



**THIRD QUARTER  
REPORT | 2023**

## COMPANY INFORMATION

### DIRECTORS

Mr. Waqar Ahmed Malik (Sitara-e-Imtiaz)  
Chairman

Mr. Arif-ur-Rehman  
Chief Executive Officer

Mr. Sarfaraz Ahmed Rehman

Dr. Nadeem Inayat

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

### 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

### WEB PRESENCE

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.  
Tel: (051) 2348645-9

### AUDITORS

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

### SHARES REGISTRAR

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

# Directors' Review

For the period ended September 30, 2023

## Dear Shareholders

High inflation, Pak Rupee devaluation and unprecedented policy rate continued to affect the business. Providentially, the Rupee, managed to settle at strength against the US Dollar at the end of the period. Your company adeptly steered its way through these challenging circumstances during the period under review.

## PLANT OPERATIONS

The Company received 3,392 MMSCF gas supply during Q3 as compared to 4,936 MMSCF in the same quarter of last year (SQLY) and as against 6,256 MMSCF of allocation by the Government, representing a decline in gas supplies by 31% and 46% respectively. Consequently, Urea and DAP production declined by 43% and 7% respectively in comparison to SQLY.

During the nine months period under review, the Company received gas supply of 9,882 MMSCF as compared to 14,661 MMSCF in the same period of last year (SPLY), and 18,564 MMSCF of Government allocation, representing gas supply shortfall of 33% and 47% respectively. DAP plant was also shut down for an additional 33 days during the current nine-month period for better management of DAP inventory carried forward from last year. As a result, Urea and DAP production was lower by 134 KT and 229 KT respectively, representing 35% and 34% decrease respectively in comparison to SPLY.

## MARKET PERFORMANCE

During the period, domestic DAP market sales are estimated to have grown by 39% to 989 KT (SPLY: 711 KT). FFBL achieved 69% growth in DAP sales to 619 KT (SPLY: 381 KT).

Domestic Urea market sales are estimated to have grown by 4% to 4,945 KT (SPLY: 4,770 KT). FFBL's Urea sales decreased by 31% to 254 KT (SPLY: 367KT). The significant gas curtailments during the period led to lower production resulting in decrease in sales which impacted the market share reducing it by 5%. (SPLY: 8%)

## FINANCIAL PERFORMANCE

We are pleased to present the financial results as under

PKR 'Million

Description	For the Period			For the 3 <sup>rd</sup> Quarter		
	2023	2022	% Change	2023	2022	% Change
Sales revenue	136,828	93,501	46%	70,070	22,568	210%
Gross profit	17,147	17,935	(4%)	10,358	3,755	176%
Operating Profit	11,451	12,928	(11%)	7,511	2,464	205%
Profit / (loss) before tax	4,096	6,643	(38%)	7,175	(2,169)	431%
Profit / (loss) after tax	354	1,714	(79%)	5,305	(1,696)	413%

During the quarter, revenue clocked in at PKR 70 billion as compared to PKR 23 billion in SQLY, a growth of 210%. The gross profit, operating profit and profit before tax have also increased significantly by 176%, 205% and 431% respectively as compared with SQLY. The Company has posted a profit after tax of PKR 5.3 billion for Q3 as compared to the loss after tax of PKR 1.7 billion in SQLY.

The financial performance of Q3 has offset the impact of the exogenous shock of severe devaluation that the Company faced in Q1, as well as the exorbitant finance cost born in first six months of the year on account of high interest rates.

During the nine-month period, the Company achieved revenue of PKR 137 billion as compared to PKR 94 billion in SPLY, representing an increase of 46%. The Company earned gross profit of PKR 17 billion (SPLY PKR 18 billion), operating profit of PKR 11 billion (SPLY PKR 13 billion) and profit after tax of PKR 0.35 billion (SPLY PKR 1.7 billion). Lower profitability is due to the additional cost of PKR 2.5 billion (up to June 30, 2023) on account of Government's GST policy, which was discriminatory to domestic DAP producer (resolved since July 2023), and the exchange loss of PKR 3.6 billion on foreign payments due in 2022, which could not be paid till Q1, 2023 due to State Bank restrictions.

On a Consolidated basis, during the nine-month period, the Company reported gross profit of PKR 26 billion (SPLY: PKR 24 billion) and operating profit of PKR 18 billion (SPLY: PKR 17 billion). However, the profit after tax declined to PKR 163 million from PKR 3.6 billion reported in SPLY. This decrease is primarily attributed to the reduced earnings of FFBL. On the brighter side, there is a significant improvement in the financial results of Fauji Foods Limited (FFL) to the tune of PKR 1.9 billion.

## **SUBSIDIARIES AND JOINT VENTURE**

FFL is pursuing the strategy of margin assertive growth with focus on internal efficiencies with consistency. During the nine-months period, FFL has achieved a significant 83% increase in sales revenue (PKR 15 billion as against PKR 8 billion in SPLY) and 3.5 times growth in gross margins, 12.3% as compared to 3.5% in SPLY. FFL has achieved its highest ever quarterly profit after tax of PKR 38.5 million (SPLY loss after tax of PKR 690 million). Looking ahead, FFL's investment in brands and distribution infrastructure is expected to continue fueling growth and translate into improved financial performance.

FFBL Power Company Limited has also delivered consistent performance. Due to shrinking of margins owing to increase in raw material prices the financial performance of our Joint venture, Pakistan Maroc Phosphore S.A. in Morocco, has suffered a bit of a decline.

Fauji Meat Limited (FML) has achieved revenue of PKR 490 Million (SPLY: 53 Million) representing significant growth on the backdrop of export sales and positive EBITDA for the period.

To focus more on its core business the Company during the 3<sup>rd</sup> quarter concluded the sale of its entire shareholding (95.07%) in FML to Fauji Foundation as part of its strategic divestment plan. This transaction resulted in a gain of PKR 268 million with a corresponding increase in the cash inflow of PKR 4.3 billion. This will help save significant finance cost in times to come.

## **OUTLOOK**

Dear Stakeholders, while the Country is passing through serious economic challenges, our utmost concern regarding the sustainable performance of FFBL is to secure consistent gas supplies for our production plants. In this respect, we have proactively engaged with the relevant decision makers and are advocating for the significance of local DAP and Urea production for our farming community, economy, and our overall national food security.

We continue to advocate that the Government should recognize the significance of sole producer of DAP, which is necessary for better yield, and Urea, provide an environment conducive to the sustainable development of the sector and take all stakeholders on board while making key policy decisions to better understand the implications and long-term consequences. There is a dire need for the Government to take immediate steps to prioritize the fertilizer sector with respect to providing a consistent supply of Gas thus avoiding the shortage of DAP and Urea in the country and saving the scarce forex spend on import.

We are determined to overcome challenges with the continued trust, confidence and support of all of our stakeholders.

For and on behalf of the Board



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



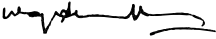
**Waqar Ahmed Malik**  
Chairman

**Islamabad**  
23 October, 2023

ہم اس بات کی وکالت کرتے رہتے ہیں کہ حکومت کو چاہیے کہ وہ ڈی اے پی کے واحد پروڈیوسر اور یوریا کی اہمیت کو بھی تسلیم کرے، جو بہتر پیداوار کے لیے ضروری ہے، اس شعبے کی پائیدار ترقی کے لیے سازگار ماحول فراہم کرے اور کلیدی پالیسی فیصلے کرتے ہوئے تمام اسٹیک ہولڈرز کو ساتھ لے تاکہ مضمرات اور طویل مدتی نتائج کو بہتر طور پر سمجھا جاسکے۔ اس بات کی اشد ضرورت ہے کہ حکومت فرٹیلائزر سیکٹر کو گیس کی مستقل فراہمی کے حوالے سے ترجیحی بنیادوں پر فوری اقدامات کرے تاکہ ملک میں ڈی اے پی اور یوریا کی قلت سے بچا جاسکے اور درآمدات پر غیر ملکی کرنسی کے اخراجات کو بچایا جاسکے۔

ہم اپنے تمام اسٹیک ہولڈرز کے مسلسل اعتماد، بھروسے اور حمایت کے ساتھ مشکلات پر قابو پانے کے لیے پرعزم ہیں۔

منجانب بورڈ



وقار احمد ملک  
چیئر مین



عارف الرحمن  
چیف ایگزیکٹو آفیسر

اسلام آباد  
23 اکتوبر 2023

مجموعی طور پر، نو ماہ کی مدت کے دوران، کمپنی نے 26 بلین روپے (گزشتہ سال 24 بلین روپے) کا مجموعی منافع اور 18 بلین روپے (گزشتہ سال 17 بلین روپے) کا آپریٹنگ منافع حاصل کیا۔ تاہم، بعد از ٹیکس منافع گزشتہ سال میں کے 3.6 بلین روپے سے کم ہو کر 163 ملین روپے ہو گیا، یہ کمی بنیادی طور پر FFBL کی کم آمدنی کی وجہ سے ہے۔ مزید برآں، فوجی فوڈز لمیٹڈ (FFL) کے مالیاتی نتائج میں 1.9 بلین روپے کی نمایاں بہتری آئی ہے۔

## ذیلی ادارے اور جوائنٹ وینچر

FFL مستقل مزاجی کے ساتھ اندرونی افادیت پر توجہ مرکوز کرتے ہوئے مارجن کی مضبوط ترقی کی حکمت عملی پر عمل پیرا ہے۔ نو ماہ کی مدت کے دوران FFL نے سیلز ریونیو میں نمایاں طور پر (گزشتہ سال کے 8 بلین روپے کے مقابلے میں 15 بلین روپے) 83 فیصد اضافہ حاصل کیا اور مجموعی منافع میں گزشتہ سال کے 3.5 فیصد کے مقابلے میں 12.3 فیصد (3.5 گنا) اضافہ حاصل کیا۔ FFL نے 38.5 ملین روپے کا بعد از ٹیکس منافع جو کہ اب تک کا سب سے زیادہ سہ ماہی منافع ہے (جو کہ گزشتہ سال 690 ملین روپے بعد از ٹیکس نقصان تھا)۔ مستقبل میں برانڈز اور ڈسٹری بیوشن انفراسٹرکچر میں FFL کی سرمایہ کاری سے ترقی کو فروغ دیے۔ اور بہتر مالی کارکردگی حاصل کرنے کی توقع ہے۔

FFBL پاور کمپنی لمیٹڈ نے بھی مستقل کارکردگی پیش کی ہے۔ خام مال کی قیمتوں میں اضافے کی وجہ سے مراکش میں ہمارے جوائنٹ وینچر Pakistan Maroc Phosphore .S.A کی مالی کارکردگی کو قدرے متزلزل کا سامنا کرنا پڑا ہے۔

فوجی میٹ لمیٹڈ (FML) نے 490 ملین روپے (گزشتہ سال 53 ملین روپے) کی آمدنی حاصل کی ہے جو اس مدت کے لیے برآمدی فروخت اور مثبت EBITDA کے پس منظر میں نمایاں نمو کی نمائندگی کرتی ہے۔

اپنے بنیادی کاروبار پر زیادہ توجہ مرکوز کرنے کے لیے کمپنی نے تیسری سہ ماہی کے دوران FML میں اپنی تمام شیئر ہولڈنگ (95.07 فیصد) کو اپنے اسٹریٹجک ڈیویڈنڈ پلان کے حصے کے طور پر فوجی فاؤنڈیشن کو فروخت کر دیا ہے۔ اس کے نتیجے میں 268 ملین روپے کے منافع کے ساتھ 4.3 بلین روپے کی نقد آمدنی میں اضافہ ہوا۔ اس سے آنے والے وقت میں اہم مالیاتی لاگت کو بچانے میں مدد ملے گی۔

## مستقبل پر نظر

محترم اسٹیک ہولڈرز، جب کہ ملک سنگین اقتصادی چیلنجوں سے گزر رہا ہے، FFBL کی پائیدار کارکردگی کے حوالے سے ہماری سب سے زیادہ تشویش ہمارے پیداواری پلانٹس کے لیے گیس کی مسلسل فراہمی کو محفوظ بنانا ہے۔ اس سلسلے میں ہم متعلقہ فیصلہ سازوں کے ساتھ مسلسل رابطے میں ہیں اور اپنی کاشتکار برادری، معیشت اور ہماری مجموعی قومی غذائی تحفظ کے لیے مقامی DAP اور یوریا کی پیداوار کی اہمیت کو اجاگر کر رہے ہیں۔

## روپے بلین میں

تیسری سہ ماہی کے لیے			نومہ کی مدت کے لیے			تفصیل
تبدیلی (فیصد)	2022	2023	تبدیلی (فیصد)	2022	2023	
210 فیصد	22,568	70,070	46 فیصد	93,501	136,828	بیلز ریونیو
176 فیصد	3,755	10,358	(4 فیصد)	17,935	17,147	مجموعی منافع
205 فیصد	2,464	7,511	(11 فیصد)	12,928	11,451	آپریٹنگ منافع
431 فیصد	(2,169)	7,175	(38 فیصد)	6,643	4,096	قبل از ٹیکس منافع / (نقصان)
413 فیصد	(1,696)	5,305	(79 فیصد)	1,714	354	بعد از ٹیکس منافع / (نقصان)

تیسری سہ ماہی کے دوران، FFBL کو گزشتہ سال کی اسی مدت میں 23 بلین روپے کے مقابلے میں 70 بلین روپے کی آمدنی ہوئی، جو کہ 210 فیصد اضافہ ہے۔ مجموعی منافع، آپریٹنگ منافع اور قبل از ٹیکس منافع میں بھی گزشتہ سال کی اسی مدت کے مقابلے میں بالترتیب 176 فیصد، 205 فیصد اور 431 فیصد کا نمایاں اضافہ ہوا ہے۔ کمپنی نے گزشتہ سال کی اسی مدت میں 1.7 بلین روپے کے بعد از ٹیکس نقصان کے مقابلے میں تیسری سہ ماہی میں 5.3 بلین روپے کا بعد از ٹیکس منافع حاصل کیا۔

تیسری سہ ماہی کی بہتر مالی کارکردگی نے قدر میں شدید کمی کے اثرات کو پورا کر دیا جس کا کمپنی کو پہلی سہ ماہی میں سامنا کرنا پڑا تھا، اور ساتھ ہی زیادہ شرح سود کی وجہ سے سال کے پہلے چھ مہینوں میں پیدا ہونے والی بے حد مالیاتی لاگت کے اثر کو بھی کم کیا۔

نومہ کی مدت کے دوران، کمپنی نے گزشتہ سال کی اسی مدت کے 94 بلین روپے کے مقابلے میں 137 بلین روپے کی آمدنی حاصل کی، جو کہ 46 فیصد کے اضافے کو ظاہر کرتی ہے۔ کمپنی نے 17 بلین روپے (گزشتہ سال 18 بلین روپے) کا مجموعی منافع، 11 بلین روپے (گزشتہ سال 13 بلین روپے) کا آپریٹنگ منافع اور 0.35 بلین روپے (گزشتہ سال 1.7 بلین روپے) کا بعد از ٹیکس منافع کمایا۔ کم منافع کی وجہ حکومت کی جی ایس ٹی پالیسی کے مقامی پروڈیوسر کے ساتھ امتیازی سلوک کی وجہ سے 2.5 بلین روپے (30 جون 2023 تک) کی اضافی لاگت (جو کہ جولائی 2023 سے حل ہو چکا ہے) اور 3.6 بلین روپے کے زر مبادلہ کا نقصان ہے جو کہ 2022 میں واجب الادا غیر ملکی ادائیگیوں کے وجہ سے ہوا، جو اسٹیٹ بینک کی پابندیوں کی وجہ سے 2023 کی پہلی سہ ماہی تک ادا نہیں کی جا سکیں۔



30 ستمبر 2023 کو ختم ہونے والی مدت کے لیے

### محترم شیئر ہولڈرز

بلند افراط زر، پاکستانی روپے کی قدر میں کمی اور غیر متوقع پالیسی ریٹ کاروبار کو متاثر کرتے رہے۔ خوش قسمتی سے، مدت کے اختتام پر امریکی ڈالر کے مقابلے میں روپے کی قدر میں بہتری آئی۔ زیر نظر مدت کے دوران آپ کی کمپنی نے ان مشکل حالات میں مہارت سے اپنی کارکردگی جاری رکھی۔

### پلانٹ آپریشنز

کمپنی نے تیسری سہ ماہی کے دوران میں 3,392 MMSCF گیس حاصل کی جو کہ گزشتہ سال فراہم ہونے والی گیس 4,936 MMSCF اور حکومت کی مختص کردہ 6,256 MMSCF سے بالترتیب 31 فیصد اور 46 فیصد کم ہے۔ نتیجتاً یورپا اور ڈی اے پی کی پیداوار میں گزشتہ سال کی اسی سہ ماہی کے مقابلے میں بالترتیب 43 فیصد اور 7 فیصد کمی واقع ہوئی۔

کمپنی نے نو ماہ کی مدت کے دوران 9,882 MMSCF گیس حاصل کی جو کہ گزشتہ سال فراہم ہونے والی گیس 14,661 MMSCF اور حکومت کی مختص کردہ 18,564 MMSCF سے بالترتیب 33 فیصد اور 47 فیصد کم ہے۔ ڈی اے پی پلانٹ کو موجودہ نو ماہ کی مدت کے دوران اضافی 33 دنوں کے لیے بھی بند کیا گیا تھا تاکہ گزشتہ سال کی ڈی اے پی انویسٹری کو فروخت کیا جاسکے۔ نتیجے کے طور پر، یورپا اور ڈی اے پی کی پیداوار میں بالترتیب 134 اور 229 KT کمی واقع ہوئی، جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں بالترتیب 35 فیصد اور 34 فیصد کمی کی کمی کی نمائندگی کرتی ہے۔

### مارکیٹ کی کارکردگی

اس مدت کے دوران، مقامی ڈی اے پی مارکیٹ کی فروخت 39 فیصد اضافے سے 989KT (گزشتہ سال کی اسی مدت میں 711KT) ہو گئی۔ FFBL نے 69 فیصد اضافے کے ساتھ گزشتہ سال کی اسی مدت کی 381KT ڈی اے پی کے مقابلے میں 619KT ڈی اے پی فروخت کی۔

مقامی یورپا کی مارکیٹ میں فروخت 4<sup>۲</sup> فیصد اضافے سے 4,945 KT (گزشتہ سال کی اسی مدت میں 4,770KT) ہو گئیں۔ FFBL کی یورپا کی فروخت 31 فیصد کم ہو کر 254 KT (گزشتہ سال کی اسی مدت میں 367KT) ہو گئی۔ اس عرصے کے دوران گیس کی فراہمی میں نمایاں کمی کی وجہ سے پیداوار میں کمی واقع ہوئی۔ نتیجتاً، گزشتہ سال کے 8 فیصد کے مقابلے میں FFBL کی مارکیٹ شیئر کم ہو کر 5 فیصد ہو گیا۔

### مالیاتی کارکردگی

ہم مالیاتی نتائج کو ذیل میں پیش کر رہے ہیں:

**Condensed Interim  
Financial Statements**

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

**AS AT SEPTEMBER 30, 2023**

		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	(Rupees '000)	
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	4	12,912,529	12,912,529
<b>Capital reserve</b>			
Share premium		1,632,729	1,632,729
<b>Revenue reserve</b>			
Accumulated profit		8,531,596	8,177,107
		23,076,854	22,722,365
<b>NON CURRENT LIABILITIES</b>			
Long term loans	5	14,916,666	18,458,334
Deferred liabilities	6	1,257,635	4,491,931
		16,174,301	22,950,265
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	56,270,961	67,412,134
Advances from customers		17,405,898	769,261
Unpaid dividend		10,954	10,954
Unclaimed dividend		114,714	115,614
Provision for income tax - net		1,607,933	1,150,929
Accrued interest		1,442,056	1,242,847
Short-term borrowings		5,407,900	28,213,376
Current portion of long term loans	5	5,218,750	5,275,000
		87,479,166	104,190,115
		126,730,321	149,862,745
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		

The annexed notes, from 1 to 21, form an integral part of these condensed interim financial statements.

		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	(Rupees '000)	
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	9	9,447,922	9,953,442
Investment property		270,242	270,242
Long term investments	10	25,139,282	29,171,242
Long term advances		31,115	37,683
Long term deposits		78,643	78,643
		<b>34,967,204</b>	<b>39,511,252</b>
<b>CURRENT ASSETS</b>			
Stores and spares		2,242,515	1,918,024
Stock in trade	11	10,488,894	39,236,011
Trade debts		7,722,419	11,828,171
Advances		779,192	431,176
Trade deposits and short term prepayments		44,953	181,445
Interest accrued		32,826	43,069
Other receivables	12	7,719,355	3,430,097
Sales tax refundable - net		15,055,903	16,814,044
Short-term investments	13	13,079,087	13,764,259
Cash and bank balances		34,597,973	22,705,197
		<b>91,763,117</b>	<b>110,351,493</b>
		<b>126,730,321</b>	<b>149,862,745</b>

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	Note	Quarter ended September 30,		Nine months ended September 30,	
		2023	2022	2023	2022
		(Rupees '000)		(Rupees '000)	
Sales - net	14	70,069,746	22,567,729	136,827,250	93,500,660
Cost of sales	15	(59,711,939)	(18,813,450)	(119,679,335)	(75,566,330)
<b>Gross profit</b>		<b>10,357,807</b>	<b>3,754,279</b>	<b>17,147,915</b>	<b>17,934,330</b>
Selling and distribution expenses		(2,434,327)	(1,054,064)	(4,687,849)	(4,062,802)
Administrative expenses		(412,248)	(237,073)	(1,008,878)	(943,939)
<b>Operating profit</b>		<b>7,511,232</b>	<b>2,463,142</b>	<b>11,451,188</b>	<b>12,927,589</b>
Finance costs		(2,359,946)	(1,193,402)	(7,684,997)	(2,805,600)
Exchange gain / (loss) - net		12,106	(4,166,750)	(4,672,850)	(7,217,141)
Other expenses		(330,552)	(24,846)	(422,783)	(889,606)
Other income	16	2,847,855	963,540	6,286,717	5,329,986
		7,680,695	(1,958,316)	4,957,275	7,345,228
Other Losses					
Unwinding cost of GIDC payable	6	(112,162)	(211,373)	(411,704)	(702,943)
Loss allowance on subsidy receivable from GoP		(394,000)	-	(450,000)	-
		(506,162)	(211,373)	(861,704)	(702,943)
<b>Profit / (loss) before taxation</b>		<b>7,174,533</b>	<b>(2,169,689)</b>	<b>4,095,571</b>	<b>6,642,285</b>
Taxation - net	17	(1,869,871)	473,314	(3,741,082)	(4,928,610)
<b>Profit / (loss) after taxation</b>		<b>5,304,662</b>	<b>(1,696,375)</b>	<b>354,489</b>	<b>1,713,675</b>
<b>Earnings / (loss) per share - basic and diluted (Rupees)</b>		<b>4.10</b>	<b>(1.31)</b>	<b>0.27</b>	<b>1.33</b>

The annexed notes, from 1 to 21, form an integral part of these condensed interim financial statements.

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	Quarter ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	(Rupees '000)		(Rupees '000)	
<b>Profit / (loss) after taxation</b>	<b>5,304,662</b>	<b>(1,696,375)</b>	<b>354,489</b>	<b>1,713,675</b>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurement of post employment benefit obligation	-	-	-	-
<b>Total comprehensive income / (loss)</b>	<b>5,304,662</b>	<b>(1,696,375)</b>	<b>354,489</b>	<b>1,713,675</b>

The annexed notes, from 1 to 21, form an integral part of these condensed interim financial statements.

  
**CHAIRMAN**

  
**CHIEF EXECUTIVE**

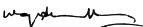
  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	Share capital	Capital reserve	Accumulated profit	Total
	(Rupees '000)			
<b>Balance as at January 01, 2022 - audited</b>	12,912,529	1,632,729	5,885,488	20,430,746
<b>Total comprehensive income</b>				
Profit for the period	-	-	1,713,675	1,713,675
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	1,713,675	1,713,675
<b>Balance as at September 30, 2022</b>	12,912,529	1,632,729	7,599,163	22,144,421
<b>Balance as at January 01, 2023 - audited</b>	12,912,529	1,632,729	8,177,107	22,722,365
<b>Total comprehensive income</b>				
Profit for the period	-	-	354,489	354,489
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	354,489	354,489
<b>Balance as at September 30, 2023</b>	12,912,529	1,632,729	8,531,596	23,076,854

The annexed notes, from 1 to 21, form an integral part of these condensed interim financial statements.

  
**CHAIRMAN**

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	Note	Nine months ended September 30,	
		2023	2022
		(Rupees '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operating activities	18	39,909,552	(34,585,275)
Taxes paid		(3,407,752)	(4,921,104)
Finance costs paid		(7,483,111)	(2,204,254)
Compensated absences paid		(28,989)	(26,917)
Payment to Gratuity Fund		(304,231)	-
Payment to Workers' Welfare Fund		(168,194)	(152,588)
Payment to Workers' (Profit) Participation Fund		(161,543)	(131,345)
Net cash generated from / (used in) operating activities		28,355,732	(42,021,483)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditures and advances		(232,838)	(202,002)
Sale proceeds from disposal of property, plant and equipment		10,839	34,223
Investment at fair value through profit and loss - net		730,910	4,192,648
Proceed from sale of equity investment		4,300,000	-
Dividend received from related party		2,250,000	2,511,075
Long term loans disbursed		-	(801,451)
Profit received on bank balances and term deposits		2,882,426	1,879,802
Net cash generated from investing activities		9,941,337	7,614,295
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term loan - receipt		-	2,000,000
Long term loans - repaid		(3,597,917)	(3,143,745)
Short term borrowings - net		(6,000,000)	1,800,000
Dividend paid for prior periods		(900)	(1,149)
Net cash (used in) / generated from financing activities		(9,598,817)	655,106
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>28,698,252</b>	<b>(33,752,082)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>991,821</b>	<b>29,442,118</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>29,690,073</b>	<b>(4,309,964)</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents included in the condensed interim statement of cash flows comprise of the following condensed interim statement of financial position amounts:			
- Cash and bank balances		34,597,973	13,549,733
- Short term running finance		(4,907,900)	(17,859,697)
		29,690,073	(4,309,964)

The annexed notes, from 1 to 21, form an integral part of these condensed interim financial statements.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2023

## 1. THE COMPANY AND ITS OPERATIONS

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

## 2. BASIS OF PREPARATION

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

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

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

The disclosures in these condensed interim financial statements do not include the information reported for complete annual financial statements and should therefore be read in conjunction with the financial statements for the year ended December 31, 2022. The comparative Statement of Financial Position is extracted from the annual financial statements, as of December 31, 2022, whereas the Statement of Profit or Loss, the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity are extracted from the un-audited condensed interim financial statements, for the period ended September 30, 2022.

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

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

## 3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are similar to those applied in the preparation of the financial statements for the preceding year, ended December 31, 2022.

The significant estimates and judgements adopted for the preparation of these condensed interim financial statements are similar to those applied in the preparation of the financial statements for the preceding year, ended December 31, 2022 except for the following:

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2023

### 4. SHARE CAPITAL

4.1 The status of significant shareholdings, as at September 30, 2023, are given below:

	No. of Shares	Percentage (%)
Fauji Fertilizer Company Limited	644,018,629	49.88
Fauji Foundation	236,161,393	18.29

		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
		(Rupees '000)	
<b>5. LONG TERM LOANS</b>	<b>Note</b>		
Loans from banking companies - secured		20,135,416	23,733,334
Less: Current portion shown under current liabilities		5,218,750	5,275,000
		14,916,666	18,458,334
<b>6. DEFERRED LIABILITIES</b>			
Compensated leave absences		492,635	476,770
Deferred taxation	6.1	765,000	888,672
Payable against GIDC	6.2	-	3,126,489
		1,257,635	4,491,931
<b>6.1 The balance of deferred tax is in respect of the following taxable / (deductible) temporary differences:</b>			
Accelerated tax depreciation		1,786,596	1,598,758
Provision for inventory obsolescence		(112,853)	(95,491)
Provision against doubtful other receivables		(548,711)	(445,814)
Provision against allowance		(431,837)	(365,401)
Remeasurement gain on GIDC		71,805	196,620
		765,000	888,672

Upon promulgation of Finance Act, 2023, the applicable tax rate has increased from 33% to 39%.

		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
		(Rupees '000)	
<b>6.2 Payable against GIDC</b>	<b>Note</b>		
Opening balance		21,738,026	20,846,828
Unwinding cost on GIDC payable		411,704	891,198
		22,149,730	21,738,026
Current portion of GIDC	7	(22,149,730)	(18,611,537)
		-	3,126,489

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
(Rupees '000)		
<b>7. TRADE AND OTHER PAYABLES</b>		
Creditors	22,398,177	38,871,541
Payable against GIDC	22,149,730	18,611,537
Accrued liabilities	10,266,216	8,273,896
Workers' (Profit) Participation Fund	221,123	158,866
Workers' Welfare Fund	1,046,882	1,109,303
Payable to Gratuity Fund	61,919	304,231
Security deposits	126,914	82,760
	<b>56,270,961</b>	<b>67,412,134</b>

7.1 Creditors include payables to related parties amounting to Rs. 16,452 million (December 31, 2022: Rs. 37,475 million) against purchase of raw material, steam and power. The Company purchases raw material for use in production of fertilizer from PMP at discounted price, with a credit limit of 75 days.

	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
(Rupees '000)		

**8. CONTINGENCIES AND COMMITMENTS**

**8.1 Contingencies**

8.1.1 Guarantees issued by banks on behalf of the Company	226,722	154,123
8.1.2 During the period, Commissioner Inland Revenue (Appeals) [CIR(A)] has decided appeals filed by the Company relating to tax years 2015 to 2022. The CIR(A) has decided certain matters in favor of tax authorities while remanding back most of the matters to tax authorities for decision in accordance with law after ascertaining the relevant facts. The Company has filed appeals against the decision of CIR (A), with Appellate Tribunal Inland Revenue (ATIR); which is under adjudication- except for tax years 2017, 2021 and 2022. The company is in the process of filing appeals for these tax years. The Company remains confident that the matters will eventually be decided in its favor, accordingly, no provision has been recognized in these condensed interim financial statements.		

8.1.3 During the period, FBR has raised further demand amounting to Rs. 3,387 million, in respect of tax year 2019, mainly disallowing claim of expenditure under provisions of the Income Tax Ordinance, 2001. Being aggrieved, the Company is in process of filing appeal with CIR(A). The Company is confident that the matter will be decided in its favor, accordingly, no provision has been recognized in these condensed interim financial statements.

	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
(Rupees '000)		

**8.2 Commitments**

i) Capital expenditure - contracted	338,475	286,867
ii) Letters of credit for purchase of stores, spares and raw materials	22,568,075	15,332,081

For further commitments refer note 19.

**9. PROPERTY, PLANT AND EQUIPMENT**

Opening written down value	9,953,442	10,574,734
Additions during the period / year	239,406	370,050
Cost of disposals during the period / year	(57,741)	(70,062)
Depreciation charged during the period / year	(737,653)	(982,030)
Accumulated depreciation on disposals during the period / year	50,468	60,750
	<b>9,447,922</b>	<b>9,953,442</b>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	(Rupees '000)	
<b>10. LONG TERM INVESTMENTS</b>			
Joint venture	10.1	1,411,150	1,411,150
Associated company	10.2	5,230,991	5,230,991
Subsidiary companies	10.3	18,497,141	22,529,101
Other long term investments	10.4	-	-
		<b>25,139,282</b>	<b>29,171,242</b>
<b>10.1 Investment in joint venture - at cost</b>			
Pakistan Maroc Phosphore S.A, Morocco (PMP)		1,411,150	1,411,150
<b>10.2 Investments in associates - at cost</b>			
<b>Quoted</b>			
Askari Bank Limited (AKBL)	10.5	5,230,991	5,230,991
<b>10.3 Investments in associates - at cost</b>			
<b>Quoted</b>			
Fauji Foods Limited (FFL)			
Gross value	10.6	14,055,516	13,346,766
Impairment in value of investment		(1,999,000)	(1,999,000)
		12,056,516	11,347,766
Share deposit money (Accrued markup)		-	708,750
		12,056,516	12,056,516
<b>Un-quoted</b>			
Fauji Meat Limited (FML)			
Gross value	10.7	-	10,916,960
Impairment in value of investment		-	(6,885,000)
		-	4,031,960
FFBL Power Company Limited (FPCL)		6,440,625	6,440,625
		18,497,141	22,529,101
<b>10.4 Investments in associates - at cost</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>10.5</b>			
During the period, AKBL in its annual general meeting, shareholders approved bonus shares at the rate of 15% (of the face value of ordinary share capital), increasing its paid-up capital to 1,449,299,207 ordinary shares. These bonus shares shall rank pari passu in all respects with the existing ordinary shares of AKBL. Accordingly, number of shares held by FFBL have increased from 271,884,009 shares of Rs 10 each to 312,666,610 ordinary shares. Issue of bonus shares resulted in no change in percentage holding (21.57%).			

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2023

10.7 Pursuant to the approval of the Board of Directors and shareholders in their meetings held on July 21, 2023 and August 18, 2023, respectively, the Company disposed off its entire shareholding comprising 1,446,609,400 shares of Rs. 10/- each held by the Company in Fauji Meat Limited, constituting 95.07%, FML to Fauji Foundation for a cash consideration of Rs. 4,300 million.

### 11. STOCK IN TRADE

This includes finished goods stock amounting to Rs. 1,595 million (December 31, 2022: Rs. 32,411 million) and raw material in transit amounting to Rs. 6,109 million (December 31, 2022: Rs. Nil).

### 12. STOCK IN TRADE

This includes an amount of Rs. 5,486 million (December 31, 2022: Rs. 1,357 million) receivable from Fauji Fertilizer Company Limited (FFCL), an associated company, on account of amounts received from customers against sales of the Company's products by FFCL under an inter-company services agreement.

September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
(Rupees '000)	

### 13. SHORT TERM INVESTMENTS

Investments at fair value through profit or loss

Mutual Funds	13,079,087	13,764,259
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Note	Quarter ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	(Rupees '000)		(Rupees '000)	

### 14. SALES - NET

Gross sales	77,032,196	22,571,244	143,798,856	94,950,445
Less:				
Sales tax	3,449,610	-	3,449,610	1,434,832
Federal Excise Duty	3,504,089	-	3,504,089	-
Commission	8,751	3,515	17,907	14,953
	6,962,450	3,515	6,971,606	1,449,785
	70,069,746	22,567,729	136,827,250	93,500,660

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	Note	Quarter ended September 30,		Nine months ended September 30,	
		2023 (Rupees '000)	2022	2023 (Rupees '000)	2022
<b>15. COST OF SALES</b>					
Raw materials consumed		28,763,423	39,115,117	66,228,290	106,540,609
Packing materials consumed		426,131	319,417	1,044,074	953,711
Fuel and power		5,416,956	6,434,522	16,187,916	15,685,498
Chemicals and supplies consumed		93,762	76,511	274,538	185,262
Salaries, wages and benefits		1,286,596	386,808	2,190,502	1,426,645
Rent, rates and taxes		35,471	43,818	63,341	68,467
Insurance		159,801	73,887	321,528	146,168
Travel and conveyance		70,216	55,843	202,301	136,865
Repairs and maintenance		274,108	338,213	1,343,876	1,016,632
Communication, establishment and other expenses		273,629	50,181	371,095	165,831
Provision for slow moving stores and spares		-	7,500	-	22,500
Depreciation		218,467	208,564	653,399	619,997
Opening stock - work in process		203,300	40,917	140,442	42,120
Closing stock - work in process		(157,715)	(159,202)	(157,715)	(159,202)
Cost of goods manufactured		37,064,145	46,992,096	88,863,587	126,851,103
Opening stock - finished goods		24,243,228	23,231,312	32,411,182	125,185
Closing stock - finished goods		(1,595,434)	(51,409,958)	(1,595,434)	(51,409,958)
		59,711,939	18,813,450	119,679,335	75,566,330
<b>16. OTHER INCOME</b>					
Dividend from FPCL		1,125,000	-	2,250,000	-
Dividend from PMP		-	-	-	2,511,075
Profit on bank balances and term deposits		922,299	453,605	2,126,633	1,269,438
Fair value gain and related income on mutual funds		283,718	182,413	788,576	515,998
Gain on disposal of equity investment		268,039	-	268,039	-
Mark-up on sub-ordinated loans		-	-	-	179,248
Income from subsidiaries		121,385	268,192	335,089	621,654
Guarantee fee		-	3,781	2,712	36,329
Scrap sale and other receipts		127,386	47,009	512,102	169,571
Gain on disposal of property, plant and equipment		28	8,540	3,566	26,673
		2,847,855	963,540	6,286,717	5,329,986
<b>17. TAXATION - NET</b>					
Current tax					
- Current period	17.1	1,946,705	(406,087)	3,025,652	2,780,796
- Prior period		-	-	839,104	2,289,402
Deferred tax		(76,834)	(67,227)	(123,674)	(141,588)
		1,869,871	(473,314)	3,741,082	4,928,610

17.1 The Company has not recognized deferred tax asset on tax losses and minimum turnover tax, for the period, in accordance with the requirements of relevant accounting standard.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

		Nine months ended September 30,	
		2023	2022
		(Rupees '000)	
18. CASH GENERATED FROM / (USED IN) OPERATIONS	Note		
Profit before taxation		4,095,571	6,642,285
<b>Adjustment for non-cash charges and other items:</b>			
Provision for gratuity		61,920	45,346
Exchange loss		4,672,850	7,217,141
Provision for compensated absences		44,854	22,419
Allowance for other receivable and accrued mark-up		450,000	170,118
Provision for obsolete stores and spares		-	22,500
Provision for Workers' (Profit) Participation Fund		221,123	356,629
Provision for Workers' Welfare Fund		105,773	133,676
Unwinding cost of GIDC	6.2	411,704	702,943
Depreciation		737,653	729,507
Finance costs		7,684,997	2,805,600
Dividend from joint venture		-	(2,511,075)
Dividend from subsidiary		(2,250,000)	-
Gain on disposal of equity investment		(268,039)	-
Profit on bank balances and term deposits		(2,126,633)	(1,269,438)
Fair value gain and related income on mutual funds		(788,576)	(515,998)
Gain on disposal of property, plant and equipment		(3,566)	(26,673)
Mark-up on sub-ordinated loans		-	(179,248)
Guarantee fee		(2,712)	(36,329)
<b>Operating profit before working capital changes</b>		<b>13,046,919</b>	<b>14,309,403</b>
<b>Changes in working capital:</b>			
Stores and spares		(324,491)	(58,891)
Stock in trade		28,747,117	(62,433,046)
Trade debts		4,105,752	(1,525,010)
Advances		(348,016)	(87,362)
Trade deposits and short term prepayments		136,492	100,079
Other receivables		(4,739,258)	506,336
Sales tax refundable		1,758,141	(4,345,317)
Trade and other payables		(19,109,741)	20,582,590
Advances from customers		16,636,637	(1,634,057)
		<b>26,862,633</b>	<b>(48,894,678)</b>
Cash generated from / (used in) operations		<b>39,909,552</b>	<b>(34,585,275)</b>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

**19. RELATED PARTY TRANSACTIONS**

The Company has related parties which comprise of subsidiaries, a joint venture, entities under common directorship, directors, key management personnel, share holders and employees funds. Fauji Fertilizer Company Limited (FFCL) has a 49.88% share holding in the Company (2022: 49.88%), while Fauji Foundation (FF) holds 18.29% shares (2022: 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 10 to these condensed interim financial statements.

	<b>Nine months ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Rupees '000)</b>	
<b>Transactions with Fauji Foundation:</b>		
Services received	152,562	59,489
Services provided	-	886
Payments against services	61,268	63,855
Donation paid	89,600	76,150
Receipt against sale of FML	4,300,000	-
Balance payable	39,530	37,836 *
<b>Transactions with subsidiary companies:</b>		
<b>FFBL Power Company Limited</b>		
Material / services provided	636,935	1,149,925
Material / services received	13,566,242	17,243,772
Balance payable	4,540,108	8,144,559 *
Balance receivable	123,379	137,402 *
Receipts against material / services	650,959	1,099,427
Payments against material / services	17,170,692	13,954,217
Late payment surcharge during the period	572,464	-
Dividend received	2,250,000	-
<b>Fauji Foods Limited</b>		
Material / services provided	8,718	8,979
Material / services received	-	8
Receipts against material / services	7,613	7,471
Balance receivable	1,105	-
Share deposit money converted into ordinary share capital	708,750	-
Guarantee fee	2,712	11,219
Receipt against guarantee fee	-	26,790
Guarantee fee and mark-up receivable	32,712	738,750 *
<b>Transactions with associated undertakings due to common directorships:</b>		
<b>Fauji Fertilizer Company Limited</b>		
Services and material received	1,175,403	896,574
Receipts under consignment account	159,413,800	90,826,764
Commission charged	17,907	14,953



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	<b>Nine months ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Rupees '000)</b>	
<b>Fauji Meat Limited</b>		
Balance receivable	13,019	17,344 *
Material / services provided	31,071	29,420
Receipt against common facilities	35,396	89,809
Receipt against guarantee fee and markup	-	34,240
Mark-up on sub-ordinated loan	-	179,248
Conversion into equity investment	-	4,031,960
<b>Askari Bank Limited</b>		
Balances at bank	15,195,645	3,397,809 *
Profit on bank balances	1,095,786	437,661
Long term loans	-	83,333 *
Mark-up on long term loans	-	10,914
Mark-up payable on long term loans	-	3,572 *
<b>Pakistan Maroc Phosphore S.A, Morocco</b>		
Purchase of raw materials	52,575,196	116,690,984
Expenses incurred on behalf of joint venture	10,269	5,597
Late payment surcharge during the period	93,470	-
Balance payable - secured	16,019,458	29,292,878 *
Balance receivable - unsecured	5,973	13,141 *
Dividend received	-	2,511,075
<b>Other related parties:</b>		
Contribution to Provident Fund	56,546	51,018
Payment to Gratuity Fund	304,231	-
Payment to Workers' (Profit) Participation Fund	161,543	131,345
Meeting fee to directors	13,300	15,050
Balance payable - unsecured (WPPF)	221,123	158,866 *
Payable to Gratuity Fund	61,919	304,231 *
Remuneration of key management personnel		
Short term benefits	204,534	180,553
Post employment benefits	23,697	19,035

\*These balance of accounts, appearing as comparatives, are as at December 31, 2022 (audited).

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

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 (2022: Rs. 29,150 million) and all cost over runs, till technical completion date; and

(ii) up to Rs. 8,000 million after project completion date.

- the Company has issued standby letter of credit amounting to Rs. Nil (2022: Rs. 1,000 million) in favour of the FFL under the Master Facility Agreement.

- the Company has also provided a revolving guarantee amounting to Rs. Nil (2022: Rs. 6,067 million) in favour of the FFL under the Master Facility Agreement.

**20. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

**20.1 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.

**20.2 Fair value estimation**

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2)

- Inputs for the asset or liability that are not based on observable market data (level 3)

	Level 1	Level 2	Level 3
	(Rupees '000)		
<b>September 2023 - un-audited</b>			
<b>ASSETS</b>			
Financial assets at fair value through profit or loss			
- Short term investments	13,079,087	-	-
<b>December 2022 - audited</b>			
<b>ASSETS</b>			
Financial assets at fair value through profit or loss			
- Short term investments	13,764,259	-	-

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

**21. GENERAL**

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

21.2 Corresponding figures have been re-arranged / re-classified, wherever necessary, for the purpose of comparison. Significant reclassification consists of following:

<b>From</b>	<b>To</b>	<b>(Rupees '000)</b>
* Property, plant and equipment	Stores and spares	<b>232,043</b>
Other expenses	Exchange gain / (loss) - net	<b>7,217,141</b>

\*The impact of above reclassification on the comparative amounts in the statement of profit or loss is not significant; accordingly, the related amounts have not been restated. The impact of reclassification on financial position as of January 01, 2022 is not significant.

21.3 These condensed interim financial statements have been authorized for issue on October 23, 2023 by the Board of Directors of the Company.



**CHAIRMAN**



**CHIEF EXECUTIVE**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

**Condensed Interim  
Consolidated Financial  
Statements**

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2023**

		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	(Rupees '000)	
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	4	12,912,529	12,912,529
<b>Capital reserve</b>			
Share premium		1,632,729	1,632,729
Statutory reserve		3,277,216	2,855,162
<b>Revenue reserves</b>			
Translation reserve		9,818,378	5,317,939
Revaluation reserve on available for sale investments, net of tax		(2,764,102)	(1,179,693)
Accumulated profit		15,772,273	14,810,495
		<b>40,649,023</b>	<b>36,349,161</b>
<b>Non-Controlling Interest</b>		<b>9,881,979</b>	<b>7,167,343</b>
		<b>50,531,002</b>	<b>43,516,504</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term loans	5	24,800,403	32,916,960
Lease liabilities		4,292	53,570
Deferred liabilities	6	5,934,592	9,039,464
		<b>30,739,287</b>	<b>42,009,994</b>
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
Trade and other payables	7	54,641,722	65,254,466
Advances from customers		17,511,623	985,104
Unpaid dividend		10,954	10,954
Unclaimed dividend		115,680	116,580
Provision for income tax		496,966	1,150,929
Accrued interest		1,725,717	1,795,792
Short term borrowings		10,895,117	35,598,377
Current portion of long term loans		8,311,529	8,131,459
Current portion of lease liabilities		68,282	73,446
		<b>93,777,590</b>	<b>113,117,107</b>
		<b>175,047,879</b>	<b>198,643,605</b>

**CONTINGENCIES AND COMMITMENTS**

8

The annexed notes, from 1 to 23, form an integral part of these condensed interim consolidated financial statements.

September 30,  
2023  
(Un-audited)

December 31,  
2022  
(Audited)

Note (Rupees '000)

**ASSETS**

**NON-CURRENT ASSETS**

Property, plant and equipment	9	40,266,943	46,114,274
Intangible assets		380,689	392,529
Long term investments	10	29,407,138	26,173,455
Investment property		270,242	270,242
Long term advances		31,115	37,683
Long term deposits		88,884	88,183
		<b>70,445,011</b>	<b>73,076,366</b>

**CURRENT ASSETS**

Stores and spares		3,425,069	2,850,329
Stock in trade	11	14,547,194	42,462,162
Trade debts		11,121,467	16,761,585
Advances		1,268,439	1,315,715
Trade deposits and short-term prepayments		238,909	465,957
Interest accrued		18,328	13,065
Other receivables	12	8,849,493	3,380,439
Income tax refundable - net		-	1,512,665
Sales tax refundable - net		16,586,788	18,585,721
Short term investments	13	13,679,087	14,734,259
Cash and bank balances		34,868,094	23,485,342
		<b>104,602,868</b>	<b>125,567,239</b>
		<b>175,047,879</b>	<b>198,643,605</b>

  
CHAIRMAN

  
CHIFF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	Note	Quarter ended September 30,		Nine months ended September 30,	
		Re-presented		Re-presented	
		2023	2022	2023	2022
		(Rupees '000)		(Rupees '000)	
Sales - net	14	77,038,951	28,489,512	157,967,426	108,771,272
Cost of sales	15	(64,467,964)	(22,071,817)	(132,220,345)	(84,295,001)
<b>Gross profit</b>		<b>12,570,987</b>	<b>6,417,695</b>	<b>25,747,081</b>	<b>24,476,271</b>
Selling and distribution expenses		(2,574,149)	(1,483,670)	(5,712,598)	(5,281,920)
Administrative expenses		(699,449)	(441,576)	(1,838,476)	(1,545,191)
<b>Operating profit</b>		<b>9,297,389</b>	<b>4,492,449</b>	<b>18,196,007</b>	<b>17,649,160</b>
Finance costs		(3,260,450)	(2,193,403)	(10,377,298)	(5,144,136)
Exchange gain / (loss) - net		6,866	(4,134,919)	(4,956,775)	(7,426,599)
Other operating expenses		(397,997)	(154,455)	(639,699)	(910,228)
Other losses					
Unwinding of GIDC payable	6	(112,163)	(211,373)	(411,704)	(702,943)
Loss allowance on subsidy receivable from GoP		(394,000)	-	(450,000)	-
		(506,163)	(211,373)	(861,704)	(702,943)
		5,139,645	(2,201,701)	1,360,531	3,465,254
Other income	16				
Share of profit of associate and joint venture - net		478,532	1,145,436	1,349,703	4,525,611
Others		1,386,876	772,725	3,663,054	2,201,504
		1,865,408	1,918,161	5,012,757	6,727,115
<b>Profit / (loss) before taxation</b>		<b>7,005,053</b>	<b>(283,540)</b>	<b>6,373,288</b>	<b>10,192,369</b>
Taxation - net	17	(2,094,950)	(6,535)	(4,598,887)	(5,987,126)
<b>Profit / (loss) after taxation from Continuing operations</b>		<b>4,910,103</b>	<b>(290,075)</b>	<b>1,774,401</b>	<b>4,205,243</b>
Discontinued operations - net of tax	18	(1,503,215)	(165,295)	(1,610,954)	(577,045)
<b>Profit / (loss) for the year</b>		<b>3,406,888</b>	<b>(455,370)</b>	<b>163,447</b>	<b>3,628,198</b>
<b>Profit / (loss) attributable to:</b>					
- Owners of the Holding Company		3,294,649	(597,857)	(536,414)	3,456,650
- Non-controlling interest		112,239	142,487	699,861	171,548
		3,406,888	(455,370)	163,447	3,628,198
<b>Earnings / (loss) per share - basic and diluted (Rupees)</b>		<b>2.55</b>	<b>(0.46)</b>	<b>(0.42)</b>	<b>2.68</b>

The annexed notes, from 1 to 23, form an integral part of these condensed interim consolidated financial statements.

  
CHAIRMAN

  
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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	Quarter ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	(Rupees '000)		(Rupees '000)	
<b>Profit / (loss) after taxation</b>	<b>3,406,888</b>	(455,370)	<b>163,447</b>	3,628,198
<b>Other comprehensive income</b>				
Exchange difference on translating a joint venture	608,390	362,115	4,389,855	592,797
Effect of translation - share of associate	7,847	92,248	110,584	134,119
	616,237	454,363	4,500,439	726,916
Revaluation reserve on available for sale investments	122,082	769,313	(1,864,011)	(188,177)
Related deferred tax	(18,312)	(115,397)	279,602	28,227
	103,770	653,916	(1,584,409)	(159,950)
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefits	-	-	-	-
<b>Other comprehensive income</b>	<b>4,126,895</b>	652,909	<b>3,079,477</b>	4,195,164
<b>Attributable to:</b>				
- Owners of the Holding Company	4,014,656	510,422	2,379,616	4,023,616
- Non-controlling interest	112,239	142,487	699,861	171,548
	4,126,895	652,909	3,079,477	4,195,164

The annexed notes, from 1 to 23, form an integral part of these condensed interim consolidated financial statements.

  
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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	Capital Reserves			Revenue Reserve			Non-controlling Interest	Total
	Share capital	Share Premium	Statutory reserve	Translation reserve	Revaluation reserve on available for sale investments	Accumulated profit		
	(Rupees '000)							
Balance as at January 01, 2022 - audited	12,912,529	1,632,729	2,352,571	4,055,119	(517,348)	8,115,887	4,380,785	32,932,272
<b>Total comprehensive income</b>								
Profit for the period after taxation	-	-	-	-	-	3,456,650	171,548	3,628,198
Other comprehensive loss for the period	-	-	-	726,916	(159,950)	-	-	566,966
Total comprehensive loss for the period	-	-	-	726,916	(159,950)	3,456,650	171,548	4,195,164
Transfer to statutory reserve	-	-	392,085	-	-	(392,085)	-	-
Revenue Reserve	-	-	-	-	-	-	(5,493)	(5,493)
NCI Acquisition	-	-	-	-	-	(414,292)	414,292	-
<b>Balance as at September 30, 2022</b>	<b>12,912,529</b>	<b>1,632,729</b>	<b>2,744,656</b>	<b>4,782,035</b>	<b>(677,298)</b>	<b>10,766,160</b>	<b>4,961,132</b>	<b>37,121,943</b>
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 income</b>								
Profit for the period after taxation	-	-	-	-	-	(536,414)	699,861	163,447
Other comprehensive income for the period	-	-	-	4,500,439	(1,584,409)	-	-	916,030
Total comprehensive loss for the period	-	-	-	4,500,439	(1,584,409)	(536,414)	699,861	3,079,477
Transfer to statutory reserve	-	-	422,054	-	-	(422,054)	-	-
<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)
Gain by NCI acquisition (note 4.2)	-	-	-	-	-	1,920,246	(1,920,246)	-
Derecognition of NCI upon disposal of FML (note 18.2)	-	-	-	-	-	-	(301,269)	(301,269)
<b>Distributions to owners</b>								
FPCL interim dividend 2023 (Rs. 3.494 per ordinary share)	-	-	-	-	-	-	(750,000)	(750,000)
<b>Balance as at September 30, 2023</b>	<b>12,912,529</b>	<b>1,632,729</b>	<b>3,277,216</b>	<b>9,818,378</b>	<b>(2,764,102)</b>	<b>15,772,273</b>	<b>9,881,979</b>	<b>50,531,002</b>

The annexed notes, from 1 to 23, form an integral part of these condensed interim consolidated financial statements.

  
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CHIFF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	Nine months ended September 30,	
	2023	2022
Note	(Rupees '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from / (used in) operations	19 48,001,265	(37,052,798)
Taxes paid	(3,560,007)	(5,059,745)
Finance cost paid	(10,408,378)	(4,728,455)
Payment to Gratuity Fund	(333,780)	(79,728)
Compensated absences paid	(47,175)	(48,153)
Payment to Workers Welfare Fund	(170,676)	(153,839)
Payment to Workers' (Profit) Participation Fund	(333,921)	(138,801)
Net cash generated from / (used in) operating activities	<u>33,147,328</u>	<u>(47,261,519)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditures and advances	(1,264,072)	(821,826)
Sale proceeds from disposal of property, plant and equipment	99,073	40,870
Aggregate cash flows arising from losing control of FML	3,718,441	-
Dividend received	-	2,511,075
Investment at fair value through profit or loss - net	730,910	4,192,648
Profit received on bank balances and term deposits	3,096,374	1,996,229
Net cash generated from investing activities	<u>6,380,726</u>	<u>7,918,996</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowings - net	(5,999,980)	1,571,007
Long term loans received	4,000,000	2,000,000
Long term loans paid	(11,963,025)	(4,880,139)
Transaction cost	-	(16,500)
Issue of shares - net of transaction costs	4,615,934	-
Advance against issue of shares	350,000	2,000,000
Finance lease liability	(64,052)	(65,185)
Dividend paid to Fauji Foundation	(750,000)	-
Dividend paid for prior periods	(900)	(1,149)
Net cash (used in) / generated from financing activities	<u>(9,812,023)</u>	<u>608,034</u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>29,716,031</u>	<u>(38,734,489)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>(4,643,054)</u>	<u>28,458,375</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>25,072,977</u>	<u>(10,276,114)</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents included in the condensed interim consolidated statement of cash flows comprise the following condensed interim consolidated statement of financial position amounts:		
- Cash and bank balances	34,868,094	14,718,798
- Short term highly liquid investments	600,000	1,670,000
- Short-term running finance	(10,395,117)	(26,664,912)
	<u>25,072,977</u>	<u>(10,276,114)</u>

The annexed notes, from 1 to 23, 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 PERIOD ENDED SEPTEMBER 30, 2023

### 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"). During the period, the Holding Company has disposed-off its investment in Fauji Meat Limited (FML), with effect from September 28, 2023.

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

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

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

- 1.2 During the period ended 30 September 2023, FFL has incurred a loss after tax of Rs. 109 million (30 September 2022: Rs. 1,944 million), resulting in accumulated losses of Rs. 18,488 million (31 December 2022: Rs. 18,469 million) as of that date. As a result of implementing its business plan, FFL has been able to achieve sales growth, and gross profits have increased significantly as compared to the comparative period. Further, the sponsors have injected additional share capital in FFL which has been used to settle all financing facilities availed from the financial institutions. Resultantly, the liquidity position of FFL has improved. FFL expects to be profitable in the near future.

Based upon the above, the management has concluded that there is no uncertainty regarding going concern of FFL and accordingly, FFL's condensed interim financial statements have been prepared on a going concern basis.

### 2. BASIS OF PREPARATION

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

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

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

The disclosures in these condensed interim consolidated financial statements do not include the information reported for full annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2022. The comparative Consolidated Statement of Financial Position is extracted from the annual consolidated financial statements, as of December 31, 2022, 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 nine months period ended September 30, 2022.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2023

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, 2022.

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, 2022 except for the expected credit loss in respect of subsidy receivable – Update of discount rate and pattern of recovery resulting from changes in economic conditions and planned government outlays.

### 4. SHARE CAPITAL

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

	Note	Ownership in 2023	Ownership in 2022
Fauji Meat Limited		-	95.07%
FFBL Power Company Limited		75.00%	75.00%
Fauji Foods Limited	4.2	50.59%	71.63%

The condensed interim financial statements of subsidiary companies have been consolidated on line by line basis (upon disposal, net assets of Fauji Meat Limited has been derecognized, whereas, it results till September 30, 2023 have been consolidated as discontinued operation (refer note 18). 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.

#### 4.2 During the period, pursuant to the approval and authorization of Board of Directors of FFL, in their meeting held on September 20, 2022, issued shares by way of other than right offer under Section 83 (1) (b) of the Companies Act, 2017 read with regulation 5 of the Companies Regulations, 2020 (Further Issue of Shares) amounting to 935,874,980 at the rate of Rs. 10 at par after obtaining all regulatory approvals in the following manner:

- i. 400,000,000 shares at par PKR 10/- share amounting to PKR 4,000,000,000 to FFBL Power Company Limited (FPCL) against cash.
- ii. 465,000,000 shares at par PKR 10/- share amounting to PKR 4,650,000,000 to FFC Energy Limited (FFCEL) against cash.
- iii. 70,874,980 shares at par PKR 10/- share, to Holding Company against conversion of accrued markup on subordinated loan amounting to PKR 708,749,800 to equity.

This resulted in a gain attributable to the Holding Company of Rs. 1,920,246 thousand.

#### 4.2.1 FFL, in its Extraordinary General Meeting held on October 18, 2022, had approved further ordinary share issue at par, with face value of Rs. 11,708 million, by way of other than right issue. This included an amount of Rs. 2,350 million, received from Fauji Foundation (FF), the ultimate Parent of FFL, as share deposit money, in the current and prior periods. During the period, prior to share allotment, a request was received from FF to defer its share allotment, under agreement dated August 29, 2022. Based on the above request, FFL has deferred the allotment / issuance of ordinary shares at par value to FF, till further communication. The ordinary shares with a face value of Rs. 9,358 million have been issued to remaining parties.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	Note	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
<b>(Rupees '000)</b>			
<b>5. LONG-TERM LOANS</b>			
Loans from banking companies-secured	5.1 & 5.2	33,182,943	41,048,419
Less: Current portion shown under current liabilities		8,382,540	8,131,459
		<b>24,800,403</b>	<b>32,916,960</b>

5.1 During the period, FPCL entered into syndicate long term finance facilities under commercial facility of Rs. 11,026 million and musharaka facility of Rs. 10,800 million, at a mark-up rate of 3 months KIBOR plus 0.5% per annum. The loans are repayable in 20 quarterly installments and the mark-up will be payable on quarterly basis. The loans are secured by way of charge on all current fixed assets (other than those encumbered in favour of working capital lenders) and mortgage of land and buildings.

FPCL signed amendment to the existing commercial finance facility and Musharaka facility agreements effective January 01, 2023, reducing the markup rate to 3 months KIBOR plus 0.75% per annum. The loan was originally priced at a mark-up rate of 3 months KIBOR plus 1.75% per annum. All other terms & conditions of the loans remained same.

5.2 During the period, FFL paid all markup based syndicate finance facility amounting to Rs. 5,988 million.

	Note	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
<b>(Rupees '000)</b>			
<b>6. DEFERRED LIABILITIES</b>			
Compensated leave absences		716,875	681,512
Deferred taxation	6.1	5,217,717	5,231,463
Payable against GIDC	6.2	-	3,126,489
		<b>5,934,592</b>	<b>9,039,464</b>

**6.1 DEFERRED TAXATION - NET**

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

Accelerated depreciation		3,621,566	3,302,688
Share of profit of joint venture and associates - net		2,494,453	2,291,998
Share of profit of subsidiary		1,611,077	1,651,287
Remeasurement gain on GIDC		71,805	196,620
Provision for inventory obsolescence		(172,215)	(95,491)
Provision for doubtful other receivables		(548,711)	(445,814)
Deferred tax on revaluation of available for sale investments		(498,765)	(219,160)
Provision against allowance		(431,837)	(365,401)
Unabsorbed losses, tax credits and others		(929,656)	(1,085,264)
		<b>5,217,717</b>	<b>5,231,463</b>

6.1.1 Upon promulgation of Finance Act, 2023, the applicable tax rate has increased from 33% to 39%.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	(Rupees '000)	
<b>6.2 Payable against GIDC</b>			
Opening balance		21,738,026	20,846,828
Unwinding of GIDC		411,704	891,198
		<b>22,149,730</b>	21,738,026
Current portion of GIDC	7	<b>(22,149,730)</b>	(18,611,537)
Closing balance		-	3,126,489

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

		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	(Rupees '000)	
<b>7. TRADE AND OTHER PAYABLES</b>			
Creditors	7.1	19,039,109	34,709,136
Payable against GIDC	6.2	22,149,730	18,611,537
Accrued liabilities		11,614,767	9,651,167
Workers' (Profit) Participation Fund		384,201	381,095
Workers' Welfare Fund		1,066,716	1,116,240
Payable to Gratuity Fund		95,181	334,858
Payable to Provident Fund		10,616	21,021
Security deposits		126,914	98,136
Withholding tax payable		72,691	220,058
Sales tax payable		9,949	12,067
Other payables		71,848	99,151
		<b>54,641,722</b>	65,254,466

- 7.1 Creditors include payables to a related party amounting to Rs. 16,019 million (December 31, 2022: Rs. 29,293 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.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	(Rupees '000)	
<b>8. CONTINGENCIES AND COMMITMENTS</b>			
<b>Contingencies</b>			
i)	Guarantees issued by banks on behalf of FFBL	<b>226,722</b>	154,123
ii)	Group's share of contingent liabilities of Askari Bank Limited as at June 30, 2023 (September 30, 2022)	<b>78,246,889</b>	66,475,281
iii)	Contingent liabilities of FML	-	365,188
iv)	Contingent liabilities of FFL	<b>523,282</b>	645,316
<b>Commitments</b>			
i)	Capital expenditures - FFBL	<b>338,475</b>	286,867
ii)	Letters of credit - FFBL	<b>22,568,075</b>	15,332,081
iii)	Group's share of commitments of PMP as at June 30, 2023 (September 30, 2022)	<b>48,143</b>	92,521
iv)	Group's share of commitments of Askari Bank Limited as at June 30, 2023 (September 30, 2022)	<b>117,716,981</b>	115,729,672
v)	Commitments of FPCL		
	-Capital expenditure	<b>194,252</b>	61,714
	-Outstanding against Letter of Credits out of total facility of Rs. 12,050 million (2022: Rs. 11,250 million), secured by lien on valid import documents	<b>1,004,720</b>	3,08750
vi)	Commitments of FFL	<b>7,510</b>	66,500
<b>8.1</b>	During the period, Commissioner Inland Revenue (Appeals) [CIR(A)] has decided appeals filed by the Company relating to tax years 2015 to 2022. The CIR(A) has decided certain matters in favor of tax authorities while remanding back most of the matters to tax authorities for decision in accordance with law after ascertaining the relevant facts. The Company has filed appeals against the decision of CIR (A), with Appellate Tribunal Inland Revenue (ATIR); which is under adjudication- except for tax years 2017, 2021 and 2022. The company is in the process of filing appeals for these tax years. The Company remains confident that the matters will eventually be decided in its favor, accordingly, no provision has been recognized in these condensed interim financial statements.		
	During the period, FBR has raised further demand amounting to Rs. 3,387 million, in respect of tax year 2019, mainly disallowing claim of expenditure under provisions of the Income Tax Ordinance, 2001. Being aggrieved, the Company is in process of filing appeal with CIR(A). The Company is confident that the matter will be decided in its favor, accordingly, no provision has been recognized in these condensed interim financial statements.		

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	(Rupees '000)	
<b>9. PROPERTY, PLANT AND EQUIPMENT</b>		
Opening written down value	46,114,274	47,848,922
Additions during the period / year	1,270,554	1,186,210
Termination of lease	-	(22,219)
Disposals during the period / year	(213,779)	(99,852)
Depreciation during the period / year	(2,046,332)	(2,877,287)
Depreciation charged on disposals during the period / year	126,364	78,500
Discontinued operations - FML	(4,984,138)	-
Closing written down value	<u>40,266,943</u>	<u>46,114,274</u>
<b>10. LONG-TERM INVESTMENTS</b>		
<b>Investment in joint venture - equity method</b>		
Pakistan Maroc Phosphore S.A, Morocco (PMP)		
Opening balance	12,247,699	8,949,117
Share of (loss) / profit	(2,025,002)	4,785,015
Dividend	-	(2,511,075)
Effect of translation	4,389,855	1,024,642
Closing balance	14,612,552	12,247,699
<b>Investment in associates - equity method</b>		
Askari Bank Limited		
Opening balance	13,925,756	11,518,925
Share of profit	2,622,257	2,947,882
Revaluation reserve of available for sale investments	(1,864,011)	(779,229)
Effect of translation	110,584	238,178
Closing balance	14,794,586	13,925,756
<b>Investment - available for sale - unquoted</b>		
Arabian Sea Country Club Limited (ASCLL)		
300,000 ordinary shares of Rs. 10 each	3,000	3,000
Less: Impairment in value of investment	3,000	3,000
	-	-
	<u>29,407,138</u>	<u>26,173,455</u>

**10.1** During the period, AKBL in its annual general meeting, shareholders approved bonus shares at the rate of 15% (of the face value of ordinary share capital), increasing its paid-up capital to 1,449,299,207 ordinary shares. These bonus shares shall rank pari passu in all respects with the existing ordinary shares of the bank. Accordingly, number of shares held by the Holding Company have increased from 271,884,009 shares to 312,666,610 ordinary shares. Issue of bonus shares resulted in no change in percentage holding (21.57%).

Further, SBP 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.



**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

**11. STOCK-IN-TRADE**

This includes finished goods stock amounting to Rs. 2,465 million (December 31, 2022: Rs. 31,877 million) and raw material in transit amounting to Rs. 6,121 million (December 31, 2022: Rs. 2.27 million).

**12. OTHER RECEIVABLES**

This includes an amount of Rs. 5,486 million (December 31, 2022: Rs. 1,357 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.

	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
<b>Note</b>	<b>(Rupees '000)</b>	

**13. SHORT TERM INVESTMENTS**

**Amortized cost**

Term deposits with banks and financial institutions

13.1 600,000 970,000

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

Mutual funds

13,079,087 13,764,259

**13,679,087 14,734,259**

13.1 These deposits carry interest at rates ranging from 14.5% to 22.5% (2022: 15.8%) per annum maturing on various dates.

Note	Quarter ended September 30,		Nine months ended September 30,	
	2023	Re-presented 2022	2023	Re-presented 2022
	(Rupees '000)		(Rupees '000)	
<b>14. SALES - NET</b>				
Gross sales	85,475,420	30,705,022	169,619,792	114,528,509
Less:				
Sales tax	4,551,739	1,898,270	6,958,347	4,957,662
Federal Excise Duty	3,504,089	-	3,504,089	-
Trade discount	299,745	148,048	859,126	384,857
Advance tax u/s 235	18,296	165,677	259,048	399,765
Commission to FFC	62,600	3,515	71,756	14,953
	<b>8,436,469</b>	<b>2,215,510</b>	<b>11,652,366</b>	<b>5,757,237</b>
	<b>77,038,951</b>	<b>28,489,512</b>	<b>157,967,426</b>	<b>108,771,272</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.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	Note	Quarter ended September 30,		Nine months ended September 30,	
		Re-presented		Re-presented	
		2023	2022	2023	2022
		(Rupees '000)		(Rupees '000)	
<b>15. COST OF SALES</b>					
Raw materials consumed		35,640,412	46,875,245	86,481,755	125,370,331
Packing materials consumed		1,069,193	834,011	2,907,641	2,345,624
Fuel and power		1,077,390	516,300	2,982,104	1,409,269
Ash dumping		4,047	2,653	12,400	10,293
Stores and supplies consumed		194,787	113,917	592,184	347,958
Salaries, wages and benefits		1,637,645	663,267	3,274,265	2,126,573
Repairs and maintenance		378,885	422,185	1,864,755	1,301,313
Travel and conveyance		86,016	69,255	244,249	169,662
Rent, rates and taxes		35,478	43,911	63,594	68,562
Insurance		266,688	120,387	516,479	273,928
Utilities		61,160	34,410	287,933	110,040
Provision for obsolete stores & spares		-	7,500	-	22,500
Communication, establishment and other expenses		571,857	69,183	738,866	222,778
Depreciation and amortization		558,501	577,677	1,694,310	1,712,044
Opening stock - work in process		342,041	122,770	297,490	160,307
Closing stock - work in process		(262,718)	(276,382)	(262,718)	(276,382)
Cost of goods manufactured		41,661,382	50,196,289	101,695,307	135,490,257
Opening stock - finished goods		25,236,490	23,496,040	32,954,946	421,497
Closing stock - finished goods		(2,429,908)	(51,620,512)	(2,429,908)	(51,616,753)
		<b>64,467,964</b>	<b>22,071,817</b>	<b>132,220,345</b>	<b>84,295,001</b>
<b>16. OTHER INCOME</b>					
<i>Share of (loss) / profit from joint venture and associate</i>					
Pakistan Maroc Phosphore S.A		(413,198)	561,962	(1,272,554)	2,536,219
Askari Bank Limited		891,730	583,474	2,622,257	1,989,392
		<b>478,532</b>	<b>1,145,436</b>	<b>1,349,703</b>	<b>4,525,611</b>
Profit on bank balances and term deposits		1,197,040	512,287	2,339,338	1,416,355
Cash dividend / income on mutual funds		52,633	182,413	742,838	515,998
Scrap sale and other receipts		136,083	52,282	538,857	195,703
Gain on disposal of property, plant and equipment		(6,622)	8,844	11,659	25,186
Miscellaneous income		7,742	16,899	30,362	50,753
		<b>1,386,876</b>	<b>772,725</b>	<b>3,663,054</b>	<b>2,203,995</b>
		<b>1,865,407</b>	<b>1,918,161</b>	<b>5,012,756</b>	<b>6,729,606</b>
<b>17. TAXATION - NET</b>					
Current tax					
- Current period	17.1	2,141,408	(302,379)	3,493,927	3,017,164
- Prior period		-	-	839,104	2,289,402
Deferred tax		(46,458)	308,914	265,856	680,560
		<b>2,094,950</b>	<b>6,535</b>	<b>4,598,887</b>	<b>5,987,126</b>

17.1 The Company has not recognized deferred tax asset on tax losses and minimum turnover tax, for the period, in accordance with the requirements of relevant accounting standard.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

18. Pursuant to the approval of the Board of Directors and shareholders in their meetings held on July 21, 2023, and August 18, 2023, respectively, the Holding Company disposed-off its entire (95.07%) shareholding in Fauji Meat Limited (FML), comprising 1,446,609,400 shares of Rs. 10/- each to FML's other shareholder Fauji Foundation (the Parent of the Holding Company) for a cash consideration of Rs. 4,300 million. Accordingly, the Holding Company has lost control over FML with effect from September 28, 2023 and, has derecognized assets and liabilities (along with the related Non-controlling Interest) of FML from its consolidated statements of financial position on that date, resulting in a loss of Rs. 1,496 million recognized as part of 'Loss after taxation from discontinued operation'.

Under IFRS 5, the Group has also classified FML as discontinued operation. The results of the discontinued operations are presented below:

	<b>Nine months ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Rupees '000)</b>	
Sales - net	489,955	52,894
Cost of sales	(626,544)	(470,666)
<b>Gross profit</b>	<b>(136,589)</b>	<b>(417,772)</b>
Selling and distribution expenses	(9,604)	(12,322)
Administrative expenses	(46,594)	(72,744)
<b>Operating profit</b>	<b>(192,787)</b>	<b>(502,838)</b>
Finance costs	(531)	(179,823)
Other income	83,282	105,730
	<b>(110,036)</b>	<b>(576,931)</b>
Loss on disposal of subsidiary	(1,495,760)	-
Loss before taxation from discontinued operation	(1,605,797)	(576,931)
Taxation - net	(5,157)	(114)
Loss after taxation from discontinued operation	(1,610,954)	(577,045)
	<b>(1.25)</b>	<b>(0.45)</b>

Comparative figures in the consolidated profit and loss account have been re-presented to separately disclose discontinued operation.

	<b>Note</b>	<b>September 30, 2023</b>
		<b>(Rupees '000)</b>
<b>18.1 Loss on disposal of Subsidiary - FML</b>		
Sale proceed from sale of shares		4,300,000
Non - controlling interest		301,269
Net assets of FML as at September 30, 2023	18.3	6,097,029
Loss on disposal		(1,495,760)

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	<b>Nine months ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Rupees '000)</b>	
<b>18.2 Cash flows from discontinued operation</b>		
Operating cash flows	(43,420)	(928,446)
Investing cash flows	65,194	33,422
Financing cash flows	-	1,382,493
<b>Aggregate cash flows arising from losing control of FML (wholly in cash)</b>		
Sale proceeds from FF	4,300,000	
Less: cash and cash equivalent held by FML	(581,559)	
Cash and cash equivalents at end of the period	<b>3,718,441</b>	

**18.3 Details of net assets of FML**

Details of the assets and liabilities of discontinued operations as at September 30, 2023 and included in consolidated financial statements for the year ended December 31, 2022 are as follows:

	<b>September 30,</b>	<b>December 31,</b>
	<b>2023</b>	<b>2022</b>
	<b>(Rupees '000)</b>	
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	4,984,138	5,208,605
Intangibles	-	71
	<b>4,984,138</b>	<b>5,208,676</b>
<b>Current Assets</b>		
Stores and spares	42,623	32,354
Stock in trade	126	6,000
Trade debts	25,065	16,224
Advances, deposits and prepayments	40,718	26,692
Other receivables	46,000	2,393
Income tax refundable	80,522	68,659
Sales tax refundable	517,698	483,924
Cash and bank balances	581,559	559,789
	<b>1,334,311</b>	<b>1,196,035</b>
<b>Total Assets</b>	<b>6,318,449</b>	<b>6,404,711</b>
<b>Liabilities</b>		
<b>Non - current liabilities</b>		
Deferred employee benefits	2,720	2,720
<b>Current liabilities</b>		
Trade and other payables	218,700	189,772
<b>Total liabilities</b>	<b>221,420</b>	<b>192,492</b>
<b>Net Assets as at September 30, 2023</b>	<b>6,097,029</b>	<b>6,212,219</b>

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	<b>Nine months ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Rupees '000)</b>	
<b>19. CASH GENERATED FROM / (USED IN) OPERATIONS</b>		
Profit before taxation	4,767,491	9,615,438
<b>Adjustment for non-cash charges and other items:</b>		
Provision for gratuity	94,103	76,198
Exchange loss	4,956,423	7,426,599
Provision for compensated absences	85,258	54,971
Provision for Workers' (Profit) Participation Fund	383,771	516,973
Provision for Workers' Welfare Fund	118,475	139,212
Unwinding of GIDC	411,704	702,943
Amortization of transaction cost of long-term finance	27,238	24,354
Transaction Cost	20,353	13,860
Depreciation	2,046,332	2,092,920
Amortization	11,769	13,941
Provision for obsolete stores & spares	-	22,500
Provision for other receivable	20,000	-
Provision for ECL on subsidy	450,000	-
Lease charges	9,610	17,775
Finance cost	10,340,980	5,281,830
Profit on bank balances and term deposits	(2,404,533)	(1,412,114)
Fair value gain and related income on mutual funds	(742,838)	(550,778)
Loss on disposal of investment	1,495,760	-
Profit from joint venture and associates - net	(597,254)	(4,525,611)
Gain on disposal of property, plant and equipment	(11,658)	(25,186)
<b>Operating profit before working capital changes</b>	<b>21,482,984</b>	<b>19,485,825</b>
<b>Changes in working capital:</b>		
Stores and spares	(619,009)	(155,372)
Stock-in-trade	27,914,841	(60,526,988)
Trade debts	5,616,697	(4,808,714)
Advances	28,688	(126,651)
Trade deposits and short term prepayments	204,919	68,492
Other receivables	(5,985,055)	556,536
Sales tax receivable	1,481,233	(4,180,401)
Trade and other payables	(18,669,747)	14,284,518
Advances from customers	16,545,714	(1,650,043)
	<b>26,518,281</b>	<b>(56,538,623)</b>
Cash generated from / (used in) operations	<b>48,001,265</b>	<b>(37,052,798)</b>

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**20. RELATED PARTY TRANSACTIONS**

Fauji Fertilizer Company Limited (FFCL) has 49.88% share holding in FFBL (2022: 49.88%), while Fauji Foundation (FF) holds 18.29% shares (2022: 18.29%) in the Holding Company. The Group has related parties which comprise of a joint venture, entities under common directorship, directors, key management personnel and employees' funds. Transactions with related parties and the balances outstanding at the period end are given below. The carrying value of investment in associates and joint venture are disclosed in note 10 to the condensed interim consolidated financial statements.

	<b>Nine months ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Rupees '000)</b>	
<b>Transactions with Fauji Foundation (FF)</b>		
Services received	177,437	68,801
Services provided	309	886
Payment against services	61,589	70,841
Donations paid	337,160	144,890
Receipt against sale of FML	4,300,000	-
Advance against equity	2,350,000	2,000,000
Accrued finance cost	4,000	7,600 *
Dividend paid to Fauji Foundation	750,000	-
Balance payable	54,964	46,221 *
<b>Transactions with associated undertakings due to common directorship</b>		
<b>Fauji Fertilizer Company Limited</b>		
Services and material acquired	1,175,403	896,574
Receipts under consignment account	159,413,800	90,826,764
Commission charged	17,907	14,953
Balance receivable at period end	-	1,950,351
<b>Askari Bank Limited</b>		
Balances at Bank and TDR	15,987,667	4,475,919 *
Profit on bank balances	1,156,005	547,850
Profit on bank balances receivable	-	29,740
Long term loans	-	479,877 *
Mark-up on long term loans	91,461	10,914
Mark-up payable on long term loans	-	11,172 *
Income earned from TDRs	93,332	-
Finance cost charged	101,811	70,455
Running Finance	500,000	271,804 *
<b>Fauji Meat Limited</b>		
Balance receivable	13,019	17,344 *
Material / services provided	31,071	29,420
Receipt against common facilities	35,396	89,809
Receipt against guarantee fee and markup	-	34,240
Mark-up on sub-ordinated loan	-	179,248
Conversion into equity investment	-	4,031,960

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	Nine months ended September 30,	
	2023	2022
	(Rupees '000)	
<b>Transactions with joint venture</b>		
Purchase of raw materials	52,575,196	116,690,984
Expenses incurred on behalf of joint venture	10,269	5,597
Late payment surcharge during the period	93,470	-
Balance payable	16,019,458	29,292,878 *
Balance receivable - unsecured	5,973	13,141 *
Dividend received	-	2,511,075
<b>Other related parties</b>		
Contribution to Provident Fund	100,426	92,015
Payment to Gratuity Fund	333,780	79,728
Payment to Workers' (Profit) Participation Fund	333,921	292,640
Meeting fee to directors	22,470	28,135
Balance payable to WPPF - unsecured	384,201	381,095 *
Payable to Gratuity Fund	95,181	334,858 *
Payable to Provident Fund	10,616	21,021 *
Share issuance to FFC Energy	4,650,000	-
Receivable from Fauji Cereals	5,828	5,828 *
Noon Sugar Mills for purchase of sugar	-	16,030
Remuneration of key management personnel		
Short-term benefits	337,001	345,268
Post employment benefits	34,723	42,883

\*Balance of accounts appearing as comparatives are as at December 31, 2022 (audited).

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2023

### 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' 000)					
<b>September 30, 2023</b>						
<b>Revenue</b>	<b>136,827,250</b>	<b>20,590,786</b>	<b>489,955</b>	<b>14,754,446</b>	<b>(14,695,011)</b>	<b>157,967,426</b>
External Customer	136,827,250	8,800,205	489,955	14,754,446	-	160,871,856
Inter-Segment	-	11,790,581	-	-	(14,695,011)	(2,904,430)
<b>Total Revenue</b>	<b>136,827,250</b>	<b>20,590,786</b>	<b>489,955</b>	<b>14,754,446</b>	<b>(14,695,011)</b>	<b>157,967,426</b>
<b>Profit / (loss) after tax</b>	<b>354,489</b>	<b>2,731,934</b>	<b>(115,193)</b>	<b>3,034</b>	<b>(2,810,817)</b>	<b>163,447</b>
<b>September 30, 2022</b>						
<b>Revenue</b>	<b>93,500,660</b>	<b>8,071,196</b>	<b>52,894</b>	<b>21,902,287</b>	<b>(14,755,765)</b>	<b>108,771,272</b>
External Customer	93,500,660	8,071,196	52,894	7,199,416	-	108,824,166
Inter-Segment	-	-	-	14,702,871	(14,755,765)	-
<b>Total Revenue</b>	<b>93,500,660</b>	<b>8,071,196</b>	<b>52,894</b>	<b>21,902,287</b>	<b>(14,755,765)</b>	<b>108,771,272</b>
<b>Profit / (loss) after tax</b>	<b>1,713,675</b>	<b>(1,862,693)</b>	<b>(577,045)</b>	<b>2,968,583</b>	<b>1,385,678</b>	<b>3,628,198</b>
<b>September 30, 2023</b>						
<b>Assets</b>	<b>147,887,390</b>	<b>40,014,130</b>	<b>-</b>	<b>14,136,714</b>	<b>(26,990,355)</b>	<b>175,047,879</b>
<b>Liabilities</b>	<b>104,041,228</b>	<b>20,686,115</b>	<b>-</b>	<b>2,571,237</b>	<b>(2,781,703)</b>	<b>124,516,877</b>
<b>December 31, 2022</b>						
<b>Assets</b>	<b>149,862,745</b>	<b>41,839,240</b>	<b>6,415,068</b>	<b>12,703,658</b>	<b>(12,177,106)</b>	<b>198,643,605</b>
<b>Liabilities</b>	<b>127,140,380</b>	<b>22,243,159</b>	<b>187,693</b>	<b>10,107,134</b>	<b>(4,551,265)</b>	<b>155,127,101</b>

### 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.

#### 18.2 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)



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

	Level 1	Level 2	Level 3
	(Rupees' 000)		
<b>September 2023 - unaudited</b>			
<b>ASSETS</b>			
Financial assets at fair value through profit and loss			
- Short term investments	13,079,087	-	-
<b>December 2022 - audited</b>			
<b>ASSETS</b>			
Financial assets at fair value through profit and loss			
- Short term investments	13,764,259	-	-

**23. GENERAL**

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

23.2 Corresponding figures have been re-arranged / re-classified, wherever necessary, for the purpose of comparison. Significant reclassification consists of following:

From	To	(Rupees '000)
Property, plant and equipment	Stores and spares	232,043
Other expenses	Exchange loss - net	7,426,599

23.3 These condensed interim consolidated financial statements have been authorized for issue on October 23, 2023 by the Board of Directors of the Holding Company.

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



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