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fauji foods

Condensed Interim Financial Statements
For The Half Year Ended

30 JUNE
2018

For the Half
Year Ended
30 June
2018

CORPORATE INFORMATION

Board of Directors

Lt Gen Syed Tariq Nadeem Gilani
Chairman
HI(M), (Retd)

Lt Gen Javed Iqbal - CE & MD
HI(M), (Retd)

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

Mr. Qaiser Javed

Dr. Nadeem Inayat

Dr. Rashid Bajwa

Mr. Salman Hayat Noon

Brig Raashid Wali Janjua SI(M), (Retd)

Lt Col Abdul Khaliq Khan (Retd)

Mr. Iltifat Rasul Khan

Mr. Par Soderlund

Chief Financial Officer

Syed Aamir Ahsan

Company Secretary

Brig Rizwan Rafi
SI(M), T.Bt, (Retd)

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants



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Legal Advisers

Hamid Law Associates

Audit Committee

Mr. Iltifat Rasul Khan

Mr. Kaiser Javed

Dr. Nadeem Inayat

Lt Col Abdul Khaliq Khan (Retd)

HR & R Committee

Mr. Par Soderlund

Dr. Nadeem Inayat

Brig Raashid Wali Janjua SI(M), (Retd)

Lt Col Abdul Khaliq Khan (Retd)

Technical Committee

Brig Raashid Wali Janjua SI(M), (Retd)

Lt Col Abdul Khaliq Khan (Retd)

Dr. Rashid Bajwa

Business Review Committee

Dr. Rashid Bajwa

Dr. Nadeem Inayat

Mr. Salman Hayat Noon

Mr. Par Soderlund

Bankers

Habib Bank Limited

United Bank Limited

National Bank of Pakistan

Bank Alfalah Limited

Faysal Bank Limited

MCB Bank Limited

Askari Bank Limited

Registered Office

3rd Floor, Bahria Complex, 103 A/B,
Shahrah-e-Quaid-e-Azam, Lahore.

Tel: +92-42-99205933-34

E-mail: info@faujifoods.com

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

Website

www.faujifoods.com

Plant

Bhalwal, District Sargodha.

For the Half
Year Ended
30 June
2018

Directors' Report to the Shareholders

The Board of Directors of Fauji Foods Limited is pleased to present the directors' report along with the condensed unaudited interim financial information of the Company for the half year ended June 30, 2018.

Principal Activities

Fauji Foods Limited, a majority owned Company of Fauji Fertilizer Bin Qasim Limited (50.59 percent shareholding) and Fauji Foundation (12.75 percent shareholding) is engaged in processing, and marketing of dairy products, juices and jams. The Company's brand "Nurpur" is one of the oldest and highly recognized brand in Pakistan.

Business Review

During the period under review the Company managed to increase its revenues by 54 percent from corresponding period of the last year despite tough business environment. Overall dairy sector growth declined by 4 percent in the UHT plain white milk and 10 percent in tea whitener segments respectively in quarter to quarter comparison due to negative perception created in the media on packaged milk.

The Company also faced impact in UHT plain white milk segment due to the judgment of Honorable Supreme Court which enforced a ban on production and sales of NURPUR and all market stocks had to be lifted back. On subsequent retesting of the milk the Honorable Supreme Court lifted the ban. Impact of that order on UHT sales continued to be felt in the second quarter.

Financial Performance

During the first half of 2018, the total sales of the Company stood at Rs 3,874 million compared with Rs 2,520 million while gross profit stood at Rs 311 million compared with Rs 30 million during the corresponding period last year, registering a ten fold improvement.

The loss after tax stood at Rs 1,475 million compared with Rs 1,227 million loss in the corresponding period of last year. This is mainly due to the decision of Honorable Supreme Court order on UHT milk and resultantly additional sales and marketing campaigns to counter the negative media coverage on Company's products.

Further, some of the major economic indicators showed negative trend, e.g. increase of KIBOR and depreciation of Pak Rupee has resulted in increase in business cost. In pursuance to increase further market share and presence of stiff market competition, your Company was not able to pass on the resulting impact to the end consumers.



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Management continued its various initiatives to transform the Company towards a more sustainable business model, such as optimum production levels, strengthening of milk collection centers, revamping brands, augmenting the customer base, and increasing sales & distribution infrastructures, etc.

Consolidation of classes of shares

In the March 26, 2018, Shareholders approved merging of voting and non-voting shares of Company into one class of shares and increased the authorized share capital to 700,000,000 ordinary shares of Rs 10 each.

Future Outlook

Market share of the Company's products has further increased and management expects that Company will In Sha Allah continue to grow its volume and market share.

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

Lt Gen Syed Tariq Nadeem Gilani
HI (M), (Retd)
Chairman

Lt Gen Javed Iqbal
HI (M), (Retd)
CE&MD

Dated: July 27 , 2018

ڈائریکٹران رپورٹ برائے ممبران

فوجی فوڈز لیمیٹڈ کا بورڈ آف ڈائریکٹرز 30 جون 2018 کو اختتام پزیر ہونے والے ششماہی عرصہ کے لیے غیر آڈٹ شدہ مالیاتی حسابات پر ڈائریکٹران کی رپورٹ پیش کرتے ہوئے مسرت محسوس کر رہا ہے۔

بنیادی سرگرمیاں

فوجی فوڈز لیمیٹڈ فوجی فریٹلائزر بن قاسم لیمیٹڈ (50.59 فیصد شیئر ہولڈنگ) اور فوجی فائونڈیشن (12.75 فیصد شیئر ہولڈنگ) کے اکثریتی حصص کی ملکیت پر مبنی دودھ اور اس سے بنی ہوئی غذائی اشیاء، جوس اور جام تیار کرنے والی کمپنی ہے۔ کمپنی کا ”نورپور“ برانڈ پاکستان میں طویل عرصہ سے سب سے زیادہ جانا پہچانا نام ہے۔

کاروباری جائزہ

سخت کاروباری مسابقت کے باوجود سابقہ سال کے تقابلی عرصہ کے مقابلے میں زیر جائزہ عرصہ کے دوران کمپنی 54 فیصد اضافی ریونیو حاصل کرنے میں کامیاب رہی۔ پیکڈ ملک کے معاملہ میں میڈیا کی جانب سے پھیلائے گئے منفی تاثر کی بنا پر ڈیری انڈسٹری کی نشوونما میں مجموعی طور پر UHT پلین وائٹ ملک اور ٹی وائٹ کے شعبوں میں بالترتیب 4 فیصد اور 10 فیصد کمی واقع ہوئی۔ عدالتِ عظمیٰ پاکستان کے ایک فیصلے کی بنا پر جس کی وجہ سے نورپور دودھ کی پیداوار اور فروخت پر پابندی لگادی گئی اور کمپنی کو بازار سے اس کا تمام اسٹاک واپس اٹھانا پڑا، کمپنی کے UHT پلین وائٹ ملک کے شعبے میں بھی منفی اثرات مرتب ہوئے۔ بعد ازاں دودھ کے دوبارہ ٹیسٹ کیے جانے پر عدالتِ عظمیٰ نے پابندی اٹھادی۔ UHT دودھ پر اس حکم کے منفی اثرات دوسری سہ ماہی تک محسوس کیے جاتے رہے۔

مالیاتی کارکردگی

سابقہ سال کے تقابلی عرصہ کے دوران فروخت سے حاصل ہونے والے 2,520 ملین روپے کے مقابلے میں سال 2018 کی پہلی ششماہی کے دوران فروخت سے حاصل شدہ رقم 3,874 ملین روپے رہی جبکہ سابقہ تقابلی عرصہ کے دوران حاصل کردہ 30 ملین روپے کے مقابلے میں اس سال کے زیر جائزہ عرصہ کے دوران، دس گنا اضافے کے ساتھ 311 ملین روپے کا خام منافع حاصل ہوا۔

سابقہ سال کے تقابلی عرصہ کے دوران ہونے والے 1,227 ملین روپے بعد از ٹیکس نقصان کے مقابلے میں اس سال کے



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زیر جائزہ عرصہ کے دوران ہونے والا بعد از ٹیکس نقصان 1,475 ملین روپے رہا۔ اس کی بنیادی وجہ UHT دودھ کے معاملے میں عدالتِ عظمیٰ پاکستان کا فیصلہ تھا جس کی وجہ سے کمپنی مصنوعات کے بارے میں میڈیا کے پھیلائے گئے منفی تاثرات کو زائل کرنے کے لیے کمپنی کو سبزی اور مارکیٹنگ کے شعبوں میں اضافی اخراجات کرنا پڑے۔

اس کے علاوہ کچھ بڑے اقتصادی اشاریوں میں منفی رجحانات سامنے آئے۔ مثال کے طور پر KIBOR کی شرح میں اضافہ اور روپے کی قدر میں کمی کاروباری اخراجات میں اضافے کا سبب بنے۔ سخت مسابقتی حالات میں برقرار رہنے اور کاروباری حصہ مزید بڑھانے کی غرض سے آپ کی کمپنی اخراجات میں اضافے کو گاہکوں تک منتقل کرنے سے قاصر رہی۔

کمپنی کو مزید مستحکم کاروباری نمونہ بنانے کے لیے انتظامیہ نے متعدد اقدامات جاری رکھے، جیسے کہ بہترین پیداوار کا حصول، ملک کو لیکشن سینٹرز کی بہتری، برانڈز میں بہتری کے لیے تبدیلیاں، گاہکوں کی تعداد میں اضافہ کے اقدامات اور سیلز اور مارکیٹنگ کے بنیادی ڈھانچوں میں اضافہ کرنا شامل ہیں۔

حصص کی اقسام کا انضمام

26 مارچ 2018 کو منعقد ہونے والے سالانہ اجلاس عام میں ممبران نے بذریعہ قراردادِ خصوصی عمومی ووٹنگ حصص اور نان ووٹنگ عمومی حصص کی اقسام کو ایک قسم کا بنانے کے لیے ان کے انضمام کی منظوری دی اور مجاز سرمایہ کو -/10 روپے فی حصہ مالیت کے 700,000,000 عمومی حصص تک بڑھا دیا گیا۔

مستقبل کی پیش گوئی

بورڈ کمپنی پر اعتماد اور مسلسل تعاون کے لیے تمام قابل قدر متعلقین کا شکر گزار ہے۔ بورڈ کمپنی کے تمام ملازمین کی جانب سے لگن، توجہ اور لگن سے کی گئی ان کی تمام کاوشوں کے لیے اپنی ستائش کو بھی ریکارڈ پر لانا پسند کرتا ہے۔

لیفٹیننٹ جنرل سید طارق ندیم گیلانی
ہلال امتیاز (ملٹری) (ریٹائرڈ)
چیئرمین

لیفٹیننٹ جنرل جاوید اقبال
ہلال امتیاز (ملٹری) (ریٹائرڈ)
چیف ایگزیکٹو/منیجنگ ڈائریکٹر

For the Half
Year Ended
30 June
2018

Independent Auditor's Review Report To the members of Fauji Foods Limited Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Fauji Foods Limited ("the Company")** as at 30 June 2018 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarter ended 30 June 2018, have not been reviewed and we do not express a conclusion on them.

The engagement partner on the audit resulting in this independent auditor's report is Bilal Ali.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
(M. Rehan Chughtai)

Date: 27 July 2018
Lahore

Condensed Interim
Statement of Financial Position
As at 30 June 2018



EQUITY AND LIABILITIES	<i>Note</i>	Unaudited 30 June 2018 Rupees	Audited 31 December 2017 Rupees <i>(Restated)</i>	Audited 31 December 2016 Rupees <i>(Restated)</i>
<u>Share capital and reserves</u>				
Authorized capital 700,000,000 (31 December 2017: 700,000,000) ordinary shares of Rs 10 each		7,000,000,000	7,000,000,000	7,000,000,000
Issued, subscribed and paid up capital	5	5,284,071,920	5,284,071,920	1,321,017,980
Share premium	6	1,925,340,907	1,925,340,907	1,966,772,143
Accumulated loss		(5,157,400,051)	(3,722,990,539)	(1,486,605,671)
Surplus on revaluation of property, plant and equipment - net of tax		1,465,818,425	1,458,968,052	440,355,621
		3,517,831,201	4,945,390,340	2,241,540,073
<u>Non-current liabilities</u>				
Long term finances		4,383,333,333	4,450,000,000	-
Liabilities against assets subject to finance lease	7	83,795,049	103,054,926	129,919,028
Employee benefits		71,124,283	55,612,612	32,822,224
		4,538,252,665	4,608,667,538	162,741,252
<u>Current liabilities</u>				
Short term borrowings	8	4,024,418,826	1,449,501,368	3,899,251,334
Current portion of non-current liabilities		106,314,946	38,582,834	36,097,751
Trade and other payables	9	817,846,349	790,781,111	1,290,330,605
Unclaimed dividend		966,827	970,179	973,104
Accrued finance cost	10	112,701,561	73,373,064	49,716,962
		5,062,248,509	2,353,208,556	5,276,369,756
Contingencies and commitments	11			
		13,118,332,375	11,907,266,434	7,680,651,081

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

Lahore


Chairman

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For the Half
Year Ended
30 June
2018

Condensed Interim
Statement of Financial Position
As at 30 June 2018

ASSETS	<i>Note</i>	Unaudited 30 June 2018 Rupees	Audited 31 December 2017 Rupees <i>(Restated)</i>	Audited 31 December 2016 Rupees <i>(Restated)</i>
<i>Non-current assets</i>				
Property, plant and equipment	12	6,926,343,842	6,822,273,698	4,937,750,901
Intangible assets		37,889,631	17,378,388	4,441,250
Security deposits		422,983	944,306	944,306
Deferred taxation - net		909,864,592	1,061,247,592	628,541,639
		<u>7,874,521,048</u>	<u>7,901,843,984</u>	<u>5,571,678,096</u>
<i>Current assets</i>				
Stores, spares and loose tools		157,314,757	107,134,205	93,931,361
Stock-in-trade	13	2,032,041,150	1,021,155,966	684,805,793
Trade debts		124,365,660	129,704,758	77,969,418
Loans and advances		71,509,498	75,943,368	48,480,455
Deposits, prepayments and other receivables		943,683,216	489,877,664	141,347,588
Due from Associated Companies		1,838,493	1,093,586	39,247
Sales tax refundable - net		461,659,440	484,343,381	475,950,146
Income tax - net		762,262,342	500,867,832	252,909,058
Cash and bank balances	14	689,136,771	1,195,301,690	333,539,919
		<u>5,243,811,327</u>	<u>4,005,422,450</u>	<u>2,108,972,985</u>
		<u>13,118,332,375</u>	<u>11,907,266,434</u>	<u>7,680,651,081</u>



Chief Executive



Director



Chief Financial Officer

Condensed Interim
Statement of Profit or Loss (Un-audited)
For the six months period ended 30 June 2018



	For the quarter ended		For the half year ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	----- Rupees -----		----- Rupees -----	
Sales - net	1,923,968,637	1,250,958,675	3,873,698,298	2,520,039,306
Cost of sales	15 (1,787,051,105)	(1,225,914,067)	(3,563,025,425)	(2,489,503,975)
Gross profit	136,917,532	25,044,608	310,672,873	30,535,331
Marketing and distribution expenses	16 (568,194,310)	(541,767,798)	(1,100,623,824)	(913,043,552)
Administrative expenses	(107,036,933)	(99,170,309)	(215,447,258)	(218,091,869)
Other income	17 3,936,046	9,853,231	9,976,426	16,328,702
Loss from operations	(534,377,665)	(606,040,268)	(995,421,783)	(1,084,271,388)
Finance cost	18 (145,594,048)	(118,937,014)	(280,754,356)	(195,236,197)
Loss before taxation	(679,971,713)	(724,977,282)	(1,276,176,139)	(1,279,507,585)
Taxation	19 (176,226,725)	(55,269,931)	(198,522,906)	52,596,012
Loss for the period	(856,198,438)	(780,247,213)	(1,474,699,045)	(1,226,911,573)
		<i>Restated</i>		<i>Restated</i>
Loss per share - basic and diluted	(1.62)	(3.99)	(2.79)	(6.28)

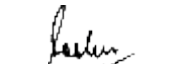
The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

Lahore


Chairman


Chief Executive


Director


Chief Financial Officer

For the Half
Year Ended
30 June
2018

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-audited)

For the six months period ended 30 June 2018

	For the quarter ended		For the half year ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	----- Rupees -----		----- Rupees -----	
	(Restated)		(Restated)	
Loss for the period	(856,198,438)	(780,247,213)	(1,474,699,045)	(1,226,911,573)
Other comprehensive income for the period				
<i>Items that will not be reclassified to profit and loss account:</i>				
- Surplus on revaluation of property, plant and equipment arisen during the period	-	1,365,180,697	-	1,365,180,697
- Related deferred tax on surplus arisen during the period	-	(295,317,922)	-	(295,317,922)
- Effect of change in tax rate on surplus	47,139,906	-	47,139,906	-
	47,139,906	1,069,862,775	47,139,906	1,069,862,775
Total comprehensive (loss) / income for the period	(809,058,532)	289,615,562	(1,427,559,139)	(157,048,798)

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

Lahore



Chairman



Chief Executive



Director



Chief Financial Officer

Condensed Interim
Statement of Changes In Equity (Un-audited)
For the six months period ended 30 June 2018



	Capital Reserve		Revenue reserve	Total	
	Issued, subscribed and paid-up capital	Share premium	Surplus on revaluation of property, plant and equipment-net of tax		Accumulated loss
	----- Rupees -----				
As at 01 January 2017 previously reported	1,321,017,980	1,966,772,143	-	(1,486,605,671)	1,801,184,452
Effect of restatement as explained in note 4.1	-	-	440,355,621	-	440,355,621
As at 01 January 2017 - restated	1,321,017,980	1,966,772,143	440,355,621	(1,486,605,671)	2,241,540,073
<u>Total comprehensive loss for the period</u>					
Loss after taxation	-	-	-	(1,226,911,573)	(1,226,911,573)
<u>Other comprehensive income for the period</u>					
Surplus on revaluation of property, plant and equipment arisen during the period	-	-	1,365,180,697	-	1,365,180,697
Related deferred tax on surplus arisen during the period	-	-	(295,317,922)	-	(295,317,922)
<u>Surplus transferred to accumulated losses</u>	-	-	1,069,862,775	(1,226,911,573)	(157,048,798)
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	(8,398,293)	8,398,293	-
Balance as at 30 June 2017 - restated	1,321,017,980	1,966,772,143	1,501,820,103	(2,705,118,951)	2,084,491,275
<u>Total comprehensive loss for the period</u>					
Loss after taxation	-	-	-	(1,061,350,286)	(1,061,350,286)
Other comprehensive income	-	-	-	626,647	626,647
<u>Surplus transferred to accumulated losses</u>	-	-	-	(1,060,723,639)	(1,060,723,639)
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	(42,852,051)	42,852,051	-
<u>Transactions with owners of the Company</u>					
Ordinary shares issued during the year 396,305,394 share of Rs. 10 each	3,963,053,940	-	-	-	3,963,053,940
Expense incurred on issuance of shares	-	(41,431,236)	-	-	(41,431,236)
	3,963,053,940	(41,431,236)	-	-	3,921,622,704
Balance as at 31 December 2017 - restated	5,284,071,920	1,925,340,907	1,458,968,052	(3,722,990,539)	4,945,390,340
<u>Total comprehensive loss for the period</u>					
Loss after taxation	-	-	-	(1,474,699,045)	(1,474,699,045)
<u>Other comprehensive income for the period</u>					
Effect of change in tax rate on surplus	-	-	47,139,906	-	47,139,906
<u>Surplus transferred to accumulated losses</u>	-	-	47,139,906	(1,474,699,045)	(1,427,559,139)
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	(40,289,533)	40,289,533	-
Balance as at 30 June 2018 (un-audited)	5,284,071,920	1,925,340,907	1,465,818,425	(5,157,400,051)	3,517,831,201

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

Lahore

Chairman

Chief Executive

Director

Chief Financial Officer

For the Half
Year Ended
30 June
2018

Condensed Interim Cash Flow Statement (Un-audited)

For the six months period ended 30 June 2018

	Note	30 June 2018 Rupees	30 June 2017 Rupees
<u>Cash flows from operating activities</u>			
Loss before taxation		(1,276,176,139)	(1,279,507,585)
<i>Adjustments for non-cash items:</i>			
Depreciation on property, plant and equipment	12	312,268,129	214,423,187
Amortization of intangible assets		1,516,751	999,486
Gain on disposal of property, plant and equipment		-	(1,871,121)
Profit on bank deposits		(6,397,430)	(3,413,469)
Foreign exchange loss		26,240,243	7,993,642
Provision for employee retirement benefits		16,239,121	13,000,000
Finance cost		280,754,356	178,299,262
Loss before working capital changes		(645,554,969)	(870,076,598)
<u>Effect on cash flow due to working capital changes</u>			
<i>(Increase) / decrease in current assets:</i>			
Stores, spares and loose tools		(50,180,552)	(40,066,349)
Stock-in-trade	13	(1,010,885,184)	(292,539,668)
Trade debts		5,339,098	(2,899,916)
Loans and advances	14	4,433,870	(64,359,634)
Deposits, prepayments and other receivables		(453,805,552)	(155,946,068)
Due from Associated Companies		(744,907)	(221,312)
Sales tax refundable		22,683,941	(17,170,521)
<i>Decrease in current liabilities:</i>			
Trade and other payables		824,995	(356,470,465)
		(1,482,334,291)	(929,673,933)
Cash used in operations		(2,127,889,260)	(1,799,750,531)
Income tax paid		(261,394,510)	(111,530,270)
Employee retirement benefits paid		(727,450)	(1,821,541)
Security deposits - net		521,323	-
Net cash used in operating activities		(2,389,489,897)	(1,913,102,342)

Condensed Interim
Cash Flow Statement (Un-audited)
For the six months period ended 30 June 2018



Note	30 June 2018 Rupees	30 June 2017 Rupees
<u>Cash flow from investing activities</u>		
Fixed capital expenditure	(438,366,267)	(806,995,913)
Income on bank deposits received	6,397,430	3,413,469
Sale proceeds from disposal of property, plant and equipment	-	5,660,995
Net cash used in investing activities	(431,968,837)	(797,921,449)
<u>Cash flow from financing activities</u>		
Short term borrowings - net	549,999,175	406,560,245
Finance cost paid	(241,425,859)	(155,406,443)
Dividend paid	(3,352)	-
Lease rentals paid	(18,194,432)	(10,457,338)
Long term loan received during the period	-	930,000,000
Net cash generated from financing activities	290,375,532	1,170,696,464
Net decrease in cash and cash equivalents	(2,531,083,202)	(1,540,327,327)
Cash and cash equivalents - at beginning of the period	(254,199,678)	(1,765,271,660)
Cash and cash equivalents - at end of the period	(2,785,282,880)	(3,305,598,987)
<i>Cash and cash equivalents comprise of the following:</i>		
- Cash and bank balances	14	689,136,771
- Running finances	8	(3,474,419,651)
		(2,785,282,880)
		(3,305,598,987)

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

Lahore

Chairman

Chief Executive

Director

Chief Financial Officer

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended 30 June 2018

1 The Company and its operations

- 1.1 Fauji Foods Limited ("the Company") was incorporated in Pakistan on 26 September 1966 as a Public Company and its shares are quoted on Pakistan Stock Exchange. It is principally engaged in processing and sale of toned milk, milk powder, fruit juices, allied dairy and food products. The registered office of the Company is situated at FFBL Complex, 103 A/B, Shahrah-e-Quaid-e-Azam, Lahore and the manufacturing facility is located at Bhalwal, District Sargodha.

During this half year ended 30 June 2018, the Company has incurred a net loss of Rs. 1,474.70 million and as of this date the accumulated losses stands at Rs. 5,157.40 million. Consequent to acquisition of the Company by Fauji Group in year 2015, the management has taken various operational measures towards transformation of the Company that includes curtailment of higher input costs, increasing production scales to optimum levels by BMR - balancing, modernization and replacement of production facility, strengthening of milk collection and sales and distribution structures, ensuring quality at every stage from milk collection to production to distribution. The management has also taken various financial initiatives towards improvement of liquidity that included raising of equity finance of Rs. 6,895.78 million to date through right issue to support working capital and capital expenditure requirements and renewal of old working capital lines from existing lenders. The management is also negotiating with different banks for arrangement of additional working capital lines to meet operational liquidity.

In addition, HFO power plant is being installed to meet additional electricity requirement at subsidized rate and procurement of further packing machine to meet enhanced packaging requirement. The management anticipates that above steps will not only improve the liquidity of the Company but also contribute significantly towards the profitability of the Company in the foreseeable future. Accordingly these condensed interim financial statements have been prepared on a going concern basis.

2 Basis of preparation and statement of compliance

These condensed interim financial statements comprise the condensed interim statement of financial position of the Company as at 30 June 2018 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement together with the notes forming part thereof.

These condensed interim financial statements of the Company for the half year ended 30 June 2018 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended 30 June 2018



fauji foods

These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements for the year ended 31 December 2017. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of 31 December 2017, whereas comparatives for condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement and related notes are extracted from condensed interim financial statements of the Company for the six months' period ended 30 June 2017.

These condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange Limited.

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

3 Use of estimates and judgments

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

In preparing the condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2017.

4 Statement of consistency in accounting policies

The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial statements are same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2017 except for the changes mentioned below:

4.1 Change in accounting policy

Effective 01 January 2018, the provisions of the Companies Act, 2017 relating to the preparation of the financial statements have become applicable. Accordingly, the treatment of surplus on revaluation of property, plant and equipment is now in line with the requirements of IAS 16 – Property, plant and equipment since the provisions of Section 235 of the repealed Companies Ordinance, 1984 have not been carried forward by the Companies Act, 2017. This change in accounting policy has resulted in reclassification of surplus on revaluation of land, building and plant and machinery - net of tax to equity by restating the corresponding figures which resulted in increase in equity by Rs. 1,458.97 million and Rs. 440.36 million as at 31 December 2017 and 31 December 2016 respectively.

4.2 There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

The following amendments and interpretations of approved accounting standards will be effective for accounting periods beginning after 01 January 2018 as detailed below:

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended 30 June 2018

	<i>Effective from</i>
- IFRS 15 - Revenue from Contract with Customer	01 July 2018
- IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019
- IFRS 16 - Leases	01 January 2019
- Amendment to IFRS 9 - Prepayment Features with Negative Compensation	01 July 2018
- Amendment to IAS 28 - Long Term Interests in Associates and Joint Ventures	01 January 2019
- Annual Improvements to IFRSs 2015–2017 Cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)	01 January 2019

5 Share capital

5.1 Issued, subscribed and paid up capital

Un-audited 30 June 2018	Audited 31 December 2017		Un-audited 30 June 2018	Audited 31 December 2017
----- Rupees -----				
503,934,166	443,388,989	Ordinary shares of Rs. 10 each fully paid in cash	5,039,341,660	4,433,889,890
2,639,200	1,127,200	Ordinary shares of Rs. 10 each issued as bonus shares	26,392,000	11,272,000
14,633,826	5,483,003	Ordinary shares of Rs. 10 each issued on conversion of loan	146,338,260	54,830,030
7,200,000	-	Ordinary shares of Rs. 10 each issued on conversion of 12% cumulative convertible preference shares	72,000,000	-
-	7,200,000	Non-voting ordinary shares of Rs. 10 each issued on conversion of 12% cumulative convertible preference shares - <i>note 5.2</i>	-	72,000,000
-	60,545,177	Non-voting ordinary shares of Rs. 10 each fully paid in cash - <i>note 5.2</i>	-	605,451,770
-	1,512,000	Non-voting ordinary shares of Rs. 10 each issued as bonus shares - <i>note 5.2</i>	-	15,120,000
-	9,150,823	Non-voting ordinary shares of Rs. 10 each issued on conversion of loans - <i>note 5.2</i>	-	91,508,230
528,407,192	528,407,192		5,284,071,920	5,284,071,920

Notes to the Condensed Interim
Financial Statements (Un-audited)
For the six months period ended 30 June 2018



- 5.2 During the period, 78,408,000 fully paid non-voting ordinary shares has been converted into ordinary shares, ranking parri passu with, and having the same rights as, the existing ordinary shares of the Company in all respects as approved by the shareholders of the Company in their meeting held on 26 March 2018.
- 5.3 Ordinary shares of the Company held by associated undertakings and directors as at period end are as follows:

Un-audited 30 June 2018	Audited 31 December 2017		Un-audited 30 June 2018	Audited 31 December 2017
--- Percentage held ---			----- Number of shares -----	
		Fauji Fertilizers Bin Qasim Limited		
50.59%	49.40%	- voting ordinary shares	267,314,886	222,277,277
0.00%	57.44%	- non-voting ordinary shares - note 5.2	-	45,037,609
		Fauji Foundation		
12.75%	12.75%	- voting ordinary shares	67,371,916	57,374,896
0.00%	12.75%	- non-voting ordinary shares - note 5.2	-	9,997,020
		Directors		
3.99%	14.94%	- voting ordinary shares	21,068,194	67,249,907
0.00%	6.64%	- non-voting ordinary shares - note 5.2	-	5,202,613
		Employees' provident fund		
1.62%	2.15%	- voting ordinary shares	8,560,700	9,661,700
		FFBL provident fund		
3.57%	0.12%	- voting ordinary shares	18,878,500	556,000
0.00%	0.61%	- non-voting ordinary shares - note 5.2	-	478,000
		FFBL' gratuity fund		
1.09%	0.07%	- voting ordinary shares	5,771,500	305,000
0.00%	0.27%	- non-voting ordinary shares - note 5.2	-	211,000
			388,965,696	418,351,022

6 Share premium

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

7 Liabilities against assets subject to finance lease

This includes amount of Rs. 30.17 million (31 December 2017: Rs. 31.97 million) payable to Askari Bank Limited, an associated undertaking.

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended 30 June 2018

	Note	Un-audited 30 June 2018 Rupees	Audited 31 December 2017 Rupees
8 Short term borrowings			
Interest / mark-up based loans - secured	8.1	3,474,419,651	1,449,501,368
Islamic mode of financing - secured	8.2	549,999,175	-
		<u>4,024,418,826</u>	<u>1,449,501,368</u>

8.1 Interest / mark-up based loans - secured

Short term borrowings	8.1.1 & 8.1.2	3,474,419,651	1,449,501,368
		<u>3,474,419,651</u>	<u>1,449,501,368</u>

8.1.1 Short term borrowings - secured

This represents utilized amount of short term running finance facilities ("facilities") under mark-up arrangements available from various commercial banks aggregating to Rs 3,831.22 million (31 December 2017: Rs 4,342.30 million). These facilities carry mark-up ranging between 6.46% to 7.68% per annum (31 December 2017: 6.43% to 6.80%) per annum, payable quarterly in arrears. These facilities are secured by way of charge on all current assets and certain fixed assets of the Company. The facilities are expiring on various dates by March 2019.

8.1.2 This includes balance of Rs. 420.01 million (31 December 2017: Rs. Nil) payable to Askari Bank Limited, an associated undertaking.

8.2 Islamic mode of financing - secured

This represents utilized amount of short term finance facilities (Wakala Istithmar) availed from Dubai Islamic Bank aggregating to Rs 550 million (31 December 2017: Rs 2,000 million). This facility carries mark-up at the rate of 7.01% per annum (31 December 2017: 6.65% to 6.67%) per annum. The facility is expiring in July 2018.

8.3 Unavailed credit facilities

Out of total facilities for opening of letters of credit and guarantees of Rs. 1,360.29 (31 December 2017: Rs 789.77 million) as at 30 June 2018 unutilized amount as of that date was Rs. 946.76 million (31 December 2017: Rs 593.17 million).

9 Trade and other payables

This includes Rs. 0.52 million (31 December 2017: Rs. 0.52 million) and Rs. 0.71 million (31 December 2017: Rs. 0.71 million) due to associated undertakings namely Noon Sugar Mills Limited and FFBL Power Company Limited respectively.

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended 30 June 2018



10 Accrued finance cost

This includes amount of Rs. 4.18 million (31 December 2017: Rs. 0.02 million) payable to Askari Bank Limited, an associated undertaking.

11 Contingencies and commitments

11.1 Contingencies

- (i) The Company has issued following guarantees:

Guarantees aggregating Rs 80.01 million (31 December 2017: Rs 70.84 million) have been issued by banks on behalf of the Company to Sui Northern Gas Pipeline Limited, Pakistan State Oil and Controller Naval Account.

- (ii) There has been no significant changes in contingencies as reported in the annual audited financial statements of the Company for the year ended 31 December 2017, except:

For tax year 2011, Commissioner Inland Revenue (Appeals) has passed an amendment assessment order during the period and returned back the impugned order u/s 122(5A) of the Income Tax Ordinance, 2001 to the assessing officer with direction to revisit the findings reached after properly going through the reply submitted by the Company and to decide the matter judiciously by passing an order after providing an opportunity of hearing to the Company. The Company has filed an appeal before Appellate Tribunal Inland Revenue Islamabad against remanding back the case to the assessing officer which is pending adjudication.

11.2 Commitments

The Company has the following commitments in respect of:

- (i) Capital expenditure against irrevocable letters of credit outstanding at the period end amounting to Rs. 326.20 million (31 December 2017: Rs. 201.46 million) and for implementation of ERP (SAP software) by Siemens Pakistan Engineering Company Limited amounting to Rs. 77.95 million.
- (ii) Other than capital expenditure, outstanding at the period end of Rs. 1,188.47 million (31 December 2017: Rs. 883.10 million).

		Un-audited 30 June 2018	Audited 31 December 2017
	<i>Note</i>	Rupees	Rupees
12 Property, plant and equipment			
Operating fixed assets	12.1	6,479,713,851	6,637,495,791
Capital work in process	12.2	446,629,991	184,777,907
		<u>6,926,343,842</u>	<u>6,822,273,698</u>

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended 30 June 2018

12.1 Operating fixed assets

Net book value at beginning of the period / year	6,637,495,791	3,821,427,382
Additions during the period / year	154,486,189	1,993,467,137
Disposals during the period / year	-	(8,503,975)
Depreciation charged during the period / year	(312,268,129)	(534,075,450)
Revaluation surplus arisen during the period / year	-	1,365,180,697
Net book value at end of the period / year	<u>6,479,713,851</u>	<u>6,637,495,791</u>

12.2 Capital work in progress

Plant and machinery	330,013,983	83,640,338
Building	100,727,008	87,534,569
Leased vehicles	15,889,000	13,603,000
	<u>446,629,991</u>	<u>184,777,907</u>

13 Stock-in-trade

Raw and packing material

- In hand		854,449,812	550,250,497
- In transit		431,649,101	321,313,518
Work-in-process	13.1	240,521,582	26,134,645
Finished goods	13.1	505,420,655	123,457,306
		<u>2,032,041,150</u>	<u>1,021,155,966</u>

13.1 The amount charged to profit and loss account on account of write down of finished goods and work in process to net realizable value amounts to Rs. 11.39 million (31 December 2017: Rs 15.77 million).

14 Cash and bank balances	Note	Un-audited	Audited
		30 June 2018	31 December 2017
		Rupees	Rupees
Cash-in-hand		666,014	545,731
Cash at banks			
- Current accounts		413,978,812	91,281,117
- Saving accounts	14.1	274,270,455	1,103,253,352
- Dividend accounts		221,490	221,490
	14.2	688,470,757	1,194,755,959
		<u>689,136,771</u>	<u>1,195,301,690</u>

Notes to the Condensed Interim
Financial Statements (Un-audited)
For the six months period ended 30 June 2018



- 14.1** This carries profit at the rates ranging from 3.50% to 5% (31 December 2017: 3.75% to 5%) per annum.
- 14.2** This includes balance of Rs. 226.07 million (31 December 2017: Rs. 347.41 million) with Askari Bank Limited, an associated undertaking.

	<i>Note</i>	Un-audited 30 June 2018 Rupees	Un-audited 30 June 2017 Rupees
15 Cost of sales			
Raw materials consumed		1,867,737,217	1,214,516,974
Milk collection expenses		116,521,848	56,400,360
Salaries, wages and other benefits		104,593,503	99,009,045
Power and fuel		148,308,541	123,589,959
Packing materials consumed		1,390,846,138	673,771,842
Stores and spares consumed		125,478,231	65,663,589
Repair and maintenance		86,661,692	64,270,305
Rent, rates and taxes		16,028,954	8,378,266
<i>Depreciation on property, plant and equipment</i>			
- Milk collection centres		27,844,680	21,615,761
- Production facility		267,953,095	174,679,195
Insurance		7,401,812	5,198,800
		4,159,375,711	2,507,094,096
<i>Adjustment of work-in-process</i>			
Opening stock		26,134,645	72,762,966
Closing stock	13	(240,521,582)	(64,064,000)
		(214,386,937)	8,698,966
Cost of goods manufactured		3,944,988,774	2,515,793,062
<i>Adjustment of finished goods</i>			
Opening stock		123,457,306	175,283,807
Closing stock	13	(505,420,655)	(201,572,894)
		(381,963,349)	(26,289,087)
		3,563,025,425	2,489,503,975

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended 30 June 2018

16 Marketing and distribution expense

This mainly includes advertisement expenses of Rs. 743.03 million (30 June 2017: Rs. 630.74 million) incurred during the period on brand development and promotion of the Company's products.

17 Other income

This includes an amount of Rs. 6.40 million (30 June 2017: Rs. 3.41 million) earned on account of interest / mark-up based deposits.

	<i>Note</i>	Un-audited 30 June 2018 Rupees	Un-audited 30 June 2017 Rupees
18 Finance cost			
<i>Islamic mode of financing</i>			
- Short term borrowings		5,281,499	69,975,154
<i>Interest and mark-up on:</i>			
- Long term finance		151,220,098	9,189,997
- Short term borrowings		90,297,480	91,937,248
- Finance lease		4,375,063	5,525,757
Bank charges and commission		3,339,973	1,671,106
Exchange loss		26,240,243	16,936,935
		<u>280,754,356</u>	<u>195,236,197</u>
19 Taxation			
<i>Current:</i>			
- For the period	19.1	-	-
- Prior years		-	-
		<u>-</u>	<u>-</u>
Deferred tax for the period		198,522,906	(52,596,012)
		<u>198,522,906</u>	<u>(52,596,012)</u>

19.1 In view of available tax losses under normal tax regime, the provision for current tax represents tax under "Minimum Tax" scheme under section 113, of Income Tax Ordinance, 2001. Current tax charge for the year has been restricted to zero due to availability of tax credit related to balancing, modernization and replacement of plant and machinery already installed under section 65B of the Income Tax Ordinance, 2001.

Notes to the Condensed Interim
Financial Statements (Un-audited)
For the six months period ended 30 June 2018



20 Related party transactions and balances

Related parties comprise of associated undertakings, directors, entities with common directorship, post employment plans and key management personnel. Balances are disclosed elsewhere in these condensed interim financial statements. Significant transactions with related parties are as follows:

Name of the Company	Relationship	Nature of transactions	Un-audited 30 June 2018 Rupees	Un-audited 30 June 2017 Rupees
Fauji Fertilizer Bin Qasim Limited	Subsidiary (Shareholding and common directorship)	Salaries of seconded employees charged by the Company Repairs and maintenance and building rent expense Expense paid by related party on behalf of the Company Salaries of seconded employees charged to the Company Purchase of fixed asset Sale of fixed assets	2,110,933 25,613,942 918,531 - 3,500,000 -	- 18,245,218 - 23,380,969 - 3,509,775
Askari Bank Limited	Associated Undertaking (Common directorship)	Finance cost charged Interest income on saving accounts Utilities expense paid on behalf of the related party	7,420,492 5,037,751 744,907	27,992,255 1,366,488 221,312
Fauji Meat Limited	Associated Undertaking (Common directorship)	Expense paid by related party on behalf of the Company	459,266	-
Employee's Provident Fund Trust	Post employee benefit plan	Contribution for the period	25,029,385	11,607,529
Mr. Salman Hayat Noon Directors	Non-Executive Director	Consultancy fee expense Meeting fee	3,936,654 1,509,450	3,936,654 811,500
Key Management Personnel		Remuneration and benefits	32,238,553	34,238,209

20.1 Associated companies / related parties percentage of shareholding has been disclosed in note 5.3

Notes to the Condensed Interim
Financial Statements (Un-audited)
For the six months period ended 30 June 2018

21 Fair value measurement of financial instruments

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

		30 June 2018 (Un-audited)					
		Carrying amount		Fair value			
		Loans and receivables	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3
	Note						
----- Rupees -----							
Financial instruments							
30 June 2018							
Financial assets not measured at fair value							
Security deposits		105,521,396	-	105,521,396	-	-	-
Trade debts		124,365,660	-	124,365,660	-	-	-
Due from employees		4,591,828	-	4,591,828	-	-	-
Due from Associated Companies		1,838,493	-	1,838,493	-	-	-
Other receivables		795,928,852	-	795,928,852	-	-	-
Bank balances	21.2	689,136,771	-	689,136,771	-	-	-
		1,721,383,000	-	1,721,383,000	-	-	-
Financial liabilities not measured at fair value							
Long term finances		-	4,450,000,000	4,450,000,000	-	-	-
Liabilities against assets subject to finance lease		-	123,443,327	123,443,327	-	-	-
Trade and other payables		-	731,213,563	731,213,563	-	-	-
Short term borrowing		-	4,024,418,826	4,024,418,826	-	-	-
Accrued finance cost	21.2	-	112,701,561	112,701,561	-	-	-
		-	9,441,777,277	9,441,777,277	-	-	-

Notes to the Condensed Interim
Financial Statements (Un-audited)
For the six months period ended 30 June 2018



fauji foods

21.1 Fair value measurement of financial instruments

	31 December 2017 (Audited)					
	Carrying amount		Fair value			
Loans and receivables	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	
----- Rupees -----						
Security deposits	-	99,271,369	-	-	-	-
Trade debts	-	129,704,758	-	-	-	-
Due from employees	-	3,575,796	-	-	-	-
Due from Associated Companies	-	1,093,586	-	-	-	-
Other receivables	-	388,487,989	-	-	-	-
Bank balances	-	1,195,301,690	-	-	-	-
21.2		1,817,435,188	-	-	-	-

Note

Financial instruments

31 December 2017

Financial assets not measured at fair value

Security deposits	-	99,271,369	-	-	-	-
Trade debts	-	129,704,758	-	-	-	-
Due from employees	-	3,575,796	-	-	-	-
Due from Associated Companies	-	1,093,586	-	-	-	-
Other receivables	-	388,487,989	-	-	-	-
Bank balances	-	1,195,301,690	-	-	-	-
21.2		1,817,435,188	-	-	-	-

Financial liabilities not measured at fair value

Liabilities against assets subject to finance lease	-	141,637,760	-	-	-	-
Long term finances	-	4,450,000,000	-	-	-	-
Trade and other payables	-	698,258,976	-	-	-	-
Short term borrowing	-	1,449,501,368	-	-	-	-
Accrued finance cost	-	73,373,064	-	-	-	-
21.2		6,812,771,168	-	-	-	-

21.2 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

22 Reconciliation of movement of liabilities to cash flows arising from financing activities

For the Half
Year Ended
30 June
2018

Notes to the Condensed Interim
Financial Statements (Un-audited)
For the six months period ended 30 June 2018

	30 June 2018 (un-audited)					Total
	Long term finances	Short term borrowings	Accrued finance cost	Liabilities against assets subject to finance lease	Unclaimed dividend	
Balance as at 01 January 2018	4,450,000,000	1,449,501,368	73,373,064	141,637,760	970,179	6,115,482,371
<u>Cash flows</u>						
Short term borrowings repaid net of receipts	-	2,574,917,458	-	-	-	2,574,917,458
Repayment of lease rentals	-	-	-	(18,194,432)	-	(18,194,432)
Finance cost paid	-	-	(241,425,859)	-	-	(241,425,859)
Dividends paid	-	-	-	-	(3,352)	(3,352)
Total changes from financing cash flows	-	2,574,917,458	(241,425,859)	(18,194,432)	(3,352)	2,315,293,815
<u>Non-cash changes</u>						
Assets acquired on lease	-	-	-	-	-	-
Finance cost	-	-	280,754,356	-	-	280,754,356
Total non-cash changes	-	-	280,754,356	-	-	280,754,356
Closing as at 30 June 2018	4,450,000,000	4,024,418,826	112,701,561	123,443,328	966,827	8,711,530,542

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended 30 June 2018



23 Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the annual audited financial statements of the Company for the year ended 31 December 2017.

24 Date of authorization

These condensed interim financial statements has been approved by the Board of Directors of the Company and authorized for issue on 27 July, 2018.

25 General

Corresponding figures have been re-arranged and re-classified, where necessary, for the purpose of comparison and better presentation as per reporting framework.

Lahore

Chairman

Chief Executive

Director

Chief Financial Officer