



FFBL
Fertiliser Fertiliser Ltd

3RD QUARTER REPORT | 2022

COMPANY INFORMATION

DIRECTORS

Mr Waqar Ahmed Malik
Chairman

Mr Arif-ur-Rehman
Chief Executive Officer

Mr Sarfaraz Ahmed Rehman

Dr Nadeem Inayat

Mr Qamar Haris Manzoor

Syed Bakhtiyar Kazmi

Ms Saira Nasir

Ms Pouruchisty Sidhwa

Mr Bahauddin Khan

COMPANY SECRETARY

Brig Asif Ali, SI(M), (Retd)

CHIEF FINANCIAL OFFICER

Mr Muhammad Javed Akhtar

REGISTERED OFFICE

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Phase II, DHA Islamabad.

Tel: +92 51 8763325, Fax: +92 51 8763304-05

E-mail: secretary@ffbl.com

PLANTSITE

Plot No. EZ/I/P-1 Eastern Zone, Port Qasim, Karachi 75020.

Tel: +92 21 34724500-29, Fax: +92 21 34750704

Email: information@ffbl.com

WEB PRESENCE

www.ffbl.com

BANKERS

Habib Bank Limited

MCB Bank Limited

United Bank Limited

National Bank of Pakistan

Allied Bank Limited

Askari Bank Limited

Faysal Bank Limited

Standard Chartered Bank (Pakistan) Limited

Habib Metropolitan Bank Limited

The First Micro Finance Bank Limited

Soneri Bank Limited

Summit Bank Limited

JS Bank Limited

Samba Bank Limited

Zarai Taraqati Bank Limited

Industrial & Commercial Bank of China

The Bank of Khyber

Al-Baraka Bank (Pakistan) Limited

Dubai Islamic Bank Pakistan Limited

Bank Islami Pakistan Limited

Meezan Bank Limited

MCB Islamic Bank Limited

Bank Al-Falah Limited

Bank Al-Habib Limited

Silk Bank Limited

The Bank of Punjab

LEGAL ADVISORS

Orr Dignam & Co,
Advocates, Marina Heights,
2nd floor, 109 East, Jinnah Avenue,
Blue Area, Islamabad.
Tel: (051) 2348645-9

AUDITORS

EY Ford Rhodes,
Eagle Plaza, 75 West,
Fazal-e-Haq Road,
Blue Area, Islamabad.

SHARES REGISTRAR

Corplink (Pvt) Limited,
Wings Arcade, 1-K,
Commercial, Model Town, Lahore.
Tel: (042) 35839182, 35916719
Fax: (042) 35869037

We are pleased to present the operational and financial performance of the Company for the nine months period ended on 30th September 2022.

Dear Shareholders, calamitous floods and ongoing economic crisis have wrecked havoc in Pakistan with heavily saddening loss of life, crippling inflation, extreme volatility of Pak Rupee against USD and resultant slowing down of business cycle. Obviously, floods heavily affected agriculture with large portions of country still under water. Change in the attitude of farming community to substitute DAP with less expensive Urea and delay in announcement of Kissan Package by the GoP, further exacerbated by declining trend and uncertainty in the international DAP prices, resulted in 75% decline in domestic DAP sales volume, which significantly impacted our third quarter performance.

Though the Company achieved highest ever DAP production during the third quarter, the above-mentioned factors adversely impacted sales revenue, coupled with exchange loss of PKR 4.2 Billion, resulting in loss after tax of PKR 1.7 Billion (PKR 2.3 Billion profit after tax in SPLY).

In these challenging times the good news is that the company was able to maintain its planned production levels, which is higher than last year. During the nine months period under review, the Company achieved highest ever sales revenue of PKR 93.5 Billion, highest ever gross profit of PKR 17.9 Billion and highest ever operating profit of PKR 12.9 Billion, representing 37%, 24% and 33% increase respectively as compared with same period of last year (SPLY). The Company also achieved highest ever DAP production of 673KT for the period. For this best in class operational performance by the leadership and team, all through the nine months period, has ensured that company remained in the black, despite all the humongous external adversity in the third quarter, with a profit after tax of PKR. 1.7 Billion for the nine months period (PKR 6.2 Billion SPLY). We would like to point out to our shareholders that this profit is after accounting for exchange loss of PKR 7.2 Billion, finance cost of PKR 2.8 Billion and recently imposed super tax of PKR 2.7 Billion.

PLANT OPERATIONS

The plant operations remained consistent, safe and efficient. We successfully achieved 23.62 Million safe-man-hours in line with our commitment towards health and safety of our people. Highest ever third quarter DAP production of 224 KT also contributed to highest ever total DAP production of 673 KT for the nine months period as compared to 565 KT in SPLY, representing 1% and 19% increase respectively. Whereas, Urea production was 387 KT in comparison to 384 KT in SPLY

MARKET PERFORMANCE

DAP

International DAP market continues to be shrouded with uncertainty due to a downward price trend owing to high stocks, demand destruction and low sulphur prices.

Almost half of our domestic DAP market demand is met through local production by FFBL, which is dependent on imported Phosphoric Acid. Therefore, the prevailing international Phosphoric Acid price, record high Pak Rupee parity with US Dollar, freight cost and the Government policy to exempt sale of fertilizer from output tax resulted in quite a surge in price of DAP in domestic market.

Domestic DAP market is estimated to have declined by 41% during nine months period as compared to SPLY from 1,207 KT to 707 KT, primarily due to high pricing, unfavourable farm economics, a shift in the attitude of farming community to substitute highly subsidized Urea with costly but highly recommended DAP and flood water stagnation delaying sowing of Rabi crops.

The Company's sales dropped by only 26% from 515 KT to 381 KT in comparison to 41% fall in DAP market during the period. Consequently, the Company increased its market share by 11% to 54% on the back drop of overall disciplined marketing strategy.

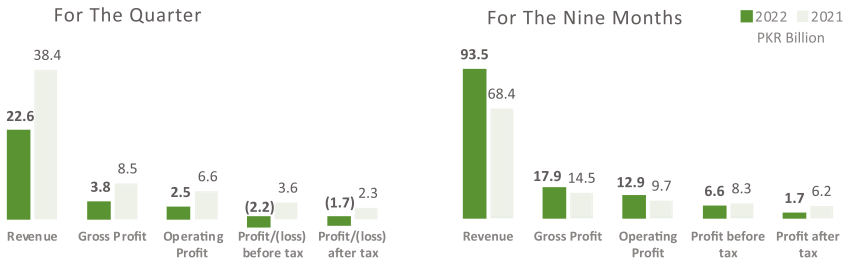
Urea

Demand in domestic Urea market remained strong due to sentiment of short supply and increasing phosphatic fertilizer prices.

Domestic Urea market is estimated to have grown by 2% (from 4,656 KT to 4,767 KT) and its price witnessed an increase primarily to pass on the impact of input sales tax becoming cost of product due to exemption of sales tax on sale of fertilizer and increasing energy costs. FFBL's Urea sales slightly dropped by 4%, from 382 KT to 367 KT as compared to SPLY, primarily due to floods, causing supply chain disruption

FINANCIAL PERFORMANCE

We are pleased to present the financial results for the period as under:



The Company achieved ever highest sales revenue, gross profit and operating profit during the nine months period. Net profit has declined primarily due to foreign exchange loss of PKR 7.2 billion, finance cost of PKR 2.8 Billion and imposition of super tax of PKR 2.7 billion.

During the third quarter, the company suffered loss after tax due to significant decline in revenue by 41% as compared to SPLY and severe devaluation of Pak rupee resulting in exchange loss of PKR 4.2 billion.

On consolidated basis, during the nine months period, the Group achieved highest ever sales revenue of PKR 109 Billion, highest ever gross profit of PKR 24 Billion and highest ever operating profit of PKR 17.1 Billion, representing an increase of 33%, 21% and 25% respectively as compared with SPLY. Despite exchange loss and finance cost, as mentioned above, profit before tax achieved 9% growth from PKR 8.8 Billion to PKR 9.6 Billion. However, super tax charge of PKR 2.7 billion reduced the profit after tax by 40% to PKR 3.6 Billion from PKR 6 Billion in SPLY.

Fauji Foods Limited (FFL) registered a top line growth of 50% in current quarter as compared to same quarter last year and achieved 21% top line growth for the nine months period against SPLY. As an overall turnaround strategy, FFL is undergoing financial restructuring which shall be instrumental in improvement in business operation and margins.

Fauji Meat Limited has achieved a reduction in losses by 31% during nine months period as compared to SPLY based on optimization of its operations.

FFBL Power Company Limited operations were consistent, safe, efficient and profitable, compatible with profits of SPLY.

OUTLOOK

FFBL played its role in ensuring National Food Security with consistent DAP production throughout the period despite volatility in International DAP market. However, heavy monsoon rains, devastating floods and water stagnation delaying sowing of Rabi crops lead to less than expected offtake during the period. Though the management remains confident that the stock build up will be managed by end of this year, the plant operations and sales are highly dependent on availability of gas and Government's incentives to the farming community. It is high time that the Government acknowledges the significance of local DAP production which reduces reliance on the volatile international market, protects valued foreign exchange and comes to rescue in times of short supplies by ensuring reliably consistent production. It cannot be emphasized enough that import of fertilizer and low farm produce will exert pressure on already stressed foreign exchange reserves.

Through Finance Act 2022, the Government has granted input sales tax exemption on imports and not to local producer, and input sales tax has become cost of local DAP production. This discrimination has resulted in a severe competitive disadvantage to local production. We have engaged the Government and have requested immediate intervention and appropriate measures in order to address this economic injustice and protect local DAP production.

With unprecedented inflation, floods adversely impacting the farm economics and high DAP prices, a shift in the fertilizer consumption attitude of the farming community, by substituting DAP with less expensive and highly subsidized Urea, is a looming threat to crop yields of Pakistan. The Government must consider subsidizing DAP and timely announce support prices for important crops, which will promote the balanced use of fertilizer, ensuring balanced nutrients in soil and improve crop yields in line with international standards. The Government must take all stakeholders into confidence when taking policy decisions, particularly on pricing of gas for fertilizer sector. It must be taken into consideration that increase in gas price may exacerbate food inflation. Policies conducive for future investments in fertilizer sector will also go a long way to ensure food security of Pakistan.


Looking ahead, while considering the economic situation, volatility in International DAP market, domestic DAP demand and other market fundamentals, we expect a challenging time ahead. While we are determined to continue playing our part, the Government's role in such challenging times is of utmost significance for the fertilizer industry and agriculture sector of Pakistan.

We are determined to deliver on our commitment to feed the nation while operating responsibly.

For and on behalf of the Board



Waqar Ahmed Malik
Chairman



Arif-ur-Rehman
Chief Executive Officer

Place: Islamabad

25 October 2022

موجودہ بجٹ میں حکومت نے کھاد کی درآمدات پر ان پٹ سیلرز ٹیکس کی چھوٹ دی ہے جبکہ ان پٹ سیلرز ٹیکس مقامی ڈی اے پی کی پیداوار کی لاگت کا حصہ بن گیا ہے۔ اس امتیازی سلوک کے نتیجے میں مقامی پیداوار کو شدید نقصان پہنچا ہے۔ ہم نے حکومت سے رابطہ کیا ہے اور اس معاشی ناانصافی کو دور کرنے اور مقامی ڈی اے پی کی پیداوار کے تحفظ کے لیے فوری مداخلت اور مناسب اقدامات کی درخواست کی ہے۔

غیر معمولی مہنگائی کے ساتھ، زراعت کی معاشیات اور ڈی اے پی کی قیمتوں پر سیلاب منفی اثر ڈالتے ہیں، کاشتکار برادری کا سستی یوریا کو مہنگی ڈی اے پی کے متبادل کے طور پر استعمال کا رجحان پاکستان کی فصلوں کی پیداوار کے لیے ایک خطرہ ہے۔ حکومت کو ڈی اے پی پر سبسڈی دینے پر غور کرنا چاہیے اور اہم فصلوں کے لیے امدادی قیمتوں کا بروقت اعلان کرنا چاہیے، جس سے کھاد کے متوازن استعمال کو فروغ ملے گا، مٹی میں متوازن غذائی اجزاء کو یقینی بنایا جائے گا اور بین الاقوامی معیار کے مطابق فصل کی پیداوار میں بہتری آنے گی۔ حکومت کو پالیسی فیصلے لینے وقت، خاص طور پر کھاد کے شعبے کے لیے گیس کی قیمتوں کے تعین پر تمام شراکت داران کو اعتماد میں لینا چاہیے۔ اس بات کو مدنظر رکھا جاتا چاہیے کہ گیس کی قیمتوں میں اضافے سے اشیائے خوردونوش کی قیمتوں میں اضافہ ہو سکتا ہے۔ کھاد کے شعبے میں مستقبل کی سرمایہ کاری کے لیے سازگار پالیسیاں پاکستان کی غذائی تحفظ کو یقینی بنانے کے لیے بھی اہم ثابت ہوں گی۔

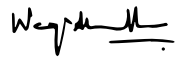
معاشی صورتحال، بین الاقوامی DAP مارکیٹ میں اتار چڑھاؤ، مقامی DAP کی طلب اور مارکیٹ کے دیگر بنیادی اصولوں پر غور کرتے ہوئے، ہم آگے ایک مشکل وقت کی توقع کرتے ہیں۔ جب کہ ہم اپنا کردار ادا کرنے کے لیے پرعزم ہیں، ایسے مشکل وقت میں حکومت کا کردار پاکستان کی کھاد کی صنعت اور زرعی شعبے کے لیے انتہائی اہمیت کا حامل ہے۔

پوری ذمہ داری سے کام کرتے ہوئے ہم قوم کی غذائی ضروریات کی تکمیل کیلئے پرعزم ہیں۔

منجانب بورڈ



عارف الرحمن
چیف ایگزیکٹو آفیسر

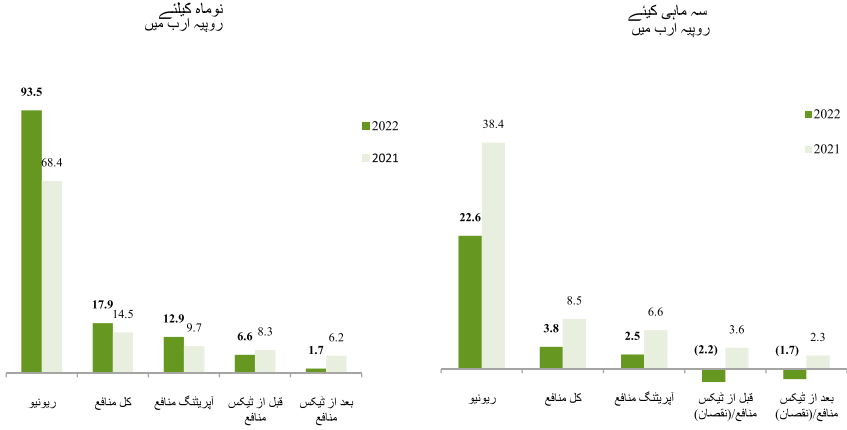


وقار احمد ملک
چیرمین

اسلام آباد
25 اکتوبر 2022

مالیاتی کارکردگی

ہمیں اس مدت کے مالیاتی نتائج کو ذیل میں پیش کرنے میں خوشی ہو رہی ہے:



کمپنی نے نو ماہ کی مدت کے دوران اب تک کی سب سے زیادہ آمدن، مجموعی منافع اور آپریٹنگ منافع حاصل کیا۔ بعد از ٹیکس منافع میں کمی بنیادی طور پر 7.2 ارب روپے کے زرمبادلہ کے نقصان، 2.8 ارب روپے کی مالیاتی لاگت اور 2.7 ارب روپے کے سپر ٹیکس کے نفاذ کی وجہ سے ہوئی۔

تیسری سہ ماہی کے دوران، گزشتہ سال کی اسی مدت کے مقابلے میں آمدنی میں 41 فیصد کی نمایاں کمی اور پاکستانی روپے کی قدر میں شدید کمی کے نتیجے میں 4.2 ارب روپے کے نقصان کی وجہ سے کمپنی کو بعد از ٹیکس نقصان سہنا پڑا۔

مجموعی بنیادوں پر، نو ماہ کی مدت کے دوران، گروپ نے 109 ارب روپے کی اب تک کی سب سے زیادہ آمدن، 24 ارب روپے کا اب تک کا سب سے زیادہ مجموعی منافع اور 17.1 ارب روپے کا اب تک کا سب سے زیادہ آپریٹنگ منافع حاصل کیا، جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں بالترتیب 33 فیصد، 21 فیصد اور 25 فیصد اضافے کی نمائندگی کرتا ہے۔ اوپر دیے گئے زرمبادلہ کے نقصان اور مالیاتی لاگت کے باوجود، ٹیکس سے پہلے منافع 8.8 ارب روپے سے 9 فیصد اضافے کے ساتھ 9.6 ارب روپے حاصل ہوا۔ تاہم، 2.7 ارب روپے کے سپر ٹیکس نے بعد از ٹیکس منافع کو گزشتہ سال کی اسی مدت کے 6 ارب روپے سے 40 فیصد کم کر کے 3.6 ارب روپے کر دیا۔

فوجی فوٹز لمیٹڈ (ایف ایف ایل) نے گزشتہ سال کی اسی سہ ماہی کے مقابلے میں موجودہ سہ ماہی میں 50 فیصد کی ٹاپ لائن گروتھ حاصل کی اور گزشتہ سال کے مقابلے میں نو ماہ کی مدت میں 21 فیصد ٹاپ لائن گروتھ حاصل کی۔ مجموعی تبدیلی کی حکمت عملی کے طور پر، ایف ایف ایل مالیاتی تنظیم نو سے گزر رہا ہے جو کاروباری آپریشن اور مارجن میں بہتری کے لیے اہم ثابت ہوگا۔

فوجی میٹ لمیٹڈ (ایف ایم ایل) نے اپنے آپریشنز کی اصلاح کی بنیاد پر گزشتہ سال کے مقابلے میں نو ماہ کی مدت کے دوران نقصانات میں 31 فیصد کی کمی کی۔

ایف ایف بی ایل پاور کمپنی لمیٹڈ (ایف پی سی ایل) کے آپریشنز مستقل، محفوظ، موثر، منافع بخش اور گزشتہ سال کے منافع کے ساتھ ہم آہنگ تھے۔

مستقبل پر نظر

ایف ایف بی ایل نے بین الاقوامی ڈی اے پی مارکیٹ میں اتار چڑھاؤ کے باوجود پوری مدت میں مسلسل ڈی اے پی کی پیداوار کے ساتھ قومی غذائی تحفظ کو یقینی بنانے میں اپنا کردار ادا کیا۔ تاہم، مون سون کی شدید بارشیں، تباہ کن سیلاب اور پانی کے جمود کی وجہ سے ربع کی فصلوں کی بوائی میں تاخیر اس مدت کے دوران توقع سے کم فروخت کا باعث بنیں۔ اگرچہ انتظامیہ پراعتماد ہے کہ اس سال کے آخر تک موجودہ اسٹاک کو فروخت کر لیا جائے گا، لیکن پلانٹ کے آپریشن اور فروخت کا انحصار گیس کی دستیابی اور کاشتکار برادری کو دی جانے والی حکومتی مراعات پر منحصر ہے۔ اب وقت آگیا ہے کہ حکومت مقامی ڈی اے پی کی پیداوار کی اہمیت کو تسلیم کرے جس سے غیر مستحکم بین الاقوامی مارکیٹ پر انحصار کم ہوتا ہے، قیمتی زرمبادلہ کی حفاظت ہوتی ہے اور قابل اعتماد مسلسل پیداوار کو یقینی بنا کر قلت کو دور کیا جا سکتا ہے۔ اس بات پر اس سے زیادہ زور نہیں دیا جا سکتا کہ کھاد کی درآمد اور کم زرعی پیداوار پہلے سے دباؤ کے شکار زرمبادلہ کے ذخائر پر اور دباؤ ڈالیں گے۔

بہمن 30 ستمبر 2022 کو ختم ہونے والی نو ماہ کی مدت کے لیے کمپنی کی آپریشنل اور مالی کارکردگی پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

محترم شیئر ہولڈرز، آفت زدہ سیلاب اور جاری معاشی بحران کی وجہ سے مہنگائی میں اضافہ، امریکی ڈالر کے مقابلے میں روپے کے انتہائی اتار چڑھاؤ اور نتیجتاً کاروباری سائیکل کی سست روی نے پاکستان میں تباہی مچادی ہے۔ سیلاب نے زراعت کو بہت زیادہ متاثر کیا اور ملک کا بڑا حصہ اب بھی زیر آب ہے۔ کاشتکار برداری کا ڈی اے پی کے متبادل یورپا کے استعمال کا رجحان اور حکومت پاکستان کی طرف سے کسان پیکیج کے اعلان میں تاخیر، بین الاقوامی ڈی اے پی کے قیمتوں میں کمی کے رجحان اور غیر یقینی صورتحال کی وجہ سے مقامی ڈی اے پی کی فروخت کے حجم میں 75 فیصد کمی واقع ہوئی جس نے ہماری تیسری سہ ماہی کی کارکردگی کو نمایاں طور پر متاثر کیا۔

اگرچہ کمپنی نے تیسری سہ ماہی میں ڈی اے پی کی اب تک کی سب سے زیادہ پیداوار حاصل کی، تاہم مذکورہ بالا عوامل نے آمدن پر منفی اثر ڈالا اور روپے کی قدر میں کمی کی وجہ سے 4.2 ارب روپے کا نمایاں نقصان ہوا، جس کے نتیجے میں گزشتہ سال کی اسی مدت میں 2.3 ارب روپے بعد از ٹیکس منافع کے مقابلے میں 1.7 ارب روپے کا بعد از ٹیکس نقصان ہوا۔

اس مشکل گھڑی میں اچھی خبر یہ ہے کہ کمپنی اپنی طے شدہ پیداوار کو برقرار رکھنے میں کامیاب رہی، جو پچھلے سال سے زیادہ ہے۔ زیر جائزہ نو ماہ کی مدت کے دوران کمپنی نے 93.5 ارب روپے کی اب تک کی سب سے زیادہ آمدن، 17.9 ارب روپے کا اب تک کا سب سے زیادہ مجموعی منافع اور 12.9 ارب روپے کا اب تک کا سب سے زیادہ آپریٹنگ منافع حاصل کیا، جو پچھلے سال کی اسی مدت کے مقابلے میں بالترتیب 37 فیصد، 24 فیصد اور 33 فیصد اضافہ کی نمائندگی کرتا ہے۔ کمپنی نے اس مدت کے دوران 673 KT کی اب تک کی سب سے زیادہ ڈی اے پی پیداوار بھی حاصل کی۔ پورے نو ماہ کے دوران قیادت اور ٹیم کی بہترین آپریشنل کارکردگی نے اس بات کو یقینی بنایا ہے کہ تیسری سہ ماہی میں تمام بیرونی مشکلات کے باوجود کمپنی منافع بخش رہے۔ کمپنی نے نومبر کے دوران 1.7 ارب روپے کا بعد از ٹیکس منافع کمایا جو گزشتہ سال کی اسی مدت میں 6.2 ارب روپے تھا۔ ہم اپنے شیئر ہولڈرز کو بتانا چاہتے ہیں کہ یہ منافع روپے کی قدر میں کمی کی وجہ سے 7.2 ارب روپے کے نقصان، 2.8 ارب روپے کی مالیاتی لاگت اور حال ہی میں نافذ کئے گئے 2.7 ارب روپے کے سپرنٹیکس کے بعد ہے۔

پلانٹ آپریشنز

پلانٹ کے آپریشنز مستقل، محفوظ اور موثر رہے۔ ہم نے اپنے لوگوں کی صحت اور حفاظت کے حوالے سے اپنے عزم کے مطابق 23.62 ملین سیف میں اورز کامیابی کے ساتھ حاصل کیے۔ کمپنی نے تیسری سہ ماہی میں 224 KT کی اب تک کی سب سے زیادہ ڈی اے پی پیداوار حاصل کرنے کے ساتھ ساتھ، نومبر میں 673KT کی سب سے زیادہ پیداوار حاصل کی جو گزشتہ سال کے نو ماہ کی 565KT پیداوار سے بلترتیب 19 فیصد زیادہ ہے۔ جبکہ یورپا کی پیداوار گزشتہ سال کی اسی مدت کے 384 KT کے مقابلے میں 387 KT تھی۔

مارکیٹ کی کارکردگی

ڈی اے پی

بین الاقوامی ڈی اے پی کی مارکیٹ، قیمتوں میں کمی کے رجحان، زیادہ اسٹاک، طلب کا نہ ہونا اور سلفر کی کم قیمتوں کی وجہ سے غیر یقینی کی صورتحال میں گہری ہوئی ہے۔

ہماری مقامی ڈی اے پی مارکیٹ کی طلب کا تقریباً نصف ایف ایف بی ایل کی مقامی پیداوار کے ذریعے پورا کیا جاتا ہے، جس کا انحصار درآمد شدہ فاسفورک ایسڈ پر ہے۔ لہذا، بین الاقوامی فاسفورک ایسڈ کی قیمت، روپے کی قدر میں کمی، مال برداری کی لاگت اور کھاد کی فروخت کو آؤٹ پٹ ٹیکس سے مستثنیٰ کرنے کی حکومتی پالیسی کے نتیجے میں مقامی مارکیٹ میں ڈی اے پی کی قیمت میں کافی اضافہ ہوا ہے۔ مقامی ڈی اے پی مارکیٹ میں نو ماہ کی مدت کے دوران گزشتہ سال کی اسی مدت کے مقابلے میں 1,207 KT سے 707KT تک 41 فیصد کمی ہوئی، جس کی بنیادی وجوہات زیادہ قیمتیں، ناموافق فارمی معاشیات، یورپا کا ڈی اے پی کے متبادل استعمال کا رجحان اور سیلابی پانی کے جمود کی وجہ سے ربع کی فصلوں کی ہوائی میں تاخیر ہیں۔

کمپنی کی فروخت اس مدت کے دوران ڈی اے پی مارکیٹ کے 41 فیصد گرنے کے مقابلے میں 515KT سے 26 فیصد کم ہو کر 381KT ہوئی ہے۔ کمپنی نے مجموعی نظم و ضبط والی مارکیٹنگ کی حکمت عملی کی وجہ سے اپنے مارکیٹ شیئر کو 11 فیصد سے بڑھا کر 54 فیصد کر دیا ہے۔

یورپا

مقامی یورپا مارکیٹ میں طلب مضبوط رہی جس کی وجہ کم سیلابی اور فاسفیٹنگ کھاد کی قیمتوں میں اضافہ ہے۔

مقامی یورپا کی مارکیٹ میں 2 فیصد (4,656KT سے 4,767KT تک) اضافے کا تخمینہ لگایا گیا ہے، کھاد کی فروخت پر سبیلز ٹیکس سے استثنیٰ کی وجہ سے ان پٹ سبیلز ٹیکس کا پروڈکٹ کی لاگت میں شامل ہونے اور توانائی کے اخراجات میں اضافہ کے باعث یورپا کی قیمت میں اضافہ دیکھنے میں آیا۔ بنیادی طور پر سیلاب کی وجہ سے ترسیل میں خلل پڑا اور ایف ایف بی ایل کی یورپا کی فروخت گزشتہ سال کی اسی مدت کے مقابلے میں 382KT سے 4 فیصد کم ہو کر 367KT ہو گئی۔

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2022

		September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
	Note	(Rupees '000)	
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Share capital	5	12,912,529	12,912,529
Capital reserve			
Share premium		1,632,729	1,632,729
Revenue reserve			
Accumulated profit		7,599,163	5,885,488
		22,144,421	20,430,746
NON CURRENT LIABILITIES			
Long term loans	6	14,750,000	16,233,345
Deferred liabilities	7	5,831,553	9,462,291
		20,581,553	25,695,636
CURRENT LIABILITIES			
Trade and other payables	8	79,025,858	46,785,563
Advances from customers		4,130,491	5,764,548
Unpaid dividend		10,954	10,954
Unclaimed dividend		115,718	116,867
Provision for income tax - net		650,653	501,559
Accrued interest		824,292	224,197
Short term borrowings		21,859,697	10,987,861
Current portion of long term loans	6	5,031,261	4,691,661
		111,648,924	69,083,210
		154,374,898	115,209,592
CONTINGENCIES AND COMMITMENTS			
	9		

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

	September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
Note	(Rupees '000)	

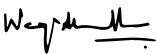
ASSETS

NON CURRENT ASSETS

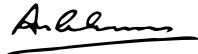
Property, plant and equipment	10	10,051,031	10,574,734
Investment property		270,242	270,242
Long term investments	11	29,641,492	25,609,532
Long term loans	12	-	3,230,509
Long term advances		27,761	39,113
Long term deposits		78,643	78,643
		40,069,169	39,802,773

CURRENT ASSETS

Stores and spares		1,830,421	1,794,030
Stock in trade	13	70,821,246	8,388,200
Trade debts		1,619,248	94,238
Advances		664,427	577,065
Trade deposits and short term prepayments		24,530	124,609
Interest accrued		741,992	756,119
Other receivables	14	4,106,899	4,613,235
Sales tax refundable - net		16,832,961	12,487,644
Short term investments	15	4,114,272	10,441,700
Cash and bank balances		13,549,733	36,129,979
		114,305,729	75,406,819
		154,374,898	115,209,592



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



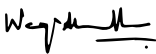
CHIEF FINANCIAL OFFICER

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

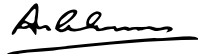
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Note	Quarter ended September 30,		Nine months ended September 30,	
		2022	2021	2022	2021
		(Rupees '000)		(Rupees '000)	
Sales - net	16	22,567,729	38,449,465	93,500,660	68,366,703
Cost of sales	17	(18,813,450)	(29,907,457)	(75,566,330)	(53,852,018)
Gross profit		3,754,279	8,542,008	17,934,330	14,514,685
Selling and distribution expenses		(1,054,064)	(1,657,398)	(4,062,802)	(3,897,815)
Administrative expenses		(237,073)	(261,613)	(943,939)	(876,896)
Operating profit		2,463,142	6,622,997	12,927,589	9,739,974
Finance costs		(1,193,402)	(560,201)	(2,805,600)	(1,820,253)
Unwinding cost of GIDC payable	7	(211,373)	(302,916)	(702,943)	(971,674)
Impairment of equity investment - FML		-	(2,102,788)	-	(2,102,788)
Other expenses	18	(4,191,596)	(4,176,267)	(8,106,747)	(4,732,189)
		(3,133,229)	(519,175)	1,312,299	113,070
Other income	19	963,540	4,167,262	5,329,986	8,205,425
Profit / (loss) before taxation		(2,169,689)	3,648,087	6,642,285	8,318,495
Taxation - net	20	473,314	(1,373,472)	(4,928,610)	(2,168,082)
Profit / (loss) after taxation		(1,696,375)	2,274,615	1,713,675	6,150,413
Earnings / (loss) per share - basic and diluted (Rupees)		(1.31)	1.77	1.33	4.78

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



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Quarter ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	(Rupees '000)		(Rupees '000)	
Profit / (loss) after taxation	(1,696,375)	2,274,615	1,713,675	6,150,413
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of post employment benefit obligation	-	-	-	24,104
Total comprehensive income / (loss)	(1,696,375)	2,274,615	1,713,675	6,174,517

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



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

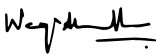


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Share capital	Advance against issue of shares	Capital reserve	Accumulated profit	Total
	(Rupees '000)				
Balance as at January 01, 2021 - audited	9,341,100	4,885,787	228,350	(495,832)	13,959,405
Total comprehensive income					
Profit after taxation for the period	-	-	-	6,150,413	6,150,413
Other comprehensive income for the period	-	-	-	24,104	24,104
Total comprehensive income for the period	-	-	-	6,174,517	6,174,517
Advance against issue of shares	-	114,213	-	-	114,213
Issue of share capital	3,571,429	(5,000,000)	1,428,571	-	-
Transaction costs	-	-	(24,192)	-	(24,192)
Balance as at September 30, 2021	<u>12,912,529</u>	<u>-</u>	<u>1,632,729</u>	<u>5,678,685</u>	<u>20,223,943</u>
Balance as at January 01, 2022 - audited	12,912,529	-	1,632,729	5,885,488	20,430,746
Total comprehensive income					
Profit after taxation for the period	-	-	-	1,713,675	1,713,675
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,713,675	1,713,675
Balance as at September 30, 2022	<u>12,912,529</u>	<u>-</u>	<u>1,632,729</u>	<u>7,599,163</u>	<u>22,144,421</u>

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



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

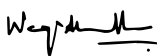


CHIEF FINANCIAL OFFICER


CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

		Nine months ended September 30,	
		2022	2021
	Note	(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operating activities	21	(34,585,275)	7,017,966
Income tax paid		(4,921,104)	(2,273,956)
Finance costs paid		(2,204,254)	(1,921,342)
Compensated absences paid		(26,917)	(120,293)
Payment to Workers' Welfare Fund		(152,588)	-
Payment to Workers' (Profit) Participation Fund		(131,345)	(261,665)
Net cash (used in) / generated from operating activities		(42,021,483)	2,440,710
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures and advances		(202,002)	(265,559)
Sale proceeds from disposal of property, plant and equipment		34,223	22,147
Proceeds from disposal of long term investment		-	5,256,007
Investment at fair value through profit and loss - net		4,192,648	-
Dividend received		2,511,075	4,117,935
Long term loans disbursed		(801,451)	(2,480,636)
Profit received on bank balances and term deposits		1,879,802	715,571
Net cash generated from investing activities		7,614,295	7,365,465
CASH FLOWS FROM FINANCING ACTIVITIES			
Advance against issuance of shares - net of transaction cost		-	90,021
Long term loan - receipt		2,000,000	4,000,000
Long term loan - repaid		(3,143,745)	(5,352,079)
Short term borrowings - net		1,800,000	(4,449,987)
Dividend paid for prior periods		(1,149)	(45)
Net cash generated from / (used in) financing activities		655,106	(5,712,090)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(33,752,082)	4,094,085
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		29,442,118	13,676,354
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		(4,309,964)	17,770,439
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the condensed interim statement of cash flows comprise the following condensed interim statement of financial position amounts:			
- Cash and bank balances		13,549,733	19,434,794
- Short term running finance		(17,859,697)	(1,664,355)
		(4,309,964)	17,770,439

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



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2022

1 THE COMPANY AND ITS OPERATIONS

Fauji Fertilizer Bin Qasim Limited ("the Company") is a public limited Company incorporated in Pakistan under the Companies Ordinance, 1984 (now replaced by the Companies Act, 2017 ("the Act") with effect from May 31, 2017). The shares of the Company are quoted on Pakistan Stock Exchange. The registered office of the Company is situated at FFBL Tower, C1/C2, Sector B, Jinnah Boulevard, DHA Phase II, Islamabad, Pakistan. The principal objective of the Company is manufacturing, purchasing and marketing of fertilizers. The Company commenced its commercial production effective January 1, 2000.

- 1.1 The Company's Gas Supply Agreement (GSA) with Sui Southern Gas Company Limited (SSGCL) expired on December 31, 2020. The Economic Coordination Committee (ECC) in its meeting dated February 03, 2021, as ratified by Federal Cabinet on February 09, 2021, approved allocation of indigenous natural gas for next five years on "as and when available basis" at existing gas prices till December 31, 2021. The Company's gas supply was resumed effective February 11, 2021 and a side letter was signed between FFBL and SSGCL to formalize arrangement regarding supply of gas which continue to apply to gas supply till date. Government of Pakistan is in the process of finalizing uniform gas price across the fertilizer sector. Management is confident that the formal addendum to GSA will be signed shortly.

2 BASIS OF PREPARATION

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

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

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

The disclosures in these condensed interim financial statements do not include the information reported for complete annual financial statements and should therefore be read in conjunction with the financial statements for the year ended December 31, 2021. The comparative Statement of Financial Position is extracted from the annual financial statements, as of December 31, 2021, whereas the Statement of Profit or Loss, the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity are extracted from the un-audited condensed interim financial statements, for the period ended September 30, 2021.

These condensed interim financial statements are unaudited and are being submitted to the members, as required under Section 237 of the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019. The condensed interim consolidated financial statements of the Company are prepared separately.

In these condensed interim financial statements, the investments in subsidiaries and associates are accounted for on the basis of direct equity interest at cost, rather than on the basis of reported results.

3 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are similar to those applied in the preparation of the financial statements for the preceding year, ended December 31, 2021.

The significant estimates and judgements adopted for the preparation of these condensed interim financial statements are similar to those applied in the preparation of the financial statements for the preceding year, ended December 31, 2021 except for the following:

- a) Expected credit loss in respect of subsidy receivable – Updation of discount rate and pattern of recovery resulting from changes in economic conditions and planned government outlays.
- b) Recoverable value of equity investment in Fauji Meat Limited (FML) – Updation of discount rate resulting from changes in economic conditions and lapse of time.
- c) Recoverable value of equity investment in Fauji Foods Limited (FFL) – Updation of discount rate and updated long term cashflow projections resulting from changes in economic conditions.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

4 IMPACT OF COVID-19

On January 31, 2020, the World Health Organization (WHO) announced a global health emergency due to Corona virus. Because of the rapid increase in exposure globally, on March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic.

The Government of Pakistan has from time to time imposed temporary restrictions on movement. The Company has adopted the required regulations.

5 SHARE CAPITAL

5.1 The status of significant shareholdings, as at September 30, 2022, are given below:

	No. of Shares	Percentage (%)
Fauji Fertilizer Company Limited	644,018,629	49.88
Fauji Foundation	236,161,393	18.29
	September 30,	December 31,
	2022	2021
	(Un - audited)	(Audited)
	(Rupees '000)	

6 LONG TERM LOANS

Loans from banking companies - secured	19,781,261	20,925,006
Less: Current portion shown under current liabilities	5,031,261	4,691,661
	14,750,000	16,233,345

6.1 During the period, the Company availed long term loan from Bank of Punjab amounting to Rs. 2,000 million for balance sheet re-profiling and working capital requirements of the Company. The loan is secured against ranking hypothecation charge over all present and future fixed assets (excluding land and building).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

		September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
	Note	(Rupees '000)	
7	DEFERRED LIABILITIES		
Compensated leave absences		488,741	493,240
Deferred taxation	7.1	1,008,712	1,150,299
Payable against GIDC	7.2	4,334,100	7,818,752
		<u>5,831,553</u>	<u>9,462,291</u>
7.1	The balance of deferred tax is in respect of the following taxable / (deductible) temporary differences:		
Accelerated tax depreciation		1,609,535	1,487,686
Remeasurement gain on GIDC		258,743	431,236
Provision for inventory obsolescence		(94,551)	(76,565)
Allowance of expected credit loss against other receivables		(399,614)	(370,948)
Provision against allowance for input sales tax		(365,401)	(321,110)
		<u>1,008,712</u>	<u>1,150,299</u>

Upon promulgation of Finance Act, 2022, the applicable rate has increased from 29% to 33%.

		September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
	Note	(Rupees '000)	
7.2	Payable against GIDC		
Opening balance		20,846,828	19,592,989
Unwinding cost of GIDC		702,943	1,253,839
		<u>21,549,771</u>	<u>20,846,828</u>
Current portion of GIDC	8	(17,215,671)	(13,028,076)
		<u>4,334,100</u>	<u>7,818,752</u>

On September 22, 2020, the Company obtained stay from the Honorable Sindh High Court against payment of GIDC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

		September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
	Note	(Rupees '000)	
8	TRADE AND OTHER PAYABLES		
Creditors	8.1	53,062,998	26,686,510
Payable against GIDC	7.2	17,215,671	13,028,076
Accrued and other liabilities		7,098,456	5,675,531
Workers' (Profit) Participation Fund		356,629	130,093
Workers' Welfare Fund		1,029,856	1,048,768
Payable to gratuity fund		243,061	197,715
Payable to provident fund		-	370
Security deposits		19,187	18,500
		79,025,858	46,785,563

- 8.1** Creditors include payables to related parties amounting to Rs. 50,721,944 thousands (December 31, 2021: Rs. 25,535,207 thousands) against purchase of raw material, steam and power. The Company purchases raw material for use in production of fertilizer from PMP at discounted price, with credit limit of 75 days.

		September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
	Note	(Rupees '000)	
9	CONTINGENCIES AND COMMITMENTS		
	Contingencies		
i) Guarantees issued by banks on behalf of the Company	9.1	291,882	73,200
	Commitments		
i) Capital expenditure - contracted		341,743	164,044
ii) Letters of credit for purchase of stores, spares and raw materials		19,416,857	1,128,973

For further commitments refer note 22.

- 9.1** There has been no change in the status of contingent liabilities, other than those specified, from the preceding year ended December 31, 2021.

		September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
		(Rupees '000)	
10	PROPERTY, PLANT AND EQUIPMENT		
Opening written down value		10,574,734	11,252,052
Additions during the period / year		213,354	307,670
Transfer upon amalgamation of subsidiary		-	831
Cost of disposals during the period / year		(55,878)	(102,360)
Depreciation charged during the period / year		(729,507)	(964,056)
Accumulated depreciation on disposals during the period / year		48,328	80,597
		10,051,031	10,574,734

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

		September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
	Note	(Rupees '000)	
11	LONG TERM INVESTMENTS		
Joint venture	11.1	1,411,150	1,411,150
Associated companies	11.2	5,230,991	5,230,991
Subsidiary companies	11.3	22,999,351	18,967,391
Other long term investments	11.4	-	-
		<u>29,641,492</u>	<u>25,609,532</u>
11.1	Investment in joint venture - at cost		
Pakistan Maroc Phosphore S.A, Morocco		1,411,150	1,411,150
11.2	Investments in associates - at cost		
Quoted			
Askari Bank Limited		5,230,991	5,230,991
11.3	Investments in subsidiaries - at cost		
Quoted			
Fauji Foods Limited			
Gross value		13,346,766	13,346,766
Impairment in value of investment		(820,000)	(820,000)
	11.5	12,526,766	12,526,766
Un-quoted			
Fauji Meat Limited			
Gross value	11.6	10,916,960	6,885,000
Impairment in value of investment		(6,885,000)	(6,885,000)
	12.1	4,031,960	-
FFBL Power Company Limited		6,440,625	6,440,625
		<u>22,999,351</u>	<u>18,967,391</u>
11.4	Investment - available for sale - unquoted		
Arabian Sea Country Club Limited (ASCLL)			
300,000 ordinary shares of Rs.10 each		3,000	3,000
Impairment in value of investment		(3,000)	(3,000)
		<u>-</u>	<u>-</u>
11.5	As at reporting date, the Company performed impairment testing for its investment in Fauji Foods Limited (FFL) owing to developments in economic environment and inflationary impacts. The Company calculated value-in-use for its equity investment in FFL on the basis of the expectation of cashflows from operations, as reflected in the updated cashflow projections approved by the Board of Directors of FFL. Discount rate of 13.35% (2021: 12.99%) and long term growth rate of 6.5% (2021: 5%) upon restructuring of growth in future cash flows. Based on the calculations, the recoverable amount was higher than the carrying amount of the investment. Accordingly, no impairment charge was recognized in the condensed interim statement of profit or loss.		

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

- 11.6** Pursuant to the approval in Board meeting of the Company, held on January 26, 2022, the Company communicated its intention, to the Board of Directors of Fauji Meat Limited (FML), to exercise the option to convert its sub-ordinated loan and related accrued mark-up, amounting to Rs. 7,000,000 thousand and Rs. 581,094 thousand, respectively, into 758,109,400 ordinary shares of FML, at their face value, resulting in total holding of shares to 1,446,609,400 (95.07%). This conversion of sub-ordinated loan and related accrued mark-up is recorded at fair value after netting-off of ECL amounting to Rs. 3,549,134 thousand. Accordingly, FML, after completing the necessary regulatory requirements and pursuant to approval of its members, has allocated 758,109,400 ordinary shares to the Company, on March 25, 2022.

		September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
	Note	(Rupees '000)	
12	LONG TERM LOANS		
	Related parties - unsecured		
Fauji Meat Limited	12.1	-	3,230,509
12.1	Movement in balance is as follows:		
Opening balance - Fauji Meat Limited		6,198,549	1,065,318
Loan given during the period / year		801,451	5,133,231
		7,000,000	6,198,549
Allowance for expected credit loss		(2,968,040)	(2,968,040)
		4,031,960	3,230,509
Transferred to investment	11.6	(4,031,960)	-
		-	3,230,509

During the period, a tranche of Rs. 801 million was disbursed to FML out of Rs. 3,500 million (unless otherwise utilized) which was approved in the Company's Annual General Meeting on March 29, 2021. Subsequently all of the sub-ordinated loan was converted into ordinary shares of FML, at their face value.

13 STOCK IN TRADE

This includes finished goods stock amounting to Rs. 51,409,958 thousands (December 31, 2021: Rs. 125,185 thousands) and raw material in transit amounting to Rs. 11,827,344 thousands (December 31, 2021: Rs. 5,314,957 thousands).

14 OTHER RECEIVABLES

This includes an amount of Rs. 1,950,351 thousands (December 31, 2021: Rs. 2,523,902 thousands) receivable from Fauji Fertilizer Company Limited (FFCL), an associated company, on account of amounts received from customers against sales of the Company's products by FFCL under an inter-company services agreement.

		September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
	Note	(Rupees '000)	
15	SHORT TERM INVESTMENTS		
	Amortized cost		
Term deposits with banks and financial institutions	15.1	-	2,100,000
	Investments at fair value through profit or loss		
Mutual Funds		4,114,272	8,341,700
		4,114,272	10,441,700
15.1	These deposits carried interest rate at 10.75% to 14.25% per annum and were encashed during the period.		

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

16	SALES - NET	Note	Quarter ended September 30,		Nine months ended September 30,	
			2022	2021	2022	2021
			(Rupees '000)		(Rupees '000)	
			22,571,244	39,214,057	94,950,445	69,731,752
	Gross sales					
	Less:					
	Sales tax		-	755,652	1,434,832	1,347,117
	Commission	16.1	3,515	8,940	14,953	17,932
			3,515	764,592	1,449,785	1,365,049
			22,567,729	38,449,465	93,500,660	68,366,703

16.1 Commission is paid at the rate of Re. 1 per bag sold by Fauji Fertilizer Company Limited, based on an inter-company services agreement.

17	COST OF SALES		Quarter ended September 30,		Nine months ended September 30,	
			2022	2021	2022	2021
			(Rupees '000)		(Rupees '000)	
	Raw materials consumed		39,115,117	20,703,199	106,540,609	45,463,783
	Packing materials consumed		319,417	590,858	953,711	1,045,205
	Fuel and power		6,434,522	3,127,155	15,685,498	8,381,814
	Chemicals and supplies consumed		76,511	49,615	185,262	138,425
	Salaries, wages and benefits		386,808	609,764	1,426,645	1,720,655
	Rent, rates and taxes		43,818	12,645	68,467	103,451
	Insurance		73,887	49,999	146,168	116,660
	Travel and conveyance		55,843	33,742	136,865	90,740
	Repairs and maintenance		338,213	172,242	1,016,632	712,209
	Communication, establishment and other expenses		50,181	58,537	165,831	180,518
	Provision for slow moving stores and spares		7,500	18,000	22,500	54,000
	Depreciation		208,564	204,668	619,997	607,232
	Opening stock - work in process		40,917	85,466	42,120	100,364
	Closing stock - work in process		(159,202)	(50,045)	(159,202)	(50,045)
	Cost of goods manufactured		46,992,096	25,665,845	126,851,103	58,665,011
	Opening stock - finished goods		23,231,312	9,275,737	125,185	221,132
	Closing stock - finished goods		(51,409,958)	(5,034,125)	(51,409,958)	(5,034,125)
			18,813,450	29,907,457	75,566,330	53,852,018
18	OTHER EXPENSES					
	Workers' (Profit) Participation Fund		(115,600)	199,932	356,629	452,015
	Workers' Welfare Fund		(26,712)	150,624	133,676	269,792
	Donations		181,859	1,392	226,369	7,442
	Expected credit loss against other receivable and accrued mark-up		(15,593)	3,019,202	170,118	3,133,491
	Exchange loss		4,166,750	804,353	7,217,141	849,962
	Others		892	764	2,814	19,487
			4,191,596	4,176,267	8,106,747	4,732,189

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Quarter ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	(Rupees '000)		(Rupees '000)	
19 OTHER INCOME				
Dividend from PMP	-	30,123	2,511,075	577,634
Dividend from FPCL	-	708,469	-	2,058,469
Dividend from AKBL	-	-	-	815,652
Dividend from FWEL-I & FWEL-II	-	-	-	218,750
Gain on disposal of investment - FWEL-I and FWEL-II	-	2,795,442	-	2,795,442
Profit on bank balances and term deposits	453,605	232,238	1,269,438	716,917
Fair value gain and related income on mutual funds	182,413	-	515,998	-
Mark-up on sub-ordinated loans	-	210,703	179,248	544,512
Income from subsidiaries	268,192	140,444	621,654	339,930
Guarantee fee	3,781	7,562	36,329	22,438
Scrap sale and other receipts	47,009	41,499	169,571	111,981
Gain on disposal of property, plant and equipment	8,540	782	26,673	3,700
	963,540	4,167,262	5,329,986	8,205,425
20 TAXATION - NET				
Current tax				
- Current period	(406,087)	2,443,320	2,780,796	3,577,163
- Prior period	-	-	2,289,402	-
Deferred tax	(67,227)	(1,069,848)	(141,588)	(1,409,081)
	(473,314)	1,373,472	4,928,610	2,168,082

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

		Nine months ended September 30,	
		2022	2021
	Note	(Rupees '000)	
21 CASH (USED IN) / GENERATED FROM OPERATIONS			
Profit before taxation		6,642,285	8,318,495
Adjustment for non-cash charges and other items:			
Provision for gratuity		45,346	42,440
Exchange loss		7,217,141	849,962
Provision for compensated absences		22,419	28,111
Provision for input tax		-	700,000
Allowance for other receivable and accrued mark-up		170,118	3,133,491
Provision for slow moving stores and spares		22,500	54,000
Provision for Workers' (Profit) Participation Fund		356,629	452,015
Provision for Workers' Welfare Fund		133,676	269,792
Unwinding cost of GIDC	7.2	702,943	971,674
Impairment of equity investment - FML		-	2,102,788
Depreciation		729,507	711,905
Finance costs		2,805,600	1,820,253
Dividend from joint venture		(2,511,075)	(577,634)
Dividend from associates		-	(1,034,402)
Dividend from subsidiaries		-	(2,058,469)
Gain on disposal of investment		-	(2,795,442)
Profit on bank balances and term deposits		(1,269,438)	(716,917)
Fair value gain and related income on mutual funds		(515,998)	-
Gain on disposal of property, plant and equipment		(26,673)	(3,700)
Mark-up on sub-ordinated loans		(179,248)	(544,512)
Guarantee fee		(36,329)	(22,438)
Operating profit before working capital changes		14,309,403	11,701,412
Changes in working capital			
Stores and spares		(58,891)	71,641
Stock in trade		(62,433,046)	(11,672,436)
Trade debts		(1,525,010)	(690,271)
Advances		(87,362)	340,283
Trade deposits and short term prepayments		100,079	47,859
Other receivables		506,336	(1,743,455)
Sales tax refundable		(4,345,317)	(3,037,114)
Trade and other payables		20,582,590	10,842,128
Advances from customers		(1,634,057)	1,157,919
		(48,894,678)	(4,683,446)
Cash (used in) / generated from operations		(34,585,275)	7,017,966

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

22 RELATED PARTY TRANSACTIONS

The Company has related parties which comprise of subsidiaries, a joint venture, entities under common directorship, directors, key management personnel, share holders and employees funds. Fauji Fertilizer Company Limited (FFCL) has a 49.88% share holding in the Company (2021: 49.88%), while Fauji Foundation (FF) holds 18.29% shares (2021: 18.29%) in the Company. Transactions with related parties and balances outstanding, other than those have been disclosed elsewhere in these condensed interim financial statements are given below. The carrying values of investments, subordinated loans and balance receivable from related parties are disclosed in note 11, 12 and 14 to these condensed interim financial statements.

	Nine months ended September 30,	
	2022	2021
	(Rupees '000)	
Transactions with Fauji Foundation:		
Services received	59,489	85,945
Services provided	886	2,738
Payments against services	63,855	82,080
Donation paid	76,150	12,400
Balance payable	168,750	24,002 *
Transactions with subsidiary companies:		
Fauji Meat Limited		
Balance receivable	7,790	68,179 *
Material / services provided	29,420	27,833
Receipt against common facilities	89,809	-
Guarantee fee	-	11,219
Receipt against guarantee fee and markup	34,240	-
Mark-up on sub-ordinated loan	179,248	148,299
Conversion into equity investment	4,031,960	-
Guarantee fee and mark-up receivable	-	436,086 *
FFBL Power Company Limited		
Material / services provided	1,149,925	544,190
Material / services received	17,243,772	9,322,519
Balance payable	4,820,115	1,530,560 *
Balance receivable	163,355	112,857 *
Receipts against material / services	1,099,427	490,891
Payments against material / services	13,954,217	9,536,254
Dividend received	-	2,058,469
Fauji Foods Limited		
Material / services provided	8,979	8,145
Material / services received	8	98
Receipts against material / services	7,471	9,084
Balance receivable	1,500	- *
Guarantee fee	11,219	11,219
Receipt against guarantee fee	26,790	-
Mark-up on sub-ordinated loan	-	396,213
Guarantee fee and mark-up receivable	734,969	750,540 *

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Nine months ended September 30,	
	2022	2021
	(Rupees '000)	
Transactions with associates:		
Fauji Fertilizer Company Limited		
Services and material received	896,574	902,649
Services and material provided	-	1,017
Receipts under consignment account	90,826,764	67,374,677
Commission charged	14,953	17,932
Balance receivable	1,950,351	2,523,902 *
Askari Bank Limited		
Balances at bank	4,965,814	16,264,836 *
Profit on bank balances	437,661	283,625
Long term loans	83,333	250,000 *
Mark-up on long term loans	10,914	21,570
Mark-up payable on long term loans	113	5,381 *
Dividend received	-	815,652
Pakistan Maroc Phosphore S.A, Morocco		
Purchase of raw materials	116,690,984	42,067,806
Expenses incurred on behalf of joint venture	5,597	4,548
Balance payable - secured	45,901,829	24,004,647 *
Balance receivable - unsecured	10,812	8,852 *
Dividend received	2,511,075	1,025,064
Other related parties:		
Contribution to provident fund	51,018	49,166
Payment to Workers' (Profit) Participation Fund	131,345	261,665
Payment to Workers' Welfare Fund	152,588	-
Meeting fee to directors	15,050	22,350
Balance payable - unsecured (WPPF & WWF)	1,386,485	1,178,861 *
Payable to gratuity fund	243,061	197,715 *
Remuneration of key management personnel		
Short term benefits	180,553	92,342
Post employment benefits	19,035	19,683

* These balance of accounts, appearing as comparatives, are as at December 31, 2021 (audited).

In addition to the above:

- the Company has provided sponsor support, to lenders of project financing arranged by FPCL, to fund any shortfall, to the extent FPCL is unable to fulfill its financial obligations:
 - (i) up to Rs. 29,150 million (2021: Rs. 29,150 million) and all cost over runs, till technical completion date; and
 - (ii) up to Rs. 8,000 million after project completion date.
- the Company has issued standby letter of credit amounting to Rs. 1,000 million in favor of the FFL under the Master Facility Agreement.
- the Company has also provided a revolving guarantee amounting to Rs. 6,067 million in favor of the FFL under the Master Facility Agreement. On September 29, 2022, Board of Directors has approved conversion of accrued mark-up into equity at par, which is subject to requisite approvals.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

23 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

23.1 Financial risk factors

The Company's activities expose it to a variety of financial risks including market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

There have been no changes in the risk management policies during the period; consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

23.2 Fair value estimation

The table below analyzes financial instruments carried at fair value by the valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (level 3)


	Level 1	Level 2	Level 3
	(Rupees' 000)		
September 2022 - un-audited			
ASSETS			
Financial assets at fair value through profit or loss			
- Short term investments	4,114,272	-	-
December 2021 - audited			
ASSETS			
Financial assets at fair value through profit or loss			
- Short term investments	8,341,700	-	-

24 GENERAL

24.1 Figures have been rounded off to the nearest thousand rupees.

24.2 Corresponding figures have been re-arranged / re-classified, wherever necessary, for the purpose of comparison.

24.3 These condensed interim financial statements were authorized for issue on October 25, 2022 by the Board of Directors of the Company.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES

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CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

		September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
	Note	(Rupees '000)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	5	12,912,529	12,912,529
Capital reserve			
Share premium		1,632,729	1,632,729
Statutory reserve		2,744,656	2,352,571
Revenue reserves			
Translation reserve		4,782,035	4,055,119
Revaluation reserve on available for sale investments, net of tax		(677,298)	(517,348)
Accumulated profit		10,766,160	8,115,887
		32,160,811	28,551,487
Non controlling interest			
		4,961,132	4,380,785
		37,121,943	32,932,272
NON CURRENT LIABILITIES			
Long term loans	6	29,812,300	33,516,088
Lease liabilities		100,725	156,403
Deferred liabilities	7	9,843,520	12,669,019
		39,756,545	46,341,510
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	8	76,806,106	48,543,202
Advances from customers		4,258,782	5,908,825
Unpaid dividend		10,954	10,954
Unclaimed dividend		116,684	117,833
Accrued interest		1,382,605	830,481
Short term borrowings		28,664,893	18,922,181
Subordinated loan - unsecured	9	2,000,000	-
Current portion of long term loans	6	7,876,308	7,028,305
Current portion of lease liabilities		75,433	67,162
		121,191,765	81,428,943
		198,070,253	160,702,725
CONTINGENCIES AND COMMITMENTS			
	10		

The annexed notes, from 1 to 26, form an integral part of these condensed interim consolidated financial statements.

	September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
Note	(Rupees '000)	

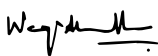
ASSETS

NON CURRENT ASSETS

Property, plant and equipment	11	46,570,763	47,848,922
Intangible assets		397,026	410,856
Long term investments	12	23,021,316	20,468,042
Investment property	13	270,242	270,242
Long term advances		27,761	39,113
Long term deposits		87,949	85,249
		70,375,057	69,122,424

CURRENT ASSETS

Stores and spares		2,727,145	2,594,274
Stock in trade	14	73,148,724	12,621,736
Trade debts		6,870,344	2,061,629
Advances		1,089,383	962,732
Trade deposits and short term prepayments		238,996	307,491
Interest accrued		7,023	5,579
Other receivables	15	3,967,529	4,524,065
Income tax refundable - net		966,853	1,213,785
Sales tax refundable - net		18,176,129	13,995,728
Short term investments	16	5,784,272	13,943,049
Cash and bank balances		14,718,798	39,350,233
		127,695,196	91,580,301
		198,070,253	160,702,725



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

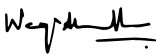


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

		Quarter ended September 30,		Nine months ended September 30,	
		2022	2021	2022	2021
Note		(Rupees '000)		(Rupees '000)	
Sales - net	17	28,513,587	43,029,802	108,824,166	81,637,097
Cost of sales	18	(22,270,760)	(32,730,734)	(84,765,667)	(61,714,177)
Gross profit		6,242,827	10,299,068	24,058,499	19,922,920
Selling and distribution expenses		(1,492,575)	(1,967,794)	(5,294,242)	(4,803,228)
Administrative expenses		(464,046)	(457,256)	(1,617,935)	(1,431,977)
Operating profit		4,286,206	7,874,018	17,146,322	13,687,715
Finance costs		(2,193,819)	(1,155,406)	(5,323,959)	(3,690,902)
Unwinding cost of GIDC payable	7	(211,373)	(302,916)	(702,943)	(971,674)
Other expenses	19	(4,272,391)	(2,720,295)	(8,336,827)	(5,072,878)
		(2,391,377)	3,695,401	2,782,593	3,952,261
Other income	20				
Share of profit of associates and joint venture - net		1,145,436	1,805,835	4,525,611	3,695,720
Others		796,992	402,746	2,307,234	1,189,144
		1,942,428	2,208,581	6,832,845	4,884,864
Profit / (loss) before taxation		(448,949)	5,903,982	9,615,438	8,837,125
Taxation - net	21	(6,421)	(1,822,401)	(5,987,240)	(2,876,717)
Profit / (loss) after taxation		(455,370)	4,081,581	3,628,198	5,960,408
Attributable to:					
- Owners of the Holding Company		(597,857)	4,022,141	3,456,650	5,678,524
- Non controlling interest		142,487	59,440	171,548	281,884
		(455,370)	4,081,581	3,628,198	5,960,408
Earnings / (loss) per share - basic and diluted (Rupees)		(0.46)	3.11	2.68	4.41

The annexed notes, from 1 to 26, form an integral part of these condensed interim consolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER


CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Quarter ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	(Rupees '000)		(Rupees '000)	
Profit / (loss) after taxation	(455,370)	4,081,581	3,628,198	5,960,408
Other comprehensive income				
Exchange difference on translating a joint venture	362,115	244,508	592,797	(75,568)
Effect of translation - share of associate	92,248	15,832	134,119	(25,701)
Revaluation reserve on available for sale investments	769,313	268,967	(188,177)	(289,609)
Related deferred tax	(115,397)	(40,345)	28,227	43,441
	653,916	228,622	(159,950)	(246,168)
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefits obligation	-	-	-	24,104
Total comprehensive income	652,909	4,570,543	4,195,164	5,637,075
Attributable to:				
- Owners of the Holding Company	510,422	4,511,103	4,023,616	5,355,191
- Non controlling interest	142,487	59,440	171,548	281,884
	652,909	4,570,543	4,195,164	5,637,075

The annexed notes, from 1 to 26, form an integral part of these condensed interim consolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

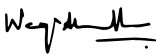


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Share capital	Advance against issue of shares	Capital reserve		Revenue reserve			Non controlling interest	Total
			Share Premium	Statutory reserve	Translation reserve	Revaluation reserve on available for sale investments	Accumulated profit		
			(Rupees '000)						
Balance as at January 01, 2021 - audited	9,341,100	4,885,787	228,350	1,880,710	3,575,458	(32,845)	208,226	2,361,285	22,448,071
Total comprehensive income									
Profit for the period after taxation	-	-	-	-	-	-	5,678,524	281,884	5,960,408
Other comprehensive loss for the period	-	-	-	-	(101,269)	(246,168)	24,104	-	(323,333)
Total comprehensive income for the period	-	-	-	-	(101,269)	(246,168)	5,702,628	281,884	5,637,075
Transfer to statutory reserve	-	-	-	371,220	-	-	(371,220)	-	-
Advance against issue of shares	-	114,213	-	-	-	-	-	-	114,213
Issue of share capital	3,571,429	(5,000,000)	1,428,571	-	-	-	-	-	-
Share issuance cost	-	-	(24,192)	-	-	-	-	-	(24,192)
Transaction costs of NCI	-	-	-	-	-	-	-	(4,290)	(4,290)
Transactions with owners recorded directly in equity									
FPCL First interim dividend - quarter ended March 31, 2021	-	-	-	-	-	-	-	(450,000)	(450,000)
FPCL Second interim dividend - quarter ended June 30, 2021	-	-	-	-	-	-	-	(236,156)	(236,156)
Balance as at September 30, 2021	12,912,529	-	1,632,729	2,251,930	3,474,189	(279,013)	5,539,634	1,952,723	27,484,721
Balance as at January 01, 2022 - audited	12,912,529	-	1,632,729	2,352,571	4,055,119	(517,348)	8,115,887	4,380,785	32,932,272
Total comprehensive income									
Profit for the period after taxation	-	-	-	-	-	-	3,456,650	171,548	3,628,198
Other comprehensive income for the period	-	-	-	-	726,916	(159,950)	-	-	566,966
Total comprehensive income for the period	-	-	-	-	726,916	(159,950)	3,456,650	171,548	4,195,164
Transfer to statutory reserve	-	-	-	392,085	-	-	(392,085)	-	-
Transaction cost	-	-	-	-	-	-	-	(5,493)	(5,493)
Acquisition of NCI (note 5.2)	-	-	-	-	-	-	(414,292)	414,292	-
Balance as at September 30, 2022	12,912,529	-	1,632,729	2,744,656	4,782,035	(677,298)	10,766,160	4,961,132	37,121,943

The annexed notes, from 1 to 26, form an integral part of these condensed interim consolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

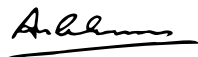
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

		Nine months ended September 30,	
		2022	2021
	Note	(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operation	22	(35,052,798)	8,386,629
Income tax paid		(5,059,745)	(2,462,172)
Payment to gratuity fund		(79,728)	(28,988)
Finance cost paid		(4,728,455)	(3,299,020)
Compensated absences paid		(48,153)	(136,007)
Payment to Workers' Welfare Fund		(153,839)	(10,515)
Payment to Workers' (Profit) Participation Fund		(138,801)	(280,400)
Net cash (used in) / generated from operating activities		(45,261,519)	2,169,527
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures and advances		(821,826)	(471,189)
Intangibles		-	(1,133)
Dividend received		2,511,075	2,059,466
Sale proceeds of property, plant and equipment		40,870	5,256,007
Investment at fair value through profit or loss - net		4,192,648	143,236
Profit received on bank balances and term deposits		1,996,229	736,019
Net cash generated from investing activities		7,918,996	7,722,406
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		1,571,007	(4,220,586)
Long term loans received		2,000,000	4,000,000
Long term loans paid		(4,880,139)	(7,812,030)
Transaction cost		(16,500)	(8,911)
Advance against issue of shares - net of transaction cost		-	90,021
Finance lease liability		(65,185)	(71,767)
Dividend paid for prior periods		(1,149)	(686,202)
Net cash used in financing activities		(1,391,966)	(8,709,475)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(38,734,489)	1,182,458
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		28,458,375	11,673,800
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		(10,276,114)	12,856,258
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the condensed interim consolidated statement of cash flows comprise the following condensed interim consolidated statement of financial position amounts:			
- Cash and bank balances		14,718,798	20,521,069
- Short term highly liquid investments	16	1,670,000	21,794
- Short term running finance		(26,664,912)	(7,686,605)
		(10,276,114)	12,856,258

The annexed notes, from 1 to 26, form an integral part of these condensed interim consolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

1 THE GROUP AND ITS OPERATIONS

Fauji Fertilizer Bin Qasim Limited is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 (now replaced by the Companies Act, 2017 with effect from May 31, 2017). The shares of the Company are quoted on Pakistan Stock Exchange (PSX). The registered office of FFBL is situated at FFBL Tower, C1/C2, Sector B, Jinnah Boulevard, DHA Phase II, Islamabad, Pakistan. The principal objective of FFBL is manufacturing, purchasing and marketing of fertilizers. FFBL commenced its commercial production effective January 01, 2000.

- 1.1** The Holdings Company's Gas Supply Agreement (GSA) with Sui Southern Gas Company Limited (SSGCL) expired on December 31, 2020. The Economic Coordination Committee (ECC) in its meeting dated February 03, 2021, as ratified by Federal Cabinet on February 09, 2021, approved allocation of indigenous natural gas for next five years on "as and when available basis" at existing gas prices till December 31, 2021. The Holding Company's gas supply was resumed effective February 11, 2021 and a side letter was signed between FFBL and SSGCL to formalize arrangement regarding supply of gas which continues to apply to gas supply till date. Government of Pakistan is in the process of finalizing uniform gas price across the fertilizer sector. Management is confident that the formal addendum to GSA will be signed shortly.

Fauji Fertilizer Bin Qasim Limited group comprises of Fauji Fertilizer Bin Qasim Limited (FFBL / the Holding Company) and its subsidiaries, Fauji Meat Limited (FML), FFBL Power Company Limited (FPCL) and Fauji Foods Limited (FFL) collectively referred as ("Group").

Fauji Meat Limited is a public limited company incorporated on September 05, 2013 in Pakistan under the Companies Ordinance, 1984 (now replaced by the Companies Act, 2017 with effect from May 31, 2017). The principal objectives of FML are to establish a meat abattoir unit for halal slaughtering of animals to obtain meat for local and export sale purposes.

FFBL Power Company Limited is a public limited company incorporated on June 27, 2014 in Pakistan under the Companies Ordinance, 1984 (now replaced by the Companies Act, 2017 with effect from May 31, 2017). The principal activity is generation and supply of electricity and all other forms of energy.

Fauji Foods Limited (FFL) was incorporated in Pakistan on September 26, 1966 as a public company and its shares are quoted on PSX. It is principally engaged in processing and sale of toned milk, milk powder, fruit juices, allied dairy and food products.

2 BASIS OF PREPARATION

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

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

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

The disclosures in these condensed interim consolidated financial statements do not include the information reported for complete annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2021. The comparative Consolidated Statement of Financial Position is extracted from the annual consolidated financial statements, as of December 31, 2021, whereas the Consolidated Statement of Profit or Loss and the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity are extracted from the unaudited condensed interim consolidated financial statements, for the period ended September 30, 2021.

These condensed interim consolidated financial statements are unaudited and are being submitted to the members, as required under Section 237 of the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

3 ACCOUNTING POLICIES, SIGNIFICANT ESTIMATES AND JUDGEMENTS

The accounting policies and methods of computation adopted for the preparation of these condensed interim consolidated financial statements are similar to those applied in the preparation of the consolidated financial statements for the preceding year, ended December 31, 2021.

The significant estimates and judgements adopted for the preparation of these condensed interim consolidated financial statements are similar to those applied in the preparation of the financial statements for the preceding year, ended December 31, 2021 except for the following:

- Expected credit loss in respect of subsidy receivable – Updation of discount rate and pattern of recovery resulting from changes in economic conditions and planned government outlays.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2022

4 IMPACT OF COVID-19

On January 31, 2020, the World Health Organization (WHO) announced a global health emergency due to Corona virus. Because of the rapid increase in exposure globally, on March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic.

The Government of Pakistan has from time to time imposed temporary restrictions on movement. The Group has adopted the required regulations.

5 SHARE CAPITAL

5.1 Group consists of following subsidiary companies:

	Ownership in 2022	Ownership in 2021
Fauji Meat Limited	95.07%	90.18%
FFBL Power Company Limited	75.00%	75.00%
Fauji Foods Limited	71.63%	71.63%

The condensed interim financial statements of subsidiary companies have been consolidated on line by line basis. The carrying value of investments held by the Holding Company is eliminated against the subsidiaries' share capital and pre-acquisition reserves. All material intercompany balances and transactions have been eliminated.

- 5.2 Pursuant to the approval in Board meeting of the Holding Company, held on January 26, 2022, the Holding Company communicated its intention, to the Board of Directors of Fauji Meat Limited (FML), to exercise the option to convert its sub-ordinated loan and related accrued mark-up, amounting to Rs. 7,000,000 thousand and Rs. 581,094 thousand, respectively, into 758,109,400 ordinary shares of FML, at their face value, resulting in total holding of shares to 1,446,609,400 (95.07%). This conversion of sub-ordinated loan and related accrued mark-up is recorded at fair value after netting-off of ECL amounting to Rs. 3,549,134 thousand. Accordingly, FML, after completing the necessary regulatory requirements and pursuant to approval of its members, has allocated 758,109,400 ordinary shares to the Holding Company, on March 25, 2022.

September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
(Rupees '000)	

6 LONG TERM LOANS

Loans from banking companies - secured	37,688,608	40,544,393
Less: Current portion shown under current liabilities	7,876,308	7,028,305
	29,812,300	33,516,088

- 6.1 During the period, the Holding Company availed long term loan from Bank of Punjab amounting to Rs. 2,000 million for balance sheet re-profiling and working capital requirements of the Holding Company. The loan is secured against ranking hypothecation charge over all present and future fixed assets (excluding land and building).

September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
(Rupees '000)	

7 DEFERRED LIABILITIES

Compensated leave absences	691,899	685,082
Deferred taxation	4,817,521	4,165,185
Payable against Gas Infrastructure Development Cess (GIDC)	4,334,100	7,818,752
	9,843,520	12,669,019

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
	(Rupees '000)	
7.1 DEFERRED TAXATION - NET		
The balance of deferred tax is in respect of the following taxable / (deductible) temporary differences:		
Accelerated tax depreciation	3,162,675	3,015,798
Share of profit of joint venture and associates - net	1,923,773	1,621,591
Share of profit of subsidiary	1,488,292	1,043,004
Remeasurement gain on GIDC	258,743	431,236
Provision for inventory obsolescence	(132,118)	(116,245)
Provision for doubtful other receivables	(399,614)	(351,176)
Deferred tax on revaluation of available for sale investments	(130,505)	(102,277)
Provision against allowance for input sales tax	(365,401)	(321,110)
Unabsorbed losses, tax credits and others	(988,324)	(1,055,636)
	4,817,521	4,165,185

Upon promulgation of Finance Act, 2022, the applicable rate has increased from 29% to 33%.

	September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
	(Rupees '000)	
7.2 Payable against GIDC		
Opening balance	20,846,828	19,592,989
Unwinding cost of GIDC	702,943	1,253,839
	21,549,771	20,846,828
Current portion of GIDC	8 (17,215,671)	(13,028,076)
	4,334,100	7,818,752

On September 22, 2020, the Holding Company obtained stay from the Honorable Sindh High Court against payment of GIDC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

		September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
	Note	(Rupees '000)	
8	TRADE AND OTHER PAYABLES		
Creditors	8.1	49,364,234	27,194,489
Payable against GIDC	7.2	17,215,671	13,028,076
Accrued liabilities		8,003,834	6,121,059
Workers' (Profit) Participation Fund		517,403	137,980
Workers' Welfare Fund		1,037,658	1,051,034
Payable to gratuity fund		267,559	271,085
Payable to provident fund		20,214	14,366
Security deposits		128,116	51,329
Withholding tax payable		192,923	99,679
Sales tax payable		10,248	9,928
Other payables		48,246	564,177
		76,806,106	48,543,202

8.1 Creditors include payables to a related party amounting to Rs. 45,901,829 thousands (December 31, 2021: Rs. 24,004,647 thousands) against purchase of raw material.

		September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
		(Rupees '000)	
9	SUBORDINATED LOAN		
Loan from Fauji Foundation - unsecured		2,000,000	-
		2,000,000	-

9.1 During the period, FFL obtained interest free subordinated loan from Fauji Foundation, a related party, on August 29, 2022 for two years with the option to convert loan into equity. The Board of FFL in their meeting held on September 20, 2022 approved issue of shares by way of other than right that includes conversion of subordinated loan into ordinary shares of FFL. Subsequent to reporting date, shareholders of FFL in their extraordinary general meeting held on October 18, 2022 approved issue of shares, subject to requisite approvals. Therefore, subordinated loan has been classified as short term liability.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

		September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
	Note	(Rupees '000)	
10	CONTINGENCIES AND COMMITMENTS		
Contingencies			
i) Guarantees issued by banks on behalf of FFBL	10.1	291,882	73,200
ii) Group's share of contingent liabilities of Askari Bank Limited as at June 30, 2022 (September 30, 2021)		61,751,989	56,970,121
iii) Contingent liabilities of FML		365,188	365,188
iv) Contingent liabilities of FFL		3,849,685	523,282
v) Contingent liabilities of FPCL		-	585,773
Commitments			
i) Capital expenditures - FFBL		341,743	164,044
ii) Letters of credit - FFBL		19,416,857	1,128,973
iii) Group's share of commitments of PMP as at June 30, 2022 (September 30, 2021)		120,835	76,951
iv) Group's share of commitments of Askari Bank Limited as at June 30, 2022 (September 30, 2021)		108,305,288	91,593,283
v) Commitments of FPCL		3,595,854	1,645,239
vi) Commitments of FFL		472,646	7,510

For further commitments refer note 23.

10.1 There has been no change in the status of contingent liabilities, other than those specified, from the preceding year ended December 31, 2021.

	September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
	(Rupees '000)	
11	PROPERTY, PLANT AND EQUIPMENT	
Opening written down value	47,848,922	50,286,924
Additions during the period / year	830,445	598,655
Termination of lease	-	(136,943)
Disposals during the period / year	(78,979)	(329,039)
Depreciation during the period / year	(2,092,920)	(2,761,263)
Depreciation charged on disposals during the period / year	63,295	224,047
Adjustments during the period / year	-	(33,459)
	46,570,763	47,848,922

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

		September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
	Note	(Rupees '000)	
12	LONG TERM INVESTMENTS		
Investment in joint venture - equity method			
Pakistan Maroc Phosphore S.A, Morocco			
Opening balance		8,949,117	6,400,564
Share of profit		2,536,219	2,668,508
Dividend		(2,511,075)	(577,634)
Effect of translation		592,796	457,679
Closing balance		9,567,057	8,949,117
Investment in associate - equity method			
Askari Bank Limited			
Opening balance		11,518,925	10,842,709
Share of profit		1,989,392	2,039,888
Dividend		-	(815,652)
Revaluation reserve of available for sale investments		(188,177)	(570,002)
Effect of translation		134,119	21,982
Closing balance		13,454,259	11,518,925
Investment - available for sale - unquoted			
Arabian Sea Country Club Limited (ASCCL)			
300,000 ordinary shares of Rs. 10 each		3,000	3,000
Impairment in value of investment		(3,000)	(3,000)
		-	-
		23,021,316	20,468,042
13	INVESTMENT PROPERTY- AT COST		
Carrying amount as at beginning of the period	13.1	270,242	-
Transfer from non-current asset held for sale		-	270,242
Carrying amount as at end of the period		270,242	270,242
13.1	This represents freehold land located at Pindi Bhattian owned by the Holding Company and is held for capital appreciation and earning rental income. The Holding Company carries this investment property under cost model.		
14	STOCK IN TRADE		
This includes finished goods stock amounting to Rs. 51,647,494 thousands (December 31, 2021: Rs. 454,715 thousands) and raw material in transit amounting to Rs. 11,844,180 thousands (December 31, 2021: Rs. 5,337,421 thousands).			

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

15 OTHER RECEIVABLES

This includes an amount of Rs. 1,950,351 thousands (December 31, 2021: Rs. 2,523,902 thousands) receivable from Fauji Fertilizer Company Limited (FFCL), a related party, on account of amounts received from customers, against sales of the Holding Company's products under an inter-company services agreement.

		September 30, 2022 (Un - audited)	December 31, 2021 (Audited)
	Note	(Rupees '000)	
16 SHORT TERM INVESTMENTS			
Amortized cost			
Term deposits with banks and financial institutions	16.1	1,670,000	5,601,349
Investments at fair value through profit or loss			
Mutual funds		4,114,272	8,341,700
		<u>5,784,272</u>	<u>13,943,049</u>

16.1 These deposits carries interest at 15.8% per annum (December 31, 2021: 5% to 15% per annum) maturing on various dates.

		Quarter ended September 30,		Nine months ended September 30,	
		2022	2021	2022	2021
	Note	(Rupees '000)		(Rupees '000)	
17 SALES - NET					
Gross sales		30,729,097	44,881,332	114,581,403	86,115,014
Less:					
Sales tax		1,898,270	1,627,029	4,957,662	3,822,161
Trade discount		148,048	170,900	384,857	460,755
Advance tax u/s 235		165,677	44,661	399,765	177,069
Commission	17.1	3,515	8,940	14,953	17,932
		<u>2,215,510</u>	<u>1,851,530</u>	<u>5,757,237</u>	<u>4,477,917</u>
		<u>28,513,587</u>	<u>43,029,802</u>	<u>108,824,166</u>	<u>81,637,097</u>

17.1 It represents commission paid by the Holding Company at the rate of Re.1 per bag to Fauji Fertilizer Company Limited, based on an inter-company services agreement.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Quarter ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	(Rupees '000)		(Rupees '000)	
18 COST OF SALES				
Raw materials consumed	46,891,227	24,528,504	125,402,861	56,655,670
Packing materials consumed	839,145	1,021,638	2,349,577	2,448,270
Fuel and power	554,611	403,380	1,475,874	969,271
Ash dumping	3,160	7,796	10,293	16,015
Stores and supplies consumed	113,917	131,319	347,958	373,222
Salaries, wages and benefits	702,040	851,950	2,317,240	2,456,829
Repairs and maintenance	430,720	266,916	1,317,217	1,016,238
Travel and conveyance	77,121	49,641	191,144	131,834
Rent, rates and taxes	43,911	13,011	68,589	104,108
Insurance	122,042	87,494	279,027	239,487
Utilities	34,410	51,204	110,040	166,571
Provision for obsolete stores & spares	7,500	18,000	22,500	54,000
Communication, establishment and other expenses	75,576	75,265	241,082	248,840
Depreciation and amortization	651,628	633,519	1,942,804	1,888,458
Opening stock - work in process	122,770	242,257	160,307	273,371
Closing stock - work in process	(276,382)	(159,202)	(276,382)	(159,202)
Cost of goods manufactured	50,393,396	28,222,692	135,960,131	66,882,982
Opening stock - finished goods	23,496,040	10,011,543	424,212	334,696
Closing stock - finished goods	(51,618,676)	(5,503,501)	(51,618,676)	(5,503,501)
	<u>22,270,760</u>	<u>32,730,734</u>	<u>84,765,667</u>	<u>61,714,177</u>
19 OTHER EXPENSES				
Workers' (Profit) Participation Fund	(43,179)	246,916	516,973	607,340
Workers' Welfare Fund	(24,919)	152,033	139,212	274,952
Expected credit loss against other receivables	-	650,000	-	782,000
Loss on sale of investment	-	721,352	-	2,386,841
Donations	192,859	1,392	237,369	7,442
Exchange loss - net	4,134,919	920,866	7,426,599	985,106
Others	12,711	27,736	16,674	29,197
	<u>4,272,391</u>	<u>2,720,295</u>	<u>8,336,827</u>	<u>5,072,878</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Quarter ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	(Rupees '000)		(Rupees '000)	
20 OTHER INCOME				
Share of profit from joint venture and associates				
Pakistan Maroc Phosphore S.A	561,962	793,399	2,536,219	1,417,779
Foundation Wind Energy - I Limited	-	364,495	-	415,367
Foundation Wind Energy - II Limited	-	356,857	-	402,339
Askari Bank Limited	583,474	291,084	1,989,392	1,460,235
	1,145,436	1,805,835	4,525,611	3,695,720
Profit on bank balances & term deposits	529,296	250,698	1,446,891	797,423
Fair value gain and related income on mutual funds	182,413	-	515,998	-
Scrap sale and other receipts	52,282	46,630	195,703	144,521
Gain on disposal of property, plant and equipment	8,844	1,808	25,186	46,470
Miscellaneous income	24,157	103,610	123,456	200,730
	796,992	402,746	2,307,234	1,189,144
	1,942,428	2,208,581	6,832,845	4,884,864
21 TAXATION - NET				
Current tax				
- Current period	(302,493)	2,390,728	3,017,278	3,658,466
- Prior period	-	-	2,289,402	-
Deferred tax	308,914	(568,327)	680,560	(781,749)
	6,421	1,822,401	5,987,240	2,876,717

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

22

CASH (USED IN) / GENERATED FROM OPERATIONS

Nine months ended September 30,	
2022	2021
(Rupees '000)	
Profit before taxation	8,837,125
Adjustment for non-cash charges and other items:	
Provision for gratuity	71,157
Exchange loss - net	985,106
Provision for compensated absences	60,012
Provision for Workers' (Profit) Participation Fund	607,340
Provision for Workers' Welfare Fund	274,952
Unwinding cost of GIDC	971,674
Provision for input tax	700,000
Provision for other receivables	782,000
Amortization of transaction cost of long term finance	28,678
Transaction cost	-
Depreciation	2,070,840
Loss on sale of investment	2,386,841
Amortization	25,089
Provision for obsolete stores & spares	54,000
Lease charges	23,573
Finance costs	3,638,651
Profit on bank balances and term deposits	(797,423)
Fair value gain and related income on mutual funds	-
Profit from joint venture and associates - net	(3,695,720)
Gain on disposal of property, plant and equipment	(46,470)
Operating profit before working capital changes	16,977,425
Changes in working capital:	
Stores and spares	70,504
Stock in trade	(15,061,196)
Trade debts	(1,711,742)
Advances	518,822
Trade deposits and short term prepayments	95,387
Other receivables	(1,668,811)
Sales tax refundable	(3,555,573)
Trade and other payables	11,552,845
Subordinated loan - unsecured	-
Advances from customers	1,168,968
	(8,590,796)
Cash (used in) / generated from operations	8,386,629

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

23 RELATED PARTY TRANSACTIONS

Fauji Fertilizer Company Limited (FFCL) has 49.88% share holding in FFBL (2021: 49.88%), while Fauji Foundation (FF) holds 18.29% shares (2021: 18.29%) in the Holding Company. The Group has related parties which comprise of a joint venture, entities under common directorship, directors, key management personnel and employees' funds. Transactions with related parties and the balances outstanding at the period end are given below. The carrying value of investment in associates and joint venture are disclosed in note 12 to the condensed interim consolidated financial statements.

	Nine months ended September 30,	
	2022	2021
	(Rupees '000)	
Transactions with Fauji Foundation (FF)		
Services received	68,801	96,934
Services provided	886	2,738
Receipts against services	-	119
Payment against services	70,841	82,080
Subordinated loan	2,000,000	-
Donation paid	144,890	39,620
Balance payable	2,171,076	24,002 *
Dividend paid	-	686,156
Transactions with associated undertakings due to common directorship		
Fauji Fertilizer Company Limited		
Services and material acquired	896,574	902,649
Services and material provided	-	1,017
Receipts under consignment account	90,826,764	67,374,677
Commission charged	14,953	17,932
Balance receivable at period end	1,950,351	2,523,902 *
Proceeds against disposal of investment	-	5,256,007
Askari Bank Limited		
Balances at bank and TDR	6,806,964	17,719,439 *
Profit on bank balances	547,850	290,519
Profit on bank balances receivable	29,740	- *
Long term loans	479,877	646,544
Mark-up on long term loans	10,914	21,570
Mark-up payable on long term loans	33,413	42,371 *
Finance cost charged	70,455	16,580
Running finance	271,804	- *
Dividend received	-	815,652
Transactions with joint venture		
Purchase of raw materials	116,690,984	42,067,806
Expenses incurred on behalf of joint venture	5,597	4,548
Balance payable - secured	45,901,829	24,004,647 *
Balance receivable - unsecured	10,812	8,852 *
Dividend received	2,511,075	1,025,064

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Nine months ended September 30,	
	2022	2021
	(Rupees '000)	
Other related parties		
Contribution to provident fund	92,015	67,424
Payment to gratuity fund	79,728	28,988
Payment to Workers' (Profit) Participation Fund and Workers' Welfare Fund	292,640	290,915
Meeting fee to directors	28,135	33,120
Balance payable - unsecured (WPPF and WWF)	1,555,061	1,189,014 *
Payable to gratuity fund	267,559	271,085 *
Payable to provident fund	20,214	14,366 *
Expenses on behalf of Fauji Cereals	-	5,381
Receivable from Fauji Cereals	5,830	5,830 *
Payment to Fauji Security Services (Private) Limited	-	232
Noon Sugar Mills for purchase of sugar	-	35,007
Remuneration of key management personnel		
Short term benefits	345,268	236,279
Post employment benefits	42,883	32,253

* Balance of accounts appearing as comparatives are as at December 31, 2021 (audited).

24 SEGMENT REPORTING

A business segment is a group of assets and operations engaged in providing products that are subject to risk and returns that are different from those of other business segments.

	Fertilizer	Food	Meat	Power	Elimination-net	Consolidated
	(Rupees' 000)					
September 30, 2022						
Revenue	93,500,660	8,071,196	52,894	21,902,287	(14,702,871)	108,824,166
External customer	93,500,660	8,071,196	52,894	7,199,416	-	108,824,166
Inter-segment	-	-	-	14,702,871	(14,702,871)	-
Total revenue	93,500,660	8,071,196	52,894	21,902,287	(14,702,871)	108,824,166
Profit / (loss) after tax	1,713,675	(1,862,693)	(577,045)	2,968,583	1,385,678	3,628,198
September 30, 2021						
Revenue	68,366,703	6,682,325	85,854	14,261,483	(7,759,268)	81,637,097
External customer	68,366,703	6,682,325	85,854	6,502,215	-	81,637,097
Inter-segment	-	-	-	7,759,268	(7,759,268)	-
Total revenue	68,366,703	6,682,325	85,854	14,261,483	(7,759,268)	81,637,097
Profit / (loss) after tax	6,150,413	(1,130,496)	(839,548)	2,927,810	(1,147,771)	5,960,408

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Fertilizer	Food	Meat	Power	Elimination-net	Consolidated
	(Rupees' 000)					
September 30, 2022						
Assets	154,374,898	12,857,474	6,675,014	37,300,949	(13,138,082)	198,070,253
Liabilities	132,230,477	12,778,419	220,809	18,791,505	(3,072,900)	160,948,310
December 31, 2021						
Assets	115,209,592	12,562,253	6,395,588	37,992,049	(11,456,757)	160,702,725
Liabilities	94,277,287	10,601,152	6,945,433	22,451,188	(6,504,607)	127,770,453

25 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

25.1 Financial risk factors

The group's activities expose it to a variety of financial risk including market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

There have been no changes in the risk management policies during the period, consequently these condensed interim consolidated financial statements do not include all the financial risk management information and disclosures required in the annual consolidated financial statements.

25.2 Fair Value estimation

The table below analyzes financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (level 3)

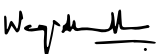
	Level 1	Level 2	Level 3
	(Rupees' 000)		
September 2022 - unaudited			
ASSETS			
Financial assets at fair value through profit and loss			
- Short term investments	4,114,272	-	-
December 2021 - audited			
ASSETS			
Financial assets at fair value through profit and loss			
- Short term investments	8,341,700	-	-

26 GENERAL

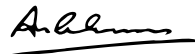
26.1 Figures have been rounded off to the nearest thousand rupees.

26.2 Corresponding figures have been re-arranged / re-classified, wherever necessary, for the purpose of comparison.

26.3 These condensed interim consolidated financial statements were authorized for issue on October 25, 2022 by the Board of Directors of the Holding Company.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES

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