



**FFBL**

Fauji Fertilizer Bin Qasim Limited

**HALF YEARLY  
REPORT | 2024**

## COMPANY INFORMATION

### DIRECTORS

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

Mr Arif-ur-Rehman  
Chief Executive Officer

Mr Jahangir Piracha

Maj Gen (Retd) Muhammad Ihsanullah, HI(M)

Mr Qamar Haris Manzoor

Syed Bakhtiyar Kazmi

Ms Pouruchisty Sidhwa

Ms Saira Nasir

Mr Bahauddin Khan

### COMPANY SECRETARY

Brig (Retd) Khurram Shahzada, SI(M)

### CHIEF FINANCIAL OFFICER

Mr Muhammad Javed Akhtar

### REGISTERED OFFICE

FFBL Tower, C1 / C2, Sector B, Jinnah Boulevard,  
Phase II, DHA Islamabad.

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

E-mail: [secretary@ffbl.com](mailto:secretary@ffbl.com)

### PLANTSITE

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

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

Email: [information@ffbl.com](mailto:information@ffbl.com)

### WEB PRESENCE

[www.ffbl.com](http://www.ffbl.com)

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### 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

HBL Microfinance Bank

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

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### LEGAL ADVISORS

Orr Dignam & Co,  
Advocates, Marina Heights,  
2nd floor, 109 East, Jinnah Avenue,  
Blue Area, Islamabad.

### AUDITORS

A.F. Ferguson & Co.  
74- East, 2nd Floor,  
Blue Area, Jinnah Avenue,  
P.O Box 3021, Islamabad -44000

### SHARES REGISTRAR

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

# Directors' Review

For the Half Year Ended June 30, 2024

## Dear Shareholders,

We are pleased to inform our stakeholders that the Company has achieved highest ever half yearly profit after tax (PAT) of Rs. 10.6 Bn, as against a loss after tax of Rs. 4.9 Bn in same period last year (SPLY).

The key drivers of FFBL's performance during this period were economic stability resulting in a steady foreign exchange rate and higher international DAP margins.

With the support of Government of Pakistan, the Company successfully managed to improve gas supply during the period which helped avoid winter season shutdown and resulted in higher production of Urea and DAP. In addition, the Company imported and sold DAP to strengthen its market share, which also contributed in the profitability of the Company. Furthermore, the Company continued its efforts of cost optimization as part of its operational strategy and focused on cash/advanced sales, resulting in significantly improved liquidity.

## PLANT OPERATIONS

The Company successfully achieved 26.4 million safe man hours of plant operations by the end of this period under review.

The Company received 8,384 MMSCF of natural gas supply during the six months period which is 74% of the allocated level of 11,356 MMSCF. This is a significant improvement from SPLY where the Company received only 53% of its allocation. Resultantly the plant's efficiency improved significantly, reducing production cost. Urea production increased by 26% to 230 KT (SPLY: 183 KT) and DAP production increased by 66% to 392 KT (SPLY: 236 KT) as the DAP plant underwent an additional 33 day shutdown for inventory management in SPLY.

## MARKET PERFORMANCE

Domestic DAP market size is estimated at 547 KT, representing an increase of 7% as compared to 510 KT in SPLY. FFBL's DAP sales increased by 28% to 351 KT (including 24 KT of imported DAP) (SPLY: 274 KT). As a result, FFBL's market share increased to 64% (SPLY: 54%).

Domestic Urea market size is estimated at 3,037 KT, representing a decrease of 2% from 3,101 KT in SPLY. FFBL's Urea sales increased by 19% to 216 KT (SPLY: 180 KT) with a market share of 7% (SPLY: 5.8%).

## FINANCIAL PERFORMANCE

During the period revenue clocked in at Rs. 97 Bn as compared to Rs. 67 Bn in SPLY, a growth of 45%. The gross profit of Rs. 20.1 Bn, operating profit of Rs. 14.7 Bn and profit before tax of Rs. 19.5 Bn have also increased significantly by 204%, 274% and 732% respectively as compared with SPLY. The Company has posted a highest ever profit after tax of RS. 10.6 Bn for the period as compared to the loss after tax of Rs. 4.9 Bn in SPLY.

Proactive working capital management resulted in a substantial reduction in finance costs to Rs. 2.1 Bn during the six months period (2023: Rs. 5.3 Bn) and Rs. 1.1 Bn in Q2 (2023: Rs. 2.8 Bn). Bank deposit income increased by Rs. 3.9 Bn during the six months period from SPLY and Rs. 1.7 Bn in Q2 from SPLY. Other income includes dividend of Rs. 1.6 Bn in Q2 from PMP and Rs. 0.8 Bn in Q1 from Askari Bank Limited. The Company did not incur significant exchange loss during the period, which had negatively impacted the results of SPLY by Rs. 4.7 Bn.

On a consolidated basis, the Group is reporting a profit after tax of Rs. 15.9 Bn, marking a significant improvement from a loss of Rs. 3.2 Bn in SPLY. This upswing is primarily attributed to the Parent Company's (FFBL) improved profitability. The improved financial performance of our joint venture (PMP) and associate (AKBL) have contributed a profit of Rs. 2.5 Bn (2023: loss after tax of Rs. 0.8 Bn) and Rs 2.3 Bn (2023: Rs. 1.7 Bn) in the consolidated

results during the six months period respectively.

## **SUBSIDIARIES**

Fauji Foods Limited achieved PAT of Rs. 365 Mn during the six months period, a highest ever half yearly profit (since acquisition in 2016), in comparison to loss after tax of Rs. 147 Mn in SPLY. This performance is driven by growth in revenue and improvement in margins. The operations of FFBL Power Company Limited were consistently safe, efficient, and profitable.

## **OUTLOOK**

The Board of Directors of FFBL, in their meeting held on 19 July 2024, has granted an in-principle approval to the Company to evaluate and prepare a proposal for the amalgamation of Fauji Fertilizer Bin Qasim Limited with and into FFC by way of a Scheme of Arrangement. The Proposed Amalgamation is expected to unlock certain synergies which are likely to add value to the combined enterprise, thereby potentially increasing future returns to shareholders.

The Company commends the Government of Pakistan's strategy to continue the exemption of sales tax on Urea and the lower sales tax rate on DAP in the Finance Act 2024. This approach will enhance farm economics and promote the balanced use of fertilizers.

The Company expresses its gratitude to the Government of Pakistan for ensuring consistent gas supply during the Kharif season. This support has been instrumental in maintaining the availability of urea in the market. We anticipate similar measures during the Rabi season to continue this support for the farming community.

The sustainability of the fertilizer sector is heavily dependent on consistent supply of gas. To ensure this, the allocation of indigenous gas should be optimized to capitalize the natural resource. This strategy not only mitigates the risk to food security but also saves substantial foreign exchange by reducing the need for imports.

The International phosphate market outlook is stable and DAP domestic market size is expected to grow as compared with last year, which is beneficial for soil nutrition and improved crop yields.

For and on behalf of the Board



**Arif-ur-Rehman**  
Chief Executive Officer



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

برقرار رکھنے میں مددگار ثابت ہوا ہے۔ ہم ربیع کے موسم کے دوران اسی طرح کے اقدامات کی توقع کرتے ہیں تاکہ کاشتکار برادری کے لیے اس عمل کو جاری رکھا جاسکے۔

کھاد کے شعبے کی پائیداری کا بہت اخصار گیس کی مسلسل فراہمی پر ہے۔ اس کو یقینی بنانے کے لیے اور قدرتی وسائل سے فائدہ اٹھانے کے لیے گیس کی تقسیم کو بہتر بنایا جانا چاہیے۔ یہ حکمت عملی نہ صرف غذائی عدم دستیابی کے خطرے کو کم کرتی ہے بلکہ درآمدات کی ضرورت کو کم کر کے خاطر خواہ زرمبادلہ کی بچت بھی کرتی ہے۔

بین الاقوامی فاسفیٹ مارکیٹ کا مستقبل مستحکم ہے اور ڈی اے پی کی مقامی مارکیٹ کا حجم گزشتہ سال کے مقابلے میں بڑھنے کی توقع ہے، جو زمین کی غذائی ضروریات اور فصل کی بہتر پیداوار کے لیے فائدہ مند ہے۔

منجانب بورڈ

Anwar Ali Hyder

Arifurrahman

لیٹنٹ جرنل (ریٹائرڈ)

عارف الرحمان

انور علی حیدر، ایچ آئی (ایم)

چیف ایگزیکٹو آفیسر

چیئر مین

## مالیاتی کارکردگی

اس مدت کے دوران آمدنی، گزشتہ سال کے 67 ارب روپے کے مقابلے میں 45 فیصد اضافے کے ساتھ 97 ارب روپے تک پہنچ گئی۔ مجموعی منافع 20.1 ارب روپے، آپریٹنگ منافع 14.7 ارب روپے اور قبل از ٹیکس منافع 19.5 ارب روپے میں بھی گزشتہ سال اسی مدت کے مقابلے میں بالترتیب 204 فیصد، 274 فیصد اور 732 فیصد کا نمایاں اضافہ ہوا۔ کمپنی نے گزشتہ سال کی اسی مدت کے 4.9 ارب روپے کے بعد از ٹیکس نقصان کے مقابلے بعد از ٹیکس 10.6 ارب روپے کا منافع حاصل کیا جو کہ اس مدت کا اب تک حاصل ہونے والا سب سے زیادہ منافع ہے۔

فعال ورکنگ کیسٹبل مینجمنٹ کے نتیجے میں مالیاتی لاگت میں نمایاں کمی آئی جو کہ چھ ماہ کی مدت کے دوران 2.1 ارب روپے (2023:5.3 ارب روپے) اور دوسری سہ ماہی میں 1.1 ارب روپے (2023:2.8 ارب روپے) رہی۔ بینک ڈپازٹ کی آمدنی میں گزشتہ سال اسی مدت کے مقابلے میں چھ ماہ کی مدت کے دوران 3.9 ارب روپے اور دوسری سہ ماہی میں 1.7 ارب روپے کا اضافہ ہوا۔ دیگر آمدنی میں PMP سے دوسری سہ ماہی میں 1.6 ارب روپے اور عسکری بینک لمیٹڈ سے پہلی سہ ماہی میں 0.8 ارب روپے کا پوزیٹو نڈ شامل ہے۔ کمپنی کو اس مدت کے دوران زرمبادلہ کی شرح میں ردوبدل کے نتیجے میں خاص نقصان نہیں اٹھانا پڑا، جبکہ گزشتہ سال اسی مدت کے نتائج پر 4.7 ارب روپے کے ساتھ منفی اثر پڑا تھا۔

گروپ نے مجموعی طور پر 15.9 ارب روپے کا بعد از ٹیکس منافع حاصل کیا جو کہ گزشتہ سال اسی مدت کے 3.2 ارب روپے کے نقصان کے مقابلے میں نمایاں بہتری کی نشاندہی کرتا ہے۔ یہ اضافہ بنیادی طور پر پیرفٹ کمپنی (FFBL) کے بہتر منافع کی بدولت ہے۔ ہمارے مشترکہ منصوبے (PMP) اور ایسوسی ایٹ (AKBL) کی بہتر مالی کارکردگی نے چھ ماہ کی مدت کے دوران بالترتیب 2.5 ارب روپے (2023:0.8 ارب روپے) بعد از ٹیکس نقصان اور 2.3 ارب روپے (2023:1.7 ارب روپے) کے منافع کے ساتھ مجموعی نتائج میں حصہ ڈالا ہے۔

## ماحتات ادارے

فوجی نوڈز لمیٹڈ (FFL) نے (2016 میں حصول کے بعد سے) چھ ماہ کی مدت کے دوران اب تک کا سب سے زیادہ 365 ملین روپے منافع حاصل کیا جبکہ گزشتہ سال اسی مدت کے دوران 147 ملین روپے کا بعد از ٹیکس نقصان تھا۔ یہ کارکردگی آمدنی میں اضافے اور مارجن میں بہتری کی بدولت ہے۔ FFBL پاور کمپنی لمیٹڈ کے آپریشنز اس مدت کے دوران محفوظ، موثر اور منافع بخش رہے۔

## مستقبل کا منظر نامہ

FFBL کے بورڈ آف ڈائریکٹرز نے 19 جولائی 2024 کو منعقدہ اپنے اجلاس میں ایک اسکیم کے تحت فوجی فریڈلائزر بن قاسم لمیٹڈ (FFBL) کو فوجی فریڈلائزر کمپنی لمیٹڈ (FFC) کے ساتھ اور اس میں انضمام کو جانچنے اور تجویز تیار کرنے کی اصولی منظوری دی ہے۔ مجوزہ انضمام سے توقع کی جاتی ہے کہ متعدد عمل کی نئی راہیں کھلیں گی جس سے انضمام شدہ کمپنی کی قدر میں اضافہ ہونے کا امکان ہے، اس طرح ممکنہ طور پر شیئرز ہولڈرز کے مستقبل کے منافع میں اضافہ ہوگا۔

فنانس ایکٹ 2024 میں یوریا پریسلز ٹیکس کی چھوٹ اور ڈی اے پی پریسلز ٹیکس کی شرح کو جاری رکھنے پر کمپنی حکومت پاکستان کی حکمت عملی کو سراہتی ہے۔ یہ عمل زراعت سے جڑی اقتصادیات کو بہتر بنانے کا اور کھادوں کے متوازن استعمال کو فروغ دے گا

کمپنی خریف سیزن کے دوران گیس کی مسلسل فراہمی کو یقینی بنانے پر حکومت پاکستان کی مشکور ہے۔ یہ تعاون مارکیٹ میں یوریا کی دستیابی کو

30 جون 2024 کو ختم ہونے والی ششماہی کے لیے

محترم شیئر ہولڈرز

ہم اپنے اسٹیک ہولڈرز کو یہ بتاتے ہوئے خوشی محسوس کر رہے ہیں کہ کمپنی نے 30 جون 2024 کو ختم ہونے والی ششماہی کے دوران 10.6 ارب روپے کا بعد از ٹیکس منافع حاصل کیا جو کہ اس عرصے کیلئے اب تک کا سب سے زیادہ حاصل کیا جانے والا منافع ہے۔ گزشتہ سال کی اسی مدت کے دوران کمپنی کا بعد از ٹیکس نقصان 4.9 ارب روپے تھا۔

اس عرصے کے دوران FFBL کی عمدہ کارکردگی کے اہم محرکات میں ملک کے معاشی استحکام کے نتیجے میں مستحکم غیر ملکی کرنسی کی شرح تبادله اور بہتر بین الاقوامی DAP مارجن تھے۔

حکومت پاکستان کے تعاون سے کمپنی اس عرصے کے دوران گیس کی سپلائی کو بہتر بنانے میں کامیاب رہی جس سے سردیوں کے موسم میں شٹ ڈاؤن سے بچنے میں مدد ملی اور اس کے نتیجے میں یوریا اور ڈی اے پی کی پیداوار میں اضافہ ہوا۔ اس کے علاوہ، کمپنی نے اپنے مارکیٹ شیئر کو مضبوط کرنے کے لیے ڈی اے پی کو درآمد اور فروخت کیا، جس نے کمپنی کے منافع کو مزید بہتر کیا۔ مزید برآں، کمپنی نے اپنی آپریشنل حکمت عملی کے ذریعے سے لاگت کو کم کرنے کی کوششیں جاری رکھیں اور نقد اپدیشگی فروخت پر توجہ مرکوز کی، جس کے نتیجے میں لیکویڈٹی میں نمایاں بہتری آئی۔

پلانٹ آپریشنز

کمپنی نے زیر جائزہ مدت کے اختتام تک پلانٹ آپریشنز کے 26.4 ملین سیف مین آؤرز کامیابی سے مکمل کئے۔

کمپنی کو چھ ماہ کی مدت کے دوران 8,384 MMSCF قدرتی گیس حاصل ہوئی جو کہ 11,356 MMSCF کی مختص کی گئی گیس کا 74 فیصد ہے۔ گیس کا یہ حصول گزشتہ سال کے اسی عرصے کے مقابلے میں نمایاں بہتری ہے جہاں کمپنی کو اپنے مختص شدہ حصے کا فقط 53 فیصد ملا۔ نتیجتاً پلانٹ کی کارکردگی میں بہتری آئی اور پیداواری لاگت کم ہوئی۔ یوریا کی پیداوار 26 فیصد بڑھ کر 230 KT (گزشتہ سال اسی مدت میں: 183KT) ہو گئی اور DAP کی پیداوار 66 فیصد اضافے سے 392KT (گزشتہ سال اسی مدت میں: 236) ہو گئی جس کی بنیادی وجہ گزشتہ سال انویسٹری مینجمنٹ کے سلسلے میں DAP پلانٹ کا تقریباً 33 دن کا اضافی شٹ ڈاؤن تھا۔

مارکیٹ کی کارکردگی

مقامی مارکیٹ میں DAP کے حجم کا تخمینہ تقریباً 547KT لگایا گیا جو گزشتہ سال اسی مدت میں 510KT کے مقابلے میں 7 فیصد اضافہ کی نشاندہی کرتا ہے۔ FFBL کی DAP کی فروخت 28 فیصد بڑھ کر 351KT ہو گئی (24KT درآمدی DAP سمیت) (گزشتہ سال اسی مدت میں: 274KT)۔ نتیجے کے طور پر، FFBL کا مارکیٹ شیئر بڑھ کر 64 فیصد (گزشتہ سال اسی مدت میں: 54 فیصد) ہو گیا۔

مقامی مارکیٹ میں یوریا کے حجم کا تخمینہ 3,037KT ہے جو گزشتہ سال اسی مدت میں 3,101KT سے 2 فیصد کمی کو ظاہر کرتا ہے۔ FFBL کی یوریا کی فروخت 19 فیصد بڑھ کر 216KT (گزشتہ سال اسی مدت میں: 180KT) ہو گئی جو کہ مارکیٹ شیئر کا 7 فیصد (گزشتہ سال اسی مدت میں: 5.8 فیصد) ہے۔

# **Condensed Interim Financial Statements**





## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF FAUJI FERTILIZER BIN QASIM LIMITED REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Fauji Fertilizer Bin Qasim Limited (the Company) as at June 30, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-month period ended June 30, 2024, and 2023 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended June 30, 2024.

#### Scope of Review

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

#### Conclusion

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

#### Other matter

The financial statements of the Company for the year ended December 31, 2023 were audited by another auditor, whose report dated February 20, 2024 expressed an unmodified opinion thereon.

The condensed interim financial statements of the Company for the half year ended June 30, 2023, were reviewed by another auditor who expressed an unmodified conclusion on those statements on August 22, 2023.

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



Chartered Accountants

Islamabad

Date: August 21, 2024

UDIN: RR202410083pzT8oeB7g

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT JUNE 30, 2024**

	Note	(Un - audited) June 30, 2024	(Audited) December 31, 2023
<b>(Rupees in thousand)</b>			
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital		15,000,000	15,000,000
Issued, subscribed and paid-up capital	4	12,912,529	12,912,529
Capital reserve			
Share premium		1,632,729	1,632,729
Revenue reserve			
Unappropriated profits		21,814,963	12,546,061
		<b>36,360,221</b>	<b>27,091,319</b>
<b>NON CURRENT LIABILITIES</b>			
Long term loans - secured	5	7,559,523	13,458,334
Deferred liabilities	6		
- Deferred tax liabilities		1,683,358	1,736,064
- Provision for compensated leave absences		534,970	505,051
		<b>2,218,328</b>	<b>2,241,115</b>
		<b>9,777,851</b>	<b>15,699,449</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	59,263,828	55,768,389
Contract liabilities		4,155,947	25,257,715
Unpaid dividend		10,954	10,954
Unclaimed dividend		126,876	114,695
Provision for income tax - net		7,816,861	3,030,015
Accrued interest		537,323	513,960
Short term borrowings - secured	8	19,806,806	13,385,291
Current portion of long term loans	5	5,523,810	5,000,000
		<b>97,242,405</b>	<b>103,081,019</b>
		<b>143,380,477</b>	<b>145,871,787</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9		

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

Note	(Un - audited) June 30, 2024	(Audited) December 31, 2023
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(Rupees in thousand)

## ASSETS

### NON CURRENT ASSETS

Property, plant and equipment	10	9,456,408	9,616,371
Investment property		270,242	270,242
Long term investments	11	25,139,282	25,139,282
Long term advances		221,787	62,398
Long term deposits		78,643	78,643
		35,166,362	35,166,936

### CURRENT ASSETS

Stores and spares		2,774,950	2,441,627
Stock in trade	12	28,172,859	13,786,594
Trade debts		1,785,285	378,685
Advances		1,847,087	941,341
Trade deposits and short term prepayments		7,385	250,460
Interest accrued		-	32,712
Other receivables	13	13,256,981	8,443,847
Sales tax refundable - net		7,601,270	10,780,047
Short term investments	15	29,854,746	33,685,524
Cash and bank balances	14	22,913,552	39,964,014
		108,214,115	110,704,851
		143,380,477	145,871,787



CHAIRMAN



CHIFF EXECUTIVE



DIRECTOR

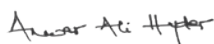


CHIEF FINANCIAL OFFICER

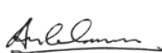
## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024

Note	Three month period ended		Six month period ended		
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	
	(Rupees in thousand)		(Rupees in thousand)		
Sales - net	16	50,331,837	35,234,803	96,855,575	66,757,504
Cost of sales	17	(38,999,786)	(30,762,671)	(76,747,663)	(60,142,658)
<b>Gross profit</b>		11,332,051	4,472,132	20,107,912	6,614,846
Selling and distribution expenses		(2,212,266)	(1,566,980)	(4,604,997)	(2,253,522)
Administrative expenses		(374,890)	(249,355)	(773,773)	(421,368)
<b>Operating profit</b>		8,744,895	2,655,797	14,729,142	3,939,956
Finance cost		(1,102,334)	(2,837,063)	(2,122,033)	(5,325,051)
Exchange loss - net		(184,762)	(65,122)	(191,207)	(4,684,956)
Other expenses		(821,696)	(90,916)	(1,549,189)	(92,232)
Other income	18	4,658,522	2,540,587	8,683,518	3,438,862
Unwinding cost of GIDC payable	7	(32,091)	(136,909)	(91,429)	(299,541)
Provision on subsidy receivable from GoP		-	(56,000)	-	(56,000)
		(32,091)	(192,909)	(91,429)	(355,541)
<b>Profit / (loss) before levies and taxation</b>		11,262,534	2,010,374	19,458,802	(3,078,962)
Final taxes - levies	19	(787,433)	(401,162)	(1,374,115)	(443,986)
<b>Profit / (loss) before taxation</b>		10,475,101	1,609,212	18,084,687	(3,522,948)
Taxation	20	(4,221,220)	(1,130,172)	(7,524,532)	(1,427,225)
<b>Profit / (loss) after taxation</b>		6,253,881	479,040	10,560,155	(4,950,173)
<b>Earnings / (loss) per share - basic and diluted (Rupees)</b>		4.84	0.37	8.18	(3.83)

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

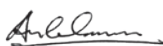
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

	Three month period ended		Six month period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees in thousand)		(Rupees in thousand)	
Profit / (loss) after taxation	6,253,881	479,040	10,560,155	(4,950,173)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurement of post employment benefit obligation - net of tax	-	-	-	-
<b>Total comprehensive income / (loss)</b>	<b>6,253,881</b>	<b>479,040</b>	<b>10,560,155</b>	<b>(4,950,173)</b>

The annexed notes from 1 to 27 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 SIX MONTH PERIOD ENDED JUNE 30, 2024**

	Share capital	General reserve	Unappropriated profits	Total
	(Rupees in thousand)			
<b>Balance as at January 1, 2023 - audited</b>	12,912,529	1,632,729	8,177,107	22,722,365
<b>Total comprehensive loss</b>				
Loss for the period	-	-	(4,950,173)	(4,950,173)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(4,950,173)	(4,950,173)
<b>Balance as at June 30, 2023 - unaudited</b>	12,912,529	1,632,729	3,226,934	17,772,192
<b>Balance as at January 1, 2024 - audited</b>	<b>12,912,529</b>	<b>1,632,729</b>	<b>12,546,061</b>	<b>27,091,319</b>
<b>Total comprehensive income</b>				
Profit for the period	-	-	10,560,155	10,560,155
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	10,560,155	10,560,155
<b>Transactions with owners of the Company</b>				
<b>Distributions to owners</b>				
Final dividend 2023 (Rs. 1 per ordinary share)	-	-	(1,291,253)	(1,291,253)
<b>Balance as at June 30, 2024 - unaudited</b>	<b>12,912,529</b>	<b>1,632,729</b>	<b>21,814,963</b>	<b>36,360,221</b>

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

	Note	Six month period ended	
		June 30, 2024	June 30, 2023
<b>(Rupees in thousand)</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operating activities	21	(23,163,298)	(5,647,628)
Taxes paid		(2,790,395)	(2,230,178)
Levies paid		(824,469)	(244,479)
Finance costs paid		(2,097,609)	(4,923,570)
Compensated absences paid		(17,764)	(16,913)
Payment to Gratuity Fund		(93,434)	(304,231)
Payment to Workers' (Profit) Participation Fund		(67,577)	(161,543)
Net cash used in operating activities		(29,054,546)	(13,528,542)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditures and advances		(533,080)	(185,163)
Sale proceeds from disposal of property, plant and equipment		25,092	9,717
Investment at fair value through profit and loss - net		6,885,904	7,736,458
Dividend received from related party		781,667	1,125,000
Profit received on bank balances and term deposits		2,671,414	1,687,758
Net cash generated from investing activities		9,830,997	10,373,770
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term loans - received		2,000,000	-
Long term loans - repaid		(7,375,000)	(2,754,167)
Short term borrowings - net		300,000	(1,500,000)
Dividend paid		(1,279,072)	(786)
Net cash used in financing activities		(6,354,072)	(4,254,953)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(25,577,621)</b>	<b>(7,409,725)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>22,672,735</b>	<b>(2,455,267)</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>(2,904,886)</b>	<b>(9,864,992)</b>

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the condensed interim statement of cash flows comprise of the following condensed interim statement of financial position amounts:

	Six month period ended	
	June 30, 2024	June 30, 2023
<b>(Rupees in thousand)</b>		
- Cash and bank balances	22,913,552	14,649,111
- Short term running finance	(18,806,806)	(20,507,317)
Less: Bank balances held under lien	(7,011,632)	(4,006,786)
	(2,904,886)	(9,864,992)

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.



# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024

## 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 (repealed by the Companies Act, 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.

## 2 BASIS OF PREPARATION

2.1 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.

2.2 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, 2023. The comparative statement of financial position is extracted from the annual financial statements, as of December 31, 2023, 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 six month period ended June 30, 2023.

2.3 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 listing regulations of the Pakistan Stock Exchange. 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 consistent with those applied in the preparation of the financial statements for the year ended December 31, 2023.

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 year ended December 31, 2023.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

**4 SHARE CAPITAL**

**4.1 Authorised share capital**

Un-audited June 30, 2024	Audited December 31, 2023		Un-audited June 30, 2024	Audited December 31, 2023
(No. of shares)			(Rupees in thousand)	
1,500,000,000	1,500,000,000	Ordinary shares of Rs. 10 each	15,000,000	15,000,000

**4.2 Issued, subscribed and paid up capital:**

Un-audited June 30, 2024	Audited December 31, 2023		Un-audited June 30, 2024	Audited December 31, 2023
(No. of shares)			(Rupees in thousand)	
1,291,252,857	1,291,252,857	Ordinary shares of Rs 10 each issued for cash	12,912,529	12,912,529

**4.3** Fauji Fertilizer Company Limited (FFCL) and Fauji Foundation (FF) holds 49.88% and 18.29% (December 31, 2023: 49.88% and 18.29%) ordinary shares, respectively, of the Company as at the period end.

(Un-audited) June 30, 2024	(Audited) December 31, 2023
(Rupees in thousand)	

**5 LONG TERM LOANS**

Financing through conventional banks	9,020,833	16,208,334
Financing under Islamic mode	4,062,500	2,250,000
	13,083,333	18,458,334
Less: current portion shown under current liabilities		
Financing through conventional banks	4,103,905	4,562,500
Financing under Islamic mode	1,419,905	437,500
	5,523,810	5,000,000
	7,559,523	13,458,334

**5.1** There has been no material change in long term loan as disclosed in note 7 to the audited financial statements for the year ended December 31, 2023 except for the following:

- New long term finance facility of Rs 2,000 million at 3-Month KIBOR + 0.35% was obtained from Faysal Bank during the period.

- Early repayment of Rs 1,417 million, Rs 1,750 million, Rs 375 million and Rs 1,500 million has been made against long term facilities obtained from MCB Bank Limited, Habib Bank Limited, United Bank Limited and Allied Bank Limited respectively.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

Note	(Un - audited) June 30, 2024	(Audited) December 31, 2023
------	------------------------------------	-----------------------------------

(Rupees in thousand)

**6 DEFERRED LIABILITIES**

Deferred tax liabilities	6.1	1,683,358	1,736,064
Provision for compensated leave absences		534,970	505,051
		<u>2,218,328</u>	<u>2,241,115</u>

**6.1 The balance of deferred tax is in respect of the following major taxable / (deductible) temporary differences:**

Accelerated tax depreciation		1,793,791	1,810,839
Provision for inventory obsolescence		(112,853)	(112,853)
Remeasurement gain on GIDC		2,420	38,078
		<u>1,683,358</u>	<u>1,736,064</u>

**6.2** Consistent with the annual financial statements for the year ended December 31, 2023, deferred tax asset has not been recognised on stated balances for the reason outlined therein.

Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
------	----------------------------------	-----------------------------------

(Rupees in thousand)

**7 TRADE AND OTHER PAYABLES**

Creditors	7.1	20,717,779	20,560,604
Payable against GIDC	7.2	22,327,638	22,236,209
Accrued liabilities		12,361,818	10,981,381
Provision for levies - net		933,659	384,013
Workers' (Profit) Participation Fund		1,044,686	66,516
Workers' Welfare Fund		1,749,833	1,359,596
Payable to Gratuity Fund		29,884	94,566
Provident fund payable		451	-
Security deposits		98,080	85,504
		<u>59,263,828</u>	<u>55,768,389</u>

**7.1** Creditors include Rs 13,777 million (December 31, 2023: Rs 14,188 million) payable to Pakistan Maroc Phosphore S.A. Morocco (PMP) and Rs 1,691 million (December 31, 2023: Rs 2,462 million) to FFBL Power Company Limited (FPCL) against purchase of raw material and the steam and power respectively. The Company purchases raw material for use in production of fertilizer from Pakistan Maroc Phosphore S.A. Morocco (PMP) at discounted price, with a credit limit of 75 days.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

	(Un-audited) June 30, 2024 (Rupees in thousand)	(Audited) December 31, 2023
<b>7.2 Payable against GIDC</b>		
Balance as at beginning of period	22,236,209	21,738,026
Unwinding cost on GIDC payable	91,429	498,183
	22,327,638	22,236,209

	(Un-audited) June 30, 2024 (Rupees in thousand)	(Audited) December 31, 2023
<b>8 SHORT TERM BORROWINGS - SECURED</b>		
From conventional banks	16,438,806	10,440,291
From Islamic banks		
- Running Finance	2,368,000	2,245,000
- Demand Finance	1,000,000	700,000
	19,806,806	13,385,291

**9 CONTINGENCIES AND COMMITMENTS**

**9.1 Contingencies**

**9.1.1** During the period, there has been no significant update in status of tax contingencies as were outlined in the audited financial statements of the Company for the year ended December 31, 2023, except for the matter of Company's appeal in relation to tax year 2019, involving tax demand of Rs 5,841 million. The matters in the said appeal have been remanded back by the Commissioner Inland Revenue - Appeal [CIR(A)] vide appellate order dated January 25, 2024 to assessing officer. The Company has preferred an appeal before the Appellate Tribunal (ATIR) in this case, which is pending for adjudication.

**9.1.2** During the period, the Assistant Commissioner Inland Revenue (ACIR), vide assessment order dated January 31, 2024 has amended the Company's assessment for tax year 2023 by making disallowance to various expenses claimed by the Company including finance cost, selling and distribution expense and exchange loss and creating a demand of Rs 6,700 million. The Company has filed an appeal before the CIR(A) which is pending for adjudication.

	(Un-audited) June 30, 2024 (Rupees in thousand)	(Audited) December 31, 2023
<b>9.2 Guarantees issued by banks on behalf of the Company</b>	236,559	109,227
<b>9.3 Commitments</b>		
i) Capital expenditure	1,152,415	245,667
ii) Letters of credit for purchase of stores, spares, and others	19,047,623	14,935,594
Other commitments are outlined in note 22 to the financial statements.		

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
<b>(Rupees in thousand)</b>			
<b>10</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
		<b>9,285,295</b>	9,521,119
		<b>171,113</b>	95,252
		<b>9,456,408</b>	9,616,371
<b>10.1</b>	<b>Operating fixed assets</b>		
		<b>9,521,119</b>	9,605,907
		<b>297,830</b>	912,341
		<b>(12,764)</b>	(10,198)
	<b>10.3</b>	<b>(520,890)</b>	(986,931)
		<b>9,285,295</b>	9,521,119
<b>10.1.1</b>	Additions in and depreciation on operating fixed assets during the six month period ended June 30, 2023 were Rs 116 millions and Rs 493 millions respectively.		
		<b>(Un-audited) June 30, 2024</b>	<b>(Audited) December 31, 2023</b>
<b>(Rupees in thousand)</b>			
<b>10.2</b>	<b>Capital work in progress</b>		
		<b>95,252</b>	125,946
		<b>62,813</b>	10,510
		<b>13,048</b>	(41,204)
		<b>171,113</b>	95,252
<b>10.3</b>	<b>Depreciation charge has been allocated as follows:</b>		
		<b>454,857</b>	874,380
		<b>66,033</b>	112,551
		<b>520,890</b>	986,931
<b>11</b>	<b>LONG TERM INVESTMENTS</b>		
	<b>11.1</b>	<b>1,411,150</b>	1,411,150
	<b>11.2</b>	<b>5,230,991</b>	5,230,991
	<b>11.3</b>	<b>18,497,141</b>	18,497,141
	<b>11.4</b>	<b>-</b>	-
		<b>25,139,282</b>	25,139,282

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
(Rupees in thousand)			
<b>11.1 Investment in joint venture - at cost</b>			
Pakistan Maroc Phosphore S.A, Morocco (PMP)		1,411,150	1,411,150
<b>11.2 Investments in associates - at cost</b>			
<b>Quoted</b>			
Askari Bank Limited (AKBL)		5,230,991	5,230,991
<b>11.3 Investments in subsidiaries - at cost</b>			
<b>Quoted</b>			
Fauji Foods Limited (FFL)			
Cost of investment		14,055,516	14,055,516
Impairment in value of investment	11.5	(1,999,000)	(1,999,000)
FFBL Power Company Limited (FPCL)		6,440,625	6,440,625
		18,497,141	18,497,141
<b>11.4 Un-quoted</b>			
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)
		-	-
<b>11.5</b>			
As at the reporting date, the Company performed impairment testing for its investment in Fauji Foods Limited (FFL). The Company has determined recoverable amount of FFL, based on a value-in-use calculation, which is higher than the carrying amount of the investment in the Company's condensed interim financial statements, accordingly, no further impairment has been recognized.			
<b>12 STOCK IN TRADE</b>			
This includes finished goods stock which amounts to Rs. 11,847 million (December 31, 2023: Rs. 154 million) and raw material in transit amounting to Rs. 13,420 million (December 31, 2023: Rs. 9,234 million). As at June 30, 2024, stock held by FFCL amounted to Rs. 9,912 million (December 31, 2023: Rs. 67 million).			
<b>13 OTHER RECEIVABLES</b>			
These include an amount of Rs. 10,368 million (December 31, 2023: Rs. 4,487 million) receivable from 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.			
<b>14 CASH AND BANK BALANCES</b>			
These include balances of Rs. 7,012 million (December 31, 2023: Rs. 4,605 million) held under lien.			
		(Un-audited) June 30, 2024	(Audited) December 31, 2023
(Rupees in thousand)			
<b>15 SHORT TERM INVESTMENTS</b>			
<b>Investments at fair value through profit or loss</b>			
Mutual Funds		29,854,746	33,685,524

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

	Note	Three month period ended		Six month period ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
		(Rupees in thousand)		(Rupees in thousand)	
<b>16 SALES - NET</b>					
Gross sales					
Manufactured fertilizers		51,296,592	35,239,650	99,723,468	66,766,660
Purchased and packaged fertilizer		3,550,988	-	6,145,151	-
		<b>54,847,580</b>	35,239,650	<b>105,868,619</b>	66,766,660
Less:					
Sales tax		1,988,015	-	4,154,010	-
Federal excise duty		2,521,266	-	4,847,697	-
Commission	16.1	6,462	4,847	11,337	9,156
		<b>4,515,743</b>	4,847	<b>9,013,044</b>	9,156
		<b>50,331,837</b>	35,234,803	<b>96,855,575</b>	66,757,504

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

	Three month period ended		Six month period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees in thousand)		(Rupees in thousand)	
<b>17 COST OF SALES</b>				
Raw materials consumed	36,854,077	29,005,304	66,011,534	37,464,867
Packing materials consumed	474,581	445,235	786,860	617,943
Fuel and power	5,903,657	5,868,437	11,552,843	10,770,960
Chemicals and supplies consumed	104,838	97,065	193,552	180,776
Salaries, wages and benefits	553,270	478,425	1,871,353	1,023,208
Rent, rates and taxes	15,555	13,935	31,109	27,870
Insurance	107,514	81,120	215,544	161,727
Travel and conveyance	85,648	74,401	137,380	140,798
Repairs and maintenance	500,560	281,429	1,152,794	1,069,768
Communication, establishment and other expenses	156,315	87,409	509,325	144,713
Depreciation	229,192	218,985	454,857	434,932
Opening stock - work in process	671,159	29,325	426,396	140,442
Closing stock - work in process	(337,626)	(203,300)	(337,626)	(203,300)
Cost of goods manufactured	45,318,740	36,477,770	83,005,921	51,974,704
Opening stock - finished goods	1,957,893	18,528,129	153,980	32,411,182
Closing stock - finished goods	(11,847,004)	(24,243,228)	(11,847,004)	(24,243,228)
Cost of sales - manufactured fertilizers	35,429,629	30,762,671	71,312,897	60,142,658
Cost of sales - purchased fertilizer	3,570,157	-	5,434,766	-
	<b>38,999,786</b>	30,762,671	<b>76,747,663</b>	60,142,658

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

	Three month period ended		Six month period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees in thousand)		(Rupees in thousand)	
<b>18 OTHER INCOME</b>				
Dividend from PMP	1,659,664	-	1,659,664	-
Dividend from AKBL	-	-	781,667	-
Dividend from FPCL	-	1,125,000	-	1,125,000
Profit on saving accounts and term deposits	1,139,199	719,556	2,638,701	1,204,334
Fair value gain and related income on mutual funds	1,490,066	219,365	3,055,126	504,858
Income from subsidiaries	243,092	119,630	360,020	213,704
Scrap sale and other receipts	123,959	356,237	176,012	387,428
Gain on disposal of property, plant and equipment	2,542	3,511	12,328	3,538
	<b>4,658,522</b>	<b>2,540,587</b>	<b>8,683,518</b>	<b>3,438,862</b>

**19 FINAL TAXES - LEVIES**

This represents final taxes levied under section 5 of Income Tax Ordinance, 2001 (ITO, 2001) representing levy in terms of requirements of IFRIC 21/IAS 37.

	Three month period ended		Six month period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees in thousand)		(Rupees in thousand)	
<b>20 TAXATION</b>				
Current tax				
- Current period	4,216,235	440,434	7,577,241	834,468
- Prior period	-	639,597	-	639,597
Deferred tax	4,985	50,141	(52,709)	(46,840)
	<b>4,221,220</b>	<b>1,130,172</b>	<b>7,524,532</b>	<b>1,427,225</b>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

	Six month period ended	
	June 30, 2024	June 30, 2023
	(Rupees in thousand)	
<b>21 CASH USED IN OPERATIONS</b>		
Profit / (loss) before taxation	18,084,687	(3,522,948)
<b>Adjustment for non-cash charges and other items:</b>		
Provision for gratuity	28,752	41,321
Provision against levies	1,374,115	443,986
Exchange loss	191,207	4,684,956
Provision for compensated absences	47,683	29,926
Provision against sales tax refundable	3,436,971	-
Allowance for expected credit loss on other receivables	-	56,000
Provision for Workers' (Profit) Participation Fund	1,044,686	-
Provision for Workers' Welfare Fund	390,237	-
Unwinding cost on GIDC payable	7.2      91,429	299,541
Depreciation	520,890	493,853
Finance costs	2,122,033	5,325,051
Dividend from joint venture	(1,659,664)	-
Dividend from associated company	(781,667)	-
Dividend from subsidiary	-	(1,125,000)
Profit on saving accounts and term deposits	(2,638,701)	(1,204,334)
Fair value gain and related income on mutual funds	(3,055,126)	(504,858)
Gain on disposal of property, plant and equipment	(12,328)	(3,538)
Guarantee fee	-	(2,712)
<b>Operating profit before working capital changes</b>	<b>19,185,204</b>	<b>5,011,244</b>
<b>Changes in working capital</b>		
Stores and spares	(333,323)	(251,252)
Stock in trade	(14,386,265)	5,302,546
Trade debts	(1,406,600)	4,813,972
Advances	(905,746)	(345,793)
Trade deposits and short term prepayments	243,075	158,721
Other receivables	(3,153,470)	(6,024,658)
Sales tax refundable	(258,194)	39,810
Trade and other payables	1,359,433	(15,115,094)
Bank balances held under lien	(2,405,644)	(559,698)
Contract liability	(21,101,768)	1,322,574
	<b>(42,348,502)</b>	<b>(10,658,872)</b>
Cash used in operations	<b>(23,163,298)</b>	<b>(5,647,628)</b>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

**22 TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

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 (2023: 49.88%), while Fauji Foundation (FF) holds 18.29% shares (2023: 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 and balance receivable from related parties are disclosed in note 11 and note 13, respectively, to these condensed interim financial statements.

	<b>Six month period ended</b>	
	<b>June 30, 2024</b>	<b>June 30, 2023</b>
	<b>(Rupees in thousand)</b>	
<b>Transactions with Fauji Foundation:</b>		
Services received	265,000	49,193
Payments against services	58,224	42,029
Donation paid	360,835	89,600
<b>Transactions with subsidiary companies:</b>		
<b>FFBL Power Company Limited</b>		
Material / services provided	549,388	460,041
Material / services received	11,523,850	8,592,249
Receipts against material / services	460,667	405,879
Payments against material / services	12,294,836	9,818,984
Late payment surcharge during the period	-	396,377
Dividend received	-	1,125,000
<b>Fauji Foods Limited</b>		
Material / services provided	3,022	7,113
Receipts against material / services	16,476	2,112
Share deposit money converted into ordinary share capital	-	708,750
Guarantee fee	32,712	2,712
<b>Transactions with associates:</b>		
<b>Fauji Fertilizer Company Limited</b>		
Services and material received	1,119,613	662,545
Receipts under consignment account	76,701,741	68,644,275
Commission charged	11,337	9,156

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

	<b>Six month period ended</b>	
	<b>June 30, 2024</b>	<b>June 30, 2023</b>
	(Rupees in thousand)	
<b>Fauji Meat Limited (Subsidiary during period ended June 30, 2023)</b>		
Material / services provided	19,328	18,052
Receipt against material / services	32,987	-
<b>Askari Bank Limited</b>		
Profit on bank balances	1,001,541	623,038
<b>Pakistan Maroc Phosphore S.A, Morocco</b>		
Purchase of raw materials	38,287,269	29,900,345
Expenses incurred on behalf of joint venture	6,390	8,761
Receipts against material / services	3,337	-
Late payment surcharge during the period	-	93,470
<b>Other related parties:</b>		
Contribution to Provident Fund	41,710	37,649
Payment to Gratuity Fund	93,434	304,231
Payment to Workers' (Profit) Participation Fund	67,577	161,543
Meeting fee to directors	7,050	7,950
Remuneration of key management personnel		
Short term benefits	203,318	160,763
Post employment benefits	40,743	15,798
	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	(Rupees in thousand)	
<b>Balances with related parties:</b>		
<b>Fauji Foundation</b>		
Balance payable	311,489	356,428
<b>Balances with subsidiary companies:</b>		
<b>FFBL Power Company Limited</b>		
Balance payable	1,691,420	2,462,406
Balance receivable	234,121	145,400

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

	June 30, 2024	December 31, 2023
	(Rupees in thousand)	
<b>Fauji Foods Limited</b>		
Balance receivable	2,000	15,454
Guarantee fee and mark-up receivable	-	32,712
<b>Balances with associates:</b>		
<b>Fauji Fertilizer Company Limited</b>		
Balance receivable	10,368,013	4,486,638
<b>Fauji Meat Limited (Subsidiary during period ended June 30, 2023)</b>		
Balance receivable	10,525	24,184
<b>Askari Bank Limited</b>		
Balances at bank	7,346,273	3,325,649
<b>Pakistan Maroc Phosphore S.A, Morocco</b>		
Balance payable - secured	13,776,725	14,188,385
Balance receivable - unsecured	6,390	3,337
Dividend receivable	1,659,664	-
<b>Other related parties:</b>		
Balance payable - unsecured (WPPF)	1,044,686	66,516
Payable to Gratuity Fund	29,884	94,566

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 (2023: 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.

## **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.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024

### 23.2 Fair value hierarchy

Certain property, plant and equipment of the Company was valued by independent valuer to determine the fair value of property, plant and equipment as at September 30, 2023. The revaluation surplus was credited to other comprehensive income and is shown as 'surplus on revaluation of property, plant and equipment'. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: 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 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

	Level 1	Level 2	Level 3
	(Rupees in thousand)		
<b>June 2024 - un-audited</b>			
<b>ASSETS</b>			
Financial assets at fair value through profit or loss			
- Short term investments	29,854,746	-	-
<b>December 2023 - audited</b>			
<b>ASSETS</b>			
Financial assets at fair value through profit or loss			
- Short term investments	33,685,524	-	-

### 24 CORRESPONDING FIGURES

24.1 The corresponding figures have been reclassified and restated to reflect more appropriate presentation of events and transactions in accordance with the accounting and reporting standards as applicable in Pakistan, wherever necessary including the bank balances held under lien for an aggregate amount of Rs. 4,007 million in the statement of cashflows.

24.2 In the interim statement of financial position and interim statement of profit or loss, the final taxes previously presented as "provision for income taxes" and "taxation" have now been reclassified as "provision for levies - net" in trade and other payables and "final taxes - levies" under IAS 37 / IFRIC 21 respectively.

Accordingly, figures in condensed interim statement of cashflows have also been reclassified to conform to the current year's presentation.

### 25 EVENTS AFTER REPORTING PERIOD

The Board of Directors of the FFCL and the Company, in their respective meetings held on July 19, 2024, have granted in-principle approvals to evaluate the potential amalgamation of the Company with and into FFCL by way of a scheme of arrangement.

### 26 GENERAL

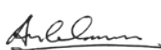
26.1 Figures have been rounded off to the nearest thousand rupees.

### 27 DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on July 25, 2024.



**CHAIRMAN**



**CHIEF EXECUTIVE**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

**Condensed Interim  
Consolidated Financial  
Statements**

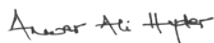
## CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

**AS AT JUNE 30, 2024**

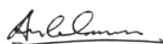
	Note	(Un - audited) June 30, 2024 (Rupees in thousand)	(Audited) December 31, 2023
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid-up capital	4	12,912,529	12,912,529
<b>Capital reserves</b>			
Share premium		1,632,729	1,632,729
Acquisition reserve		(1,594,471)	-
Statutory reserve		3,600,847	3,385,259
<b>Revenue reserves</b>			
Translation reserve		7,967,434	8,265,137
Revaluation reserve on available for sale investments, net of tax		(1,363,749)	(2,365,483)
Unappropriated profits		32,380,413	19,207,320
		55,535,732	43,037,491
<b>Non-Controlling Interest</b>		8,097,986	10,301,373
		63,633,718	53,338,864
<b>NON-CURRENT LIABILITIES</b>			
Long term loans - secured	5	14,666,238	22,297,987
Lease liabilities		173,274	-
Deferred liabilities	6		
- Deferred tax liabilities		11,576,612	9,784,674
- Provision for compensated leave absences		776,409	722,867
		12,353,021	10,507,541
		27,192,533	32,805,528
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	67,025,325	55,838,838
Contract liability		4,405,629	25,677,617
Unpaid dividend		10,954	10,954
Unclaimed dividend		127,842	115,661
Provision for income tax		8,045,551	3,030,014
Accrued interest		608,448	519,736
Short term borrowings		23,216,301	18,922,131
Current portion of long term loans	5	8,967,028	8,341,949
Current portion of lease liabilities		44,089	52,636
		112,451,167	112,509,536
		203,277,418	198,653,928
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		

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

		(Un - audited) June 30, 2024	(Audited) December 31, 2023
	Note	(Rupees in thousand)	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	40,371,529	40,348,135
Intangible assets		386,057	384,788
Long term investments	10	33,803,425	30,465,208
Investment property		270,242	270,242
Long term advances		221,787	62,398
Long term deposits		78,643	88,962
		75,131,683	71,619,733
<b>CURRENT ASSETS</b>			
Stores and spares		4,159,788	3,784,588
Stock in trade	11	31,552,898	18,406,766
Trade debts		6,733,706	3,027,723
Advances		2,795,189	1,314,733
Trade deposits and short-term prepayments		133,597	531,372
Interest accrued		82,709	62,215
Other receivables	12	14,395,056	8,327,237
Income tax refundable - net		1,197,196	1,151,690
Sales tax refundable - net		9,067,494	12,448,934
Short term investments	13	31,804,746	34,685,524
Cash and bank balances		26,223,356	43,134,845
		128,145,735	126,875,627
Asset held for sale		-	158,568
		203,277,418	198,653,928



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



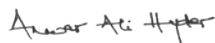
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

	Note	Three month period ended		Six month period ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
		(Rupees in thousand)		(Rupees in thousand)	
Sales - net	14	57,683,756	41,302,829	111,403,705	80,928,474
Cost of sales	15	(43,663,198)	(33,407,013)	(84,887,493)	(67,927,642)
<b>Gross profit</b>		<b>14,020,558</b>	<b>7,895,816</b>	<b>26,516,212</b>	<b>13,000,832</b>
Selling and distribution expenses		(2,599,541)	(2,003,479)	(5,419,315)	(3,138,449)
Administrative expenses		(630,777)	(504,153)	(1,255,198)	(963,765)
		<b>10,790,240</b>	<b>5,388,184</b>	<b>19,841,699</b>	<b>8,898,618</b>
Finance costs		(1,837,480)	(3,735,061)	(3,691,664)	(7,116,849)
Exchange loss - net		(197,962)	(92,281)	(202,343)	(4,951,918)
Other operating expenses		(1,140,233)	(185,115)	(2,355,430)	(251,393)
Other losses					
Unwinding of GIDC payable	7	(32,091)	(136,909)	(91,429)	(299,541)
Provision on subsidy receivable from GoP		-	(56,000)	-	(56,000)
		<b>(32,091)</b>	<b>(192,909)</b>	<b>(91,429)</b>	<b>(355,541)</b>
		<b>7,582,474</b>	<b>1,182,818</b>	<b>13,500,833</b>	<b>(3,777,083)</b>
Other income	16				
Share of profit of associate and joint venture- net		1,401,007	732,537	4,820,477	871,171
Others		5,168,749	1,382,871	8,509,831	2,276,177
		<b>6,569,756</b>	<b>2,115,408</b>	<b>13,330,308</b>	<b>3,147,348</b>
<b>Profit / (loss) before levies and taxation</b>		<b>14,152,230</b>	<b>3,298,226</b>	<b>26,831,141</b>	<b>(629,735)</b>
Final taxes - levies	17	(787,433)	(401,162)	(1,374,115)	(443,986)
<b>Profit / (loss) before taxation</b>		<b>13,364,797</b>	<b>2,897,064</b>	<b>25,457,026</b>	<b>(1,073,721)</b>
Taxation	18	(5,087,429)	(1,464,631)	(9,556,131)	(2,059,951)
<b>Profit / (loss) after taxation from continuing operations</b>		<b>8,277,368</b>	<b>1,432,433</b>	<b>15,900,895</b>	<b>(3,133,672)</b>
Loss from discontinued operations - FML		-	(41,715)	-	(109,770)
<b>Profit / (loss) for the period</b>		<b>8,277,368</b>	<b>1,390,718</b>	<b>15,900,895</b>	<b>(3,243,442)</b>
<b>Profit / (loss) attributable to:</b>					
- Owners of the Holding Company		7,522,405	1,023,817	14,680,811	(3,831,064)
- Non-controlling interest		754,963	366,901	1,220,084	587,622
		<b>8,277,368</b>	<b>1,390,718</b>	<b>15,900,895</b>	<b>(3,243,442)</b>
<b>Earnings / (loss) per share - basic and diluted (Rupees)</b>		<b>5.83</b>	<b>0.79</b>	<b>11.37</b>	<b>(2.97)</b>

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 SIX MONTH PERIOD ENDED JUNE 30, 2024**

	Three month period ended		Six month period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees in thousand)		(Rupees in thousand)	
<b>Profit / (loss) for the period</b>	<b>8,277,368</b>	1,432,433	<b>15,900,895</b>	(3,243,442)
<b>Other comprehensive (loss) / income</b>				
Exchange difference on translating a joint venture	(236,828)	3,292,465	(236,618)	3,781,465
Effect of translation - share of associate	(14,831)	187,811	(61,085)	102,737
	(251,659)	3,480,276	(297,703)	3,884,202
Revaluation reserve on available for sale investments	139,819	(1,536,430)	1,335,646	(1,986,093)
Related deferred tax	(34,955)	230,465	(333,912)	297,914
	104,864	(1,305,965)	1,001,734	(1,688,179)
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefits obligation - net of tax	-	-	-	-
<b>Total comprehensive income / (loss) from continuing operations</b>	<b>8,130,573</b>	3,606,744	<b>16,604,926</b>	(937,649)
<b>Total comprehensive loss from discontinuing operations - FML</b>	<b>-</b>	-	-	(109,770)
<b>Total comprehensive income / (loss) for the period</b>	<b>8,130,573</b>	3,606,744	<b>16,604,926</b>	(1,047,419)
<b>Total comprehensive income / (loss) attributable to:</b>				
- Owners of the Holding Company	7,375,610	3,239,843	15,384,842	(1,635,041)
- Non controlling interest	754,963	366,901	1,220,084	587,622
	8,130,573	3,606,744	16,604,926	(1,047,419)

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

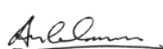
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

	Capital Reserves				Revenue Reserves				Total
	Share capital	Share Premium	Acquisition reserve	Statutory reserve	Translation Reserve	Revaluation reserve on available for sale investments	Unappropriated profits	Non-controlling interest	
	(Rupees in thousand)								
Balance as at January 01, 2023 - audited	12,912,529	1,632,729	-	2,855,162	5,317,939	(1,179,693)	14,810,495	7,167,343	43,516,504
<b>Total comprehensive loss</b>									
Loss for the period after taxation	-	-	-	-	-	-	(3,831,064)	587,622	(3,243,442)
Other comprehensive income for the period	-	-	-	-	3,884,202	(1,688,179)	-	-	2,196,023
Total comprehensive loss for the period	-	-	-	-	3,884,202	(1,688,179)	(3,831,064)	587,622	(1,047,419)
Transfer to statutory reserve	-	-	-	311,561	-	-	(311,561)	-	-
<b>Transactions with owners recorded directly in equity</b>									
Advance against equity	-	-	-	-	-	-	-	350,000	350,000
<b>Change in ownership interest</b>									
Cash injection by NCI of FFL	-	-	-	-	-	-	-	4,650,000	4,650,000
Transaction cost - FFL	-	-	-	-	-	-	-	(13,710)	(13,710)
NCI loss on acquisition	-	-	-	-	-	-	1,920,246	(1,920,246)	-
<b>Distribution to owners</b>									
FFCL interim dividend 2023 (Rs. 1.747 per ordinary share)	-	-	-	-	-	-	-	(375,000)	(375,000)
<b>Balance as at June 30, 2023</b>	<b>12,912,529</b>	<b>1,632,729</b>	<b>-</b>	<b>3,166,723</b>	<b>9,202,141</b>	<b>(2,867,872)</b>	<b>12,588,116</b>	<b>10,446,009</b>	<b>47,080,375</b>
Balance as at January 01, 2024 - audited	12,912,529	1,632,729	-	3,385,259	8,265,137	(2,365,483)	19,207,320	10,301,373	53,338,864
<b>Total comprehensive income</b>									
Profit for the period after taxation	-	-	-	-	-	-	14,680,811	1,220,084	15,900,895
Other comprehensive income for the period	-	-	-	-	(297,703)	1,001,734	-	-	704,031
Total comprehensive income for the period	-	-	-	-	(297,703)	1,001,734	14,680,811	1,220,084	16,604,926
Transfer to statutory reserve	-	-	-	215,588	-	-	(215,588)	-	-
<b>Transactions with owners recorded directly in equity</b>									
Advance against equity reclassified to loan	-	-	-	-	-	-	-	(2,350,000)	(2,350,000)
<b>Change in ownership interest</b>									
Transaction cost adjustment	-	-	-	-	-	-	(877)	809	(68)
Acquisition reserve recognized by FFL	-	-	(1,594,471)	-	-	-	-	(1,074,280)	(2,668,751)
<b>Distribution to owners</b>									
FFBL Final dividend 2023 (Rs 1 per ordinary share)	-	-	-	-	-	-	(1,291,253)	-	(1,291,253)
<b>Balance as at June 30, 2024</b>	<b>12,912,529</b>	<b>1,632,729</b>	<b>(1,594,471)</b>	<b>3,600,847</b>	<b>7,967,434</b>	<b>(1,363,749)</b>	<b>32,380,413</b>	<b>8,097,986</b>	<b>63,633,718</b>

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 SIX MONTH PERIOD ENDED JUNE 30, 2024**

	Note	Six month period ended	
		June 30, 2024	June 30, 2023
<b>(Rupees in thousand)</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operations	19	(16,216,211)	(2,812,926)
Taxes paid		(3,049,202)	(2,422,775)
Levies paid		(824,469)	(244,479)
Finance cost paid		(3,565,856)	(6,889,887)
Payment to Gratuity Fund		(111,922)	(333,780)
Compensated absences paid		(26,079)	(21,758)
Payment to Workers Welfare Fund		(15,462)	(2,678)
Payment to Workers' (Profit) Participation Fund		(284,106)	(383,342)
Net cash used in operating activities		(24,093,307)	(13,111,625)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditures and advances		(1,194,722)	(806,604)
Sale proceeds from disposal of property, plant and equipment		296,894	91,642
Increase in long term deposits - net		10,319	-
Dividend received		781,667	-
Investment at fair value through profit or loss - net		3,934,816	7,736,458
Profit received on bank balances and term deposits		5,760,077	1,813,303
Net cash generated from investing activities		9,589,051	8,834,799
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - net		300,000	(1,499,981)
Long term loans - received		2,000,000	-
Long term loans - repaid		(9,021,052)	(6,325,918)
Issue of shares - net of transaction costs		-	4,615,934
Advance against issue of shares		-	350,000
Finance lease liability		143,077	175,838
Dividend paid		(1,279,072)	(375,786)
Net cash used in financing activities		(7,857,047)	(3,059,913)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(22,361,303)</b>	<b>(7,336,739)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>21,306,726</b>	<b>(8,090,142)</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>(1,054,577)</b>	<b>(15,426,881)</b>

**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:

	Note	Six month period ended	
		June 30, 2024	June 30, 2023
<b>(Rupees in thousand)</b>			
- Cash and bank balances		26,223,356	15,405,348
- Short term highly liquid investments	13	1,950,000	583,000
- Short-term running finance		(22,216,301)	(27,408,443)
Less: Bank balances held under lien		(7,011,632)	(4,006,786)
		(1,054,577)	(15,426,881)

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



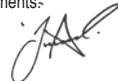
**CHAIRMAN**



**CHIEF EXECUTIVE**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024

## 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 Fauji Fertilizer Bin Qasim Limited group comprises of Fauji Fertilizer Bin Qasim Limited (FFBL / the Holding Company) and its subsidiaries, FFBL Power Company Limited (FPCL) and Fauji Foods Limited (FFL) collectively referred as ("Group"). The Holding Company disposed-off its entire (95.07%) shareholding in Fauji Meat Limited (FML) with effect from September 28, 2023. Accordingly, the Holding Company has derecognized assets and liabilities (along with the related Non-controlling Interest) of FML from its consolidated statements of financial position on that date, whereas, its operations for six months ended June 30, 2023 have been consolidated as discontinued operations.

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.

- 1.2 During the period, pursuant to the regulatory approvals, Fauji Foods Limited finalised the transactions of acquisitions of Fauji Foundation's shares in Fauji Infraavest Foods Limited on February 20, 2024 and Fauji Foundation's Cereals business operating under the name of Fauji Cereals on February 19, 2024 respectively. These financial statements have taken the impacts of both transactions. FFL adopted the predecessor accounting method for both transactions as per the S.R.O 53 (i)/2022 issued by Securities and Exchange Commission of Pakistan to cater for common control transactions.
- 1.3 The purchase consideration determined for both transactions amounting to PKR 3.3 billion for Fauji Cereals (Project of Fauji Foundation) and PKR 210 million for Fauji Infraavest Foods Limited respectively. The amount is payable to Fauji Foundation (Ultimate Parent). The consideration is payable on demand, with an all-time option to convert it into shares in a manner other than right at a price per share, which will be equal to the lower of par value or the average price per share on the stock exchange during the six months preceding the date on which the Fauji Foundation exercises its option to acquire shares. It has an interest-free grace period of two years, with an extension of time as mutually agreed upon by the parties. After two years, a markup of six months KIBOR plus spread of 50 basis points will be charged.

## 2 BASIS OF PREPARATION

- 2.1 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.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024

- 2.2 The disclosures in these condensed interim consolidated financial statements do not include the information reported for full annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2023. The comparative Consolidated Statement of Financial Position is extracted from the annual consolidated financial statements, as of December 31, 2023, 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 six month period ended June 30, 2023.
- 2.3 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

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, 2023.

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 consolidated financial statements for the preceding year, ended December 31, 2023.

### 4 SHARE CAPITAL

#### 4.1 Group consists of following subsidiary companies:

	Ownership in 2024	Ownership in 2023
FFBL Power Company Limited	75.00%	75.00%
Fauji Foods Limited	59.75%	59.75%

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.

(Un - audited) June 30, 2024	(Audited) December 31, 2023
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### 5 LONG TERM LOANS

	(Rupees in thousand)	
From conventional banks	15,719,486	23,923,064
From Islamic banks	7,913,780	6,716,872
	<b>23,633,266</b>	<b>30,639,936</b>
Less:		
Current portion shown under current liabilities	8,967,028	8,341,949
	<b>14,666,238</b>	<b>22,297,987</b>

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

5.1 There has been no material change in long term loan as disclosed in note 8 to the audited consolidated financial statements for the year ended December 31, 2023 except for the following:

- New long term finance facility of Rs 2,000 million at 3-Month KIBOR + 0.35% was obtained from Faysal Bank during the period.

- Early repayment of Rs 1,417 million, 1,750 million, 375 million and Rs 1,500 million has been made against long term facilities obtained from MCB Bank Limited, Habib Bank Limited, United Bank Limited and Allied Bank Limited respectively.

	Note	(Un - audited) June 30, 2024	(Audited) December 31, 2023
<b>(Rupees in thousand)</b>			
<b>6 DEFERRED LIABILITIES</b>			
Deferred tax	6.1	11,576,612	9,784,674
Provision for compensated leave absences		776,409	722,867
		<b>12,353,021</b>	<b>10,507,541</b>
<b>6.1 DEFERRED TAXATION - NET</b>			
<b>The balance of deferred tax is in respect of the following major taxable / (deductible) temporary differences:</b>			
Accelerated depreciation		2,568,702	2,577,544
Share of profit of joint venture and associates - net		5,341,140	4,825,227
Share of profit of subsidiary		3,982,632	2,985,210
Remeasurement gain on GIDC		2,420	38,078
Provision for inventory obsolescence		(112,853)	(112,853)
Deferred tax on revaluation of available for sale investments		(94,508)	(428,421)
Deferred tax on minimum tax		(110,921)	(31,581)
Deferred tax on alternative corporate tax		-	(68,530)
		<b>11,576,612</b>	<b>9,784,674</b>

6.2 As outlined in the note 10 to the annual consolidated financial statements, deferred tax asset has not been recognised on certain balances.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

	Note	(Un - audited) June 30, 2024	(Audited) December 31, 2023	
<b>(Rupees in thousand)</b>				
<b>7</b>	<b>TRADE AND OTHER PAYABLES</b>			
	Creditors	7.1	20,688,718	18,945,941
	Payable to Fauji Foundation		5,860,000	-
	Payable against GIDC	7.2	22,327,638	22,236,209
	Accrued liabilities		13,435,889	12,161,004
	Workers' (Profit) Participation Fund		1,298,081	290,887
	Workers' Welfare Fund		1,765,512	1,369,200
	Payable to Gratuity Fund		83,590	138,897
	Payable to Provident Fund		37,804	11,509
	Security deposits		98,080	85,506
	Withholding tax payable		182,157	114,038
	Sales tax payable		259,453	15,310
	Provision for tax levies		933,659	384,013
	Other payables		54,744	86,324
			<b>67,025,325</b>	<b>55,838,838</b>

7.1 Creditors include payables to a related party amounting to Rs. 13,777 million (December 31, 2023: Rs. 14,188 million) against purchase of raw material. The Holding Company purchases raw material for use in production of fertilizer from PMP at discounted price, with a credit limit of 75 days.

	(Un - audited) June 30, 2024	(Audited) December 31, 2023
<b>(Rupees in thousand)</b>		
<b>7.2 Payable against GIDC</b>		
Balance as at beginning of period	22,236,209	21,738,026
Unwinding cost on GIDC payable	91,429	498,183
	<b>22,327,638</b>	<b>22,236,209</b>

**8 CONTINGENCIES AND COMMITMENTS**

**8.1 Contingencies**

There has been no material update in status of tax contingencies as disclosed in note 14 to the audited consolidated financial statements of the Group for the year ended December 31, 2023, except for the appeal in relation to tax year 2019, against a demand of Rs 5,841 million raised by tax authorities on account of power expenses, filed before CIR(A) who has passed an appellate order dated January 25, 2024. The Group has filed an appeal before the Appellate Tribunal (ATIR) which is pending for adjudication.

Moreover, during the period, the Assistant Commissioner Inland Revenue (ACIR), vide assessment order u/s 122 dated January 31, 2024 has amended the return for tax year 2023 thereby disallowing expenses primarily on account of finance cost, selling and distribution expense and exchange loss amounting to Rs 13,573 million. The Group has filed an appeal before the CIR(A) which is pending for adjudication.



**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
	(Rupees in thousand)	
8.2 Guarantees issued by banks on behalf of FFBL	236,559	109,227
8.3 Group's share of contingent liabilities of Askari Bank Limited as at March 31, 2024 (September 30, 2023)	68,185,156	76,663,420
8.4 Contingent liabilities of FFL	713,058	681,098
<b>8.5 Commitments</b>		
i) Capital expenditure	1,152,415	245,667
ii) Letters of credit for purchase of raw materials and stores and spares	19,047,623	14,935,594
iii) Commitments of FPCL		
- Capital expenditure	191,440	74,740
-Outstanding against Letter of Credits out of total facility of Rs. 13,300 million (2023: Rs. 11,250 million), secured by lien on valid import documents	603,260	2,337,470
iv) Commitments of FFL	345,200	210,030
v) Group's share of commitments of PMP as at March 31, 2024 (September 30, 2023)	21,380	19,999
vi) Group's share of commitments of Askari Bank Limited as at March 31, 2024 (September 30, 2023)	127,824,961	88,287,135

**9 PROPERTY, PLANT AND EQUIPMENT**

Opening written down value	40,348,135	45,892,685
Additions during the period / year	1,032,041	2,187,224
Acquisition by group / adjustment	449,156	-
Disposals during the period / year	(327,708)	(257,377)
Depreciation during the period / year	(1,280,091)	(2,654,237)
Depreciation charged on disposals during the period / year	149,996	163,978
Discontinued operations - FML	-	(4,984,138)
Closing written down value	<u>40,371,529</u>	<u>40,348,135</u>

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

Note	(Un - audited)	(Audited)
	June 30, 2024	December 31, 2023
(Rupees in thousand)		
<b>10 LONG TERM INVESTMENTS</b>		
<b>Investment in joint venture - equity method</b>		
Pakistan Maroc Phosphore S.A, Morocco		
Opening balance	13,956,140	12,247,700
Share of (loss) / profit	2,514,449	(2,323,660)
Dividend	(1,659,664)	-
Effect of translation	(315,490)	4,032,100
Closing balance	14,495,435	13,956,140
<b>Investment in associate - equity method</b>		
10.1		
Askari Bank Limited		
Opening balance	16,509,068	13,925,757
Share of profit	2,306,028	3,862,027
Dividend	(781,667)	-
Revaluation reserve of available for sale investments	1,335,646	(1,395,047)
Effect of translation	(61,085)	116,331
Closing balance	19,307,990	16,509,068
<b>Investment - available for sale - unquoted</b>		
Arabian Sea Country Club Limited (ASCCL)		
300,000 ordinary shares of Rs. 10 each	3,000	3,000
Less: Impairment in value of investment	3,000	3,000
	-	-
	<b>33,803,425</b>	<b>30,465,208</b>

**10.1** SBP 10.1 through BPRD Circular Letter No. 7 of 2023 dated April 13, 2023 has further deferred the application of IFRS 9 "Financial Instruments" till January 01, 2024 for banking companies. AKBL will adopt with modified retrospective approach for restatement. In accordance with IFRS 9, AKBL will not restate comparative information with respect to impairment changes. Any differences in the carrying amounts of financial assets and financial liabilities consequent to the adoption of IFRS 9 will be recognised in retained earnings and reserves as at 1 January 2024.

**11 STOCK-IN-TRADE**

This includes finished goods stock amounting to Rs. 12,506 million (December 31, 2023: Rs. 958 million) and raw material in transit amounting to Rs. 13,420 million (December 31, 2023: Rs. 9,248 million).

**12 OTHER RECEIVABLES**

This includes an amount of Rs. 10,368 million (December 31, 2023: Rs. 4,487 million) 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.

Note	(Un - audited)	(Audited)
	June 30, 2024	December 31, 2023
(Rupees in thousand)		

**13 SHORT TERM INVESTMENTS**

**Amortized cost**

Term deposits with banks and financial institutions **13.1** 1,950,000 1,000,000

**Investments at fair value through profit or loss**

Mutual funds 29,854,746 33,685,524

**31,804,746** **34,685,524**

**13.1** These deposits carry interest at rates ranging from 18.5% to 22.5% (2023: 17% to 22.5%) per annum maturing on various dates.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

	Three month period ended		Six month period ended	
	June 30, 2024 (Rupees in thousand)	June 30, 2023 (Rupees in thousand)	June 30, 2024 (Rupees in thousand)	June 30, 2023 (Rupees in thousand)
<b>14 SALES - NET</b>				
Fertilizer	54,847,580	35,239,650	105,868,619	66,766,660
Power	3,027,312	2,567,728	5,779,324	6,675,887
Food	6,517,360	5,156,292	12,678,292	10,701,825
	<b>64,392,252</b>	<b>42,963,670</b>	<b>124,326,235</b>	<b>84,144,372</b>
Sales tax	(3,590,036)	(1,250,269)	(6,865,347)	(2,406,610)
Federal Excise Duty	(2,521,266)	-	(4,847,697)	-
Trade discount	(435,364)	(283,429)	(895,907)	(559,380)
Advance tax u/s 235	(155,368)	(122,296)	(302,242)	(240,752)
Commission to FFC	14.1 (6,462)	(4,847)	(11,337)	(9,156)
	<b>(6,708,496)</b>	<b>(1,660,841)</b>	<b>(12,922,530)</b>	<b>(3,215,898)</b>
	<b>57,683,756</b>	<b>41,302,829</b>	<b>111,403,705</b>	<b>80,928,474</b>

14.1 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.

	Three month period ended		Six month period ended	
	June 30, 2024 (Rupees in thousand)	June 30, 2023 (Rupees in thousand)	June 30, 2024 (Rupees in thousand)	June 30, 2023 (Rupees in thousand)
<b>15 COST OF SALES</b>				
Raw materials consumed	44,358,814	34,992,995	79,857,866	50,841,343
Packing materials consumed	1,186,520	1,055,247	2,287,562	1,838,448
Fuel and power	647,176	714,393	1,078,206	1,904,714
Ash dumping	6,962	5,618	9,734	8,353
Stores and supplies consumed	199,638	188,148	496,824	397,397
Salaries, wages and benefits	962,817	830,107	2,671,407	1,755,922
Repairs and maintenance	690,320	449,928	1,674,567	1,485,870
Travel and conveyance	117,236	91,145	202,252	166,946
Rent, rates and taxes	15,575	14,160	31,288	28,116
Insurance	199,683	126,076	386,653	249,791
Utilities	51,399	129,465	166,630	226,773
Communication, establishment and other expenses	278,462	64,844	788,538	214,182
Depreciation and amortization	597,449	560,708	1,170,924	1,135,809
Opening stock - work in process	779,844	190,598	514,772	297,490
Closing stock - work in process	(412,915)	(342,041)	(412,915)	(342,041)
Cost of goods manufactured	<b>49,678,980</b>	<b>39,071,391</b>	<b>90,924,308</b>	<b>60,209,113</b>
Opening stock - finished goods	2,904,199	19,572,040	1,018,557	32,954,947
Closing stock - finished goods	(12,490,138)	(25,236,418)	(12,490,138)	(25,236,418)
Cost of sales - manufactured goods	<b>40,093,041</b>	<b>33,407,013</b>	<b>79,452,727</b>	<b>67,927,642</b>
Cost of sales - purchased fertilizer	3,570,157	-	5,434,766	-
	<b>43,663,198</b>	<b>33,407,013</b>	<b>84,887,493</b>	<b>67,927,642</b>

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

	Three month period ended		Six month period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees in thousand)		(Rupees in thousand)	
<b>16 OTHER INCOME</b>				
<i>Share of profit / (loss) from joint venture and associate</i>				
Pakistan Maroc Phosphore S.A	594,390	(282,818)	2,514,449	(859,356)
Askari Bank Limited	806,617	1,015,355	2,306,028	1,730,527
	1,401,007	732,537	4,820,477	871,171
Profit on bank balances and term deposits	1,247,470	771,858	2,829,483	1,327,645
Cash dividend / income on mutual funds	1,490,066	219,365	3,055,126	504,858
Insurance claim (BI)	2,286,887	-	2,286,887	-
Scrap sale and other receipts	10,126	350,750	204,135	402,776
Gain on disposal of property, plant and equipment	119,182	18,587	119,182	18,587
Miscellaneous income	15,018	22,311	15,018	22,311
	5,168,749	1,382,871	8,509,831	2,276,177
	6,569,756	2,115,408	13,330,308	3,147,348

**17 FINAL TAXES - LEVY**

This represents final taxes levied under section 5 of Income Tax Ordinance, 2001 (ITO, 2001) representing levy in terms of requirements of IFRIC 21/IAS 37.

	Three month period ended		Six month period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees in thousand)		(Rupees in thousand)	
<b>18 TAXATION - NET</b>				
Current tax				
- Current period	4,417,981	1,256,137	7,924,396	1,747,637
- Prior period	94,837	-	94,837	-
Deferred tax	574,611	208,494	1,536,898	312,314
	5,087,429	1,464,631	9,556,131	2,059,951

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

	<b>Six month period ended</b>	
	<b>June 30, 2024</b>	<b>June 30, 2023</b>
	<b>(Rupees in thousand)</b>	
<b>19 CASH USED IN OPERATIONS</b>		
Profit / (loss) before taxation	<b>25,457,026</b>	(1,180,632)
<b>Adjustment for non-cash charges and other items:</b>		
Provision for gratuity	<b>56,614</b>	62,777
Provision against levies	<b>1,374,115</b>	443,986
Exchange loss	<b>202,343</b>	4,951,916
Provision for compensated absences	<b>79,622</b>	56,932
Provision for Workers' (Profit) Participation Fund	<b>1,290,239</b>	132,892
Provision for Workers' Welfare Fund	<b>411,774</b>	5,465
Unwinding of GIDC	<b>91,429</b>	299,541
Amortization of transaction cost of long-term finance	<b>14,383</b>	17,410
Transaction Cost	<b>-</b>	20,353
Depreciation	<b>1,280,091</b>	1,371,285
Amortization	<b>2,023</b>	8,764
Provision for Sales tax refundable	<b>3,436,971</b>	-
Provision for ECL on subsidy	<b>-</b>	56,000
Lease charges	<b>21,652</b>	27,038
Finance cost	<b>3,655,629</b>	6,979,414
Profit on bank balances and term deposits	<b>(2,933,521)</b>	(1,404,841)
Fair value gain and related income on mutual funds	<b>(2,951,088)</b>	(470,359)
Profit from joint venture and associates	<b>(4,820,477)</b>	(118,723)
Gain on disposal of property, plant and equipment	<b>(119,182)</b>	(18,587)
<b>Operating profit before working capital changes</b>	<b>26,549,643</b>	11,240,631
<b>Changes in working capital:</b>		
Stores and spares	<b>(375,200)</b>	(391,909)
Stock-in-trade	<b>(12,839,756)</b>	1,103,937
Trade debts	<b>(3,581,516)</b>	6,457,995
Advances	<b>(1,480,456)</b>	(146,266)
Trade deposits and short term prepayments	<b>397,775</b>	257,630
Other receivables	<b>(4,408,155)</b>	(6,530,714)
Sales tax receivable	<b>(55,531)</b>	(663,052)
Trade and other payables	<b>3,254,617</b>	(15,225,667)
Bank balance held under lien	<b>(2,405,644)</b>	(559,698)
Contract liability	<b>(21,271,988)</b>	1,644,187
	<b>(42,765,854)</b>	(14,053,557)
Cash used in operations	<b>(16,216,211)</b>	(2,812,926)

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

**20 RELATED PARTY TRANSACTIONS**

Fauji Fertilizer Company Limited (FFCL) has 49.88% share holding in FFBL (2023: 49.88%), while Fauji Foundation (FF) holds 18.29% shares (2023:18.29%) 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 year end are given below. The carrying value of investment in associates and joint venture are disclosed in note 10 to the consolidated financial statements.

	<b>Six month period ended</b>	
	<b>June 30, 2024</b>	<b>June 30, 2023</b>
	(Rupees in thousand)	
<b>Transactions with Fauji Foundation (FF)</b>		
Services received	267,889	151,469
Services provided	91	97
Payment against services	67,565	42,029
Receipts against services	-	127
Donations paid	430,495	144,640
Dividend paid to Fauji Foundation	-	375,000
Balance payable	311,489	356,428 *
Lease liability expense against right of use of asset	8,064	-

	<b>Six month period ended</b>	
	<b>June 30, 2024</b>	<b>June 30, 2023</b>
	(Rupees in thousand)	

**Transactions with associated undertakings due to common directorship**

<b>Fauji Fertilizer Company Limited</b>		
Services and material acquired	1,187,509	662,545
Receipts under consignment account	76,701,741	68,644,275
Commission charged	11,337	9,156
<b>Askari Bank Limited</b>		
Balances at Bank and TDR	9,665,492	5,088,265 *
Profit on bank balances	1,053,561	671,436
Mark-up on long term loans	-	91,460
Income earned from TDRs	126,839	65,120
Finance cost charged	-	23,529
<b>Fauji Meat Limited</b>		
Material / services provided	19,328	18,052
Receipt against material / services	32,987	-
Balance receivable	10,525	24,184 *

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

	Six month period ended	
	June 30, 2024	June 30, 2023
	(Rupees in thousand)	
<b>Transactions with joint venture</b>		
Purchase of raw materials	38,287,269	29,900,345
Expenses incurred on behalf of joint venture	6,390	8,761
Late payment surcharge during the period	-	93,470
Receipts against material / services	3,337	-
Balance payable	13,776,725	14,188,385 *
Balance receivable - unsecured	6,390	3,337 *
Dividend receivable	1,659,664	-
<b>Other related parties</b>		
Contribution to Provident Fund	98,408	84,800
Contribution to gratuity fund	32,165	-
Payment to Gratuity Fund	111,922	333,780
Payment to Workers' (Profit) Participation Fund	284,106	383,342
Meeting fee to directors	13,680	14,655
Balance payable to WPPF - unsecured	1,298,081	290,887 *
Payable to Gratuity Fund	83,590	138,898 *
Payable to Provident Fund	37,804	11,509 *
Share issuance to FFC Energy	-	4,650,000
Balance receivable - Fauji Cement Company Limited	12	-
Expenses on behalf of Fauji Cement Company Limited	92	-
Expenses on behalf of Fauji Trans Terminal Limited	596	8
Expenses on behalf of Foundation Gas for purchase of LPG	5,115	-
Foundation Solar Energy (Private) Limited for purchase of solar panel	-	125,096
Remuneration of key management personnel		
Short-term benefits	394,508	334,855
Post employment benefits	52,745	36,226

- Balance of accounts appearing as comparatives are as at December 31, 2023 (audited).

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024

### 21 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	Power	Meat	Food	Elimination-net	Consolidated
	(Rupees in thousand)					
<b>June 30, 2024</b>						
<b>Revenue</b>	<b>96,855,575</b>	<b>16,197,933</b>	<b>-</b>	<b>11,413,479</b>	<b>(10,776,395)</b>	<b>113,690,592</b>
External Customer	96,855,575	5,421,538	-	11,413,479	-	113,690,592
Inter-Segment	-	10,776,395	-	-	(10,776,395)	-
Total Revenue	96,855,575	16,197,933	-	11,413,479	(10,776,395)	113,690,592
<b>Profit after tax</b>	<b>10,560,153</b>	<b>3,989,687</b>	<b>-</b>	<b>553,141</b>	<b>797,914</b>	<b>15,900,895</b>
<b>June 30, 2023</b>						
Revenue	66,757,504	13,840,351	303,419	9,837,736	(9,507,117)	81,231,893
External Customer	66,757,504	4,333,234	303,419	9,837,736	-	81,231,893
Inter-Segment	-	9,507,117	-	-	(9,507,117)	-
Total Revenue	66,757,504	13,840,351	303,419	9,837,736	(9,507,117)	81,231,893
(Loss) / Profit after tax	(4,950,173)	2,412,014	(109,770)	(77,772)	(517,741)	(3,243,442)
<b>June 30, 2024</b>						
<b>Assets</b>	<b>143,380,477</b>	<b>41,088,122</b>	<b>-</b>	<b>16,125,977</b>	<b>2,682,842</b>	<b>203,277,418</b>
<b>Liabilities</b>	<b>107,020,257</b>	<b>16,570,096</b>	<b>-</b>	<b>8,727,702</b>	<b>7,325,645</b>	<b>139,643,700</b>
<b>December 31, 2023</b>						
Assets	145,871,787	41,839,240	-	12,703,658	(1,760,757)	198,653,928
Liabilities	118,780,468	22,243,159	-	10,107,134	(5,815,697)	145,315,064

### 22 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

#### 22.1 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.

#### 22.2 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)



**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024**

	Level 1	Level 2	Level 3
	(Rupees in thousand)		
<b>June 2024 - un-audited</b>			
<b>ASSETS</b>			
Financial assets at fair value through profit and loss			
- Short term investments	29,854,746	-	-
<b>December 2023 - audited</b>			
<b>ASSETS</b>			
Financial assets at fair value through profit and loss			
- Short term investments	33,685,524	-	-

**23 CORRESPONDING FIGURES**

23.1 The corresponding figures have been reclassified and restated to reflect more appropriate presentation of events and transactions in accordance with the accounting and reporting standards as applicable in Pakistan, wherever necessary including the bank balances held under lien for an aggregate amount of Rs. 4,007 million in the consolidated statement of cashflows.

**24 EVENTS AFTER REPORTING PERIOD**

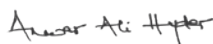
The Board of Directors of the FFCL and the Holding Company, in their respective meetings held on July 19, 2024, have granted in-principle approvals to evaluate the potential amalgamation of the Holding Company with and into FFCL by way of a scheme of arrangement.

**25 GENERAL**

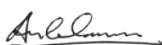
25.1 Figures have been rounded off to the nearest thousand rupees.

**26 DATE OF AUTHORIZATION OF ISSUE**

These condensed interim consolidated financial statements have been authorized for issue on July 25, 2024 by the Board of Directors of the Holding Company.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



**FFBL**  
Fauji Fertilizer Bin Qasim Limited

FFBL Tower, C1/C2, Sector B, Jinnah Boulevard, Phase II, DHA, Islamabad.  
Tel: +92 51 8763325, Fax: +92 51 8763304-05, Web: [www.ffbl.com](http://www.ffbl.com)