



FFBL
Fast Forward to a Greener World

1ST QUARTER REPORT | 2022

COMPANY INFORMATION

DIRECTORS

Mr Waqar Ahmed Malik
Chairman

Mr Arif-ur-Rehman
Chief Executive Officer

Mr Sarfaraz Ahmed Rehman

Dr Nadeem Inayat

Mr Qamar Haris Manzoor

Mr Mohammad Munir Malik

Syed Bakhtiyar Kazmi

Mr Mohammad Aleem Khan

Syed Khalid Siraj Subhani

Mr Moeze ur Rehman

Ms Pouruchisty Sidhwa

Ms Saira Nasir

COMPANY SECRETARY

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

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

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

Email: information@ffbl.com

WEB PRESENCE

www.ffbl.com

BANKERS

Habib Bank Limited

MCB Bank Limited

United Bank Limited

National Bank of Pakistan

Allied Bank Limited

Askari Bank Limited

Faysal Bank Limited

Standard Chartered Bank (Pakistan) Limited

Habib Metropolitan Bank Limited

The First Micro Finance Bank Limited

Soneri Bank Limited

Summit Bank Limited

JS Bank Limited

Samba Bank Limited

Zarai Taraqati Bank Limited

Industrial & Commercial Bank of China

The Bank of Khyber

Al-Baraka Bank (Pakistan) Limited

Dubai Islamic Bank Pakistan Limited

Bank Islami Pakistan Limited

Meezan Bank Limited

MCB Islamic Bank Limited

Bank Al-Falah Limited

Bank Al-Habib Limited

Silk Bank Limited

The Bank of Punjab

LEGAL ADVISORS

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

AUDITORS

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

SHARES REGISTRAR

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

DIRECTORS' REVIEW

FOR THE PERIOD ENDED MARCH 31, 2022

We entered year 2022 strengthened, more focused and more able. We kept our focus on disciplined resource allocation and achieving operational excellence to deliver better results for our stakeholders.

During the quarter, Pakistan Stock Exchange (PSX) announced the "Top 25 Companies of Pakistan" for the year 2020 and FFBL successfully made itself to the list with a distinction by securing 6th place.

The plant operations successfully achieved 22.85 million safe-man-hours with highest ever first quarter DAP and Ammonia production, registering 83% increase in DAP to 222 KT (March 2021: 121 KT), 50% increase in Urea to 121 KT (March 2021: 80 KT) and 65% increase in Ammonia to 120 KT (March 2021: 73 KT). Improved plant performance is achieved by significantly reducing downtime, increasing efficiency and promoting teamwork. In view of ongoing shortage of Urea in Pakistan, the Company deferred its annual turnaround and kept the plant operational throughout the quarter while giving due consideration to all associated risks. In recognition of our efforts towards community welfare activities, the Company has been awarded with the "Community Impact Award 2022" during the "11th Annual Corporate Social Responsibility Summit & Awards 2022, organized by The Professional Network.

At the end of current quarter, domestic DAP market is estimated to have declined by 24%, from 314 KT to 238 KT primarily due to high pricing. International developments including Russia - Ukraine conflict, shortage of gas supplies, rising freight costs has led to increase in fertilizer prices world over. Additionally, DAP price in Pakistan is also adversely impacted due to continuous devaluation of Pak Rupee against US Dollar as Pakistan meets more than 50% of its DAP consumption through imports. Likewise, local DAP production costs are also directly dependent on imported raw materials. The Company continued to lead local DAP market by further increasing its share to 48% (March 2021: 37%, Dec 2021: 42%). On the other hand, domestic Urea market is estimated to have increased by 17% from 1,398 KT to 1,628 KT due to a surge in demand as a result of higher phosphatic fertilizer prices. The Company was successful in achieving 7% Urea market share (March 2021: 5%, Dec 2021: 8%).

Since inception the Company achieved the highest ever first quarter Sales of PKR 24.7B representing an increase of 91% from PKR 13B in the comparative quarter and increase in gross profit margin from 19% to 22%. This helped the Company to register highest ever first quarter profit after tax of PKR 1.6B representing 28% growth to comparative quarter. Profit from operations stood at PKR 3.4B in comparison to PKR 1.3B profit in the same quarter last year. Other expenses increased by PKR 0.8B mainly due to increase in foreign exchange loss amid continuing surge of US dollar against Pak Rupee and provision for WPPF and WWF. Dividend income from associates decreased by PKR 1B. In the meanwhile, receivables from the Government of Pakistan surged to PKR 17B including PKR 14B on account of sales tax refunds.

Our subsidiaries delivered healthy performance during the quarter. While FPCL's profitability declined during the quarter due to lower external sale volumes, going forward it is expected to deliver steady profits in line with last year. FFL achieved sales growth, however, inflationary impacts resulted in increased input and overhead costs resulting in loss after tax of PKR 0.5B (March 2021: PKR 0.35 B). FFL's products especially Nurpur Milk (UHT milk) and Nurpur Cheese, are picking up market share and are expected to perform well as the Company is now the sole supplier of cheese to an international fast food chain in Pakistan.

Looking ahead while considering international developments and government's priorities in gas allocation may lead to shortage of fertilizer in local market as well as hike in price. Therefore, a promising outlook shall depend on continuing support by the Government to agricultural producers, fertilizer industry and favorable growing conditions enabling the farmer community to fully exploit the available resources.


We appreciate and acknowledge the efforts of our people, trust placed in us by our shareholders and engagement of our business partners and regulators which helped us to operate and responsibly feed our community.

Together, we shall continue increasing the production potential of our lands and building a better tomorrow.

For and on behalf of the Board



Waqar Ahmed Malik
Chairman



Arif-ur-Rehman
Chief Executive Officer

Place: Islamabad

Date: 22 April, 2022


اس سہ ماہی کے دوران ہماری ذیلی کمپنیوں کی کارکردگی نمایاں رہی۔ جبکہ FPCL کے منافع میں سہ ماہی کے دوران فروخت کے کم حجم کی وجہ سے کمی واقع ہوئی، آگے بڑھتے ہوئے اس سے پچھلے سال کی مناسبت مستحکم منافع کی توقع ہے۔ FFL نے فروخت میں اضافہ حاصل کیا، تاہم، افراط زر کے اثرات کے نتیجے میں ان پٹ اور اوور ہیڈ اخراجات کی لاگت میں اضافہ ہوا جس کے نتیجے میں 0.5 ارب پاکستانی روپے (مارچ 2021: 0.35 ارب پاکستانی روپے) کے بعد از ٹیکس کا نقصان ہوا۔ FFL کی مصنوعات خاص طور پر نورپور دودھ (UHT دودھ) اور نورپور پنیر، مارکیٹ میں اپنی پہچان بنا رہے ہیں اور توقع کی جاتی ہے کہ وہ اچھی کارکردگی کا مظاہرہ کریں گے کیونکہ کمپنی اب پاکستان میں ایک بین الاقوامی فاسٹ فوڈ چین کو پنیر کی واحد سپلائر ہے۔

مستقبل کی طرف بڑھتے ہوئے، بین الاقوامی پیش رفت اور حکومت کی گیس مختص کرنے میں ترجیحات مقامی مارکیٹ میں کھاد کی قلت اور قیمت میں اضافے کا باعث بن سکتا ہے۔ لہذا، ایک امید افزا نقطہ نظر کا انحصار حکومت کی طرف سے زرعی پروڈیوسرز، کھاد کی صنعت کے لیے جاری تعاون اور کسان برادری کو دستیاب وسائل کا مکمل فائدہ اٹھانے کے لیے سازگار حالات پر ہوگا۔

ہم اپنے لوگوں کی کوششوں، ہمارے شیئر ہولڈرز کے اعتماد اور ہمارے کاروباری شراکت داروں اور ریگولیٹرز کی ذمہ داریوں کی تعریف اور قدر کرتے ہیں جس نے ہماری کمیونٹی کو چلانے اور خوراک کے ذمہ دارانہ انتظام میں ہماری مدد کی۔

ہم مل کر اپنی زمینوں کی پیداواری صلاحیت میں اضافہ کرتے رہیں گے اور ایک بہتر کل کی تعمیر کریں گے۔

منجانب بورڈ



عارف الرحمن
چیف ایگزیکٹو آفیسر



وقار احمد ملک
چینر مین

اسلام آباد

22 اپریل 2022

ہم سال 2022 میں مضبوط، بھرپور توجہ اور زیادہ قابلیت کے ساتھ داخل ہوئے ہیں۔ ہم نے اپنے اسٹیک ہولڈرز کو بہتر نتائج فراہم کرنے کے لیے اصولوں کے مطابق وسائل کو مختص کرنے اور آپریشنل ایکسپلنس کے حصول پر اپنی توجہ مرکوز رکھی۔ سہ ماہی کے دوران، پاکستان اسٹاک ایکسچینج (PSX) نے سال 2020 کے لیے ”پاکستان کی سرفہرست 25 کمپنیوں“ کا اعلان کیا اور FFBL نے کامیابی کے ساتھ خود کو فہرست میں شامل کرواتے ہوئے نمایاں طور پر چھٹا مقام حاصل کیا۔

پلانٹ آپریشنز نے کامیابی سے 22.85 ملین سیف مین آرز حاصل کرنے کے ساتھ پہلی سہ ماہی کی سب سے زیادہ ڈی اے پی اور امونیا کی پیداوار حاصل کی۔ ڈی اے پی میں 83 فیصد اضافہ کے ساتھ 222KT (مارچ 2021: 121 KT)، یوریا میں 50 فیصد اضافہ کے ساتھ 121 KT (مارچ 2021: 80KT) اور امونیا میں 65 فیصد اضافہ کے ساتھ 120KT (مارچ 2021: 73 KT) کی پیداوار حاصل کی۔ پلانٹ کی بہتر کارکردگی کو نمایاں طور پر ڈاؤن ٹائم میں کمی، کارکردگی میں اضافہ اور ٹیم ورک کو فروغ دے کر حاصل کیا گیا۔ پاکستان میں یوریا کی جاری کمی کے پیش نظر، کمپنی نے اپنے سالانہ ٹرن اراؤنڈ کو موخر کیا اور تمام متعلقہ خطرات کو مدنظر رکھتے ہوئے پلانٹ کو پوری سہ ماہی میں فعال رکھا۔ کمیونٹی کی فلاح و بہبود کی سرگرمیوں کے لیے ہماری کوششوں کے اعتراف میں، کمپنی کو دی پروفیشنل نیٹ ورک کے زیر اہتمام "11ویں سالانہ کارپوریٹ سوشل ریسپانسیبیلٹی سمٹ اور ایوارڈز 2022 کے دوران "کمیونٹی امپیکٹ ایوارڈ 2022" سے نوازا گیا ہے۔

موجودہ سہ ماہی کے اختتام پر، مقامی DAP مارکیٹ میں 24 فیصد کی کمی 314 KT سے 238 KT کا تخمینہ لگایا گیا ہے جو کہ بنیادی طور پر زیادہ قیمتوں کی وجہ سے ہے۔ بین الاقوامی حالات و واقعات بشمول روس - یوکرین تنازعہ، گیس کی سپلائی میں کمی، مال برداری کے بڑھتے ہوئے اخراجات نے دنیا بھر میں کھاد کی قیمتوں میں اضافہ کیا ہے۔ مزید برآں، پاکستان میں ڈی اے پی کی قیمت امریکی ڈالر کے مقابلے پاکستانی روپے کی قدر میں مسلسل کمی کی وجہ سے بھی بری طرح متاثر ہوئی ہے کیونکہ پاکستان اپنی ڈی اے پی کی 50 فیصد سے زیادہ کھپت درآمدات کے ذریعے پورا کرتا ہے۔ اسی طرح مقامی ڈی اے پی کی پیداواری لاگت بھی براہ راست درآمد شدہ خام مال پر منحصر ہے۔ کمپنی نے اپنا حصہ 48 فیصد (مارچ 2021: 37 فیصد، دسمبر 2021: 42 فیصد) تک بڑھاتے ہوئے مقامی DAP مارکیٹ میں اپنی برتری جاری رکھی۔ دوسری طرف، مقامی یوریا مارکیٹ میں فاسفیٹ کھاد کی زیادہ قیمتوں کے نتیجے میں مانگ میں اضافے کی وجہ سے 1,398 KT سے 1,628 KT تک 17 فیصد اضافے کا تخمینہ لگایا گیا ہے۔ کمپنی 7 فیصد یوریا مارکیٹ شیئر حاصل کرنے میں کامیاب رہی جو کہ مارچ 2021 میں 5 فیصد اور دسمبر 2021 میں 8 فیصد تھا۔

اپنے قیام سے لے کر اب تک پہلی سہ ماہی میں کمپنی نے 24.7 ارب پاکستانی روپے کی سب سے زیادہ فروخت حاصل کی ہے، جو تقابلی سہ ماہی میں 13 ارب پاکستانی روپے سے 91 فیصد کے اضافے اور مجموعی منافع کے مارجن میں 19 فیصد سے 22 فیصد تک اضافے کی نمائندگی کرتی ہے۔ اس سے کمپنی کو پہلی سہ ماہی میں 1.6 ارب پاکستانی روپے کے بعداز ٹیکس کا سب سے زیادہ منافع حاصل کرنے میں مدد ملی جو کہ تقابلی سہ ماہی میں 28 فیصد نمو کی نمائندگی کرتی ہے۔ پچھلے سال کی اسی سہ ماہی میں 1.3 ارب پاکستانی روپے منافع کے مقابلے میں آپریشنز سے منافع 3.4 ارب پاکستانی روپے رہا۔ دیگر اخراجات میں 0.8 ارب پاکستانی روپے کا اضافہ بنیادی طور پر WPPF، WWF اور امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں مسلسل کمی سے زرمبادلہ کے نقصان میں اضافے کی وجہ سے ہوا۔ ایسوسی ایٹس سے ڈیویڈنڈ کی آمدنی میں 1 ارب پاکستانی روپے کی کمی ہوئی۔ اس دوران حکومت پاکستان کی جانب سے قابل وصول رقم 17 ارب پاکستانی روپے تک بڑھ گئی جس میں 14 ارب پاکستانی روپے سیلز ٹیکس ریفرنڈز شامل ہیں۔

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2022

		March 31, 2022 (Un - audited)	December 31, 2021 (Audited)
	Note	(Rupees '000)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	5	12,912,529	12,912,529
Capital reserve			
Share premium		1,632,729	1,632,729
Revenue reserve			
Accumulated profit		7,512,351	5,885,488
		22,057,609	20,430,746
NON-CURRENT LIABILITIES			
Long term loans	6	15,241,679	16,233,345
Deferred liabilities	7	8,212,176	9,462,291
		23,453,855	25,695,636
CURRENT LIABILITIES			
Trade and other payables	8	52,775,194	46,785,563
Advances from customers		2,253,271	5,764,548
Unpaid dividend		10,954	10,954
Unclaimed dividend		116,774	116,867
Provision for tax		-	501,559
Accrued interest		420,759	224,197
Short term borrowings		13,775,150	10,987,861
Current portion of long term loans	6	4,718,746	4,691,661
		74,070,848	69,083,210
		119,582,312	115,209,592
CONTINGENCIES AND COMMITMENTS			
	9		

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

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

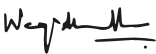
ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	10	10,354,310	10,574,734
Investment property		270,242	270,242
Long term investments	11	29,641,492	25,609,532
Long term loans	12	-	3,230,509
Long term advances		34,395	39,113
Long term deposits		78,643	78,643
		40,379,082	39,802,773

CURRENT ASSETS

Stores and spares		1,841,994	1,794,030
Stock in trade	13	26,463,127	8,388,200
Trade debts		975,763	94,238
Advances		597,953	577,065
Trade deposits and short term prepayments		111,154	124,609
Interest accrued		728,834	756,119
Other receivables	14	5,841,727	4,613,235
Income tax refundable - net		110,207	-
Sales tax refundable - net		14,439,489	12,487,644
Short term investments	15	8,899,004	10,441,700
Cash and bank balances		19,193,978	36,129,979
		79,203,230	75,406,819
		119,582,312	115,209,592



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

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

FOR THE PERIOD ENDED MARCH 31, 2022

		Quarter ended March 31,	
		2022	2021
	Note	(Rupees '000)	
Sales - net	16	24,783,967	13,005,132
Cost of sales	17	(19,394,673)	(10,527,836)
Gross profit		5,389,294	2,477,296
Selling and distribution expenses		(1,686,818)	(911,625)
Administrative expenses		(355,145)	(289,954)
		3,347,331	1,275,717
Finance costs		(705,566)	(650,852)
Other expenses		(949,019)	(138,731)
Other income	18	1,115,800	1,565,884
		2,808,546	2,052,018
Unwinding cost on GIDC payable	7	(257,942)	(345,886)
Profit before taxation		2,550,604	1,706,132
Taxation	19	(923,741)	(439,728)
Profit after taxation		1,626,863	1,266,404
Earnings per share - basic and diluted (Rupees)		1.26	0.98

The annexed notes, from 1 to 23, 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 MARCH 31, 2022

	Quarter ended March 31,	
	2022	2021
	(Rupees '000)	
Profit after taxation	1,626,863	1,266,404
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Remeasurement of post employment benefits obligation	-	-
Total comprehensive income	1,626,863	1,266,404

The annexed notes, from 1 to 23, 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 MARCH 31, 2022

	Share capital	Advance against issue of shares	Capital reserve	Accumulated profit / (loss)	Total
	(Rupees '000)				
Balance as at January 01, 2021 - audited	9,341,100	4,885,787	228,350	(495,832)	13,959,405
Total comprehensive income					
Profit for the period	-	-	-	1,266,404	1,266,404
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,266,404	1,266,404
Issue of share capital	3,571,429	(4,885,787)	1,428,571	-	114,213
Transaction costs	-	-	(24,192)	-	(24,192)
Balance as at March 31, 2021	12,912,529	-	1,632,729	770,572	15,315,830
Balance as at January 01, 2022 - audited	12,912,529	-	1,632,729	5,885,488	20,430,746
Total comprehensive income					
Profit for the period	-	-	-	1,626,863	1,626,863
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,626,863	1,626,863
Balance as at March 31, 2022	12,912,529	-	1,632,729	7,512,351	22,057,609

The annexed notes, from 1 to 23, 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 MARCH 31, 2022

		Quarter ended March 31,	
		2022	2021
	Note	(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	20	(17,980,712)	1,788,273
Taxes paid		(1,642,529)	(495,873)
Finance costs paid		(507,753)	(728,701)
Compensated absences paid		(9,670)	(89,448)
Payment to Workers' (Profit) Participation Fund		(131,344)	(261,665)
Net cash (used in) / generated from operating activities		(20,272,008)	212,586
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures and advances		(16,879)	(168,485)
Sale proceeds from disposal of property, plant and equipment		1,830	18,599
Investment at fair value through profit & loss - net		(590,976)	-
Dividend received		-	660,597
Long term loans		(801,452)	(338,664)
Profit received on bank balances and term deposits		820,869	278,543
Net cash (used in) / generated from investing activities		(586,608)	450,590
CASH FLOWS FROM FINANCING ACTIVITIES			
Advance against issue of shares - net of transaction costs		-	90,021
Long term loans - repaid		(964,581)	(1,589,582)
Short term borrowings - net		-	(3,050,497)
Dividend paid for prior periods		(93)	(147)
Net cash used in financing activities		(964,674)	(4,550,205)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(21,823,290)	(3,887,029)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		29,442,118	13,676,359
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		7,618,828	9,789,330
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the condensed interim statement of cash flows comprise of the following condensed interim statement of financial position amounts:			
- Cash and bank balances		19,193,978	14,820,173
- Short term running finance		(11,575,150)	(5,030,843)
		7,618,828	9,789,330

The annexed notes, from 1 to 23, 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 MARCH 31, 2022

1 THE COMPANY AND ITS OPERATIONS

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

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

2 BASIS OF PREPARATION

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

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

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

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

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

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

3 ACCOUNTING POLICIES

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

4 IMPACT OF COVID-19

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

The Government of Pakistan has from time to time imposed temporary restrictions on movement. The Company has adopted the required regulations. The plant operations remained broadly unaffected and there has been no significant effect on sales.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

5 SHARE CAPITAL

5.1 The status of significant shareholdings, as at March 31, 2022, are given below:

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

6 LONG TERM LOANS

Loans from banking companies-secured	19,960,425	20,925,006
Less: Current portion shown under current liabilities	4,718,746	4,691,661
	15,241,679	16,233,345

7 DEFERRED LIABILITIES

Compensated leave absences	488,069	493,240
Deferred taxation	7.1 1,043,278	1,150,299
Payable against GIDC	7.2 6,680,829	7,818,752
	8,212,176	9,462,291

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

Accelerated tax depreciation	1,459,293	1,487,686
Remeasurement gain on GIDC	356,432	431,236
Provision for inventory obsolescence	(78,740)	(76,565)
Provision against doubtful other receivables	(372,597)	(370,948)
Provision against allowance	(321,110)	(321,110)
	1,043,278	1,150,299

7.2 Payable against GIDC

Opening balance	20,846,828	19,592,989
Unwinding cost	257,942	1,253,839
	21,104,770	20,846,828
Current portion of GIDC	8 (14,423,941)	(13,028,076)
	6,680,829	7,818,752

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 MARCH 31, 2022

		March 31, 2022 (Un - audited)	December 31, 2021 (Audited)
	Note	(Rupees '000)	
8	TRADE AND OTHER PAYABLES		
Creditors	8.1	31,046,700	26,686,510
Payable against GIDC	7.2	14,423,941	13,028,076
Accrued liabilities		5,430,472	5,170,574
Workers' (Profit) Participation Fund		137,876	130,093
Workers' Welfare Fund		1,117,818	1,048,768
Payable to Gratuity Fund		212,829	197,715
Payable to Provident Fund		-	370
Security deposits		93,082	18,500
Other payables		312,476	504,957
		52,775,194	46,785,563

- 8.1** Creditors include payables to related parties amounting to Rs. 29,512,374 thousands (December 31, 2021: Rs. 25,535,207 thousands) against purchase of raw material, steam and power. The Company purchases raw material for use in production of fertilizer from PMP at discounted price, with a credit limit of 75 days.

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

9 CONTINGENCIES AND COMMITMENTS

Contingencies

i) Guarantees issued by banks on behalf of the Company	126,411	73,200
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Commitments

i) Capital expenditure - contracted	284,176	164,044
ii) Letters of credit for purchase of stores, spares and raw materials	1,027,932	1,128,973

For further commitments refer note 21.

10 PROPERTY, PLANT AND EQUIPMENT

Opening written down value	10,574,734	11,252,052
Additions during the period / year	21,597	307,670
Transfer upon amalgamation of subsidiary	-	831
Cost of disposals during the period / year	(6,298)	(102,360)
Depreciation charged during the period / year	(240,904)	(964,056)
Accumulated depreciation on disposals during the period / year	5,181	80,597
	10,354,310	10,574,734

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

		March 31, 2022 (Un - audited)	December 31, 2021 (Audited)
	Note	(Rupees '000)	
11	LONG TERM INVESTMENTS		
Joint venture	11.1	1,411,150	1,411,150
Associated companies	11.2	5,230,991	5,230,991
Subsidiary companies	11.3	22,999,351	18,967,391
Other long term investment	11.4	-	-
		29,641,492	25,609,532
11.1	Investment in joint venture - at cost		
Pakistan Maroc Phosphore S.A, Morocco		1,411,150	1,411,150
11.2	Investments in associates - at cost		
Quoted			
Askari Bank Limited		5,230,991	5,230,991
11.3	Investments in subsidiaries - at cost		
Quoted			
Fauji Foods Limited			
Gross value		13,346,766	13,346,766
Impairment in value of investment		(820,000)	(820,000)
		12,526,766	12,526,766
Un-quoted			
Fauji Meat Limited			
Gross value	11.5	14,466,094	6,885,000
Impairment in value of investment		(10,434,134)	(6,885,000)
		4,031,960	-
FFBL Power Company Limited		6,440,625	6,440,625
		22,999,351	18,967,391
11.4	Investment - available for sale - unquoted		
Arabian Sea Country Club Limited (ASCLL)			
300,000 ordinary shares of Rs.10 each		3,000	3,000
Less: Impairment in value of investment		3,000	3,000
		-	-
11.5	Pursuant to the approval in Board meeting of the Company, held on January 26, 2022, the Company communicated its intention, to the Board of Directors of Fauji Meat Limited (FML), to exercise the option to convert its sub-ordinated loan and related accrued mark-up, amounting to Rs. 7,000,000 thousand and Rs. 581,094 thousand, respectively, into 758,109,400 ordinary shares of FML, at their face value. Accordingly, FML, after completing the necessary regulatory requirements and pursuant to approval of its members, has allocated 758,109,400 ordinary shares to the Company, on March 25, 2022.		

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

		March 31, 2022 (Un - audited)	December 31, 2021 (Audited)
	Note	(Rupees '000)	
12	LONG TERM LOANS		
	Related parties - unsecured		
	Opening balance Fauji Meat Limited (FML)	6,198,549	1,065,318
	Loan given during the period / year	801,451	5,133,231
	11.5	7,000,000	6,198,549
	Allowance for expected credit loss	(2,968,040)	(2,968,040)
		4,031,960	3,230,509
	Transferred to investment	(4,031,960)	-
		-	3,230,509

During the period, loan of Rs. 801,451 thousand was disbursed to FML and subsequently all of the sub-ordinated loan was converted into ordinary shares of FML, at their face value.

13 STOCK IN TRADE

This includes finished goods stock amounting to Rs. 14,596,150 thousands (December 31, 2021: Rs. 125,185 thousands) and raw material in transit amounting to Rs. 7,968,460 thousands (December 31, 2021: Rs. 5,314,957 thousands).

14 OTHER RECEIVABLES

This includes an amount of Rs. 3,736,516 thousands (December 31, 2021: Rs. 2,523,902 thousands) receivable from Fauji Fertilizer Company Limited (FFCL), a related party, on account of amounts received from customers against sales of the Company's products by FFCL under an inter-company services agreement.

		March 31, 2022 (Un - audited)	December 31, 2021 (Audited)
		(Rupees '000)	
15	SHORT TERM INVESTMENTS		
	Amortized cost		
	Term deposits with banks and financial institutions	15.1	-
	Investments at fair value through profit or loss		2,100,000
	Mutual Funds	8,899,004	8,341,700
		8,899,004	10,441,700

15.1 These deposits carried interest rate at 10.75% per annum and were encashed on January 21, 2022.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

		Quarter ended March 31,		
		2022	2021	
		(Rupees '000)		
16	SALES - NET	Note		
	Gross sales		25,287,054	13,256,736
	Less:			
	Sales tax		498,465	247,874
	Commission	16.1	4,622	3,730
			503,087	251,604
			24,783,967	13,005,132

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

		Quarter ended March 31,	
		2022	2021
		(Rupees '000)	
17	COST OF SALES		
	Raw materials consumed	28,296,599	7,788,861
	Packing materials consumed	288,683	133,613
	Fuel and power	4,128,027	2,123,932
	Chemicals and supplies consumed	49,256	39,755
	Salaries, wages and benefits	556,956	307,824
	Rent, rates and taxes	12,304	14,899
	Insurance	34,300	36,832
	Travel and conveyance	39,896	27,571
	Repairs and maintenance	177,091	337,483
	Communication, establishment and other expenses	58,531	44,189
	Provision for obsolete stores and spares	7,500	18,000
	Depreciation	205,041	198,293
	Opening stock - work in process	42,120	100,364
	Closing stock - work in process	(30,666)	(84,552)
	Cost of goods manufactured	33,865,638	11,087,064
	Opening stock - finished goods	125,185	221,132
	Closing stock - finished goods	(14,596,150)	(780,360)
		19,394,673	10,527,836
18	OTHER INCOME		
	Profit on bank balances and term deposits	530,731	279,806
	Cash dividend/ income on mutual funds	196,929	-
	Dividend from associates	-	1,034,402
	Mark-up on sub-ordinated loans	179,248	152,798
	Income from subsidiaries	141,873	60,509
	Guarantee fee	28,809	7,398
	Scrap sale and other receipts	37,497	30,325
	Gain on disposal of property, plant and equipment	713	646
		1,115,800	1,565,884

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

		Quarter ended March 31,	
		2022	2021
		(Rupees '000)	
	Note		
19	TAXATION - NET		
	Current tax	1,030,763	504,443
	Deferred tax	(107,022)	(64,715)
		923,741	439,728
20	CASH (USED IN) / GENERATED FROM OPERATIONS		
	Profit before taxation	2,550,604	1,706,132
	Adjustment for non-cash charges and other items:		
	Provision for gratuity	15,114	12,113
	Exchange loss / (gain)	565,524	(10,883)
	Provision for compensated absences	4,500	15,998
	Allowance for other receivables and long-term loan	175,805	-
	Provision for obsolete stores and spares	7,500	18,000
	Provision for Workers' (Profit) Participation Fund	137,876	92,205
	Provision for Workers Welfare Fund	69,050	45,776
	Unwinding of GIDC	7.2 257,942	345,886
	Depreciation	240,904	233,363
	Finance costs	705,566	650,852
	Dividend from associates	-	(1,034,402)
	Income on bank balances, term deposits and mutual funds	(727,660)	(279,806)
	Gain on disposal of property, plant and equipment	(713)	(646)
	Mark-up on sub-ordinated loans	(179,248)	(152,798)
	Guarantee fee	(28,809)	(7,398)
	Operating profit before working capital changes	3,793,955	1,634,392
	Changes in working capital:		
	Stores and spares	(55,465)	106,403
	Stock-in-trade	(18,074,927)	(2,376,723)
	Trade debts	(881,525)	725,769
	Advances	(20,888)	(121,254)
	Trade deposits and short-term prepayments	13,455	39,938
	Other receivables	(1,228,492)	1,734,483
	Sales tax refundable	(1,951,845)	(693,265)
	Trade and other payables	3,936,292	1,466,922
	Advances from customers	(3,511,272)	(728,392)
		(21,774,667)	153,881
	Cash (used in) / generated from operations	(17,980,712)	1,788,273

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

21 RELATED PARTY TRANSACTIONS

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

	Quarter ended March 31,	
	2022	2021
	(Rupees '000)	
Transactions with Fauji Foundation:		
Services received	20,111	20,190
Payment against services	25,363	1,440
Donation paid	-	7,400
Balance payable at period end	18,750	24,002
Transactions with subsidiary companies:		
Fauji Meat Limited		
Material / services provided	5,688	9,892
Balance receivable	73,875	68,187
Mark-up on sub-ordinated loan	179,248	23,996
Receipt against guarantee fee and mark-up	34,240	3,699
Conversion into equity investment	7,581,094	-
Guarantee fee and mark-up receivable	-	436,086
FFBL Power Company Limited		
Material / services provided	190,064	156,675
Material / services received	4,567,053	2,362,737
Balance payable	1,332,938	1,530,560
Balance receivable	132,583	112,857
Receipts against material / services	170,338	161,401
Payments against material / services	4,764,675	1,841,763
Fauji Foods Limited		
Material / services provided	1,511	5,150
Material / services received	-	98
Receipt against material / services	-	1,429
Balance receivable	1,511	-
Mark-up on sub-ordinated loan	-	128,802
Guarantee fee	3,699	3,699
Receipt against guarantee fee	26,790	-
Guarantee fee and mark-up receivable	727,449	750,540

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

	Quarter ended March 31,	
	2022	2021
	(Rupees '000)	
Transactions with associates:		
Fauji Fertilizer Company Limited		
Services and material acquired	248,296	203,700
Services and material provided	-	1,017
Receipts under consignment and current account	18,831,861	14,867,930
Commission charged to the Company	4,622	3,730
Balance receivable	3,736,516	2,523,902
Askari Bank Limited		
Balances at bank	7,408,216	16,264,836
Profit on bank balances	187,214	123,971
Long-term loans	166,667	250,000
Mark-up on long-term loan	5,355	7,625
Mark-up payable on long-term loan loans	238	5,381
Transactions with joint venture:		
Pakistan Maroc Phosphore S.A, Morocco		
Purchase of raw materials	26,858,526	6,899,516
Expenses incurred on behalf of joint venture	802	485
Dividend received	-	441,847
Balance payable - secured	28,220,595	24,004,647
Balance receivable - unsecured	6,016	8,852
Other related parties:		
Contribution to Provident Fund	16,644	17,481
Payment to Workers' (Profit) Participation Fund and Workers Welfare Fund	131,344	261,665
Balance payable - unsecured (WWF and WPPF)	1,255,694	1,178,861
Payable to gratuity fund	212,829	197,715
Meeting fee	4,900	2,475
Remuneration of key management personnel		
Short-term benefits	99,927	54,207
Post employment benefits	4,886	9,942

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

In addition to the above:

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

22 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

22.1 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.

22.2 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:

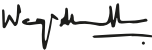
- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2)
- Inputs for the asset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

	Level 1	Level 2	Level 3
	(Rupees' 000)		
March 2022 - un-audited			
ASSETS			
Financial assets at fair value through profit or loss			
- Short-term investments	8,899,004	-	-
December 2021 - audited			
ASSETS			
Financial assets at fair value through profit or loss			
- Short-term investments	8,341,700	-	-

23 GENERAL

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

23.2 These condensed interim financial statements were authorized for issue on April 22 , 2022 by the Board of Directors of the Company.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

[illegible]

CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2022


		March 31, 2022 (Un - audited)	December 31, 2021 (Audited)
	Note	(Rupees '000)	
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Share capital	5	12,912,529	12,912,529
Capital reserve			
Share premium		1,632,729	1,632,729
Statutory reserve		2,483,726	2,352,571
Revenue reserves			
Translation reserve		4,278,786	4,055,119
Revaluation reserve on available for sale investments, net of tax		(1,087,375)	(517,348)
Accumulated profit		10,765,273	8,115,887
		30,985,668	28,551,487
Non Controlling Interest			
		4,800,831	4,380,785
		35,786,499	32,932,272
NON CURRENT LIABILITIES			
Long term loans	6	31,962,414	33,516,088
Lease liabilities		141,092	156,403
Deferred liabilities	7	11,694,321	12,669,019
		43,797,827	46,341,510
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	8	53,754,923	48,543,202
Advances from customers		2,348,567	5,908,825
Unpaid dividend		10,954	10,954
Unclaimed dividend		117,740	117,833
Accrued interest		934,035	830,481
Short term borrowings		18,697,952	18,922,181
Current portion of long term loans	6	7,057,669	7,028,305
Current portion of lease liabilities		68,068	67,162
		82,989,908	81,428,943
		162,574,234	160,702,725
CONTINGENCIES AND COMMITMENTS			
	9		

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

		March 31, 2022 (Un - audited)	December 31, 2021 (Audited)
	Note	(Rupees '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	47,234,995	47,848,922
Intangible assets		406,624	410,856
Long term investments	11	21,898,296	20,468,042
Investment property	12	270,242	270,242
Long term advances		34,395	39,113
Long term deposits		85,249	85,249
		69,929,801	69,122,424
CURRENT ASSETS			
Stores and spares		2,679,642	2,594,274
Stock in trade	13	29,473,343	12,621,736
Trade debts		3,138,808	2,061,629
Advances		1,152,863	962,732
Trade deposits and short term prepayments		283,769	307,491
Interest accrued		2,648	5,579
Other receivables	14	5,888,843	4,524,065
Income tax refundable - net		1,821,229	1,213,785
Sales tax refundable - net		15,812,960	13,995,728
Short term investments	15	10,399,004	13,943,049
Cash and bank balances		21,991,324	39,350,233
		92,644,433	91,580,301
		162,574,234	160,702,725



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

	Note	Quarter ended March 31,	
		2022	2021
		(Rupees '000)	
Sales - net	16	28,913,264	17,455,908
Cost of sales	17	(21,988,937)	(13,300,895)
Gross profit		6,924,327	4,155,013
Selling and distribution expenses		(2,065,471)	(1,191,266)
Administrative expenses		(576,145)	(449,571)
		4,282,711	2,514,176
Finance costs		(1,401,810)	(1,297,046)
Unwinding cost of GIDC payable	7	(257,942)	(345,886)
Other operating expenses		(826,443)	(191,105)
		1,796,516	680,139
Other income	18		
Share of profit of associates and joint venture - net		1,877,207	755,322
Others		878,883	448,126
		2,756,090	1,203,448
Profit before taxation		4,552,606	1,883,587
Taxation - net	19	(1,351,208)	(661,288)
Profit after taxation		3,201,398	1,222,299
Attributable to:			
- Owners of the Holding Company		3,194,833	1,121,988
- Non controlling interest		6,565	100,311
		3,201,398	1,222,299
Earnings per share - basic and diluted (Rupees)		2.47	0.87

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



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

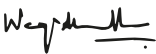


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

	Quarter ended March 31,	
	2022	2021
	(Rupees '000)	
Profit after taxation	3,201,398	1,222,299
Other comprehensive income		
Exchange difference on translating a joint venture	209,346	31,493
Effect of translation - share of associate	14,321	(20,824)
Revaluation reserve on available for sale investments	(670,620)	(157,457)
Related deferred tax	100,593	23,619
	(570,027)	(133,838)
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurement of post employment benefits obligation	-	-
Total comprehensive income	2,855,038	1,099,130
Attributable to:		
- Owners of the Holding Company	2,848,473	998,819
- Non controlling interest	6,565	100,311
	2,855,038	1,099,130

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



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

	Share capital	Advance against issue of shares	Capital reserve		Revenue reserve		Accumulated Profit	Non-controlling interest	Total
			Share premium	Statutory reserve	Translation reserve	Revaluation reserve on available for sale investments			
(Rupees' 000)									
Balance as at January 01, 2021 - audited	9,341,100	4,885,787	228,350	1,880,710	3,575,458	(32,845)	208,226	2,361,285	22,448,071
Total comprehensive income									
Profit for the period after taxation	-	-	-	-	-	-	1,121,988	100,311	1,222,299
Other comprehensive loss for the period	-	-	-	-	10,669	(133,838)	-	-	(123,169)
Total comprehensive income for the period	-	-	-	-	10,669	(133,838)	1,121,988	100,311	1,099,130
Transfer to statutory reserve	-	-	-	115,240	-	-	(115,240)	-	-
Issue of share capital	3,571,429	(4,885,787)	1,428,571	-	-	-	-	-	114,213
Share issuance cost	-	-	(24,192)	-	-	-	-	-	(24,192)
Balance as at March 31, 2021	<u>12,912,529</u>	<u>-</u>	<u>1,632,729</u>	<u>1,995,950</u>	<u>3,586,127</u>	<u>(166,683)</u>	<u>1,214,974</u>	<u>2,461,596</u>	<u>23,637,222</u>
Balance as at January 01, 2022 - audited	12,912,529	-	1,632,729	2,352,571	4,055,119	(517,348)	8,115,887	4,380,785	32,932,272
Total comprehensive income									
Profit for the period after taxation	-	-	-	-	-	-	3,194,833	6,565	3,201,398
Other comprehensive loss for the period	-	-	-	-	223,667	(570,027)	-	-	(346,360)
Total comprehensive income for the period	-	-	-	-	223,667	(570,027)	3,194,833	6,565	2,855,038
Transfer to statutory reserve	-	-	-	131,155	-	-	(131,155)	-	-
Transaction cost	-	-	-	-	-	-	-	(811)	(811)
NCI acquisition (note 5.2)	-	-	-	-	-	-	(414,292)	414,292	-
Balance as at March 31, 2022	<u>12,912,529</u>	<u>-</u>	<u>1,632,729</u>	<u>2,483,726</u>	<u>4,278,786</u>	<u>(1,087,375)</u>	<u>10,765,273</u>	<u>4,800,831</u>	<u>35,786,499</u>

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



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

		Quarter ended March 31,	
		2022	2021
	Note	(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	20	(16,681,383)	1,836,686
Income tax paid		(1,693,041)	(568,360)
Payment to Gratuity Fund		(24,202)	-
Finance cost paid		(1,281,788)	(1,189,464)
Compensated absences paid		(17,816)	(82,922)
Payment to Workers Welfare Fund		-	(5,876)
Payment to Workers' (Profit) Participation Fund		(138,801)	(280,400)
Net cash used in operating activities		(19,837,031)	(290,336)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures and advances		(79,319)	(230,822)
Dividend received		-	660,597
Sale proceeds of property, plant and equipment		5,567	110,728
Investment at fair value through profit or loss - net		(590,976)	-
Profit received on bank balances and term deposits		821,112	322,517
Net cash generated from investing activities		156,384	863,020
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		-	(2,821,366)
Long term loans		(1,532,905)	(2,194,006)
Advance against issue of shares - net of transaction costs		-	90,021
Finance lease liability		(22,384)	(24,494)
Dividend paid for prior periods		(93)	(147)
Net cash used in financing activities		(1,555,382)	(4,949,992)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(21,236,029)	(4,377,308)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		28,458,375	11,673,800
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		7,222,346	7,296,492
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the condensed interim consolidated statement of cash flows comprise the following condensed interim consolidated statement of financial position amounts:			
- Cash and bank balances		21,991,324	15,540,643
- Short term highly liquid investments	15	1,500,000	1,521,239
- Short term running finance		(16,268,978)	(9,765,390)
		7,222,346	7,296,492

The annexed notes, from 1 to 24, 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 MARCH 31, 2022

1 THE GROUP AND ITS OPERATIONS

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

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

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

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

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

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

2 BASIS OF PREPARATION

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

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

- Provisions of and directives issued under the Companies Act, 2017.

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

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

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

3 ACCOUNTING POLICIES

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2022

4 IMPACT OF COVID-19

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

The Government of Pakistan has from time to time imposed temporary restrictions on movement. The Group has adopted the required regulations. The plant operations remained broadly unaffected and there has been no significant effect on sales.

5 SHARE CAPITAL

5.1 Group consists of following subsidiary companies:

	Ownership in 2022	Ownership in 2021
Fauji Meat Limited (FML)	95.07%	90.18%
FFBL Power Company Limited (FPCL)	75.00%	75.00%
Fauji Foods Limited (FFL)	71.63%	71.63%

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

5.2 During the period, pursuant to the approval in Board meeting of the Holding Company, held on January 26, 2022, the Holding Company communicated its intention, to the Board of Directors of Fauji Meat Limited (FML), to exercise the option to convert its sub-ordinated loan and related accrued mark-up, amounting to Rs. 7,000,000 thousand and Rs. 581,094 thousand, respectively, into 758,109,400 ordinary shares of FML, at their face value on March 25, 2022. Accordingly, the Holding Company's proportion of ownership interest, in FML, has increased from 90.18% to 95.07%, with corresponding reduction in proportion of ownership interest of NCI; resulting in an increase in accumulated losses, attributable to the shareholders of Holding Company, by Rs. 414,292 thousand.

6 LONG TERM LOANS

	March 31, 2022 (Un - audited)	December 31, 2021 (Audited)
	(Rupees '000)	
Loans from banking companies-secured	39,020,083	40,544,393
Less: Current portion shown under current liabilities	7,057,669	7,028,305
	31,962,414	33,516,088

7 DEFERRED LIABILITIES

Compensated leave absences		683,286	685,082
Deferred taxation	7.1	4,330,206	4,165,185
Payable against Gas Infrastructure Development Cess (GIDC)	7.2	6,680,829	7,818,752
		11,694,321	12,669,019

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

		March 31, 2022 (Un - audited)	December 31, 2021 (Audited)
	Note	(Rupees '000)	
7.1	DEFERRED TAXATION - NET		
The balance of deferred tax is in respect of the following major taxable / (deductible) temporary differences:			
Accelerated depreciation		2,996,967	3,015,798
Share of profit of joint venture and associates - net		1,903,172	1,621,591
Share of profit of subsidiary		1,139,427	1,043,004
Remeasurement gain on GIDC		356,432	431,236
Provision for inventory obsolescence		(118,238)	(116,245)
Provision for doubtful other receivables		(351,176)	(351,176)
Deferred tax on revaluation of available for sale investments		(202,870)	(102,277)
Provision against allowance		(321,110)	(321,110)
Unabsorbed losses, tax credits and others		(1,072,398)	(1,055,636)
		4,330,206	4,165,185

7.2	Payable against GIDC		
Opening balance		20,846,828	19,592,989
Unwinding cost of GIDC		257,942	1,253,839
		21,104,770	20,846,828
Current portion of GIDC	8	(14,423,941)	(13,028,076)
Closing balance		6,680,829	7,818,752

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

		March 31, 2022 (Un - audited)	December 31, 2021 (Audited)
	Note	(Rupees '000)	
8	TRADE AND OTHER PAYABLES		
Creditors	8.1	30,832,030	27,194,489
Payable against GIDC	7.2	14,423,941	13,028,076
Accrued liabilities		6,281,192	6,121,059
Workers' (Profit) Participation Fund		172,753	137,980
Workers' Welfare Fund		1,121,478	1,051,034
Payable to Gratuity Fund		272,343	271,085
Payable to Provident Fund		12,548	14,366
Security deposits		108,098	51,329
Withholding tax payable		90,735	99,679
Sales tax payable		10,037	9,928
Other payables		429,768	564,177
		53,754,923	48,543,202

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

- 8.1** Creditors include payables to a related party amounting to Rs. 28,179,436 thousands (December 31, 2021: Rs. 24,004,647 thousands) against purchase of raw material.

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

9 CONTINGENCIES AND COMMITMENTS

Contingencies

i) Guarantees issued by banks on behalf of FFBL	126,411	73,200
ii) Group's share of contingent liabilities of Askari Bank Limited as at December 31, 2021 (September 30, 2021)	59,529,284	56,970,121
iii) Contingent liabilities of FML	365,188	365,188
iv) Contingent liabilities of FFL	523,282	523,282
v) Contingent liabilities of FPCL	585,773	585,773

Commitments

i) Capital expenditures - FFBL	284,176	164,044
ii) Letters of credit - FFBL	1,027,932	1,128,973
iii) Group's share of commitments of PMP as at December 31, 2021 (September 30, 2021)	86,698	76,951
iv) Group's share of commitments of Askari Bank Limited as at December 31, 2021 (September 30, 2021)	85,418,072	91,593,283
v) Commitments of FPCL	284,235	1,645,239
vi) Commitments of FFL	4,050	7,510

For further commitments refer note 21.

10 PROPERTY, PLANT AND EQUIPMENT

Opening written down value	47,848,922	50,286,924
Additions during the period / year	84,037	598,655
Termination of lease	-	(136,943)
Disposals during the period / year	(19,691)	(329,039)
Depreciation during the period / year	(692,524)	(2,761,263)
Depreciation charged on disposals during the period / year	12,894	224,047
Adjustments during the period / year	1,357	(33,459)
Closing written down value	47,234,995	47,848,922

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

	March 31, 2022 (Un - audited)	December 31, 2021 (Audited)
	(Rupees '000)	
11 LONG TERM INVESTMENTS		
Investment in joint venture - equity method		
Pakistan Maroc Phosphore S.A, Morocco		
Opening balance	8,949,117	6,400,564
Share of profit	1,249,628	2,668,508
Translation difference / dividend received	-	(577,634)
Effect of translation	209,346	457,679
Closing balance	10,408,091	8,949,117
Investment in associate - equity method		
Askari Bank Limited		
Opening balance	11,518,925	10,842,709
Share of profit	627,579	2,039,888
Dividend	-	(815,652)
Revaluation reserve of available for sale investments	(670,620)	(570,002)
Effect of translation	14,321	21,982
Closing balance	11,490,205	11,518,925
Investment - available for sale - unquoted		
Arabian Sea Country Club Limited (ASCL)		
300,000 ordinary shares of Rs. 10 each	3,000	3,000
Less: Impairment in value of investment	3,000	3,000
	-	-
	21,898,296	20,468,042
12 INVESTMENT PROPERTY- AT COST		
Carrying amount as at beginning of the period	270,242	-
Transfer from non-current asset held for sale	-	270,242
Carrying amount as at end of the period	270,242	270,242
This represents freehold land located at Pindi Bhattian owned by the Holding Company and is held for capital appreciation and earning rental income. The Holding Company carries this investment property under cost model.		
13 STOCK IN TRADE		
This includes finished goods stock amounting to Rs. 14,936,077 thousands (December 31, 2021: Rs. 454,715 thousands) and raw material in transit amounting to Rs. 7,968,460 thousands (December 31, 2021: Rs. 5,337,421 thousands).		
14 OTHER RECEIVABLES		
14.1		
This includes an amount of Rs. 3,736,516 thousands (December 31, 2021: Rs. 2,523,902 thousands) receivable from Fauji Fertilizer Company Limited (FFCL), a related party, on account of amounts received from customers, against sales of the Holding Company's products under an inter-company services agreement.		

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

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

15 SHORT TERM INVESTMENTS

Amortized cost

Term deposits with banks and financial institutions

15.1	1,500,000	5,601,349
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Investments at fair value through profit or loss

Mutual funds

	8,899,004	8,341,700
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	10,399,004	13,943,049
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15.1 These deposits have maturity period up to 7 days, and carry mark-up at 14.5% per annum (December 31, 2021: 5% to 15% per annum).

	Quarter ended March 31,	
	2022	2021
Note	(Rupees '000)	

16 SALES - NET

Gross sales	30,546,568	18,659,072
Less:		
Sales tax	1,398,003	984,429
Trade discount	122,790	142,069
Advance tax u/s 235	107,889	72,936
Commission	4,622	3,730
16.1	1,633,304	1,203,164
	28,913,264	17,455,908

16.1 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 MARCH 31, 2022

		Quarter ended March 31,	
		2022	2021
		(Rupees '000)	
17	COST OF SALES		
	Raw materials consumed	33,050,237	11,429,707
	Packing materials consumed	738,377	726,648
	Fuel and power	432,510	280,100
	Ash dumping	1,757	3,429
	Stores and supplies consumed	120,853	124,922
	Salaries, wages and benefits	839,957	563,528
	Repairs and maintenance	322,217	431,402
	Travel and conveyance	56,892	39,102
	Rent, rates and taxes	12,327	14,899
	Insurance	77,329	76,943
	Utilities	43,063	78,736
	Provision for obsolete stores & spares	7,500	18,000
	Communication, establishment and other expenses	76,238	70,643
	Depreciation and amortization	643,681	624,654
	Opening stock - work in process	160,307	273,371
	Closing stock - work in process	(119,885)	(261,107)
	Cost of goods manufactured	36,463,360	14,494,977
	Opening stock - finished goods	424,212	334,696
	Closing stock - finished goods	(14,898,635)	(1,528,778)
		21,988,937	13,300,895
18	OTHER INCOME		
	Share of profit from joint venture and associates		
	Pakistan Maroc Phosphore S.A	1,249,628	239,966
	Foundation Wind Energy - I Limited	-	(27,646)
	Foundation Wind Energy - II Limited	-	(28,782)
	Askari Bank Limited	627,579	571,784
		1,877,207	755,322
	Profit on bank balances & term deposits	587,579	327,315
	Cash dividend / income on mutual funds	196,929	-
	Scrap sale and other receipts	47,953	37,821
	Exchange gain	1,969	23,233
	Gain on disposal of property, plant and equipment	-	24,488
	Miscellaneous income	44,453	35,269
		878,883	448,126
		2,756,090	1,203,448

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

		Quarter ended March 31,	
		2022	2021
		(Rupees '000)	
19	TAXATION - NET		
	Current tax	1,085,595	569,351
	Deferred tax	265,613	91,937
		1,351,208	661,288
20	CASH (USED IN) / GENERATED FROM OPERATIONS		
	Profit before taxation	4,552,606	1,883,587
	Adjustment for non-cash charges and other items:		
	Provision for gratuity	25,456	17,546
	Exchange loss / (gain)	577,672	(23,233)
	Provision for compensated absences	16,021	18,998
	Provision for Workers' (Profit) Participation Fund	172,323	142,999
	Provision for Workers' Welfare Fund	70,444	47,301
	Unwinding of GIDC	257,942	345,886
	Amortization of transaction cost of long-term finance	8,595	9,871
	Transaction Cost	2,041	-
	Depreciation	692,524	686,976
	Amortization	4,160	8,406
	Provision for obsolete stores & spares	7,500	18,000
	Lease charges	6,622	-
	Finance cost	1,386,593	1,287,176
	Income on bank balances, term deposits and mutual funds	(784,508)	(327,315)
	Profit from joint venture and associates - net	(1,877,207)	(755,322)
	Loss / (gain) on disposal of property, plant and equipment	1,230	(24,488)
	Operating profit before working capital changes	5,120,014	3,336,388
	Changes in working capital:		
	Stores and spares	(92,869)	125,099
	Stock-in-trade	(16,851,607)	(2,756,162)
	Trade debts	(3,432,404)	(30,014)
	Advances	(190,131)	(205,025)
	Trade deposits and short term prepayments	23,719	79,686
	Other receivables	990,448	1,735,569
	Sales tax receivable	(1,817,232)	(673,603)
	Trade and other payables	3,128,937	224,748
	Advances from customers	(3,560,258)	-
		(21,801,397)	(1,499,702)
	Cash (used in) / generated from operations	(16,681,383)	1,836,686

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

21 RELATED PARTY TRANSACTIONS

Fauji Fertilizer Company Limited (FFCL) has 49.88% share holding in FFBL (2021: 49.88%), while Fauji Foundation (FF) holds 18.29% shares (2021: 18.29%) in the Holding Company. The Group has related parties which comprise of a joint venture, entities under common directorship, directors, key management personnel and employees' funds. Transactions with related parties and the balances outstanding at the period end are given below. The carrying value of investment in associates and joint venture are disclosed in note 11 to the condensed interim consolidated financial statements.

	Quarter ended March 31,	
	2022	2021
	(Rupees '000)	
Transactions with Fauji Foundation (FF)		
Dividend paid	-	24,440
Services received	22,356	-
Payment against services	25,363	1,440
Donation paid	-	18,400
Balance payable at period end	18,750	24,002 *
Transactions with associated undertakings due to common directorship		
Fauji Fertilizer Company Limited		
Services and material acquired	248,296	203,700
Services and material provided	-	1,017
Receipts under consignment account	18,831,861	14,867,930
Commission charged	4,622	3,730
Balance receivable at period end	3,736,516	2,523,902 *
Askari Bank Limited		
Balances at bank	7,408,281	17,719,439 *
Profit on bank balances	220,100	129,511
Long-term loans	166,667	646,544 *
Mark-up on long-term loans	5,355	7,625
Mark-up payable on long-term loans	238	42,371 *
Finance cost charged	18,088	6,818
Transactions with joint venture		
Purchase of raw materials	26,858,526	6,899,516
Expenses incurred on behalf of joint venture	802	485
Balance payable	28,220,595	24,004,647 *
Balance receivable - unsecured	6,016	8,852 *
Dividend received	-	441,847

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

	Quarter ended March 31,	
	2022	2021
	(Rupees '000)	
Other related parties		
Contribution to Provident Fund	37,210	23,010
Payment to Gratuity Fund	24,202	-
Payment to WPPF and WWF	138,801	286,276
Meeting fee to directors	9,475	4,500
Balance payable - unsecured (WPPF and WWF)	1,294,231	1,189,014 *
Payable to Gratuity Fund	272,343	271,085 *
Payable to Provident Fund	12,548	14,366 *
Expenses on behalf of Fauji Cereals	-	3,993
Payment to Fauji Security Services (Private) Limited	-	116
Noon Sugar Mills for purchase of sugar	3,423	14,139
Remuneration of key management personnel		
Short-term benefits	172,015	100,200
Post employment benefits	8,726	22,214

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

22 SEGMENT REPORTING

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

	Fertilizer	Food	Meat	Power	Elimination-net	Consolidated
	(Rupees' 000)					
March 31, 2022						
Revenue	24,783,967	2,402,997	19,770	5,515,204	(3,808,674)	28,913,264
Profit / (loss) after tax	1,626,863	(446,327)	(280,121)	642,819	1,658,164	3,201,398
March 31, 2021						
Revenue	13,005,132	2,377,317	31,787	3,961,500	(1,919,828)	17,455,908
Profit / (loss) after tax	1,266,404	(350,801)	(271,585)	964,039	(385,758)	1,222,299
March 31, 2022						
Assets	119,582,313	12,571,738	7,038,657	33,648,720	(10,267,194)	162,574,234
Liabilities	97,524,704	11,059,816	287,529	17,464,590	451,096	126,787,735
December 31, 2021						
Assets	115,209,592	12,562,253	6,395,588	37,992,049	(11,456,757)	160,702,725
Liabilities	94,277,287	10,601,152	6,945,433	22,451,188	(6,504,607)	127,770,453

23 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

23.1 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.

23.2 Fair Value estimation

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

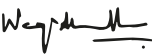
- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices level 2)
- Inputs for the asset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

	Level 1	Level 2	Level 3
	(Rupees' 000)		
March 2021 - unaudited			
ASSETS			
Financial assets at fair value through profit and loss			
- Short-term investments	8,899,004	-	-
December 2021 - audited			
ASSETS			
Financial assets at fair value through profit and loss			
- Short-term investments	8,341,700	-	-

24 GENERAL

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

24.2 These condensed interim consolidated financial statements were authorized for issue on April 22, 2022 by the Board of Directors of the Holding Company.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



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