	0.0028
5.	Dr. Nadeem Inayat	31	0.0000
6.	Syed Bakhtiyar Kazmi	1	0.0000

7.	Mr. Ali Asrar Hossain Aga (CDC)	78,879	0.0031
8.	Mr. Basharat Ahmad Bhatti	1	0.0000
9.	Mr. Javed Kureishi	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:	3,532,353	0.1402
VII.	Shareholders holding five percent or more voting interest in the listed company:		
1.	Fauji Fertilizer Bin Qasim 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

- Detail of trade 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, 2023 is as follows:

Name	Purchased	Sold
1. Mr. Waqar Ahmed Malik (Director)		
• Purchased Ordinary Shares through CDC	500	-
2. Mr. Usman Zaheer Ahmad, (Chief Executive Officer)		
• Purchased Ordinary Shares through CDC	200,000	-
3. Mr. Waseem Haider, (Chief Financial Officer)		
• Purchased & Sold Ordinary Shares through CDC	20,000	20,000
4. Brig Hamid Mahmood Dar (Retd), (Company Secretary)		
• Purchased & Sold Ordinary Shares through CDC	200,000	200,000
Substantial Shareholders (Allotment of Shares Other than Right):		
5. Fauji Fertilizer Bin Qasim Limited		
• Allotment of Shares Other than Right (through CDC)	70,874,980	-
6. FFBL Power Company Limited		
• Allotment of Shares Other than Right (through CDC)	400,000,000	-
7. FFC Energy Limited (CDC)		
• Allotment of Shares Other than Right (through CDC)	465,000,000	-

Board of Directors / Committees meetings during the year 2023

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

Name of Directors	No. of Meeting(s) Attended	
Mr. Waqar Ahmed Malik	- Appointed on January 26, 2023	7
Mr. Sarfaraz Ahmed Rehman	- Re-Elected on November 26, 2021	7
Mr. Arif ur Rehman	- Re-Elected on November 26, 2021	7
Dr. Nadeem Inayat	- Re-Elected on November 26, 2021	6
Syed Bakhtiyar Kazmi	- Re-Elected on November 26, 2021	7
Mr. Ali Asrar Hossain Aga	- Re-Elected on November 26, 2021	7
Mr. Basharat Ahmad Bhatti	- Re-Elected on November 26, 2021	7
Mr. Javed Kureishi	- Re-Elected on November 26, 2021	7
Mr. Imran Husain	- Resigned w.e.f January 25, 2023	0
Ms. Tania Shahid Aidrus	- Resigned w.e.f October 23, 2023	4

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
Dr. Nadeem Inayat	2
Syed Bakhtiyar Kazmi	5
Mr. Basharat Ahmad Bhatti	5

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

Name of Directors	No. of Meeting(s) Attended
Mr. Ali Asrar Hossain Aga	4
Mr. Arif ur Rehman	4
Ms. Tania Shahid Aidrus	3
Dr. Nadeem Inayat	0

Three meetings of the Operation and Business Committee were held. Attendance by each director was as follow:

Name of Directors	No. of Meeting(s) Attended
Mr. Sarfaraz Ahmed Rehman	3
Mr. Ali Asrar Hossain Aga	3
Mr. Basharat Ahmad Bhatti	2
Mr. Imran Husain	1
Dr. Nadeem Inayat	0

Auditors

The Audit Committee reviewed consent of two audit firms to provide independent external audit services to the Company. The comparative rates statement was presented to the Committee for consideration. The Audit Committee has recommended the appointment of **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, 2023 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.

Dividends

The Board has not recommended any dividend during the year.

Annual General Meeting

The 57th Annual General Meeting will be held on March 25, 2024 at 11:00 a.m. at Lahore to approve annual financial statements of the Company for the year ended December 31, 2023.

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 hardwork.

For and on behalf of the Board

Waqar Ahmed Malik
Chairman

Usman Zaheer Ahmad
Chief Executive Officer

Dated: January 23, 2024

STATEMENT OF COMPLIANCE

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

Name of Company: Fauji Foods Limited
Year ended: December 31, 2023

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:	Nil (refer to Note 7)

2. The composition of Board is as follows:

Category	Names
Independent Directors	Mr. Javed Kureishi Mr. Basharat Ahmad Bhatti Mr. Ali Asrar Hossain Aga
Female Director	Casual vacancy occurred on 23 Oct 2023
Non-Executive Directors	Mr. Waqar Ahmed Malik (Chairman) Mr. Sarfaraz Ahmed Rehman Mr. Arif ur Rehman Dr. Nadeem Inayat Syed Bakhtiyar Kazmi
Chief Executive Officer	Mr. Usman Zaheer Ahmad

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
- 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.
- A casual vacancy occurring on 25 January 2023 was filled by the Directors on 26 January, 2023 when Mr. Waqar Ahmed Malik was appointed as Director in place of Mr. Imran Husain.
- Board of Directors elected Mr. Waqar Ahmed Malik as Chairman of the Board in place of Mr. Sarfaraz Ahmed Rehman on 26 January 2023.
- A casual vacancy occurred on 23 October, 2023 when Ms. Tania Shahid Aidrus resigned from the Board of Directors w.e.f. 23 October, 2023. Subsequent to reporting date on January 18, 2024, the Company has appointed Ms. Nosheen Akhtar as female director within the time limit as prescribed by Section 155 of the Companies Act, 2017.
- 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.

- 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.
- 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.
- 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.

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

Mr. Waqar Ahmed Malik	(Director)
Mr. Sarfaraz Ahmed Rehman	(Director)
Mr. Arif ur Rehman	(Director)
Dr. Nadeem Inayat	(Director)
Mr. Basharat Ahmad Bhatti	(Director)
Mr. Ali Asrar Hossain Aga	(Director)
Syed Bakhtiyar Kazmi	(Director)
Mr. Javed Kureishi	(Director)

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

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

AUDIT COMMITTEE

Mr. Javed Kureishi	(Chairman)
Dr. Nadeem Inayat	(Member)
Syed Bakhtiyar Kazmi	(Member)
Mr. Basharat Ahmad Bhatti	(Member)

HR & REMUNERATION COMMITTEE

Mr. Ali Asrar Hossain Aga	(Chairman)
Dr. Nadeem Inayat	(Member)
Mr. Arif ur Rehman	(Member)

OPERATION AND BUSINESS COMMITTEE

Mr. Sarfaraz Ahmed Rehman	(Chairman)
Mr. Ali Asrar Hossain Aga	(Member)
Mr. Basharat Ahmad Bhatti	(Member)

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

16. The frequency of meetings of the committee were as per following:

Name	No.	Frequency
a) Audit Committee:	5	Quarterly
b) HR and Remuneration Committee:	4	Quarterly
c) Operation and Business Committee:	3	Quarterly

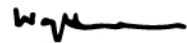
17. The Board has set up an effective internal audit function staffed with persons who are suitably qualified and experienced for the purpose and are well conversant with the policies and procedures of the Company.

18. 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, parents, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.

19. 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.

20. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with except for:

- The Company has not formed Risk Management Committee. However, the Audit Committee is performing this role.
- The Company has not formed Nomination Committee. However, the Board is performing this role by itself.



Waqar Ahmed Malik
Chairman



Usman Zaheer Ahmad
Chief Executive Officer

Dated: January 23, 2024

FINANCIAL PERFORMANCE

For the year ended December 31, 2023

FINANCIAL PERFORMANCE

	Annual					
	2023	2022	2021	2020	2019	2018
Production						
Liquid Production - litres	58,527,307	59,041,145	57,077,538	61,144,281	60,873,948	90,295,898
Non - Liquid Products - Kgs	3,454,028	2,791,413	2,830,496	1,940,207	1,651,307	1,778,587

Financial Performance - Profitability							
Gross profit margin	%	15.06	7.84	10.75	0.84	(11.82)	(3.84)
EBITDA margin to sales	%	5.51	(2.58)	(0.23)	(5.81)	(28.52)	(24.56)
Pre tax margin	%	1.38	(16.27)	(17.89)	(41.28)	(74.03)	(43.30)
Net profit margin	%	3.05	(17.56)	(14.59)	(41.48)	(100.77)	(37.25)
Return on equity	%	4.31	(53.58)	(21.79)	111.40	244.43	(79.88)
Return on capital employed	%	4.29	(22.55)	(12.89)	(127.81)	908.41	(42.47)

Operating Performance / Liquidity							
Total assets turnover	Times	1.2	0.9	0.6	0.6	0.5	0.6
Fixed assets turnover	Times	2.2	1.5	1.0	1.0	0.7	1.0
Trade Debtor	Rs. (000)	497,680	557,499	566,068	350,850	181,171	124,573
Debtors turnover	Times	38	22	19	28	38	60
Debtors turnover	Days	10	17	19	13	10	6
Inventory	Rs. (000)	2,131,406	1,239,692	707,587	543,983	1,443,223	1,380,401
Inventory turnover	Times	10	12	12	7	5	7
Inventory turnover	Days	37	31	30	50	80	55
Purchases	Rs. (000)	14,876,967	9,889,644	6,577,469	5,866,287	5,053,129	6,437,178
Accounts Payables	Rs. (000)	821,441	909,850	737,489	443,910	777,093	898,415
Creditors turnover	Times	17	12	11	10	6	10
Creditors turnover	Days	21	30	33	38	61	38
Operating cycle	Days	25	17	17	25	29	23
Return on assets	%	3.73	(15.43)	(8.85)	(26.06)	(47.63)	(21.02)
Current ratio		3.40	1.33	1.27	0.44	0.31	0.58
Quick / Acid test ratio		2.26	1.01	1.07	0.37	0.18	0.36

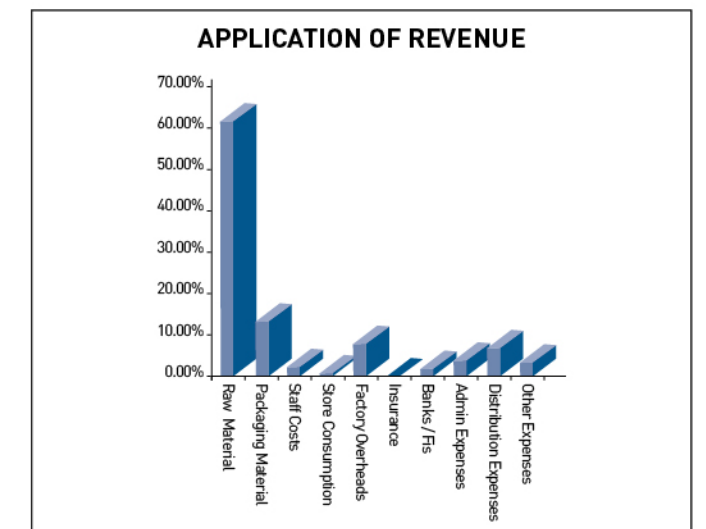
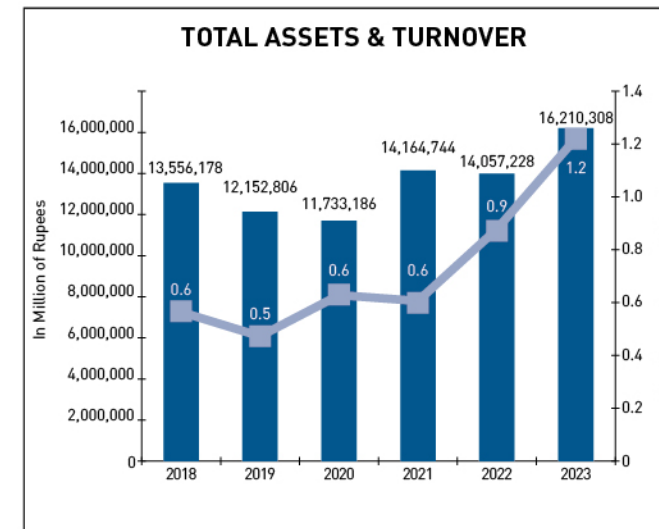
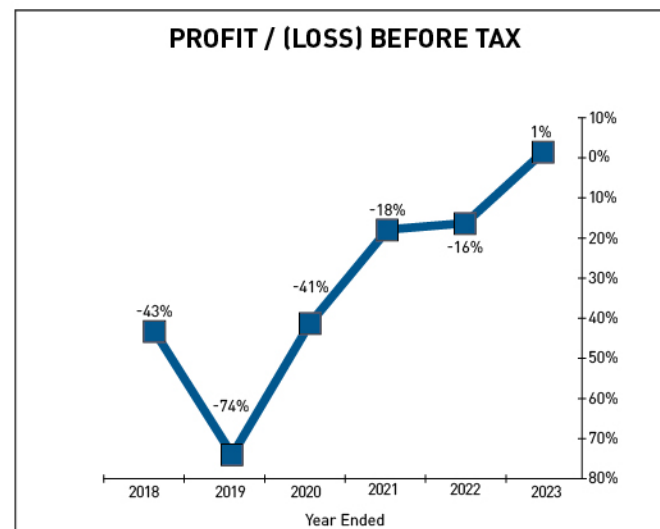
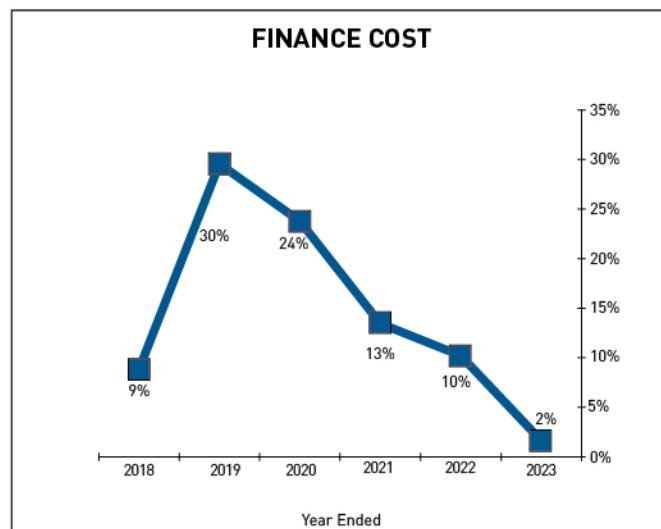
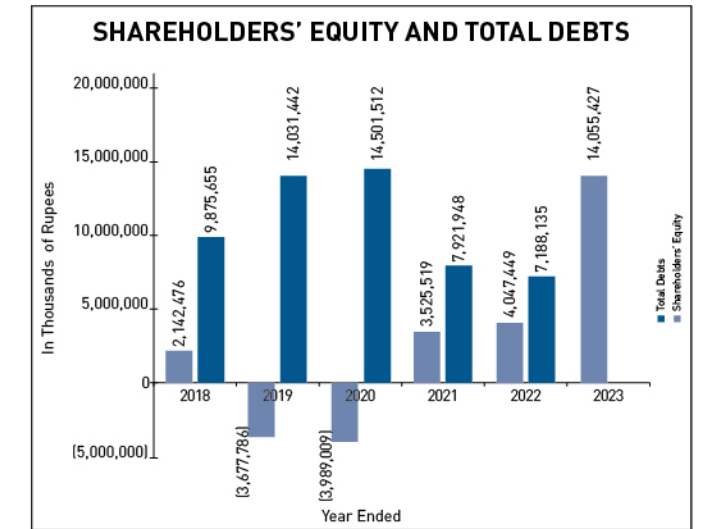
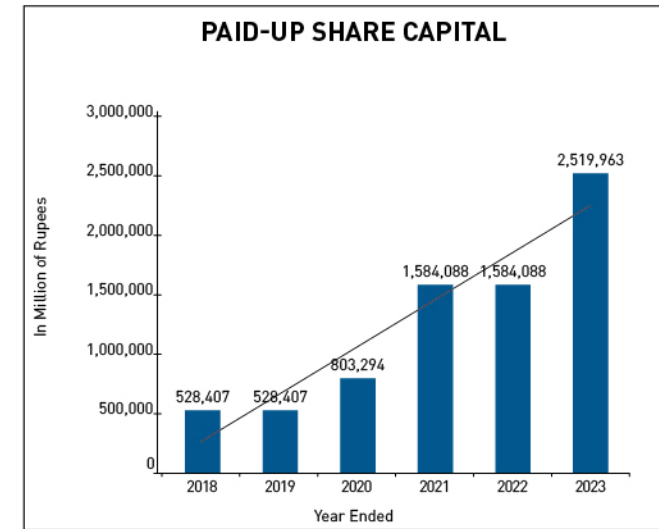
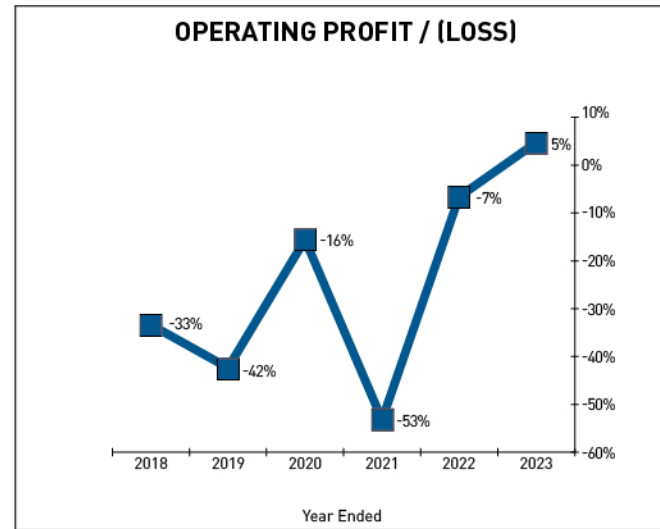
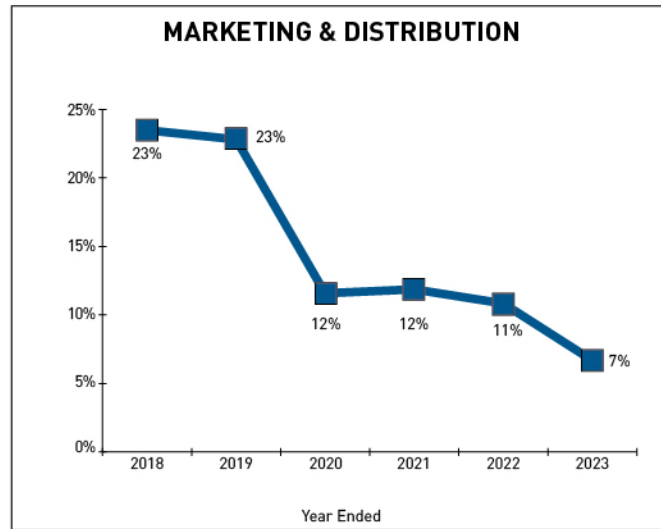
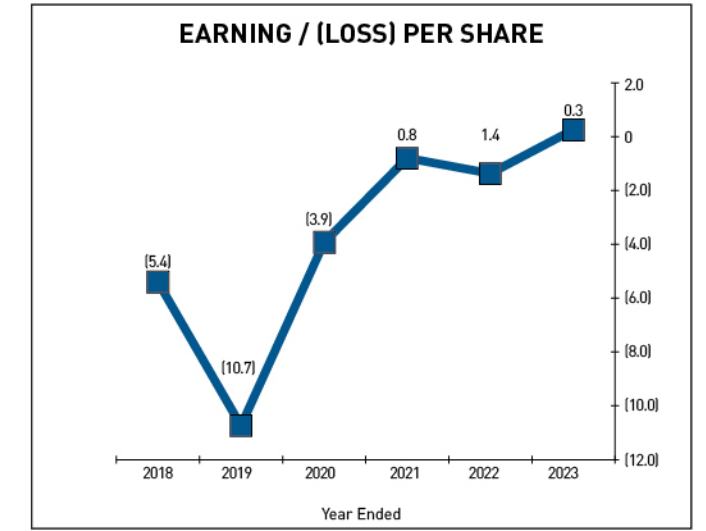
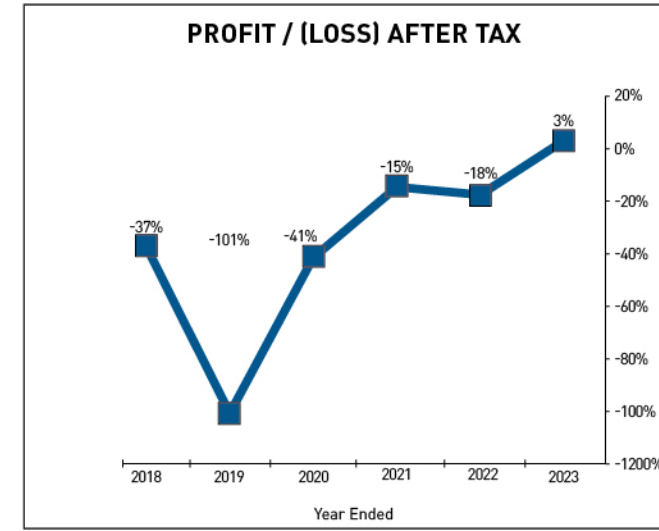
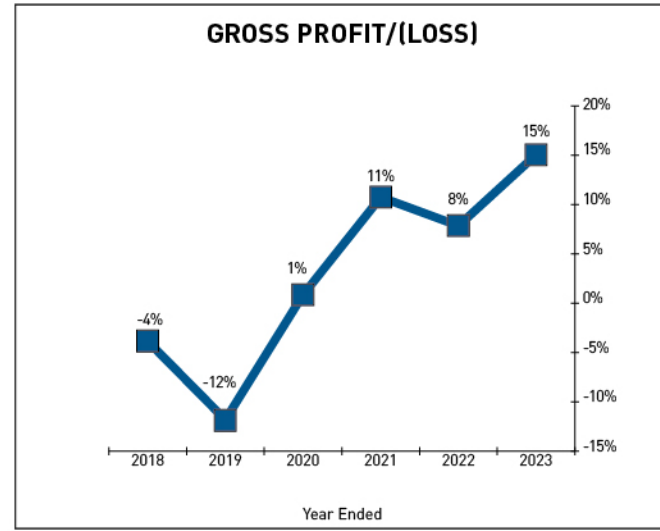
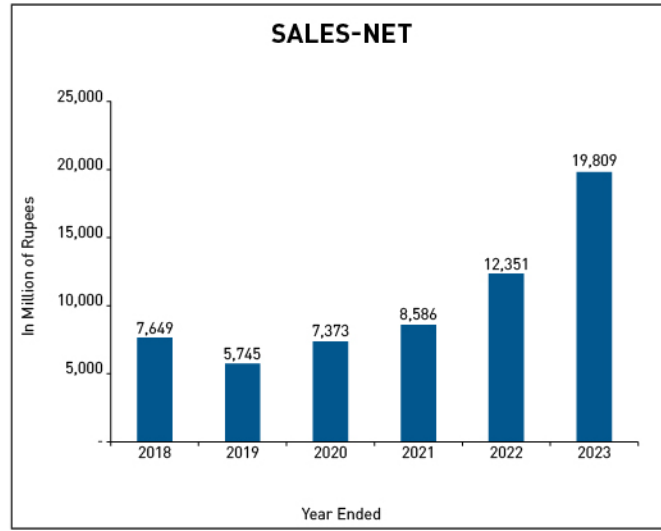
Capital Market / Capital Structure Analysis							
Market value per share							
- Year end	Rs.	11.14	4.71	9.19	17.37	14.47	30.28
Breakup value - (Net assets / share)	Rs.	5.58	2.56	2.23	(4.97)	(6.96)	4.05
Earning per share (pre tax)	Rs.	0.12	(1.27)	(0.97)	(3.91)	(8.05)	(6.27)
Earning per share (after tax)	Rs.	0.26	(1.37)	(0.79)	(3.92)	(10.96)	(5.39)
Earnings growth	%	118.97%	(73.07)%	79.85%	64.18%	(103.17)%	41.50%
Price earning ratio		42.90	(3.44)	(11.62)	(4.43)	(1.32)	(5.62)
Market price to breakup value		2.00	1.84	4.13	(3.50)	(2.08)	7.47
Debt : Equity		-	1.78	2.25	(3.64)	(3.82)	4.61
Interest cover		2.89	(0.65)	(3.96)	(0.65)	(1.43)	(3.79)

Statement of Affairs							
Share capital	Rs. (000)	25,199,631	15,840,882	15,840,882	8,032,936	5,284,072	5,284,072
Reserves	Rs. (000)	(13,590,766)	(13,925,332)	(14,541,006)	(13,265,668)	(10,271,276)	(4,565,974)
Revaluation surplus	Rs. (000)	2,446,561	2,131,899	2,225,644	1,243,724	1,309,418	1,424,378
Share holder's fund / Equity	Rs. (000)	14,055,427	4,047,449	3,525,519	(3,989,009)	(3,677,786)	2,142,476
Long term borrowings	Rs. (000)	-	5,536,164	6,117,338	6,304,524	2,963,889	4,480,940
Capital employed	Rs. (000)	14,105,782	9,614,409	9,718,112	2,392,685	(637,262)	6,709,583
Deferred tax liabilities/(assets)	Rs. (000)	-	-	-	-	-	(1,571,537)
Property, plant & equipment	Rs. (000)	9,028,156	8,138,696	8,521,212	7,550,093	8,106,036	7,953,144
Long term assets	Rs. (000)	9,048,360	8,154,165	8,529,390	7,577,052	8,152,036	9,584,783
Net current assets / Working capital	Rs. (000)	4,794,767	1,460,244	1,188,722	(5,184,367)	(8,789,298)	(2,875,200)
Liquid funds - net	Rs. (000)	1,300,840	1,145,482	1,873,907	888,888	114,134	98,221

	Annual						
	2023	2022	2021	2020	2019	2018	
Financial Performance							
Sales - net	Rs. (000)	19,809,036	12,350,702	8,586,396	7,373,162	5,744,872	7,649,287
Gross profit / (Loss)	Rs. (000)	2,982,319	968,697	922,734	62,262	(678,827)	(293,641)
Operating Profit / (Loss)	Rs. (000)	936,507	(815,763)	(457,148)	(1,147,313)	(2,434,379)	(2,555,185)
Profit / (Loss) before tax	Rs. (000)	273,251	(2,009,458)	(1,536,489)	(3,043,795)	(4,253,029)	(3,312,388)
Profit / (Loss) after tax	Rs. (000)	605,112	(2,168,511)	(1,252,942)	(3,058,112)	(5,788,937)	(2,849,239)
EBITDA	Rs. (000)	1,092,387	(318,248)	(19,931)	(428,346)	(1,638,713)	(1,878,797)

Summary of Cash Flows							
Net cash flow from operating activities	Rs. (000)	161,168	(969,895)	(801,841)	(321,559)	(1,960,936)	(2,539,892)
Net cash flow from investing activities	Rs. (000)	(514,536)	20,163	105,945	(67,252)	(739,335)	(1,456,341)
Net cash flow from financing activities	Rs. (000)	2,214,267	220,591	1,622,257	4,659,344	2,215,323	(292,430)
Changes in cash & cash equivalents	Rs. (000)	1,860,899	(729,141)	926,361	4,270,533	(484,949)	(4,288,663)
Cash & cash equivalents - Year end	Rs. (000)	1,300,840	(560,059)	169,083	(757,279)	(5,027,812)	(4,542,863)

FINANCIAL PERFORMANCE



PRODUCT PORTFOLIO



NURPUR UHT MILK

NURPUR UHT milk is produced from freshly collected high quality full cream milk. It is ultra-high temperature treated and packed in both Tetra and Ecolean Packs.



NURPUR SALTED BUTTER

SALTED BUTTER is produced from fresh dairy cream with great taste due to high quality butter churn and hygienically packed in Al-foil and tub for better protection and convenience.



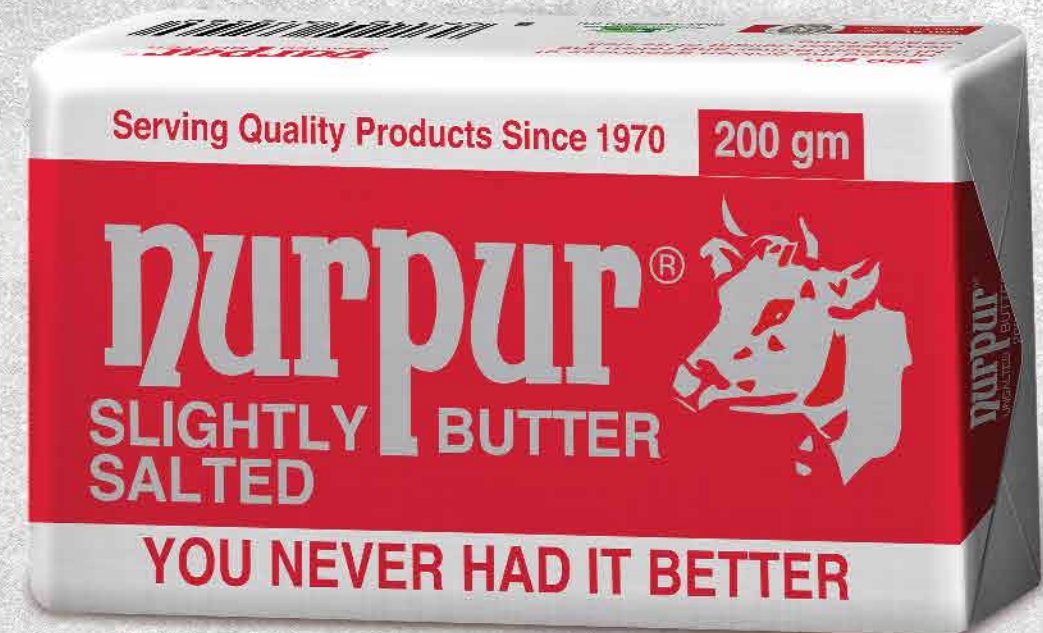
NURPUR UNSALTED BUTTER

UNSALTED BUTTER is produced from fresh dairy cream with great taste due to high quality butter churn. It is hygienically packed for better protection and convenience.



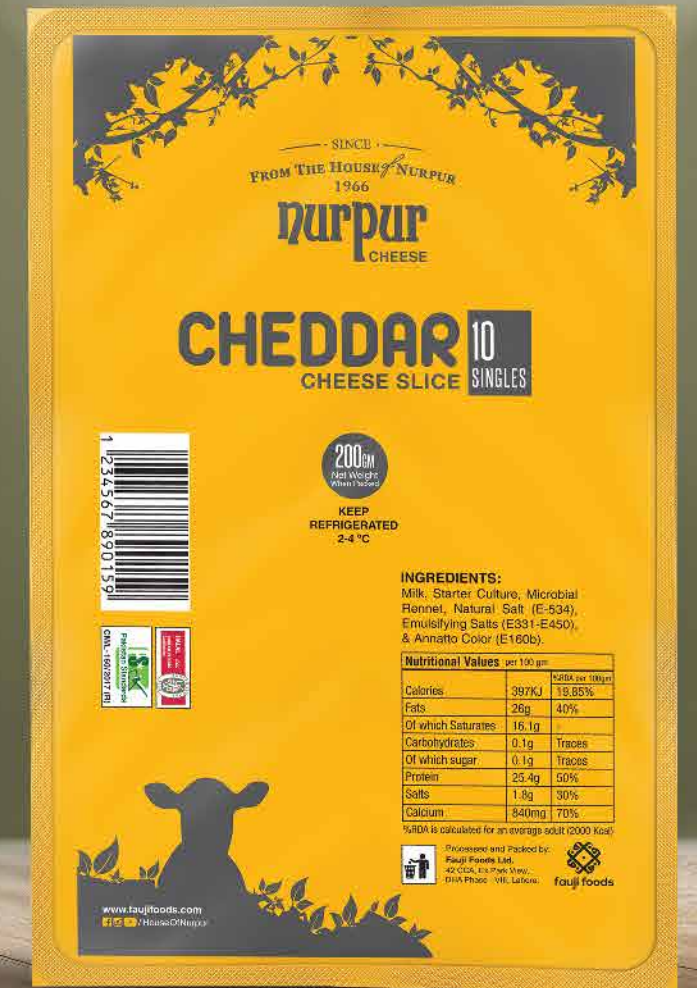
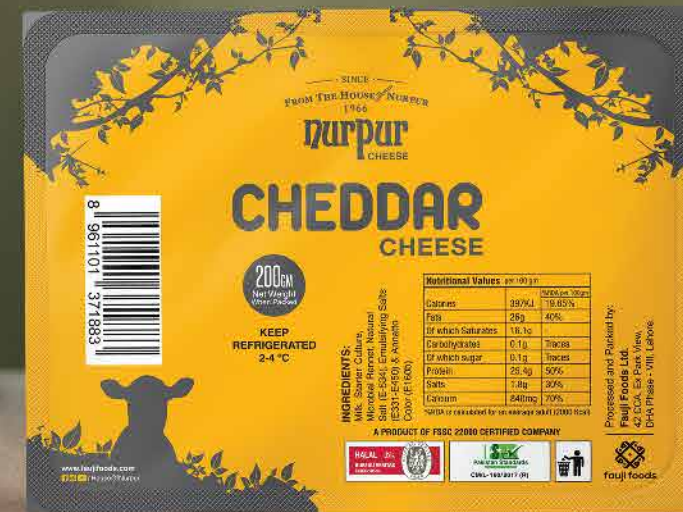
NURPUR SLIGHTLY SALTED BUTTER

Spread **NURPUR's Slightly Salted Butter** on your toast or dollop on pancakes to relish every bite. The subtle taste of salt is ideal for those who prefer low salt diet.



NURPUR CHEDDAR CHEESE

NURPUR CHEDDAR CHEESE has creamy taste with rich aroma making it customers' first choice.



NURPUR MOZZARELLA CHEESE

MOZZARELLA CHEESE provides outstanding performance in various applications so customers enjoy a delicious, authentic experience every time.



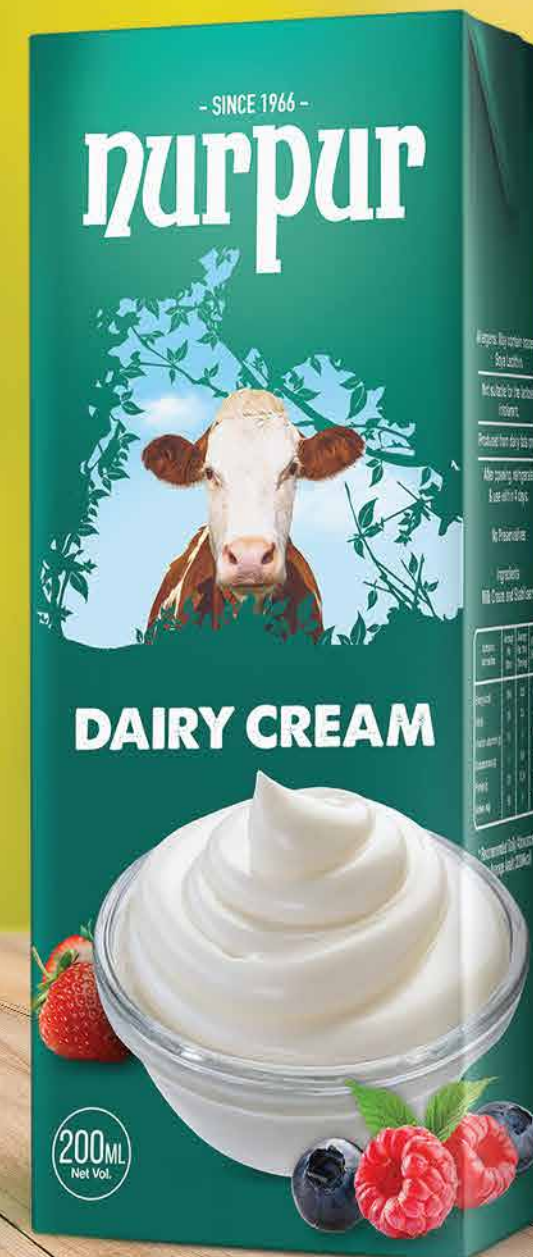
NURPUR AMERICAN BURGER SLICE

NURPUR AMERICAN BURGER CHEESE is loved by many for its mild, rich flavor. Its delightful smoothness enhances the taste of every burger, making it the top choice for burger enthusiasts seeking perfection in every bite.



NURPUR CREAM

NURPUR CREAM is a smooth and delicious dairy cream, produced from fresh high quality milk, ultra-high temperature treated and packed in Tetra packaging.



NURPUR FLAVOURED MILK

NURPUR FLAVOURED MILK is a sweetened dairy product made with fresh milk. The process involves ultra-high temperature treatment to protect the product.



DOSTEA TEA WHITENER

DOSTEA TEA WHITENER provides a rich and mouthful cup of tea. It is pasteurized, ultra-high temperature treated and packed in both Tetra Pak and Ecolean packs.



FOOD SERVICES BUSINESS

The FFL Food Services Business offers an extensive array of food products tailored to meet the expanding requirement of the food service industry, catering to establishments such as restaurants, hotels, fast-food chains, bakeries, institutional caterers and more.

Prioritizing quality and customer service, the FFL Food Services Business holds a crucial position in the food supply chain. It ensures the timely delivery of high-quality food products that not only fulfil the nutritional requirements of our customers but also enhance their lives with distinct culinary flavors.

OUR CUSTOMERS



OUR CERTIFICATIONS & LICENSES



FINANCIAL STATEMENTS

For the year ended December 31, 2023

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

TO THE MEMBERS OF FAUJI FOODS LIMITED

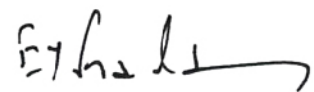
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Fauji Foods Limited (the Company) for the year ended 31 December 2023 in accordance with the requirements of regulation 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 31 December 2023.



Chartered Accountants

Engagement Partner: Omar Chughtai

Place: Lahore

Date: 20 February 2024

UDIN: CR202310120iu8QdMgT9

INDEPENDENT AUDITORS' REPORT

To the members of Fauji Foods Limited Report on the Audit of the Financial Statements Opinion

We have audited the annexed financial statements of Fauji Foods Limited (the Company), which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the 'financial statements') 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 statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the 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 31 December 2023 and of the loss and other comprehensive loss, 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 Auditors' Responsibilities for the Audit of the 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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 matter:

Key audit matter	How the matter was addressed in our audit
Revenue from contracts with customers	
Refer to Note 28 to the financial statements and the accounting policy in Note 3.13 to the financial statements. For the year ended on 31 December 2023, the Company has recorded total net revenue from contracts with customers amounting to Rs. 19,809 million as	We performed a range of audit procedures with respect to revenue from customers which included, amongst others:

Key audit matter	How the matter was addressed in our audit
<p>compared to Rs. 12,351 million during the previous year, which represents an increase of approximately 60% as compared to last year.</p> <p>The revenue recognition is identified as a key audit matter due to revenue being one of the key performance indicators of the Company and raises the risk that revenue could be misstated to meet targets.</p>	<ul style="list-style-type: none"> • Obtaining 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. • Assessing the appropriateness of the Company's revenue accounting policies and compliance of those policies with accounting and reporting standards as applicable in Pakistan. • Reconciling revenue, on a sample basis, to the supporting documentation, such as sales orders, shipping documents and invoices. • Verifying 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 with the respective contractual terms. • Assessing the adequacy of related disclosure made in the financial statements in accordance with the applicable accounting and reporting standards as applicable in Pakistan.

Revaluation of certain classes of operating fixed assets	
<p>Refer to Note 7 and Note 16 to the financial statements and the accompanying policy in Note 3.6 and related significant estimate in Note 2.6 and significant judgement in Note 2.15 to the financial statements.</p> <p>The Company has a policy of recording certain operating fixed assets i.e., freehold land, buildings on freehold land, plant and machinery, electric and gas installation and other work equipment at revalued amount. Valuations are performed by independent valuer with sufficient frequency.</p>	<p>Our audit procedures to assess the revaluation, amongst others, included the following:</p> <ul style="list-style-type: none"> • Obtaining and inspecting the valuation report prepared by the external valuation expert engaged by the Company and on which the management assessment of valuation of property, plant and equipment was based;

<p>Latest revaluation was undertaken as of 31 March 2023 and consequently, additional revaluation surplus - net of tax amounting to Rs. 642 million has been recognized in the financial statements and the closing balance of surplus on revaluation of property, plant and equipment - net of tax at the year-end amounts to Rs. 2,447 million.</p> <p>We have identified revaluation of Property, Plant and Equipment as key audit matter due to its financial magnitude and judgement involved in the assessment of the fair value of these assets. The judgment relates to the valuation methodologies used and the assumptions included in each of those methodologies.</p>	<ul style="list-style-type: none"> • Evaluating the information provided by the Company to the external valuation specialist by inspecting the relevant underlying documentation; • Assessing whether the increase in valuation was correctly accounted for within the revaluation surplus and statement of profit or loss and other comprehensive income; • Involved our own valuation specialist to assist in evaluating the methodology used by the management's expert in determining the revalued amount and to assist us in evaluating the reasonableness of key estimates and assumptions adopted in the valuation report by the management's expert; • Reviewed the work performed by our specialist to evaluate reasonableness of the methodology, assumptions and data used by the management's expert; • Ensuring that the revaluation surplus has been recorded in the financial statements as per applicable accounting and reporting standards; • Reviewed the adequacy of disclosure made in the financial statements in accordance with the requirements of the applicable accounting and reporting standards.
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Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 auditors' report to the related disclosures in the 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 auditors' 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 financial statements, including the disclosures, and whether the 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the 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).

The engagement partner on the audit resulting in this independent auditors' report is Omer Chughtai.



Chartered Accountants

Place: Lahore

Date: 19 February 2024

UDIN: AR202310120jo1IbwWzV

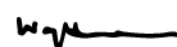
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

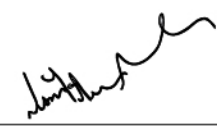
	Note	2023 Rupees	2022 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	4	28,000,000,000	28,000,000,000
Issued, subscribed and paid up share capital	4	25,199,631,390	15,840,881,590
Capital Reserves			
Share premium	5	1,801,082,303	1,835,148,153
Share deposit money	6	2,350,000,001	2,708,749,801
Surplus on revaluation of property, plant and equipment - net of tax	7	2,446,561,207	2,131,898,795
Revenue Reserve			
Accumulated loss		(17,741,847,841)	(18,469,229,527)
		14,055,427,060	4,047,448,812
Non-current liabilities			
Long term loans - secured	8	-	5,482,593,723
Lease liabilities	9	-	53,570,131
Employee retirement benefits	10	50,354,814	30,795,946
		50,354,814	5,566,959,800
Current liabilities			
Current portion of long term liabilities	11	52,635,293	579,001,285
Short term borrowings - secured	12	-	1,705,540,931
Trade and other payables	13	2,013,980,303	1,755,021,988
Unclaimed dividend		965,752	965,752
Accrued finance cost	14	36,945,209	402,289,522
		2,104,526,557	4,442,819,478
Contingencies and commitments			
	15		
		16,210,308,431	14,057,228,090

The annexed notes from 1 to 48 form an integral part of these financial statements.

	Note	2023 Rupees	2022 Rupees
Non-current assets			
Property, plant and equipment	16	9,028,156,064	8,138,695,696
Intangible assets	17	9,884,767	5,929,326
Security deposits		10,318,982	9,539,947
Deferred taxation - net	18	-	-
		9,048,359,813	8,154,164,969
Current assets			
Stores, spares and loose tools	19	265,476,703	185,095,995
Stock-in-trade	20	2,131,405,881	1,239,691,594
Trade receivables from contract with customers	21	497,680,233	557,499,467
Loans and advances - considered good	22	29,256,194	103,512,837
Deposits, prepayments and other receivables	23	248,960,989	244,499,183
Interest accrued	24	62,215,078	40,973,562
Tax refunds due from Government	25	2,363,458,455	2,386,308,254
Cash and cash equivalents			
- Cash and bank balances	26	300,840,028	175,482,229
- Short term investments	26	1,000,000,000	970,000,000
		6,899,293,561	5,903,063,121
Asset held for sale	27	262,655,057	-
		16,210,308,431	14,057,228,090



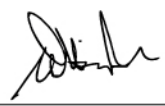
Chairman



Chief Executive Officer



Director



Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 Rupees	2022 Rupees
Revenue from contracts with customers - net	28	19,809,035,759	12,350,702,418
Cost of revenue	29	(16,826,717,108)	(11,382,005,892)
Gross profit		2,982,318,651	968,696,526
Marketing and distribution expenses	30	(1,323,482,146)	(1,338,285,748)
Administrative expenses	31	(722,329,209)	(446,174,042)
Profit / (Loss) from operations		936,507,296	(815,763,264)
Other income	32	238,475,021	199,400,052
Other expenses	33	(577,938,872)	(133,328,146)
Finance cost	34	(323,792,596)	(1,259,766,520)
Profit / (Loss) before taxation		273,250,849	(2,009,457,878)
Income tax	35	331,860,812	(159,052,640)
Profit / (Loss) for the year		605,111,661	(2,168,510,518)
Earning / (Loss) per share - basic and diluted	36	0.26	(1.37)

The annexed notes from 1 to 48 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 Rupees	2022 Rupees
Profit / (Loss) for the year	605,111,661	(2,168,510,518)
Other comprehensive income / (loss)		
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 (loss) / gain on defined benefit plans	(496,804)	1,040,235
	641,679,239	1,040,235
Effect of change in tax rate on: Revaluation of property, plant and equipment	(204,746,802)	-
Total comprehensive income / (loss) for the year	1,042,044,098	(2,167,470,283)

The annexed notes from 1 to 48 form an integral part of these financial statements.



Chairman



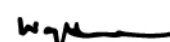
Chief Executive Officer



Director




Chief Financial Officer



Chairman



Chief Executive Officer



Director



Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Issued, subscribed and paid-up capital	Capital Reserve			Revenue reserves	Total
		Share premium	Share deposit money	Surplus on revaluation of property, plant and equipment - net of tax	Accumulated loss	
	Rupees					
As at 01 January 2022	15,840,881,590	1,854,498,097	-	2,225,644,056	(16,395,504,505)	3,525,519,238
Loss for the year	-	-	-	-	(2,168,510,518)	(2,168,510,518)
Other comprehensive income for the year	-	-	-	-	1,040,235	1,040,235
Total comprehensive loss	-	-	-	-	(2,167,470,283)	(2,167,470,283)
Share issuance cost	-	(19,349,944)	-	-	-	(19,349,944)
Share deposit money	-	-	2,708,749,801	-	-	2,708,749,801
Surplus transferred to accumulated losses						
Incremental depreciation relating to surplus for on revaluation - net of tax	-	-	-	(93,745,261)	(93,745,261)	-
Balance as at 31 December 2022	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 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	-	-	-	437,429,241	604,614,857	1,042,044,098
Issue of share capital (Refer to Note 4.2.1)	9,358,749,800	-	(708,749,800)	-	-	8,650,000,000
Share issuance cost	-	(34,065,850)	-	-	-	(34,065,850)
Share deposit money	-	-	350,000,000	-	-	350,000,000
Surplus transferred to accumulated losses						
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 31 December 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

The annexed notes from 1 to 48 form an integral part of these financial statements.

Chairman

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		Rupees	Rupees
Cash flows from operating activities			
Profit / (Loss) before taxation		273,250,849	(2,009,457,878)
Adjustments for non-cash items:			
Depreciation on property, plant and equipment	16.1.1	592,936,042	497,112,893
Amortization of intangible assets	17.1.1	1,437,009	402,418
Gain on disposal of property, plant and equipment	32	(6,359,146)	(1,393,407)
Provision for obsolete stock	20.1	4,991,031	29,882,174
Doubtful advances written off	22.3	10,217,400	-
Security deposits written off	33	11,770,486	-
Profit on saving accounts	32	(79,049,367)	(37,974,751)
Profit on Term Deposit Receipts (TDRs)	32	(139,972,886)	(141,124,932)
Allowance for expected credit losses on trade receivables	21	89,900,000	89,444,266
Provision for Worker's Profit Participation Fund	33	14,679,298	-
Provision for Worker's Welfare Fund	33	5,655,807	-
Provision for sales tax on tea whitener	33	438,493,470	-
Provision for compensated leave absences	10.1	8,964,000	8,499,206
Provision for defined benefit Plan	10.9	21,573,040	18,310,797
Impairment loss on asset held for sale	33	1,759,613	-
Finance cost	34	323,792,596	1,259,766,520
Operating profit / (loss) before working capital changes		1,574,039,242	(286,532,694)
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		(80,380,708)	(1,885,364)
Stock-in-trade		(896,705,318)	(561,986,544)
Trade debts		(30,080,766)	(80,875,616)
Loans and advances		64,039,243	(27,119,865)
Deposits, prepayments and other receivables		(17,011,327)	(119,240,077)
Sales tax refundable		(662,363,862)	(535,397,594)
Increase / (decrease) in current liabilities			
Trade and other payables		243,658,362	759,698,352
		(1,378,844,376)	(566,806,708)
Cash generated from / (used in) operations		195,194,866	(853,339,402)
Income tax paid		(22,552,233)	(46,326,243)
Employee benefits paid		(11,474,976)	(70,229,321)
Net cash generated from / (used in) operating activities		161,167,657	(969,894,966)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(789,857,212)	(122,817,080)
Acquisition of intangible assets		(5,392,450)	-
Sale proceeds from disposal of property, plant and equipment		82,932,603	4,853,963
Profit on saving accounts		79,049,367	37,974,751
Profit on Term deposit receipts		118,731,370	100,151,370
Net cash (used in) / generated from investing activities		(514,536,322)	20,163,004
Cash flows from financing activities			
Repayment of long term loans		(5,988,149,277)	(50,457,824)
Short term borrowings - net		-	(228,974,159)
Repayment of principal portion of lease liabilities		(74,380,569)	(63,975,527)
Finance cost paid		(689,136,909)	(1,416,651,879)
Proceeds received against issuance of shares		8,650,000,000	-
Share deposit money received from Fauji Foundation		350,000,000	2,000,000,000
Share issuance cost		(34,065,850)	(19,349,944)
Net cash flows generated from financing activities	46	2,214,267,395	220,590,667
Net increase / (decrease) in cash and cash equivalents		1,860,898,730	(729,141,295)
Cash and cash equivalents - at beginning of the year	37	(560,058,702)	169,082,593
Cash and cash equivalents - at end of the year	37	1,300,840,028	(560,058,702)

The annexed notes from 1 to 48 form an integral part of these financial statements.

Chairman

Chief Executive Officer

Director

Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2023

1 THE COMPANY AND ITS ACTIVITIES

1.1 Corporate and general information

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

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

1.2 Acquisition of Fauji Infraavest Foods Limited and Merger with Fauji Cereals

The Board of directors of the Company, in its meeting held on 21 November 2023, approved the following transactions:

- Acquisition of Fauji Foundation's stake in Fauji Infraavest Foods Limited; and
- Acquisition of Fauji Foundation's cereal business operating under the name Fauji Cereals.

The Company has also obtained the approval of aforementioned transactions from its shareholders through Extraordinary General Meeting held on 28 December 2023. The Company is currently in the process of obtaining regulatory approvals to finalize these transactions.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These 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 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 financial statements have been prepared under the historical cost convention except for the measurement of certain items of property, plant and equipment as referred to in note 16 which are carried at revalued amounts, while recognition of lease liability and employee retirement benefits as referred to in note 9 and 10 are carried at present value respectively.

2.3 Functional and presentation currency

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

2.4 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 year 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.

2.5 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 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.

2.7 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.

2.8 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

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

2.9 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.

2.10 Taxation

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

2.11 Allowance for expected credit losses

The Company uses a provision matrix to calculate ECLs 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.

2.12 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 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.

2.13 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.

2.14 Tax refunds due from Governments

Management has classified the whole of the amount of tax refundable (income 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.

2.15 Revaluation of property, plant and equipment

Revaluation of property, plant and equipment is carried out by independent professional valuer. The valuation methodology used by independent professional valuers disclosed in 43.2 of these financial statements.

3 Material accounting policy information

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

3.1 Taxation

Income tax expense comprises current and deferred tax. The Company recognizes income and deferred tax in accordance with the requirements of IAS 12 "Income Taxes".

Provision for current tax is based on the taxable income for the year computed in accordance with tax laws in Pakistan, using tax rates enacted or substantively enacted at the statement of financial position date and any adjustments to the tax payable in respect of previous years. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. Deferred tax assets and liabilities are recognised on all taxable / deductible temporary differences as of the statement of financial position date.

In making the estimates for current and deferred taxes, the management looks at the income tax law and the decisions of appellate authorities on certain issues in the past. There are certain matters where the Company's view differs with the view taken by the income tax department and such amounts are shown as contingent liability.

3.2 Leases

Company as a lessee

The Company enters into lease arrangements principally in respect of plant and machinery and space for its operations. The Company assesses at contract inception whether a contract is, or contains, a lease.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the lease

term. Refer note 9 to these financial statements for disclosure of lease liability.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate. The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental lending rate to measure 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 01 May 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 & 28 days for non-management employees. The unutilized accumulated leaves can be encashed at the time the employee leaves Company service. The accumulated leave balance in excess of above mentioned limits is ignored while determining benefit obligations.

The Company accounts for all accumulating compensated absences when employees render service that increases their entitlement to future compensated absences. The liability is determined based on actuarial valuation carried out using the Projected Unit Credit Method. The latest valuation was carried out on 31 December 2023.

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 costs and contributions are determined based on actuarial valuation carried out at each year end using Projected Unit Credit Actuarial Method. All actuarial gains and losses are recognised in 'other comprehensive income' as they occur and are not reclassified to profit or loss in subsequent periods. The actuarial valuations involve assumptions about discount rates, expected rates of return on assets and future salary increases as disclosed in note 10.17. Due to the long term nature of the plan, such estimates are subject to significant uncertainty. The latest valuation was carried out on 31 December 2023.

3.4 Trade and other payables

The Company's trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. The Company classifies account balances 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.

The Company recognizes these liabilities 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 have been 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, milk churns 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, milk churns 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 has been recognized 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 was 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 has been 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, revaluation reserve relating to the particular assets being sold has been 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 have been reviewed at financial year-end.

Useful lives has been 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 have been 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 has been 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 period. 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 has classified certain non-current assets as held for sale as their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. These non-current assets classified as held for sale have been 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 has been met as the sale is highly probable, and the assets are available for immediate sale in its present condition. Actions required to complete the sale also indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management is committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification. These non-current assets held for sale have not been depreciated once classified as held for sale; and have been presented separately in the statement of financial position.

3.8 Intangible assets

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

3.9 Stores, spares and loose tools

Usable stores, spares and loose tools of the Company 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 has reviewed the carrying amount of stores, spares and loose tools on a regular basis and provision has been made for obsolescence, if there is any change in usage pattern and physical form of related stores.

3.10 Stock-in-trade

Stock of raw and packing materials, work-in-process and finished goods, except for those in transit, have been valued by the Company principally at the lower of average cost and net realizable value. Cost in relation to raw and packing materials has been measured at moving average cost. Work-in-process and finished goods have been measured by the Company at weighted average cost and cost comprises direct materials, labour and appropriate proportion of manufacturing overheads.

Stock in transit have been 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 instruments

All financial assets and financial liabilities of the Company have been initially recognized when the Company became a party to the contractual provisions of the instruments.

3.11.1 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price as disclosed in **3.13 "Revenue from contracts with customers"**.

3.11.2 Classification and subsequent measurement

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company's financial assets are measured subsequently at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Any gain or loss on derecognition is recognized in statement of profit or loss.

Financial assets measured at amortized cost comprise of cash and bank balances, short term loans, security deposits, trade and other receivables and short term investments (i.e. Term deposit receipts).

Financial assets – Business model assessment

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities

Financial liabilities are classified as measured at amortized cost. Financial liabilities are subsequently measured at amortized cost using the effective interest method, while the interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss.

The Company's financial liabilities comprise trade and other payables, long term and short term borrowings and accrued markup .

3.11.3 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Company might enter into transactions whereby it transfers assets recognized in its

statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. on derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in statement of profit or loss.

3.11.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends to either settle on a net basis or realize the asset and settle the liability simultaneously.

3.11.5 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 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.

3.12 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.

3.13 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. 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.

3.14 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.

3.15 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 100% of the revenue is derived from sale of dairy and allied products.

3.16 Amendments to approved accounting standards that are not yet effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards, if applicable, when they become effective.

Standard

IAS 1	<p>Presentation of Financial Statements to clarify how to classify debt and other liabilities as current or non-current.</p> <p>In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:</p> <ul style="list-style-type: none"> • What is meant by a right to defer settlement • That a right to defer must exist at the end of the reporting period • That classification is unaffected by the likelihood that an entity will exercise its deferral right
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- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The amendments are effective for annual reporting periods beginning on or after 01 January 2024 and must be applied retrospectively. The amendments are not expected to have a material impact on the Company's financial statements.

IFRS 16

Leases - Lease Liability in a Sale and Leaseback - Amendments requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not preclude seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. The amendments are effective for annual reporting periods beginning on or after 01 January 2024. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to sale and leaseback transactions entered into after the date of initial application.

The above amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by the IASB, which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard	Effective date
IFRS 1	First-time Adoption of International Financial Reporting Standards 01 January 2004
IFRS 17	Insurance Contracts 01 January 2023

The Company expects that the adoption of the above standards will have no material effect on the Company's financial statements, in the period of initial application.

3.17 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES RESULTING FROM AMENDMENTS IN STANDARDS DURING THE YEAR

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year, except for following amendments to accounting standards which are effective for annual periods beginning on or after 01 January 2023 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective:

IAS 8	<p>Definition of Accounting Estimates - The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the financial statements.</p>
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IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies - The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statement.

4 Issued, subscribed and paid up share capital

4.1 Authorized capital	2023	2022	2023	2022
	(Number of shares)		Rupees	Rupees
Shares of Rs.10 each	<u>2,800,000,000</u>	<u>2,800,000,000</u>	<u>28,000,000,000</u>	<u>28,000,000,000</u>

4.2 Issued, subscribed and paid up ordinary share capital

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

4.2.1 Movement during the year is as follows:

	Note	2023	2022
		No. of Shares	No. of Shares
Balance as at 01 January		1,584,088,159	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 as at 31 December		<u>2,519,963,139</u>	<u>1,584,088,159</u>

4.2.2 These shares have been issued at par (i.e. Rs. 10) to the following allottees:

	Note	2023	2022
		Rupees	Rupees
FFBL Power Company Limited - subsidiary of FFBL		400,000,000	-
FFC Energy Limited - an associated undertaking		465,000,000	-
		<u>865,000,000</u>	<u>-</u>

4.2.3 These shares have been issued to the Fauji Fertilizer Bin Qasim Limited (i.e. the Parent Company) at par (i.e. Rs.10).

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

Ordinary share capital	2023	2022	2023	2022
	Percentage held		Number of shares	
Fauji Fertilizer Bin Qasim Limited - voting ordinary shares	47.84%	71.63%	1,205,576,237	1,134,701,257
FFBL Power Company Limited - voting ordinary shares	15.87%	0.00%	400,000,000	-
FFC Energy Limited - voting ordinary shares	18.45%	0.00%	465,000,000	-
Fauji Foundation - voting ordinary shares	2.67%	4.25%	67,371,916	67,371,916
Directors, Officers, their spouse and minor children - voting ordinary shares	0.01%	0.01%	349,421	148,923
			<u>2,138,297,574</u>	<u>1,202,222,096</u>

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	2023	2022
		Rupees	Rupees
As at 01 January		1,835,148,153	1,854,498,097
Share issuance cost		(34,065,850)	(19,349,944)
As at 31 December		<u>1,801,082,303</u>	<u>1,835,148,153</u>

6	Share deposit money	Note	2023	2022
			Rupees	Rupees
	Fauji Foundation		2,350,000,001	2,000,000,000
	Fauji Fertilizer Bin Qasim Limited		-	708,749,801
		6.1	<u>2,350,000,001</u>	<u>2,708,749,801</u>

6.1 The Company, in its Extraordinary General Meeting held on October 18, 2022, had approved further issue of shares, with face value of Rs. 11,708 million, by way of other than right issue. This included an amount of Rs. 2,350 million, received from Fauji Foundation (FF), the Ultimate Parent of the Company, as share deposit money, in the current and prior years. During the year, prior to share allotment, a request was received from FF to defer its' share allotment, under agreement dated August 29, 2022. Based on the above request, pursuant to the Board of Directors' decision dated March 01, 2023, the Company has deferred the allotment / issuance of Ordinary Shares at par value to FF, till further communication. The Ordinary Shares with a face value of Rs. 9,358 million have been issued to remaining parties (as disclosed in Note 4.2).

7	Surplus on revaluation of property, plant and equipment - net of tax	Note	2023	2022
			Rupees	Rupees
	Revaluation surplus as at 01 January		2,131,898,795	2,225,644,056
	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 - disposal of plant and machinery - net of deferred tax		(19,313,014)	-
	- incremental depreciation charged during the year - net of deferred tax		(103,453,815)	(93,745,261)
			(122,766,829)	(93,745,261)
	Impact of change in tax rate on revaluation surplus		(204,746,802)	-
	Revaluation surplus as at 31 December - net of tax	7.1	<u>2,446,561,207</u>	<u>2,131,898,795</u>

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 31 March 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. For details of related fair value determination, refer to Note 4.3.2 of these financial statements.

8	Long term loans - secured	Note	2023	2022
			Rupees	Rupees
	Long term loans - at amortised cost			
	Syndicate Finance Facility	8.3	-	5,988,149,277
	Current maturity presented under current liabilities		-	(505,555,554)
			-	<u>5,482,593,723</u>

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

8.3	The movement during the year is as follows:	Note	2023	2022
			Rupees	Rupees
	As at 01 January		5,988,149,277	6,038,607,101
	Addition during the year		-	-
	Repayments during the year	8.3.1	(5,988,149,277)	(50,457,824)
	As at 31 December		<u>-</u>	<u>5,988,149,277</u>

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	-
	<u>5,988,149,277</u>	-

Salay refinance facility

JS Bank Limited	-	50,457,824
	<u>5,988,149,277</u>	<u>50,457,824</u>

9 Lease liabilities

Present value of lease liabilities against:		
- plant and machinery	34,918,252	71,998,788
- leasehold buildings	17,717,041	55,017,074
	<u>52,635,293</u>	<u>127,015,862</u>
Less: Current portion shown under current liabilities	(52,635,293)	(73,445,731)
	<u>-</u>	<u>53,570,131</u>

9.1 Movement of lease liability

	Plant and machinery	Leasehold Building Rupees	Total
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)
	-	-	-
2022			
Opening balance	104,442,060	82,005,746	186,447,806
Finance cost charge	11,588,844	11,121,488	22,710,332
Payments	(44,032,116)	(38,110,160)	(82,142,276)
Closing balance	71,998,788	55,017,074	127,015,862
Less: current portion shown under current liabilities	(37,080,536)	(36,365,195)	(73,445,731)
	34,918,252	18,651,879	53,570,131

9.2 The Company has entered into lease arrangements with a supplier for filling machines and with a landlord for building. The rentals under these agreements are repayable in 24 to 60 monthly and quarterly instalments. The lease payments have been discounted at an implicit interest rate of 8.20% to 13.59% (2022: 8.20% to 13.59%) per annum. At the end of the respective lease term, the assets other than building, shall be transferred in the name of the Company. Taxes, repairs and insurance costs are to be borne by the Company.

9.3 The maturity analysis have been disclosed in note 42.7 of these financial statements.

	2023	2022
9.4 Amounts recognised in statement of profit or loss	Rupees	Rupees
Finance cost on lease liabilities	11,594,897	22,710,332
Depreciation on right of use assets	37,321,115	40,552,151

9.5 The Company had total cash outflows for leases of Rs.74.38 (2022: Rs. 63.98) million. The Company has no non-cash additions to right-of-use assets and lease liabilities (2022: Nil).

	Note	2023	2022
10 Employee retirement benefits		Rupees	Rupees
Accumulated compensated absences	10.1	27,206,296	22,871,516
Defined benefit plan	10.8	23,148,518	7,924,430
		50,354,814	30,795,946

Note

10.1 Movement in accumulated compensated absences

	Note	2023	2022
Balance as at 01 January		22,871,516	23,611,109
Charge to statement of profit or loss	10.2	8,964,000	8,499,200
Benefits paid during the year		(4,629,220)	(9,238,793)
Balance as at 31 December		27,206,296	22,871,516

10.2 Charge to the statement of profit or loss

Current service cost		4,961,543	4,677,308
Interest on defined benefit liability		1,361,895	997,065
Remeasurement loss	10.3	2,640,562	2,824,827
	10.4	8,964,000	8,499,200

10.3 Remeasurement gain / loss

Actuarial gain / losses due to changes in financial assumptions		94,589	68,166
Actuarial gain / losses due to experience adjustments		2,545,973	2,756,661
		2,640,562	2,824,827

10.4 Allocation of expense during the year

Cost of sales		3,585,600	3,399,680
Marketing and distribution expense		3,585,600	3,399,680
Administrative expense		1,792,800	1,699,840
		8,964,000	8,499,200

10.5 The principal actuarial assumptions at the reporting date were as follows:

	2023	2022
Discount rate	16.75%	13.25%
Expected per annum growth rate in salaries	15.75%	12.25%
Expected mortality rate	SLIC (2001-2005)	SLIC (2001-2005)

As at 31 December 2023, average accumulation of leaves is 8 days per annum (2022: 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 (2022: 20 days for management employees, 28 days for non-management employees and 120 days for ex-servicemen).

10.6 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 31 December 2023 would have been as follows:

Present value of liability at the year end

	Due to increase in assumptions			
	2023		2022	
	Rupees			
Discount rate 100 bps	25,124,558	29,460,158	21,121,202	24,766,270
Salary increase 100 bps	29,460,228	25,124,558	24,766,879	21,121,461

10.7 Maturity profile (Undiscounted payments)

The Company expects to contribute to the gratuity fund on the advice of the fund's actuary. The contributions are equal to the current service cost with adjustment for any deficit.

Projected payments	2023	2022
	Rupees	Rupees
Year 1	4,905,835	5,641,077
Year 2	5,758,727	6,052,415
Year 3	6,518,482	7,429,372
Year 4	8,163,847	8,163,844
Year 5	88,905,373	8,765,196
More than year 5	51,482,340	45,327,185

10.8 Defined benefit plan	Note	2023	2022
		Rupees	Rupees
Present value of defined benefit obligation	10.10	79,401,123	57,924,430
Fair value of plan assets	10.11	(56,252,605)	(50,000,000)
	10.9	23,148,518	7,924,430

10.9 Movement in net defined benefit liability

Balance as at 01 January	7,924,430	51,644,390
Current service cost	20,976,588	16,090,145
Interest on net defined benefit liability	596,455	2,220,658
Contribution by employer	(6,845,759)	(60,990,528)
Charge to other comprehensive income	496,804	(1,040,235)
Balance as at 31 December	23,148,518	7,924,430

Note

2023

2022

Rupees

Rupees

10.10 Reconciliation of present value of defined benefit obligation

Balance as at 01 January	57,924,430	51,644,390
Current service cost	20,976,588	16,090,145
Interest on defined benefit liability	7,190,245	4,845,658
Return on plan assets excluding interest income	129,913	(2,625,000)
Benefits paid during the year	(7,316,857)	(10,990,528)
Charge to other comprehensive income	496,804	(1,040,235)
Balance as at 31 December	79,401,123	57,924,430

10.11 Reconciliation of fair value of plan assets

Balance as at 01 January	50,000,000	-
Contribution by employer	6,845,759	60,990,528
Interest income	6,593,790	2,625,000
Benefits paid during the year	(7,316,857)	(10,990,528)
Return on plan assets excluding interest income	129,913	(2,625,000)
Balance as at 31 December	56,252,605	50,000,000

10.12 Fair value of plan assets

Term deposit receipt - Askari Bank Limited	50,000,000	50,000,000
Bank - saving account - Askari Bank Limited	6,252,605	-
	56,252,605	50,000,000

10.13 Charge to the statement of profit or loss

Current service cost	20,976,585	16,090,145
Interest on defined benefit liability - net	596,455	2,220,658
	21,573,040	18,310,803

10.14 Allocation of expense during the year

Cost of sales	8,629,216	8,374,321
Marketing and distribution expense	8,629,216	8,374,321
Administrative expense	4,314,608	1,562,161
	21,573,040	18,310,803

10.15 Charge to other comprehensive income

- Actuarial losses due to change in financial assumptions	102,365	131,109
- Actuarial losses / (gain) due to experience adjustments	524,352	(3,796,344)
- Return on plan assets excluding Interest income	(129,913)	2,625,000
	496,804	(1,040,235)

	2023	2022
	Rupees	Rupees
10.16 Estimated expense to be charged to statement of profit or loss in next year		
Current service cost	24,490,167	18,530,042
Interest expense on defined benefit plan - (net)	3,877,377	1,049,987
	28,367,544	19,580,029

10.17 The principal actuarial assumptions at the reporting date were as follows:

	2023	2022
Discount rate	16.75%	13.25%
Expected per annum growth rate in salaries	15.75%	12.25%
Expected mortality rate	SLIC (2001-2005)	SLIC (2001-2005)

As at 31 December 2023, the weighted average duration of the defined benefit obligation was 8 years (2022: 8 years).

10.18 Maturity profile (Undiscounted payments)

The Company expects to contribute to the gratuity fund on the advice of the fund's actuary. The contributions are equal to the current service cost with adjustment for any deficit.

	2023	2022
	Rupees	Rupees
Projected payments		
Year 1	7,980,748	6,017,254
Year 2	9,542,459	7,194,739
Year 3	11,017,018	8,306,514
Year 4	12,557,585	9,468,057
Year 5	14,077,293	10,613,873
More than year 5	82,609,885	62,285,460

10.19 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 31 December 2023 would have been as follows:

Present value of defined benefit obligation at the year end

	Due to increase in assumptions			
	2023	2022		
	Rupees			
Discount rate 100 bps	73,326,506	85,980,883	53,492,896	62,724,474
Salary increase 100 bps	85,978,982	73,325,605	62,723,087	53,492,239

	Note	2023	2022
		Rupees	Rupees
11 Current portion of long term liabilities			
Long term loans - secured	8	-	505,555,554
Lease liabilities	9	52,635,293	73,445,731
		52,635,293	579,001,285
12 Short term borrowings - secured			
Short term running finance	12.1 & 12.3	-	1,705,540,931
		-	1,705,540,931

12.1 Short term running finance

This represented utilized amount of short term running finance facilities ("facilities") under mark-up arrangements available from various commercial banks. These facilities were secured against charge over current assets amounting to PKR 2,500 million inclusive of 20% margin along with charge on fixed assets amounting to PKR 500 million. The facilities carried markup of 3- months KIBOR plus spread of 1.0% per annum (2022: 3 months KIBOR plus spread of 1.00%) payable quarterly in arrears.

12.2 Unavailed credit facilities

Out of total facilities for opening of letters of credit of Rs. 200 million (2022: Rs 150 million) as at 31 December 2023, unutilized amount as of that date was Rs. 128 million (2022: Rs 150 million).

During th year, the Company had obtained running finance facility amounting to Rs. 500 million (2022: Nil) from Askari Bank Limited, an associated undertaking. This carries mark-up of 1 month KIBOR plus 0.20% per annum (2022: Nil) payable quarterly in arrears. As of the reporting date, this running finance facility has been called off.

12.3 Related party

This includes balance of Nil (2022: Rs. 271.80 million) payable to Askari Bank Limited, an associated undertaking.

	Note	2023	2022
		Rupees	Rupees
13 Trade and other payables			
Trade and other creditors	13.1	817,757,721	901,663,249
Contract liabilities	13.2	133,178,553	178,556,370
Accrued expenses		739,996,729	621,578,425
Advance against disposal of machine	27	262,655,057	-
Retention money payable		2,325,832	2,325,832
Due to employees		1,357,389	5,860,954
Withholding income tax payable		11,061,563	16,096,715
Withholding sales tax payable		15,309,546	12,066,996
Workers' Profit Participation Fund payable	13.3	15,109,286	429,988
Workers' Welfare Fund payable	13.4	5,655,807	-
Payable to provident fund	13.5	8,400,458	15,271,097
Others		1,172,362	1,172,362
		2,013,980,303	1,755,021,988

	Note	2023	2022
		Rupees	Rupees
13.1 These include amounts due to the following related parties:			
Fauji Foundation		11,648,867	4,614,655
Fauji Fertilizer Bin Qasim Limited		500,000	-
	13.1.1	<u>12,148,867</u>	<u>4,614,655</u>

13.1.1 These are un-secured, interest free and in the normal course of business for purchase of goods or services.

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. 178.56 million (2022: Rs. 106.15 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.

	2023	2022
	Rupees	Rupees
13.3 Workers' Profit Participation Fund Payable		
Opening balance	429,988	429,988
Charge for the year	14,679,298	-
Closing balance	<u>15,109,286</u>	<u>429,988</u>

13.4 Workers' Welfare Fund payable

Opening balance	-	-
Charge for the year	5,655,807	-
Closing balance	<u>5,655,807</u>	-

13.5 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	2023	2022
		Rupees	Rupees
14 Accrued finance cost			
Mark-up based borrowings from conventional banks			
- Long term borrowings - secured		-	324,586,005
- Short term borrowings - secured	14.1	-	47,703,515
		-	372,289,520
Mark-up on guarantee			
- Fauji Fertilizer Bin Qasim Limited		32,712,332	30,000,002
- Fauji Foundation		4,232,877	-
	14.2	<u>36,945,209</u>	30,000,002
		<u>36,945,209</u>	<u>402,289,522</u>

14.1 This includes balance of Nil (2022: Rs. 7.6 million) payable to Askari Bank Limited, an associated undertaking.

14.2 These represent accrued mark-up on financial guarantee given to Askari Bank Limited on behalf of the Company.

15 Contingencies and commitments

15.1 Contingencies

Income tax

15.1.1 The Taxation Officer, 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 03 September 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 16 May 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.

15.1.2 For the year ended June 30, 2012 i-e tax year 2012 amendment order was framed determining tax at Rs. 74,128,663 as against Rs. 22,753,512 conceded in the return. The CIR (Appeals) in his order under section 129 dated December 31, 2018 has confirmed the action of the ACIR in respect of certain additions and set aside other matters with directions. The Company, being aggrieved, has filed the appeal before ATIR. The ATIR, though order dated 03 March 2023, decided the case in favour of the Company. The department, being aggrieved, has filed an appeal against the order of ATIR before Lahore High Court which is pending adjudication.

15.1.3 The Company was selected for audit under section 214C for Tax year 2014 as per list published by FBR. For the Tax year 2014, The Department order in this case has resulted in demand of Rs. 5,923,267 as against refund of Rs. 2,108,564 claimed in the return. Further the Company has obtained stay against recovery of above tax demand under section 140 of ITO 2001, and has also filed appeal before the Commissioner Inland Revenue-Appeals (CIR-A) Lahore, which is pending adjudication.

15.1.4 The Company filed application for issuance/adjustment of income tax refunds pertaining to tax year 2019 and 2020 amounting to Rs 677 million, upon which the Deputy Commissioner Inland Revenue - DCIR verified and adjusted/issued refunds amounting to Rs.563 million and balance refund amounting to Rs.114 million was rejected. The Company filed appeal before CIR-Appeals against rejected refund who vide appellate order dated 22 September, 2023 remanded back the proceedings to DCIR. Consequently, the taxpayer filed applications for appeal effect and there after appeal effect order was e-issued dated 02 January,2024 wherein refund amounting to Rs.98 million was verified and the balance refund amounting to Rs. 46 million was rejected. The Company intends to file appeal against the ejection of refunds.

Sales tax

15.1.5 During the year ended 31 December 2018, Assistant Commissioner Inland Revenue (ACIR)

through its order dated 23 October 2018, raised a sales tax demand for the period from July 2016 to June 2017, under section 11(2) and 11(3) of Sales Tax Act, 1990, amounting to Rs. 145.57 million along with penalty of Rs. 7.28 million against inadmissible adjustment of input tax on goods not related to taxable supplies, non-realization of sales tax on disposal of fixed assets and non-withholding of sales tax from payment made against advertisement. The Company filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A) and demand was reduced to 13 million, aggrieved by this order, the Company filed an appeal before ATIR which is pending adjudication.

15.1.6 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 14,000,000. The company being aggrieved by the order filed appeal before CIR appeals who, through order 08/2020 dated 29/10/2020 remanded the case back to ACIR for re- assessment . The department has filed appeal before ATIR which is pending adjudication.

15.1.7 During the year ended 31 December 2018, Assistant Commissioner Inland Revenue (ACIR) issued a show cause notice, dated 09 November 2018, against inadmissible adjustment of input tax on goods not related to taxable supplies and non-withholding of sales tax from payment made against advertisement amounting to Rs. 399.60 million. Against the show cause notice, the ACIR raised a sales tax demand of Rs. 135.34 million along with default surcharge and penalty. The Company filed an appeal before CIR appeals who decided the case in favor of the Company through order 10/2020 dated 29 October 2020 and annulled the ACIR order. The department is in process of filling an appeal with ATIR.

15.1.8 During the year ended 31 December 2021, ADCIR issued a show cause notice, dated 17 February 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 Million along with default surcharge and penalty. The Company filed an appeal before the Commissioner Inland Revenue-Appeals (CIR-A) Lahore on 06 January 2022, which is pending adjudication.

15.1.9 The Company was served with notice under rule 44(4) of the income Tax Rules 2002 dated 15 February 2023 issued by the DCIR followed by a notice under section 161(1 A) of the Ordinance dated 17 March 2023. The Company filed reply on 30 March, 2023. DCIR issued an order under section 161(1) of the Ordinance 18 April 2023 wherein total tax was charged at Rs.338,652,977. The department adjusted the aforementioned amount of alleged tax default by making adjustment of income tax refunds pertaining tax year(s) 2017 & 2018. The Company filed an appeal before CIR-Appeals against the above mentioned order under section 161(1) dated 18 April 2023. CIR-Appeals issued appellate order on the matter dated 07 August 2023 wherein the case was annulled, remanded back to DCIR for re-assessment and confirmed the tax demand to tune of Rs.33,426,288. The Company being aggrieved filed an appeal before Appellate Tribunal Inland Revenue (ATIR) on 04 October 2023 against confirmed tax demand of Rs.33,426,288 which is pending adjudication.

15.1.10 The department passed an order dated 15 March 2022 and served the same after one year on 14 March 2023 creating a demand of Rs.103 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 has now preferred an appeal before ATIR which is pending adjudication.

15.1.11 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 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 29 October 2020 and annulled the department's order. The department has filed an appeal before ATIR which is pending adjudication.

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.

15.2 Commitments

15.2.1 Commitments, for purchase of raw material / stores and capital expenditure outstanding at the year end were for Rs. 99.24 million (2022: Rs. 66.50 million) and Rs. 88.9 million (2022:Nil), respectively.

15.2.2 Guarantees aggregating Rs. 21.89 million (2022: Rs. 161.61 million) have been issued by banks on behalf of the Company to Sui Northern Gas Pipeline Limited, Pakistan State Oil, Naaval Accounts Karachi, Pakistan Oxygen Limited and Remount veterinary and corps farms (RV&FC).

	Note	2023 Rupees	2022 Rupees
16 Property, plant and equipment			
Operating fixed assets			
Owned assets		8,356,484,835	7,636,519,111
Right of use assets	16.1	218,654,813	211,337,002
		8,575,139,648	7,847,856,113
Capital work-in-progress	16.2	453,016,416	290,839,583
		9,028,156,064	8,138,695,696

16.1 Operating fixed assets

Owned assets	COST / REVALUED AMOUNT				DEPRECIATION				Book value	Rate of depreciation (%)				
	As at 01 January	Additions / transfers	Disposals	Transfer from RQMA to owned assets	Revaluation adjustment	As at 31 December	As at 01 January	Charge for the year			Disposals	Transfer from RQMA to owned assets	Transfer to asset held for sale	Estimation of accumulated depreciation
781,542,900	1,766,998	-	-	-	30,042,900	781,458,000	-	71,039,254	-	112,499,300	-	143,007,349	60,748,644	781,458,000
1,343,771,316	302,778,546*	(174,294,222)	-	176,871,000	271,076,017	1,103,625,066	462,716,257	432,951,198	8,468,773	3,283,729,870	112,499,300	1,172,742,781	388,642,283	1,002,886,620
8,940,049,301	17,338,096**	-	-	17,338,096**	1,770,366	8,940,049,301	18,267,877	12,979,217	-	178,360,384	-	18,801,421	17,791,055	8,940,049,301
2,175,643,010	16,940,604	-	-	16,940,604	13,349,489	2,175,643,010	20,718,151	11,702,087	1,795,979	74,364,179	-	16,656,979	16,926,774	2,175,643,010
1,301,453,974	23,772,401	(290,108)	-	23,772,401	-	1,301,453,974	69,212,657	13,734,295	-	174,229,759	-	172,161	94,227,324	1,301,453,974
44,367,038	103,091,330	-	-	103,091,330	13,970,791	44,367,038	7,664,032	4,477,270	-	31,664,635	-	13,469,914	9,800,351	44,367,038
11,545,802,301	627,690,379	(178,555,072)	34,759,808	176,871,000	864,488,723	9,014,670,922	3,897,283,190	558,614,927	101,791,419	112,499,300	112,499,300	1,222,787,217	640,006,087	8,384,486,635
130,684,254	-	-	-	-	95,808,440	133,684,254	26,137,251	26,137,251	-	-	-	(54,320,032)	122,545,724	1,140,500
218,148,553	-	-	-	-	50,094,938	218,148,553	9,577,004	9,577,004	-	-	-	(54,320,032)	5,352,830	207,514,293
388,870,615	-	-	54,755,008	-	312,330,172.00	1,005,640	1,005,640	37,221,115	-	12,499,300	12,499,300	(54,320,032)	127,899,554	218,654,813
11,934,972,916	627,690,379	(178,555,072)	34,759,808	176,871,000	9,033,572,935	9,245,044,929	4,984,516,860	572,934,042	101,791,419	112,499,300	112,499,300	1,222,787,217	787,904,451	8,575,139,448

Owned assets	COST / REVALUED AMOUNT				DEPRECIATION				Book value	Rate of depreciation (%)				
	As at 01 January	Additions	Disposals	Transfer from RQMA to owned assets	Revaluation adjustment	As at 31 December	As at 01 January	Charge for the year			Disposals	Transfer from RQMA to owned assets	Transfer to asset held for sale	Estimation of accumulated depreciation
781,542,900	156,410	-	-	-	392,240,906	781,542,900	60,574,251	-	-	-	-	143,007,349	60,748,644	781,542,900
1,343,771,316	891,881,404	893,162	(2,576,407)	2,880,693,678	3,980,614,194	8,940,049,301	1,543,176	1,795,979	-	16,704,701	-	18,267,877	3,258,729,870	8,940,049,301
25,918,141	3,443,300	-	-	64,344,179	217,054,510	24,411,300	1,543,176	1,795,979	-	64,344,179	-	16,656,979	18,267,877	24,411,300
215,987,617	19,033,107	-	-	53,477,572	151,165,974	215,987,617	13,734,295	4,477,270	-	174,229,759	-	172,161	74,364,179	215,987,617
132,032,667	18,622,288	(179,424)	179,424	44,367,038	114,633,882	132,032,667	11,047,108	11,047,108	-	31,664,635	-	13,469,914	49,212,387	132,032,667
47,800,454	64,676,109	(2,753,601)	-	11,545,802,301	3,454,186,149	47,800,454	454,935,427	11,047,108	(1,810,986)	112,499,300	112,499,300	1,222,787,217	31,664,635	47,800,454
130,684,254	-	-	-	69,071,232	133,684,254	130,684,254	26,137,251	26,137,251	-	-	-	(54,320,032)	122,545,724	1,140,500
218,148,553	-	-	-	39,232,413	218,148,553	218,148,553	9,577,004	9,577,004	-	-	-	(54,320,032)	5,352,830	207,514,293
400,521,480	-	(11,950,879)	48,696,453	34,759,808	37,813,382	2,892,358	2,892,358	40,552,151	(9,453,565)	12,499,300	12,499,300	(54,320,032)	127,899,554	400,521,480
11,884,403,313	64,676,109	(14,706,798)	-	176,871,000	9,245,044,929	11,884,403,313	4,984,516,860	572,934,042	101,791,419	112,499,300	112,499,300	1,222,787,217	787,904,451	8,575,139,448

* These include capital expenditure amounting to Rs. 2,410,022. Nil million transferred from capital work in progress.
** These include capital expenditure amounting to Rs. 12,791,000. Nil million transferred from capital work in progress.

The depreciation charge has been allocated as follows:

Cost of sales	Marketing and distribution expenses	Administrative expenses
29	20	31
911,132,494	1,683,275	45,940,271
627,012,449	10,851,548	992,448,642
1,538,146,943	11,534,823	463,388,913

The gross carrying value of fully depreciated assets that are still in use amounted to Rs. 38.56 million (2022: Rs. 22.99 million).
The manufacturing facility of the Company is located at Sargodha Road, Bhawal, District Sargodha. Total owned area is 120 kanals and 5 maras and covered area of building is 172,550 square feet.

16.1.4 Disposal of property, plant and equipment

	Cost / Revalued Amount	Net book value	Proceeds from disposal	Gain	Mode of disposal	Particulars of buyers
Rupees						
Plant and machinery						
Packing machine - TBA 200 ML	95,835,336	38,584,019	40,996,486	2,412,467	Negotiation	Selo Foodtech
Packing machine - TBA 250 ML	78,458,886	37,265,569	39,595,600	2,330,031	Negotiation	Selo Foodtech
Assets having net book value less than Rs.500,000						
	4,260,850	723,869	2,340,517	1,616,648		
2023	178,555,072	76,573,457	82,932,603	6,359,146		
2022	14,706,706	3,460,555	4,853,962	1,393,407		

16.1.5 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 31 March 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.

The Company's freehold land, buildings on freehold land, plant and machinery, electric and gas installations and other work equipment are measured using revaluation model. The latest revaluation of these assets was carried out on 31 March 2023 by an independent professional valuer, K.G. Traders (Private) Limited. 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	2023 Rupees	2022 Rupees
Freehold land		73,365,999	73,365,999
Buildings on freehold land		624,140,785	670,216,420
Plant and machinery - (including plant and machinery appearing under right of use assets)		3,765,268,572	4,057,704,854
Electric and gas Installations		170,453,451	5,174,458
Other works equipment		125,642,991	107,815,794
		4,758,871,798	4,914,277,525
16.2 Capital work-in-progress			
Plant and machinery	16.2.1	437,067,915	228,617,127
Advance against capital expenditure	16.2.2	15,948,501	62,222,456
	16.2.3	453,016,416	290,839,583

16.2.1 Plant and machinery

2023			
As at 01 January	Additions	Transfers	As at 31 December
Rupees			
Waste water treatment plant	223,134,724	-	223,134,724
Standardization unit for Nurpur cream	2,847,311	29,064,860	31,912,171
Butter churn TA-3200	2,635,092	(2,635,092)	-
Evaporator	-	171,521,020	171,521,020
Hybrid solar	-	2,400,000	(2,400,000)
Instant milk powder plant	-	10,500,000	10,500,000
Biomass modification of chain grade steam boiler	-	10,140,000	(10,140,000)
	228,617,127	223,625,880	(15,175,092)
			437,067,915

2022			
As at 01 January	Additions	Transfers	As at 31 December
Rupees			
Waste water treatment plant	223,134,724	-	223,134,724
Standardization unit for Nurpur cream	-	2,847,311	2,847,311
Butter churn TA-3200	-	2,635,092	2,635,092
	223,134,724	5,482,403	-
			228,617,127

16.2.2 This represents advance paid to contractor for construction of waste water treatment plant which is in progress.

16.2.3 The management has assessed the recoverable value of capital work in progress to be higher than the carrying amount and hence the amount is not impaired.

	Note	2023 Rupees	2022 Rupees
Intangible assets			
Software	17.1	4,541,191	-
Capital work-in-progress	17.2	5,343,576	5,929,326
		9,884,767	5,929,326

17.1 Software

	2023				2022			Book value	Rate of amortization (%)
	COST		DEPRECIATION		COST		DEPRECIATION		
	As at 01 January	Additions	Transfer from CWIP	As at 31 December	As at 01 January	Charge for the year	As at 31 December		
Rupees									
Secondary sale system	1,983,860	-	-	1,983,860	1,983,860	-	1,983,860	-	33.33
Anti-virus	432,032	-	-	432,032	432,032	-	432,032	-	33.33
Secondary sale system (Tally)	5,996,916	-	-	5,996,916	5,996,916	-	5,996,916	-	33.33
SAP - HCM Module	2,110,726	-	-	2,110,726	2,110,726	-	2,110,726	-	33.33
SAP - ERP	56,292,447	-	-	56,292,447	56,292,447	-	56,292,447	-	33.33
Secondary sales automation software	-	-	1,977,000	1,977,000	-	658,999	658,999	1,318,001	33.33
SAP licenses fee	-	4,001,200	-	4,001,200	-	778,010	778,010	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	

	2023				2022			Book value	Rate of amortization (%)
	COST		DEPRECIATION		COST		DEPRECIATION		
	As at 01 January	Additions	Transfer from CWIP	As at 31 December	As at 01 January	Charge for the year	As at 31 December		
Rupees									
Secondary sale system	1,983,860	-	-	1,983,860	1,983,860	-	1,983,860	-	33.33
Anti-virus	432,032	-	-	432,032	432,032	-	432,032	-	33.33
Secondary sale system (Tally)	5,996,916	-	-	5,996,916	5,996,916	-	5,996,916	-	33.33
SAP - HCM Module	2,110,726	-	-	2,110,726	1,708,305	402,421	2,110,726	-	33.33
SAP - ERP	56,292,447	-	-	56,292,447	56,292,447	-	56,292,447	-	33.33
	66,815,981	-	-	66,815,981	66,413,560	402,421	66,815,981	-	

17.1.1 The amortization charge has been allocated as follows:

	Note	2023 Rupees	2022 Rupees
Marketing and distribution expenses	30	658,999	-
Administrative expenses	31	778,010	402,421
		1,437,009	402,421

17.2 These represent capital expenditure incurred on development of Milk Collection Automated System (MCAS).

18	Deferred taxation - net	Note	2023	2022
			Rupees	Rupees
	The deferred tax asset comprises of the following:			
	Deductible temporary differences:			
	- business losses		625,816,265	-
	- unabsorbed depreciation losses		1,488,650,294	1,292,007,992
	- lease liabilities		20,527,764	183,445,711
	- provisions		25,353,949	25,903,344
			2,160,348,272	1,501,357,047
	Less: Taxable temporary differences:			
	- accelerated tax depreciation allowances		963,699,354	856,193,574
	- surplus on revaluation of property, plant and equipment		1,111,373,541	593,765,725
	- right of use assets		85,275,377	51,397,748
			2,160,348,272	1,501,357,047
	Deferred taxation - net	18.3	-	-

18.1 As at 31 December 2023, the aggregate unrecognized unused tax losses and minimum tax credit available to the Company for set off against future taxable profit amount to Rs. 9,169.22 million (2022: Rs. 13,820.52 million) and Rs. 353.16 million (2022: Rs. 159.08 million), respectively.

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

Expiry tax year	Nature	2023	2022
		Rupees	Rupees
2024	Business loss - TY 2018	-	2,492,626,346
2025	Business loss - TY 2019	2,671,290,831	2,671,290,831
2026	Business loss - TY 2020	3,487,579,099	3,487,579,099
2027	Business loss - TY 2021	2,353,326,086	2,353,326,086
2028	Business loss - TY 2022	657,026,576	1,133,726,835
2029	Business loss - TY 2023	-	1,681,967,977
		9,169,222,592	13,820,517,174
2026	Minimum tax - TY 2023	158,641,265	159,080,097
2027	Minimum tax - TY 2024	194,521,905	-
		353,163,170	159,080,097
No expiry	Unused depreciation loss	-	674,808,100

18.3 Movement in deferred tax balances is as follows:

	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)	-

	2022			
	Reversal from / (charge to)			
	Opening	Profit or loss	OCI	Closing
Rupees				
Deductible / (taxable) temporary difference				
Unused tax losses	1,162,417,618	(1,162,417,618)	-	-
Unabsorbed depreciation losses	-	1,292,007,992	-	1,292,007,992
Minimum Tax U/s 113	136,357,747	(136,357,747)	-	-
Provisions	39,680,226	(13,776,882)	-	25,903,344
Lease liability	36,834,600	146,611,111	-	183,445,711
Right of use assets	(61,287,731)	9,889,983	-	(51,397,748)
Accelerated tax depreciation allowances	(681,946,417)	(174,247,157)	-	(856,193,574)
Surplus on revaluation of property, plant and equipment	(632,056,043)	38,290,318	-	(593,765,725)
	-	-	-	-

	Note	2023	2022
		Rupees	Rupees
19 Stores, spares and loose tools			
Stores		20,458,842	12,472,166
Spares		253,630,662	181,236,630
		<u>274,089,504</u>	<u>193,708,796</u>
Less: provision for obsolescence		(8,612,801)	(8,612,801)
		<u>265,476,703</u>	<u>185,095,995</u>
20 Stock-in-trade			
Raw and packing material			
- in hand		1,245,004,936	521,653,498
- in transit		14,515,083	17,225,350
		<u>1,259,520,019</u>	<u>538,878,848</u>
Work-in-process		84,444,173	157,048,335
Finished goods		803,278,904	586,842,076
		<u>2,147,243,096</u>	<u>1,282,769,259</u>
Less: Provision for obsolescence	20.1	(15,837,215)	(43,077,665)
	20.2	<u>2,131,405,881</u>	<u>1,239,691,594</u>
20.1 Movement in provision for obsolescence			
Balance as at 01 January		43,077,665	30,504,149
Provision for the year		4,991,031	14,259,508
Written off during the year		(32,231,481)	(1,685,992)
Balance as at 31 December		<u>15,837,215</u>	<u>43,077,665</u>
20.2			
The amount charged to the statement of profit or loss on account of write down of finished goods and work-in- process to net realizable value amounts to Rs. 1.57 million (2022: Rs. 3.64 million).			
21 Trade receivables from contract with customers			
Trade debts - unsecured		499,459,786	669,399,647
Allowance for expected credit loss	21.1	(1,779,553)	(111,900,180)
		<u>497,680,233</u>	<u>557,499,467</u>
21.1 Allowance for expected credit loss			
As at 01 January		111,900,180	22,455,914
Charge for the year	33	89,900,000	89,444,266
Amount written off against trade receivables		(200,020,627)	-
As at 31 December		<u>1,779,553</u>	<u>111,900,180</u>
21.2			
Trade receivables are non-interest bearing and become due after 7 to 90 days of the invoice date. The decrease in trade receivables pertains to more collections from customers during the year. Generally, balances outstanding for more than 90 days are treated as default.			
21.3			
The aging analysis of these trade debts have been disclosed in Note 42.5 to these financial statements.			

	Note	2023	2022
		Rupees	Rupees
22 Loan and advances - unsecured			
Due from employees - considered good		4,490,093	9,029,958
Advances to suppliers	22.1	24,766,101	94,482,879
	22.2	29,256,194	103,512,837
Provision for doubtful advances to suppliers	22.3	-	-
		<u>29,256,194</u>	<u>103,512,837</u>
22.1 Advances to suppliers exceeding Rs.1 million			
Categories			
- Up to Rs. 1 million		8,319,917	-
- Rs. 1 million to Rs. 2 million		1,507,967	4,707,007
- Rs. 2 million to Rs. 3 million		2,994,994	2,038,714
- Above Rs. 3 million		11,943,223	87,737,158
		<u>24,766,101</u>	<u>94,482,879</u>
22.2			
These are interest free and in the normal course of business.			
22.3 Provision for doubtful advances to suppliers			
As at 01 January		-	-
Charge for the year		10,217,400	-
Amount written off against advances		(10,217,400)	-
As at 31 December		<u>-</u>	<u>-</u>
23 Deposits, prepayments and other receivables			
Security deposits		95,861,018	144,098,530
Deposit to collector of customs		7,509,549	-
Advance against letter of credit		68,742,721	45,227,316
Advance against bank guarantee		21,894,228	810,000
Prepayments		11,958,973	11,077,484
Other receivables	23.2	42,994,500	43,285,853
		<u>248,960,989</u>	<u>244,499,183</u>
Allowance for expected credit loss			
- security deposits	23.1	-	-
		<u>248,960,989</u>	<u>244,499,183</u>
23.1 Movement of allowance for expected credit loss on security deposits			
As at 01 January		-	-
Charge for the year		11,770,486	-
Amount written off		(11,770,486)	-
As at 31 December		<u>-</u>	<u>-</u>

	Note	2023 Rupees	2022 Rupees
23.2	These include balances due from associated undertaking as follows:		
Fauji Cereals		-	5,829,210
Fauji Fertilizer Company Limited		1,978	-
Fauji Foundation		11,816,781	-
		<u>11,818,759</u>	<u>5,829,210</u>

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

	2023		2022	
	Month	Maximum outstanding during the year Rupee	Month	Maximum outstanding during the year Rupee
Fauji Cereals	-	-	January	5,829,210
Fauji Fertilizer Company Limited	November	1,978	-	-
Fauji Foundation	December	11,816,781	-	-

24 Interest accrued

Interest accrued on TDRs	24.1	<u>62,215,078</u>	<u>40,973,562</u>
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24.1 This represents interest accrued on Term Deposit Receipts (TDRs) of Askari Bank Limited, an associated company.

25 Tax refunds due from Government

Sales tax refundable - net	25.1	1,499,378,986	1,275,508,594
Income tax refundable - net	25.2	864,079,469	1,110,799,660
		<u>2,363,458,455</u>	<u>2,386,308,254</u>

25.1 These include provision for sales tax on tea whitener amounting to Rs.438.49 million (2022: Nil). (Refer to Note 33)

25.2 These include provision for current tax amounting to Rs. 264.64 (2022: Rs.159.05) million.

	Note	2023 Rupees	2022 Rupees
26	Cash and cash equivalents		
	Cash and bank balances:		
Cash in hand		378,240	88,272
With banks on:			
- Current accounts		27,892,522	8,577,874
- Saving accounts	26.1	272,569,266	166,594,592
- Dividend accounts		-	221,491
	26.2	<u>300,461,788</u>	<u>175,393,957</u>
Total cash and bank balances		300,840,028	175,482,229
	Short term investments:		
Term Deposit Receipts (TDRs) - Askari Bank Limited	26.3	1,000,000,000	970,000,000
		<u>1,300,840,028</u>	<u>1,145,482,229</u>

26.1 These savings accounts earn interest at floating rates based on daily bank deposit rates ranging from 14.5% to 20.5% (2022: 10.75% to 14.5%) per annum.

26.2 These include balance amounting to Rs.272 million (2022: Rs.108 million) held with Askari Bank Limited, an associated company.

26.3 These carry mark-up at the rate of 17% to 22.5% (2022: 15.8%) per annum and have one year maturity with premature encashment option without any surcharge.

26.3.1 Following is movement in TDRs during the year

As at 01 January	970,000,000	-
Additions during the year	2,870,000,000	970,000,000
Encashed during the period	<u>(2,840,000,000)</u>	-
As at 31 December	<u>1,000,000,000</u>	<u>970,000,000</u>

27 Asset held for sale

27.1 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.

As of the reporting date, the Company has formalized an agreement with the buyer, and the entire sale proceeds, as mutually agreed upon between the buyer and the Company, has been received (Refer to note 13). The Company expects that the machine will be transferred to the buyer shortly after the reporting date, upon completion of necessary documentation.

27.2 Immediately before the classification of filling machine as asset held for sale, the recoverable amount was estimated and no impairment loss was identified. Following the classification, an impairment loss of Rs. 1.76 million has been recognised on 31 December 2023 to reduce the carrying amount of the asset to its fair value less costs to sell. This was recognised in the statement of profit or loss.

	Note	2023	2022
		Rupees	Rupees
28 Revenue from contracts with customers - net			
Gross sales		21,309,182,690	13,276,027,616
Less: Sales tax		(395,056,326)	(289,355,529)
Discounts, incentives and allowances		(1,105,090,605)	(635,969,669)
		<u>(1,500,146,931)</u>	<u>(925,325,198)</u>
		<u>19,809,035,759</u>	<u>12,350,702,418</u>
28.1	Revenue from contracts with customers relates to local (Pakistan) market and represents sale of dairy and allied products. Timing of revenue recognition is at point of time.		
28.2	The Company receives consideration from its customers in advance (in case of 70% of customers). In other case, credit term of 30 to 90 days is allowed.		
28.3 Contract balances			
Trade receivables from contract with customers		497,680,233	557,499,467
Contract liabilities		133,178,553	178,556,370
28.4	Revenue from two of the customers (2022: one customer) of the Company represents more than 10% of the Company's total revenue.		
29 Cost of Revenue			
Raw materials consumed		12,200,438,326	7,807,305,847
Salaries, wages and other benefits	29.1	342,893,411	202,052,188
Freight and forwarding		359,967,390	276,933,561
Power and fuel		541,047,444	576,422,508
Packing materials consumed		2,533,183,580	1,996,705,445
Stores and spares consumed		143,344,845	85,632,938
Repair and maintenance		328,017,631	234,457,305
Depreciation on property, plant and equipment	16.1.1	511,132,496	427,012,649
Rent, rates and taxes		266,588	287,913
Travelling and conveyance		16,749,095	10,627,809
Communication, establishment & others		632,634	874,365
Printing and stationery		2,231,999	1,099,677
Legal and professional charges		5,462,353	1,971,708
Insurance		7,269,320	4,859,210
Others		5,153,112	11,572,289
Balance carried forward		<u>16,997,790,224</u>	<u>11,637,815,412</u>

	Note	2023	2022
		Rupees	Rupees
Cost of Revenue (Continued)			
Balance brought forward		16,997,790,224	11,637,815,412
Adjustment of work-in-process			
Opening stock		157,048,335	118,186,971
Closing stock	20	(84,444,173)	(157,048,335)
		<u>72,604,162</u>	<u>(38,861,364)</u>
Cost of goods manufacture		17,070,394,386	11,598,954,048
Adjustment of finished goods			
Opening stock		543,764,411	326,816,255
Closing stock	20	(787,441,689)	(543,764,411)
		<u>(243,677,278)</u>	<u>(216,948,158)</u>
		<u>16,826,717,108</u>	<u>11,382,005,892</u>
29.1	Salaries, wages and other benefits include following in respect of employee benefits:		
Providend fund		11,365,760	10,375,862
Long term accumulated compensated absences		3,585,600	3,399,677
Gratuity		8,629,216	7,324,310
		<u>23,580,576</u>	<u>21,099,849</u>
30 Marketing and distribution expenses			
Freight and forwarding		188,415,659	164,894,207
Salaries, wages and other benefits	30.1	413,446,183	293,438,640
Repair and maintenance		9,075,931	2,097,158
Rent, rates and taxes		7,952,855	6,138,774
Travelling and conveyance		11,667,622	11,857,899
Vehicles' running and maintenance		84,316,132	63,893,415
Advertisement and sales promotion		571,515,052	768,783,394
Insurance		111,855	766,507
Depreciation on property, plant and equipment	16.1.1	15,853,275	10,851,548
Amortization of intangible assets	17.1.1	658,999	-
Communication, establishment and others		20,468,583	15,564,206
		<u>1,323,482,146</u>	<u>1,338,285,748</u>
30.1	Salaries, wages and other benefits include following in respect of employee benefits:		
Providend fund		11,248,580	10,738,008
Long term accumulated compensated absences		3,585,600	3,399,686
Gratuity		8,629,216	7,324,325
		<u>23,463,396</u>	<u>21,462,019</u>

	Note	2023	2022
		Rupees	Rupees
31 Administrative expenses			
Salaries, wages and other benefits	31.1	395,645,296	233,904,166
Travelling and conveyance		9,137,068	4,382,206
Directors' meeting fee	38	12,530,000	15,760,000
Rent, rates and taxes		3,119,015	1,817,031
Entertainment		5,162,575	2,893,475
Communication and establishment		19,820,010	14,472,814
Printing and stationery		12,737,975	2,802,506
Electricity, gas and water		16,546,710	13,500,947
Insurance		1,133,642	1,121,874
Repair and maintenance		15,373,661	6,157,033
Vehicles' running and maintenance		35,471,246	22,831,331
Subscription		31,766,872	25,914,145
Legal and professional charges		75,489,340	28,739,888
Auditors' remuneration	31.2	3,200,000	2,890,000
Cash security charges		12,071,396	4,717,221
Depreciation on property, plant and equipment	16.1.1	65,950,271	59,248,696
Amortization of intangible assets	17.1.1	778,010	402,421
Others		6,396,122	4,618,288
		722,329,209	446,174,042
31.1	Salaries, wages and other benefits include following in respect of employee benefits:		
	Providend fund	8,970,085	7,202,203
	Long term accumulated compensated absences	1,792,800	1,699,843
	Gratuity	4,314,608	3,662,161
		15,077,493	12,564,207
31.2	Auditors' remuneration		
	Statutory audit fee	1,900,000	1,800,000
	Half yearly review	450,000	315,000
	Certification charges	500,000	425,000
	Out-of-pocket expenses	350,000	350,000
		3,200,000	2,890,000
32	Other income		
	Income from financial assets		
	Profit on TDRs	139,972,886	141,124,932
	Profit on saving accounts	79,049,367	37,974,751

	Note	2023	2022
		Rupees	Rupees
Income from non-financial assets			
Sale of scrap		10,718,427	18,906,962
Net income from sale of fertilizers and helicaps		2,375,195	-
Gain on disposal of property, plant and equipment	16.1.4	6,359,146	1,393,407
		238,475,021	199,400,052
33	Other expenses		
Exchange loss		3,498,595	2,351,890
Contractual deductions		-	41,531,990
Provision for sale tax on tea whitener	33.1	438,493,470	-
Allowance for expected credit loss	21.1	89,900,000	89,444,266
Provision for doubtful advances	22.3	10,217,400	-
Allowance for expected credit loss on security deposits	23.3	11,770,486	-
Workers' Profit Participation Fund		14,679,298	-
Impairment loss on asset held for sale		1,759,613	-
Workers' Welfare Fund		5,655,807	-
Others		1,964,206	-
		577,938,872	133,328,146

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

During the year, the Collector of Customs issued an order, via public notice dated 4 April 2023, classifying Tea Whiteners as 'Milky drink', thus subject to sales tax at the rate of 18%. Being aggrieved, the Company has filed an appeal before Honourable Lahore High Court against the aforementioned order of Collector of Customs. The LHC converted the petition into representation before Chairman FBR and directed the Chairman vide order dated 14 July 2023 to decide the matter after providing an opportunity of being heard. FBR via its Member (Customs Policy) issued the said classification order on 19 September 2023, upholding the earlier decision of Collector of Customs. Being aggrieved, the Company has again filed a petition before LHC to set aside the Impugned Order dated 19 September 2023 and Impugned Public Notice dated 04 April 2023 for being issued on a misapplication of the law and without lawful authority. The LHC vide its order dated 05 October 2023 has issued a stay order against the Impugned Classification. The management of the Company, based on advice of its legal council, is confident that the matter will be decided in the favour of the Company. However, the Company, being prudent, has recognized provision for sale tax on tea whitener in these financial statements.

	Note	2023 Rupees	2022 Rupees
34 Finance cost			
Islamic mode of financing			
- Short term borrowings		-	20,818,876
Interest / mark-up on interest / mark-up based loans			
- Long term loans		244,735,614	910,432,136
- Short term borrowings		58,277,303	277,245,079
- Lease liabilities		11,594,897	22,117,040
Bank charges and commission		9,184,782	29,153,389
35 Income tax		323,792,596	1,259,766,520
Income tax:			
- Charge for the year		264,648,647	159,052,640
- Adjustments in respect of current income tax of previous year		(411,375)	-
Deferred tax:			
- Relating to origination and reversal of temporary differences		(596,098,084)	-
		(331,860,812)	159,052,640
35.1 Tax charge reconciliation:			
Profit before taxation		273,250,849	(2,009,457,878)
Tax expense on accounting profit (29% as per Income Tax Ordinance, 2001)		79,242,746	(582,742,785)
Tax effect of:			
Change in expected tax rate		240,773,196	-
Minimum tax credit not recognized		194,521,905	295,410,387
Business losses adjusted during the period		(80,338,128)	-
Effect of super tax		8,310,841	-
Difference in tax rate of income		(12,749,473)	-
Unrecognised deferred tax on business losses		-	1,707,476,267
Recognition of previously unrecognised business losses		(625,816,265)	(1,261,539,225)
Recognition of previously unrecognised depreciation losses		(196,642,302)	-
Others		60,836,668	447,996
36 Earning / (Loss) per share		(331,860,812)	159,052,640
Earning / (Loss) per share - basic and diluted			
Profit / (Loss) for the year	Rupees	605,111,661	(2,168,510,518)
Weighted average number of ordinary shares in issue during the year	Number	2,330,224,102	1,584,088,159
Earning / (Loss) per share - basic and diluted	Rupees	0.26	(1.37)

	Note	2023 Rupees	2022 Rupees
37 Cash and cash equivalents			
Cash and cash equivalents included in the statement of cash flows comprise the following:			
Cash and bank balances	26	300,840,028	175,482,229
Short term investments	26	1,000,000,000	970,000,000
Running finance balances	12.1	-	(1,705,540,931)
		1,300,840,028	(560,058,702)

38 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		Non Executive Directors		Executives	
	2023	2022	2023	2022	2023	2022
	Rupees					
Managerial remuneration	22,529,026	20,479,350	-	-	129,557,414	129,208,710
Meeting fee	-	-	12,530,000	15,760,000	-	-
Provident fund	2,299,353	2,047,940	-	-	13,028,749	12,919,324
House rent	10,138,071	9,215,710	-	-	116,601,672	108,449,115
Utilities	2,252,901	2,047,940	-	-	12,955,741	12,920,871
Relocation allowance	-	-	-	-	1,898,750	925,000
Bonus	18,000,000	3,000,000	-	-	113,738,512*	-
Car Allowances	-	-	-	-	40,505,000	31,130,000
Reimbursement of expenses	4,320,000	3,400,000	-	-	5,355,820	2,474,913
	59,539,351	40,190,940	12,530,000	15,760,000	433,641,658	298,027,933
	1	2	9	10	54	50

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

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

	Factory employees		Total employees	
	2023	2022	2023	2022
39 Number of employees	(Number of persons)		(Number of persons)	
Total number of employees as at 31 December	425	392	603	583
Average number of employees during the year	424	415	596	604

40 Capacity and production

	Capacity		Production	
	2023	2022	2023	2022
Liquid products - liters	210,410,750	221,312,000	58,527,307	59,041,145
Non - Liquid products - Kg	7,156,800	6,318,709	3,454,028	2,791,413

The actual production is according to market demand.

41 Related party transactions and balances

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

Name of the Company	Relationship	Nature of transactions	2023 Rupees	2022 Rupees
Associated Undertakings				
Fauji Fertilizer Bin Qasim Limited (FFBL)	Parent Company (Shareholding and common directorship)	TA/DA, repair and maintenance and rent expense charged by related party	217,228	11,274
		Expense of IT facilities charged by related party	19,970,258	10,468,680
		Expense charged to related party by the Company	47,334	8,200
		Consultancy fee charged by related party	-	557,500
		Finance cost charged by related party	2,712,329	15,000,000
		Conversion of loan as subscription received against right issue & share issuance against accrued markup	708,749,800	-
		Purchase of Fertilizer	16,275,089	-
Fauji Fertilizer Company Limited (FFC)	Associated Undertaking (Common directorship)	Purchase of Fertilizer	13,726,860	-
Fauji Foundation	Associated Undertaking (Shareholding and common directorship)	Management shared services charged by related party	5,728,947	4,992,486
		Share deposit money received	350,000,000	2,000,000,000
		Consultancy fee charged by related party	1,302,265	847,500
		TA/DA and boarding expenses charged by related party	-	1,019,520
		Finance cost charged	4,232,877	-
		Expenses charged to related party by Company	7,957,608	-
Askari Bank Limited	Associated Undertaking (Common directorship)	Finance cost charged by related party	23,528,808	103,107,131
		Profit on TDR	139,972,886	141,124,932
		Interest income on saving accounts	75,484,150	22,748,520

Name of the Company	Relationship	Nature of transactions	2023 Rupees	2022 Rupees
FFBL Power Company Limited	Associated Undertaking (Shareholding and common directorship)	Purchase of coal	-	5,294,322
		Shares issuance against cash	4,000,000,000	-
FFC Energy Limited	Associated Undertaking (Shareholding and common directorship)	Shares issuance against cash	4,650,000,000	-
Foundation Solar Energy (Private) Limited	Associated Undertaking (Common directorship)	Purchase of solar panel	125,714,295	-
Employee's Provident Fund Trust	Post employee benefit plan	Contribution for the year	69,266,604	60,535,059
Employee's Gratuity Fund	Post employee benefit plan	Payment to gratuity fund	7,924,431	50,000,000
Directors		Meeting fee	12,530,000	15,760,000
Key Management Personnel		Remuneration and benefits	163,387,857	138,202,273

41.1 Associated companies / related parties percentage of shareholding has been disclosed in note 4.2.4.

42 Financial risk management

42.1 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 policed 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 is as follows:

42.2 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.

42.2.1 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 31 December 2023 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:

	2023			
	Rupees '000	EURO '000	Rupees '000	Dollar '000
Creditors	21,854,296	70,156	-	-

	2022			
	Rupees '000	EURO '000	Rupees '000	Dollar '000
Creditors	-	-	5,807,719	25,657

The following significant exchange rate applied during the year:

	Average rates		Reporting date rate (Bid-Offer average)	
	2023	2022	2023	2022
EURO	276.3	221.51	311.51	241.19
Dollar	254.05	202.25	281.74	226.36

Sensitivity analysis

A 15% strengthening of the functional currency against foreign currency at 31 December would have increased profit and loss by Rs. 3,278 million (2022: Rs. 0.871 million). A 15% weakening of the functional currency against USD at 31 December would have had the equal but opposite effect of these amounts. The analysis assumes that all other variables remain constant.

42.2.2 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 31 December 2023, the Company is not exposed to any significant other price risk as it has no such financial instruments.

42.2.3 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 arised from short and long-term borrowings and obligations under finance lease. As at 31 December 2023, 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 reporting date, the interest rate profile of the Company's interest bearing financial instruments is as follows:

	2023	2022	2023	2022
	Effective rate		Rupees	Rupees
Financial assets				
Fixed rate instruments				
Saving accounts	14.5% to 20.5%	10.75% to 14.5%	272,569,266	166,594,592
Term Deposit Receipts	17% to 22.5%	15.8%	1,000,000,000	970,000,000
Total exposure			<u>1,272,569,266</u>	<u>1,136,594,592</u>
Financial liabilities				
Fixed rate instruments				
Lease liabilities	8.20% to 13.59%	8.20% to 13.59%	<u>52,635,293</u>	<u>127,015,862</u>
Variable rate instruments				
Long term loans	-	9.85% to 17.26%	-	5,482,593,723
Short term borrowings	-	9.35% to 16.76%	-	1,705,540,931
Total exposure			<u>-</u>	<u>7,188,134,654</u>

Fair value sensitivity analysis for fixed rate instruments

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.

Cash flow sensitivity analysis for variable rate instruments

At 31 December 2023, if interest rate on variable rate financial instruments has been 5% constant, profit before tax for the year would have been Rs. Nil (2022: Rs. 359.41 million) / lower interest expense on variable rate financial liabilities.

42.3 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.

42.4 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	2023	2022
Financial assets at amortized cost		Rupees	Rupees
Security deposits	23	117,950,486	153,638,477
Trade receivables from contract with customers	21	497,680,233	557,499,467
Due from employees	22	4,490,093	9,029,958
Other receivables	23	44,603,852	43,285,853
Interest accrued	24	62,215,078	40,973,562
Bank balances	26	300,461,788	175,393,957
Term Deposit Receipts (TDRs)	26	1,000,000,000	970,000,000
		<u>2,027,401,530</u>	<u>1,949,821,274</u>

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.

42.5 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:

Institutions	Rating		Rating Agency	2023	2022
	Long term	Rating		Rupees	Rupees
Bank balances and TDRs					
National Bank Of Pakistan	A1+	AAA	PACRA	212,507	233,432
United Bank Limited	A-1+	AAA	JCR-VIS	-	294,719
Askari Bank Limited	A1+	AA+	PACRA	1,289,789,997	873,515,891
JS Bank	A1+	AA-	PACRA	1,270	133,116
Bank Alfalah Limited	A1+	AA+	PACRA	579	-
MCB Bank Limited	A1+	AAA	PACRA	1,600,858	29,927,268
Habib Bank Limited	A-1+	AAA	JCR-VIS	1,474	540,000
Faysal Bank Limited	A1+	AA	PACRA	67,989	240,263,493
Bank Islami Pakistan	A1	AA-	PACRA	-	284,999
Bank Al-Habib Limited	A1+	AAA	PACRA	7,665	7,747
Soneri Bank Limited	A1+	AA-	PACRA	8,760,310	139,343
Dubai Islamic Bank	A-1+	AA	JCR-VIS	-	53,949
Bank Albaraka	A-1	A+	JCR-VIS	19,140	-
				<u>1,300,461,789</u>	<u>1,145,393,957</u>

Institutions	Rating		Rating Agency	2023	2022
	Long term	Rating		Rupees	Rupees
Interest accrued on term deposit receipts (TDRs)					
Askari Bank Limited	A1+	AA+	PACRA	<u>62,215,078</u>	<u>40,973,562</u>

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 2.11, 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 reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The Company does not hold collateral as security. The aging of trade debts at the reporting date is as follows:

	2023	2022
	Rupees	Rupees
0 - 90 days	452,347,903	412,295,555
91 - 180 days	21,051,432	10,326,886
181 - 365 days	616,220	32,871,289
Above 365 days	25,444,231	213,905,917
	<u>499,459,786</u>	<u>669,399,647</u>
Allowance for expected credit loss	<u>(1,779,553)</u>	<u>(111,900,180)</u>
	<u>497,680,233</u>	<u>557,499,467</u>

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.

42.6 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.

42.7 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 5 years
At 31 December 2023				
-----Rupees-----				
Lease liabilities	52,635,293	54,848,284	54,848,284	-
Trade and other payables	1,854,430,641	1,854,430,641	1,854,430,641	-
Accrued finance cost	36,945,209	36,945,209	36,945,209	-
	<u>1,944,011,143</u>	<u>1,946,224,134</u>	<u>1,946,224,134</u>	<u>-</u>
At 31 December 2022				
Lease liabilities	127,015,862	142,125,935	85,953,292	56,172,643
Long term loans	5,988,149,277	5,988,149,277	505,555,554	5,482,593,723
Trade and other payables	1,548,301,907	1,548,301,907	1,548,301,907	-
Accrued finance cost	402,289,522	402,289,522	402,289,522	-
Short term borrowings	1,705,540,931	1,705,540,931	1,705,540,931	-
	<u>9,771,297,499</u>	<u>9,786,407,572</u>	<u>4,247,641,206</u>	<u>5,538,766,366</u>

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.

43 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 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 period.

43.1 Fair value hierarchy

	2023		
	Level 1	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

	2022		
	Level 1	Level 2	Level 3
-----Rupees-----			
Assets measured at fair value			
Revalued Property plant and equipment			
Freehold land	-	751,562,500	-
Buildings on freehold land	-	-	891,054,759
Plant and machinery (including right of use asset)	-	-	5,869,373,026
Electric and gas installations	-	-	8,163,426
Other works equipment	-	-	142,714,126
	-	751,562,500	6,911,305,337

Movements of the above mentioned assets and surplus on revaluation of these assets have been disclosed in Note 16.1 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.

43.2 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 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	2023 Rupees	2022 Rupees	Significant unobservable inputs	Quantitative data / range and relationship to the fair value
Revalued Property plant and equipment				
Buildings on freehold land	1,042,856,420	891,054,759	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.
Plant and machinery	6,156,619,297	5,869,373,026	Cost of acquisition of similar plant and machinery 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 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	174,781,055	8,163,426	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	160,924,774	142,714,126	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.

43.3 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, long term loans, 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.

44 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	2023	2022
Gearing ratio			
Long term loans	8	-	5,988,149,277
Lease liabilities	9	52,635,293	127,015,862
Trade and other payables	13	2,013,980,303	1,755,021,988
Short term borrowings	12	-	1,705,540,931
Accrued finance cost	14	36,945,209	402,289,522
		2,103,560,805	9,978,017,580
Less:			
Cash and cash equivalents	26	1,300,840,028	1,145,482,229
Net debt	A	802,720,777	8,832,535,351
Total equity		14,055,427,060	4,047,448,812
Equity and net debt	B	14,858,147,837	12,879,984,163
Gearing ratio	C= A/B	5%	69%

45	Financial instruments by categories	Note	2023	2022
	At amortized costs			
	Financial assets			
	Security deposits	23	106,180,000	153,638,477
	Trade receivables from contract with customers	21	497,680,233	557,499,467
	Due from employees	22	4,490,093	9,029,958
	Other receivables	23	42,994,500	43,285,853
	Interest accrued	24	62,215,078	40,973,562
	Bank balances	26	300,840,028	175,482,229
	Term Deposit Receipts (TDRs)	26	1,000,000,000	970,000,000
			2,014,399,932	1,949,909,546
	Financial liabilities			
	Long term loans - secured	8	-	5,988,149,277
	Short term borrowings - secured	12	-	1,705,540,931
	Trade and other payables	13	2,013,980,303	1,755,021,988
	Accrued finance cost	14	36,945,209	402,289,522
	Lease liabilities	9	52,635,293	127,015,862
			2,103,560,805	9,978,017,580

46 Reconciliation of movements of liabilities to cash flows arising from financing activities.

	2023					2022										
	Liabilities		Equity			Liabilities		Equity								
	Long term loans	Short term borrowings	Accrued finance cost	Lease liabilities	Unclaimed dividend	Share deposit money	Share capital / share premium	Total	Long term loans	Short term borrowings	Accrued finance cost	Lease liabilities	Unclaimed dividend	Share deposit money	Share capital / share premium	Total
Balance as at 01 January 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																
Short term borrowings - net	-	-	-	-	-	-	-	8,650,000,000	-	-	-	-	-	350,000,000	-	8,650,000,000
Receipts against issuance of shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of share deposit money	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of long term loans	(15,988,149,277)	-	-	(74,380,569)	-	-	-	(15,988,149,277)	-	-	-	-	-	-	-	(15,988,149,277)
Repayment of lease rentals	-	-	(689,136,909)	(74,380,569)	-	-	-	(743,517,478)	-	-	-	-	-	-	-	(743,517,478)
Finance cost paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share issuance cost adjusted against share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total changes from financing cash flows	(15,988,149,277)	-	(689,136,909)	(74,380,569)	-	-	-	(16,751,664,755)	-	-	-	-	-	-	-	(16,751,664,755)
Other changes including non-cash																
Changes in running finance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share issuance	-	(1,705,540,931)	323,792,596	-	-	(708,749,800)	-	(1,705,540,931)	-	-	323,792,596	-	-	(708,749,800)	-	(1,705,540,931)
Assets acquired on lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liability related other changes	-	(1,705,540,931)	323,792,596	-	-	(708,749,800)	-	(1,705,540,931)	-	-	323,792,596	-	-	(708,749,800)	-	(1,705,540,931)
Closing as at 31 December 2023	-	-	36,945,209	52,635,293	965,752	2,350,000,001	27,000,713,693	29,441,259,948	-	-	-	-	-	-	-	-
Balance as at 01 January 2022	6,038,607,101	1,933,798,755	1,267,924,682	190,991,389	965,752	-	-	27,127,667,366	6,038,607,101	1,933,798,755	1,267,924,682	190,991,389	965,752	-	-	27,127,667,366
Cash flows																
Short term borrowings - net	-	(2,289,974,159)	-	-	-	-	-	(2,289,974,159)	-	-	-	-	-	2,000,000,000	-	(229,974,159)
Receipt of share deposit money	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of long term loans	(50,457,824)	-	-	-	-	-	-	(50,457,824)	-	-	-	-	-	-	-	(50,457,824)
Repayment of lease rentals	-	-	-	(63,975,527)	-	-	-	(63,975,527)	-	-	-	-	-	-	-	(63,975,527)
Finance cost paid	-	-	(1,416,651,879)	(63,975,527)	-	-	-	(1,480,627,406)	-	-	-	-	-	-	-	(1,480,627,406)
Share issuance cost adjusted against share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total changes from financing cash flows	(50,457,824)	(2,289,974,159)	(1,416,651,879)	(63,975,527)	-	-	-	(2,761,059,389)	-	-	-	-	-	2,000,000,000	-	(229,974,159)
Other changes including non-cash																
Changes in running finance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of accrued finance cost to share deposit money	-	716,335	1,259,766,520	(708,749,801)	-	708,749,801	-	1,259,766,520	-	-	-	-	-	-	-	1,260,482,855
Assets acquired on lease	-	-	(708,749,801)	-	-	-	-	(708,749,801)	-	-	-	-	-	-	-	-
Total liability related other changes	-	716,335	1,259,766,520	(708,749,801)	-	708,749,801	-	1,259,766,520	-	-	-	-	-	-	-	1,260,482,855
Closing as at 31 December 2022	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	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

47 Corresponding figures

Corresponding figures have been re-arranged and re-classified, where necessary, for better and fair presentation. However no significant reclassifications / restatements have been made, other than the following:

Re-arranged from	Re-arranged to	2022 Rupees
Provision for taxation	Tax refunds due from Government	159,052,640
Loans and advances	Deposits, prepayments and other receivables	46,037,316

47.1 These reclassifications did not have any impact on amounts presented in the statement of financial position, as of 01 January 2023, accordingly, no third statement of financial position has been presented.

48 Date of authorization of issue

These financial statements have been authorized for issue by the Board of Directors of the Company on 23 January, 2024.

FORM 34
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 **31-12-2023**

2.2 Number of Shareholders	Shareholdings		Total Shares Held
	From	To	
1349	1	100	63,362
1493	101	500	615,477
1556	501	1,000	1,480,418
3428	1,001	5,000	10,150,168
1436	5,001	10,000	11,808,639
532	10,001	15,000	6,934,149
436	15,001	20,000	8,131,182
271	20,001	25,000	6,434,366
213	25,001	30,000	6,089,866
137	30,001	35,000	4,544,558
107	35,001	40,000	4,162,905
64	40,001	45,000	2,768,922
149	45,001	50,000	7,384,217
51	50,001	55,000	2,723,610
59	55,001	60,000	3,457,330
33	60,001	65,000	2,095,835
37	65,001	70,000	2,543,871
40	70,001	75,000	2,948,582
32	75,001	80,000	2,531,622
13	80,001	85,000	1,073,574
21	85,001	90,000	1,864,981
11	90,001	95,000	1,029,157
117	95,001	100,000	11,679,179
23	100,001	105,000	2,362,423
16	105,001	110,000	1,738,348
9	110,001	115,000	1,016,490
16	115,001	120,000	1,907,336
14	120,001	125,000	1,739,907
10	125,001	130,000	1,283,350
2	130,001	135,000	267,591
8	135,001	140,000	1,109,554
11	140,001	145,000	1,572,004
23	145,001	150,000	3,446,399
6	150,001	155,000	921,200
6	155,001	160,000	954,018
9	160,001	165,000	1,466,964
9	165,001	170,000	1,516,983
3	170,001	175,000	525,000
7	175,001	180,000	1,246,920
4	180,001	185,000	734,921
2	185,001	190,000	373,200
6	190,001	195,000	1,160,503
35	195,001	200,000	6,981,426
8	200,001	205,000	1,615,913
3	205,001	210,000	630,000
5	210,001	215,000	1,063,265



Chairman



Chief Executive Officer



Director



Chief Financial Officer

PATTERN OF SHAREHOLDING

2.2	Number of Shareholders	Shareholdings		Total Shares Held
		From	To	
	3	215,001	220,000	656,985
	6	220,001	225,000	1,338,216
	2	225,001	230,000	458,000
	3	230,001	235,000	701,501
	3	235,001	240,000	712,348
	2	240,001	245,000	485,001
	10	245,001	250,000	2,489,000
	4	255,001	260,000	1,031,358
	3	265,001	270,000	810,000
	3	270,001	275,000	819,500
	4	275,001	280,000	1,106,282
	1	280,001	285,000	282,000
	4	285,001	290,000	1,147,835
	1	290,001	295,000	291,000
	19	295,001	300,000	5,696,699
	3	300,001	305,000	910,500
	3	305,001	310,000	918,739
	4	310,001	315,000	1,256,000
	2	320,001	325,000	650,000
	2	345,001	350,000	700,000
	2	350,001	355,000	704,000
	1	355,001	360,000	355,500
	2	365,001	370,000	732,643
	3	375,001	380,000	1,130,862
	1	380,001	385,000	385,000
	2	390,001	395,000	789,003
	5	395,001	400,000	1,996,000
	2	400,001	405,000	804,191
	2	405,001	410,000	818,400
	1	410,001	415,000	415,000
	1	420,001	425,000	425,000
	3	425,001	430,000	1,282,938
	1	440,001	445,000	441,845
	3	445,001	450,000	1,349,000
	1	450,001	455,000	450,800
	2	455,001	460,000	916,229
	1	460,001	465,000	460,336
	1	490,001	495,000	495,000
	20	495,001	500,000	9,997,000
	1	500,001	505,000	505,000
	1	505,001	510,000	510,000
	1	510,001	515,000	511,000
	1	520,001	525,000	525,000
	1	530,001	535,000	530,357
	1	535,001	540,000	540,000
	3	545,001	550,000	1,650,000


PATTERN OF SHAREHOLDING

2.2	Number of Shareholders	Shareholdings		Total Shares Held
		From	To	
	1	555,001	560,000	556,572
	1	565,001	570,000	565,500
	1	575,001	580,000	580,000
	4	595,001	600,000	2,396,500
	2	610,001	615,000	1,221,080
	1	630,001	635,000	635,000
	1	635,001	640,000	637,000
	2	640,001	645,000	1,287,100
	1	645,001	650,000	646,000
	1	665,001	670,000	670,000
	1	680,001	685,000	681,600
	6	695,001	700,000	4,200,000
	2	710,001	715,000	1,430,000
	1	715,001	720,000	719,000
	1	730,001	735,000	730,504
	1	745,001	750,000	750,000
	1	755,001	760,000	758,000
	2	785,001	790,000	1,577,592
	2	795,001	800,000	1,600,000
	1	800,001	805,000	801,450
	1	805,001	810,000	810,000
	1	835,001	840,000	839,945
	1	840,001	845,000	843,798
	1	850,001	855,000	851,434
	1	860,001	865,000	864,000
	1	870,001	875,000	871,500
	3	895,001	900,000	2,700,000
	1	930,001	935,000	930,718
	1	985,001	990,000	985,995
	5	995,001	1,000,000	4,996,000
	1	1,000,001	1,005,000	1,003,122
	2	1,010,001	1,015,000	2,027,183
	1	1,015,001	1,020,000	1,019,050
	1	1,045,001	1,050,000	1,050,000
	2	1,095,001	1,100,000	2,196,143
	1	1,125,001	1,130,000	1,127,500
	1	1,135,001	1,140,000	1,140,000
	1	1,165,001	1,170,000	1,166,240
	1	1,170,001	1,175,000	1,171,500
	4	1,195,001	1,200,000	4,800,000
	1	1,205,001	1,210,000	1,207,900
	1	1,230,001	1,235,000	1,231,845
	1	1,245,001	1,250,000	1,250,000
	1	1,295,001	1,300,000	1,300,000
	1	1,320,001	1,325,000	1,322,000
	1	1,325,001	1,330,000	1,325,500

PATTERN OF SHAREHOLDING

2.2	Number of Shareholders	Shareholdings		Total Shares Held
		From	To	
	1	1,365,001	1,370,000	1,365,893
	1	1,385,001	1,390,000	1,390,000
	1	1,395,001	1,400,000	1,400,000
	4	1,495,001	1,500,000	6,000,000
	1	1,560,001	1,565,000	1,564,807
	1	1,595,001	1,600,000	1,600,000
	1	1,645,001	1,650,000	1,645,536
	1	1,655,001	1,660,000	1,658,110
	1	1,675,001	1,680,000	1,680,000
	2	1,695,001	1,700,000	3,400,000
	1	1,750,001	1,755,000	1,750,207
	1	1,790,001	1,795,000	1,791,000
	1	1,845,001	1,850,000	1,845,784
	1	1,855,001	1,860,000	1,857,698
	1	1,895,001	1,900,000	1,900,000
	1	1,900,001	1,905,000	1,901,000
	3	1,995,001	2,000,000	6,000,000
	1	2,050,001	2,055,000	2,055,000
	1	2,405,001	2,410,000	2,407,857
	1	2,545,001	2,550,000	2,550,000
	1	2,830,001	2,835,000	2,833,003
	1	3,000,001	3,005,000	3,001,497
	1	4,995,001	5,000,000	5,000,000
	1	5,230,001	5,235,000	5,231,000
	1	5,555,001	5,560,000	5,558,800
	1	5,850,001	5,855,000	5,852,599
	1	6,485,001	6,490,000	6,487,500
	1	6,685,001	6,690,000	6,687,302
	1	6,780,001	6,785,000	6,784,405
	2	9,995,001	10,000,000	20,000,000
	1	18,010,001	18,015,000	18,010,964
	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
	12077			2,519,963,139

PATTERN OF SHAREHOLDING

2.3 Categories of shareholders	Share held	Percentage
2.3.1 Directors, Chief Executive Officers, and their spouse and minor children	349,421	0.0139%
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.	3,345,784	0.1328%
2.3.5 Insurance Companies	176,569	0.0070%
2.3.6 Modarabas and Mutual Funds	4,224,327	0.1676%
2.3.7 Shareholders holding 10% or more	2,070,576,237	82.1669%
2.3.8 General Public		
a. Local	309,821,848	12.2947%
b. Foreign	3,552,662	0.1410%
2.3.9 Others (to be specified)		
1- Investment Companies	318,000	0.0126%
2- Joint Stock Companies	58,058,288	2.3039%
3- Other Companies	1,909,787	0.0758%
3. Signature of Company Secretary		
4. Name of Signatory	Brig Hamid Mahmood Dar (Retd)	
5. Designation	Company Secretary	
6. CNIC Number	35201-7127628-1	
7. Date	December 31, 2023	

آڈٹ کمیٹی کے پانچ اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری حسب ذیل تھی:

ڈائریکٹر کا نام	میٹنگز کی تعداد
جناب جاوید قریشی	5
ڈاکٹر ندیم عنایت	2
سید مختیار کاظمی	5
جناب بشارت احمد بھٹی	5

HR&R کمیٹی کے چار اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری حسب ذیل تھی:

ڈائریکٹر کا نام	میٹنگز کی تعداد
جناب علی اسرار حسین آغا	4
جناب عارف الرحمان	4
محترمہ تانیہ شاہد میمدوس	3
ڈاکٹر ندیم عنایت	0

آپریشن اینڈ بزنس کمیٹی کے تین اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری حسب ذیل تھی:

ڈائریکٹر کا نام	میٹنگز کی تعداد
جناب سرفراز احمد رحمان	3
جناب علی اسرار حسین آغا	3
جناب بشارت احمد بھٹی	2
جناب عمران حسین	1
ڈاکٹر ندیم عنایت	0

آڈیٹرز

آڈٹ کمیٹی نے کمپنی کو آزاد پیروٹی آڈٹ خدمات فراہم کرنے والی دو آڈٹ فرموں کی رضامندی کا جائزہ لیا۔ تقابلی شرح شیڈولڈ کمیٹی کو پیش کی گئی۔ آڈٹ کمیٹی نے اسے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی آئینہ سال کے لئے کمپنی کے قانونی آڈیٹرز کے طور پر تقرری کی سفارش کی ہے۔ بورڈ نے سفارشات کی توثیق کی ہے۔

کارپوریٹ گورننس کے ضابطہ کی تعمیل:

31 دسمبر 2023 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 منجمنٹ 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 دیتا ہے۔

ڈائریکٹرز انتظامی اور کنٹرول نظام کے تحت کاروبار کو چلانے کی باضابطہ ذمہ داری کے تحت ہوتے ہیں، جس سے کمپنی پراسٹیک ہولڈرز کے یقین اور اعتماد کو تقویت ملتی ہے۔

نان ایگزیکٹو ڈائریکٹرز (بشمول آزاد ڈائریکٹرز) کو معاوضے کی ادائیگی بورڈ کی طرف سے منظور شدہ معاوضہ پالیسی کے مطابق کی جاتی ہے۔

ڈیویڈنڈز:

بورڈ نے سال کے دوران کسی ڈیویڈنڈ کی سفارش نہیں کی ہے۔

سالانہ اجلاس عام:

31 دسمبر 2023 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ مالیاتی گوشواروں کی منظوری کے لیے 57 ویں سالانہ اجلاس عام 25 مارچ 2024 کو صبح 11:00 بجے لاہور میں منعقد ہوگا۔

اظہار تشکر

بورڈ قابل قدر شیئر ہولڈرز اور مالیاتی اداروں کا ان کے اعتماد اور کمپنی کے ساتھ مسلسل تعاون کے لیے شکر گزار ہے۔ بورڈ کمپنی کے تمام ملازمین کی لگن، تہذیب اور محنت کو بھی سراہتا ہے۔

منجانب بورڈ

دقار احمد ملک

چیرمین

مورخہ: 23 جنوری 2024

عثمان ظہیر احمد

چیف ایگزیکٹو آفیسر

31 دسمبر 2023 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 ٹریڈنگ کی گئی۔

نام	خرید	فروخت
جناب وقار احمد ملک (ڈائریکٹر)		
CDC کے ذریعے خریدے گئے عام حصص	500	-
جناب عثمان ظہیر احمد، (چیف ایگزیکٹو آفیسر)		
CDC کے ذریعے خریدے گئے عام حصص	200,000	-
جناب دبیم حیدر، (چیف ٹائل آفیسر)		
CDC کے ذریعے عام حصص کی خرید و فروخت	20,000	20,000
برگیڈیئر حامد محمود ڈار (ریٹائرڈ)، (کمپنی سیکرٹری)		
CDC کے ذریعے عام حصص کی خرید و فروخت	200,000	200,000
بڑے شیئر ہولڈرز (رائٹ کے علاوہ حصص کی الاٹمنٹ):		
فوجی فریڈائزر بن قاسم لمیٹڈ		
رائٹ کے علاوہ حصص کی الاٹمنٹ (سی ڈی سی کے ذریعے)	70,874,980	-
FFBL پاور کمپنی لمیٹڈ		
رائٹ کے علاوہ حصص کی الاٹمنٹ (سی ڈی سی کے ذریعے)	400,000,000	-
FFC انرجی لمیٹڈ		
رائٹ کے علاوہ حصص کی الاٹمنٹ (سی ڈی سی کے ذریعے)	465,000,000	-

سال 2023 کے دوران بورڈ آف ڈائریکٹرز/کمیشنوں کے اجلاس:
بورڈ آف ڈائریکٹرز کے سات اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری حسب ذیل تھی:

ڈائریکٹر کا نام	میٹنگز کی تعداد
جناب وقار احمد ملک	7
جناب سرفراز احمد رحمان	7
جناب عارف الرحمن	7
ڈاکٹر ندیم عنایت	6
سید بختیار کاظمی	7
جناب علی اسرار حسین آغا	7
جناب بشارت احمد بھٹی	7
جناب جاوید قریشی	7
جناب عمران حسین	0
مختار متا نیہ شاہد مدد رس	4

ملکی حصص	ملکی حصص کی تعداد	فیصد
I. شریک کمپنیاں، ادارے اور متعلقہ فریق:		
1. انتظامیہ کمپنی۔ فوجی فاؤنڈیشن (CDC)	67,371,916	2.6735
2. فوجی فریڈائزر بن قاسم 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. میچل فنڈز:		
1. CDC- ٹرسٹی ABL پنشن فنڈ- ایکویٹی سب فنڈ (CDC)	20,000	0.0008
2. CDC- ٹرسٹی AKD ایگریکولچرل پنشن فنڈ (CDC)	2,000,000	0.0794
3. CDC- ٹرسٹی فرسٹ کیپٹل میچل فنڈ (CDC)	75,000	0.0030
4. CDC- ٹرسٹی JS موٹو ٹیکسٹائل پنشن فنڈ (CDC)	64,771	0.0026
5. CDC- ٹرسٹی Lakson ایکویٹی فنڈ (CDC)	1,750,207	0.0695
6. CDC- ٹرسٹی Lakson اسلامک ٹیکسٹائل فنڈ (CDC)	138,854	0.0055
7. CDC- ٹرسٹی Lakson ٹیکسٹائل فنڈ (CDC)	165,495	0.0066
III. ڈائریکٹرز، سی ای او اور ان کی شریک حیات اور نابالغ بچے:		
1. جناب وقار احمد ملک (CDC)	500	0.0000
2. جناب عثمان ظہیر احمد (CDC)	200,000	0.0079
3. جناب سرفراز احمد رحمان	7	0.0000
4. جناب عارف الرحمن	70,001	0.0028
5. ڈاکٹر ندیم عنایت	31	0.0000
6. سید بختیار کاظمی	1	0.0000
7. جناب علی اسرار حسین آغا (CDC)	78,879	0.0031
8. جناب بشارت احمد بھٹی	1	0.0000
9. جناب جاوید قریشی	1	0.0000
VI. ایگزیکٹوز:		
VII. پبلک سیکر کمپنیاں اور کارپوریٹس:		
IV. بینک، ترقیاتی مالیاتی ادارے، فیڈریشننگ مالیاتی کمپنیاں، انشورنس کمپنیاں، کفائل،		
مشار بہ اور پنشن فنڈز:		
	3,532,353	0.1402
IV. لہڈ کمپنی میں پانچ فیصد یا اس سے زیادہ ووٹنگ انٹریٹ رکھنے والے شیئر ہولڈرز:		
1. فوجی فریڈائزر بن قاسم 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

اقتصادی جائزہ

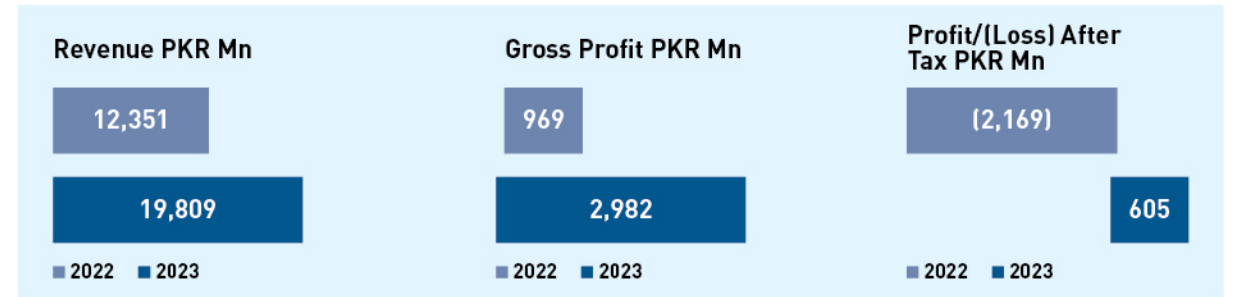
2023 میں پاکستانی معیشت افراط زر کے دباؤ سے دوچار ہے، جو توانائی کی بڑھتی ہوئی لاگت اور سپلائی چین میں مسلسل خلل کی وجہ سے مزید کشیدہ ہو گئی۔ گزشتہ مہینہ میں 26.9 فیصد کے بعد، نومبر 2023 میں سالانہ افراط زر کی شرح بڑھ کر 29.2 فیصد ہو گئی، جو بنیادی طور پر ہاؤسنگ اور یٹیلٹیٹیور کی لاگت میں تیزی سے اضافہ کی وجہ سے زیادہ ہوئی ہے، جو اکتوبر میں 20.5 فیصد سے بڑھ کر 33.3 فیصد ہو گئی ہے۔ غذائی افراط زر کی شرح بھی بڑھ کر 28 فیصد ہو گئی جو گزشتہ ماہ 26.8 فیصد تھی۔ 12 دسمبر 2023 کو کنٹرول بینک آف پاکستان نے اپنے پالیسی اجلاس کے دوران مسلسل چوتھی بار کلیدی شرح سود کو 22 فیصد پر برقرار رکھا۔ غیر ملکی سرمایہ کاری راغب کرنے اور برآمدی مسابقت بڑھانے کی کوششوں کے باوجود، معیشت میں سست روی کا مظاہرہ جاری ہے جبکہ بے روزگاری ایک اہم تشویش بنی ہوئی ہے، جس نے ان اہم معاشی مسائل کو حل کرنے کے لئے جامع سٹرکچرل اصلاحات کی ضرورت پر زور دیا۔

مثبت بات یہ ہے کہ معیشت میں بہتری کے کچھ اشارے مل رہے ہیں۔ قابل ذکر پیش رفتوں میں IMF ایس بی اے پروگرام کے تحت پہلے جائزہ کے لئے عملے کی سطح کے معاہدہ کی کامیاب تکمیل شامل ہے، جس سے مالی بہاؤ میں اضافہ اور اسٹیٹ بینک کے FX ذخائر مستحکم ہونے کی توقع ہے۔ برآمدات کو متنوع بنانے اور صنعتی پیداوار کو بڑھانے کی کوششوں نے کچھ ابتدائی نتائج دکھائے ہیں، جس سے کچھ شعبوں میں زیادہ متوازن تجارتی پروفائل اور برآمدی کارکردگی میں بہتری آئی ہے۔ اگرچہ ان پیش رفتوں نے امید کی کرن فراہم کی ہے، لیکن معاشی چیلنجوں 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

چونکہ فوجی فوڈز لمیٹڈ (FFL) نے 2022 میں اپنی مستحکم تبدیلی کا آغاز کیا، مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ 2023 میں کاروبار نے رخ بدلا، 2023 کی چوتھی سہ ماہی میں اپنے سب سے زیادہ PAT کے ساتھ مارچ سے دسمبر 2023 تک PAT کے مثبت نتائج ریکارڈ کیے گئے۔ فوجی فوڈز لمیٹڈ (FFL) کی سبز آمدنی میں 2022 کے مقابلے میں 60.4 فیصد اضافہ ہوا اور مارجن ایکریٹیو پورٹ فولیو میں گزشتہ سال کے اسی عرصہ (SPLY) کے مقابلے میں 43 فیصد اضافہ ہوا۔ اگرچہ چینل اور مارجن ایکریٹیو پورٹ فولیو پر توجہ مرکوز کی گئی، لاگت کی بچت نے مجموعی مارجن میں 1.0 ملین روپے کا حصہ ڈالا اور مجموعی مارجن کو 2022 میں 7.8 فیصد سے 15.1 فیصد تک بہتر بنانے میں اہم کردار ادا کیا، جو سال کے دوران 7.3 فیصد کا اضافہ ہے۔ 2023 میں کامیاب اور پائیدار کاروباری تبدیلی کے بعد FFL نے کیری فارورڈ ٹیکس کے نقصانات کے خلاف مالیات میں 596 ملین روپے کی موثر ٹیکس آمدنی بک کی ہے۔ آپ کو یہ جان کر خوشی ہوگی کہ بعد از ٹیکس منافع 605 ملین روپے رہا جبکہ گزشتہ سال 2,169 ملین روپے کا بعد از ٹیکس نقصان ہوا۔

ملین روپے	2022	2023	اضافہ (کمی) فیصد
خالص آمدنی	12,351	19,809	60.4%
مجموعی منافع	969	2,982	207.7%
بعد از ٹیکس منافع/نقصان	(2,169)	605	127.9%



2023 میں حصص نے 118 فیصد کا منافع حاصل کیا اور بیچ مارک انڈیکس میں 63pps بہتر کارکردگی دکھائی۔ اس کے نتیجے میں کمپنی 100 ملین امریکی ڈالر کی مارکیٹ کیپ کے کلب میں شامل ہو گئی۔

آپریٹنگ کارکردگی

ہماری ویلیو چین میں لاگت کے انتظامی اقدامات کو نافذ کیا جا رہا ہے۔ کارکردگی پر مرکوز مینجمنٹ نقطہ نظر اور ماسٹریٹ کو مضبوط کیا جا رہا ہے۔ کمپنی نے پہلے ہی پیداوار اور سپلائی چین جیسے کلیدی شعبوں میں فوائد حاصل کرنا شروع کر دیئے ہیں۔ اس کے علاوہ، یہ ماسٹریٹ کمپنی میں مقررہ لاگوں کو کم کرنے کے قابل بنا رہا ہے۔

پائیدار ڈیوری ڈولپمنٹ

پائیدار شعبہ جاتی نمو کے حصول کے لئے یہ انتہائی اہمیت کا حامل ہے کہ کاشتکاروں کے ساتھ دیرپا تعلقات استوار ہوں۔ FFL نے کسانوں کی معیشت اور پیداواری صلاحیت کو تبدیل کرنے کے لیے "Unleashing Pakistan's Promise in Everything We Touch" کے اپنے وژن پر عمل کرتے ہوئے GRIDD پروگرام کا آغاز کیا۔ FFL نے کاشتکاروں کو فریٹلائزر، ویکسی نیشن، فیڈ اور جینیٹکس امپروومنٹ سپورٹ جیسے بروقت اور درست ان پٹ فراہم کرنے کے لئے فوجی فاؤنڈیشن، محکمہ لائیو سٹاک پنجاب، دیگر گروپ کمپنیوں اور ریاستی اداروں کے ساتھ شراکت داری کی ہے۔ یہ پروگرام اپنی نوعیت میں تبدیلی کا ماخذ ہے۔ اس سے پیداوار میں بہتری آئے گی، منڈل میں کاشتکاروں کے کسان کو ان کی ویلیو پیر بہتر قیمتیں فراہم کی جائیں گی، اور پورے پاکستان میں نافذ ہونے کے بعد جی ڈی پی کی نمو کا محرک بن جائے گا۔

مستقبل کا نقطہ نظر

میں فوجی سیرلز اور فوجی انفرادیٹ فوڈز لمیٹڈ کے حصول کی منظوری دینے پر اپنے قابل قدر شیئر ہولڈرز کا مشکور ہوں۔ توقع ہے کہ ان حصولات سے فوجی فوڈز کنزرویٹو پروڈیور ہاؤس میں تبدیل ہو جائے گی اور FFL پاکستان کی سب سے متنوع فوڈ کمپنیوں میں سے ایک بن جائے گی۔ اس کا پورٹ فولیو نہ صرف پیپر، بکھن، UHT ملک اور سیرلز کے ذریعے ناشتہ کے موقع کا مالک بن سکے گا بلکہ اب پاستہ اور دیگر وسیع مصنوعات کے ذریعے متعدد کھانوں کے مواقع پر اپنے ذائقہ کی ساکھ کو فروغ دے گا۔ مطلوبہ ریگولیشنز اور قانونی منظور یوں کے التواء کے باعث، یہ حصولیاں FFL کے لئے EPS ایکریٹیو ٹرانزیکشنز ہو سکتی ہیں۔

آگے دیکھتے ہوئے، براڈ زاور ڈسٹری بیوٹن انفراسٹرکچر میں سرمایہ کاری کے ساتھ ساتھ حصولات سے نمو اور منافع میں اضافہ جاری رہنا چاہئے۔ ورثاتی قرضوں کا بوجھ اب ختم ہونے کے ساتھ، نئی مصنوعات کے متعارف اور مارجن پر مرکوز نمو سے FFL کی مالی کارکردگی میں تیزی سے بہتری آئے گی۔ معاشی غیر یقینی، زیادہ افراط زر کا ماحول اور بلند شرح سود ایک چیلنج رہنے کی توقع ہے اور جلد ہی ختم ہونے کا امکان نہیں ہے، تاہم ویلیو ایڈڈ پورٹ فولیو اور نئے کاروباروں کو راغب کرنے کی حکمت عملی FFL کو قیمتوں اور مارجن مینجمنٹ کے ذریعے متوقع افراط زر کا احاطہ کرنے کے قابل بنائے گی۔ ہمیں یقین ہے کہ FFL اپنے وژن "Unleashing Pakistan's promise in everything we touch" سے نہ صرف ایک کامیاب کاروبار کی تعمیر کرے گا بلکہ آئندہ وقتوں کے لئے 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 ڈی ری سیکلر 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 کمنٹس 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 رقم، 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۔

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 ایکویٹی 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 گورننگ کسٹرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- ٹیکس، ڈیولپمنٹ، لیویز اور دیگر چارجز کی مد میں کوئی قانونی ادائیگی واجب الادا نہیں ہے جو 31 دسمبر 2023 کو باقیابا ہوں، سوائے ان کے جن کا مالی گوشواروں میں انکشاف کیا گیا ہے۔
- بورڈ نے آزاد ڈائریکٹرسیت 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۔

فوجی فوڈز لمیٹڈ

اطلاع برائے سالانہ اجلاس عام

بذریعہ نوٹس مطلع کیا جاتا ہے کہ فوجی فوڈز لمیٹڈ کے حصص داران کا 57 واں سالانہ اجلاس عام بروز سوموار، مورخہ 25 مارچ 2024ء کو صبح 11:00 بجے FFL کے صدر دفتر، CCA 42، ایکس پارک ویو، ڈی ایچ اے فیئر VIII، لاہور میں اور رور چوکی وڈ یونٹ کے ذریعے بھی، مندرجہ امور کی انجام دہی کے لئے منعقد کیا جائیگا:

عمومی امور

- 28 دسمبر 2023 کو منعقدہ غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنا۔
- 31 دسمبر 2023 کو ختم ہونے والے سال کیلئے آڈٹ شدہ مالی گواشاہدوں مع ان پڑاؤ ایکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری دینا۔
- آئندہ مدت اگلے AGM تک کے لئے کمپنی کے ایکسٹرنل آڈیٹرز کی تقرری اور ان کے مشاہرے کا تعین کرنا۔ موجودہ آڈیٹرز کی وائی فورڈ رپورٹس، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور بورڈ نے 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے کمپنی کے آڈیٹرز کے طور پر ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی سفارش کی ہے۔

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 19 مارچ 2024 تا 25 مارچ 2024 (بشمول ہر دو ایام) سالانہ اجلاس عام کے انعقاد کے مقصد کے لئے بند رہیں گی۔

بجگم بورڈ
بریگیڈیئر نوید اعظم چیمہ (ریٹائرڈ)
کمپنی سیکریٹری

لاہور: مورخہ 23 جنوری 2024

نوٹس:

آڈٹ شدہ مالیاتی گواشاہدوں کی کمپنی کی ویب سائٹ پر دستیابی:

28 دسمبر 2023 کو منعقدہ اپنے غیر معمولی اجلاس عام میں کمپنی کے ارکان کی منظوری کے مطابق اور SECP کے نوٹیفیکیشن نمبر S.R.O.389(I)/2023 مورخہ 21 مارچ 2023 کی پیروی میں 31 دسمبر 2023 کو ختم ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ مالیاتی گواشاہدے مع آڈیٹرز اور آڈیٹرز کی رپورٹ، چیئر مین کی رپورٹ، AGM نوٹس اور دیگر متعلقہ مواد کو کمپنی کی ویب سائٹ پر دستیاب کر دیا گیا ہے، جسے درج ذیل QR کوڈ اور ویب لنک سے ڈاؤن لوڈ اور ملاحظہ کیا جاسکتا ہے۔

QR کوڈ	ویب لنک
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<https://www.faujifoods.com/pdf/financialResults/Annual-Report-2023.pdf>

AGM کارروائی میں شرکت

- 1۔ اس اجلاس عام میں شرکت اور رائے دہی کا/کی اہل ممبر اپنی جگہ اجلاس میں شرکت کرنے اور رائے دہی کیلئے کسی دیگر فرد/نمائندہ کو پروکسی مقرر کر سکتا/سکتی ہے۔ پروکسی تا نکتہ مؤثر 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 پروکسی مقرر نہیں کر سکتا۔ حصص دار کے CNIC کی مصدقہ کاپی پر کسی فارم کے ہمراہ لازماً منسلک ہونی چاہئے۔
- 2۔ سی ڈی سی/اسب اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان کی طرف سے نیچے دی 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 مع مخصوص دستخط اجلاس کے وقت مہیا کرنا ہوگا۔

(b)۔ پروکسی کی تقرری کے لئے:

- i۔ بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو بالاریکوار منٹ کے مطابق پروکسی فارم جمع کروانا ہوگا:
- ii۔ پروکسی فارم پر دو افراد کی گواہی ہونی چاہئے جن کے نام، پتے اور سی این آئی سی نمبر فارم میں درج ہوں۔
- iii۔ مالک اشغالی اور پروکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پروکسی فارم کے ہمراہ منسلک ہونا چاہئیں۔
- iv۔ پروکسی 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 مع مخصوص دستخط پروکسی فارم کے ہمراہ کمپنی کو پیش کرنا ہوگا۔

3۔ فزیکل شیئرز رکھنے والے ممبران کو ہدایت کی جاتی ہے کہ وہ اپنے رجسٹرڈ ایڈریس میں کسی تبدیلی کی اطلاع دیں اور جن شیئرز 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 شیئرز رجسٹرار یعنی میسرز کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، K-1، کمرشل، ماڈل ٹاؤن، لاہور کو ارسال کر دیں۔

4۔ شیئرز 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، فوئیو ای سی ڈی سی اکاؤنٹ نمبر، ای میل ایڈریس، رابطہ نمبر، CNIC نمبر (کاپی منسلک کریں) فراہم کریں۔ شیئرز ہولڈرز سے یہ بھی درخواست کی جاتی ہے کہ وہ اپنے ای میل ایڈریس میں کسی تبدیلی کی اطلاع کمپنی کے شیئرز 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 نوٹ کریں اور اجلاس عام کے انعقاد سے 10 دن پہلے کمپنی کے رجسٹرڈ ایڈریس پر جمع کرائیں۔

اگر کمپنی کو جغرافیائی محل وقوع پر رہنے والے مجموعی 10% یا اس سے زیادہ شیئرز ہولڈنگ رکھنے والے اراکین سے اجلاس کی تاریخ سے کم از کم 10 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، _____، بحیثیت رکن
فوجی فوڈز لمیٹڈ، مالک _____ عام حصص بر مطابق رجسٹرڈ فوئیو/ICDC اکاؤنٹ نمبر _____ میں ویڈیو کانفرنس کی سہولت کا انتخاب کرتے ہیں۔
بذریعہ ہذا

ممبر کے دستخط

5۔ ای وونگ

ممبران کمپنیز ایکٹ، 2017 کے سیکشن 143-145 اور کمپنیز (پوسٹل بیلت) ریگولیشنز 2018 کی لاگوشنوں 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 کریں۔

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>

مینگ آئی ڈی: 231 535 5306

پاس کوڈ: 335335

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Blue Area, Islamabad

January 26, 2000

Circular No. 1 of 2000

Sub: GUIDELINES FOR ATTENDING 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.

FAUJI FOODS LIMITED FORM OF PROXY

57th Annual General Meeting

Registered Folio No. _____

CDC Account No. _____

I/We _____
(Name)

of _____
(Address)

being a member of **FAUJI FOODS LIMITED**, 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 57th Annual General Meeting of the Company to be held on Monday, March 25, 2024 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 _____ 2024.

Signature of the Shareholder/ Appointer

Revenue
Stamp
Rs. 50/-

Witness 1

Witness 2

Signature _____

Signature _____

Name _____

Name _____

Address _____

Address _____

CNIC # _____

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

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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

57 واں سالانہ اجلاس عام

رجسٹرڈ فولیو نمبر

سی ڈی سی اکاؤنٹ نمبر

میں/ہم

(نام)

(پتہ)

بجائے ممبر/ممبران فوجی فوڈز لمیٹڈ، یہاں پر تقرر کرتا ہوں/کرتے ہیں۔

(نام)

(پتہ)

اسکی یا غیر حاضری کی صورت میں۔

(نام)

(پتہ)

کمپنی (کا/کی رکن ہونے کے ناطے) ہمارے ایماء پر کمپنی کے بروز پیر، مورخہ 25 مارچ 2024 کو بوقت 11:00 بجے صبح FFL کے صدر دفتر، CCA 42، ایکس پارک ویو، ڈی ایچ اے فیز VIII، لاہور میں اور ورجوٹی ویڈیو لنک کے ذریعے بھی ہونے والے 57 واں سالانہ اجلاس عام میں شرکت کرنے، 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 2024

50/- روپے کا
رسیدی ٹکٹ
یہاں چسپاں کریں

شیر ہولڈر کے دستخط

گواہ 2

دستخط

نام

پتہ

قومی شناختی کارڈ نمبر

گواہ 1

دستخط

نام

پتہ

قومی 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 چسپا ہوا ہے۔









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