FFBL
Fauji Fertilizer Bin Qasim Limited

HALF YEARLY 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 Moeez ur Rehman

Ms Pouruchisty Sidhwa

Ms Saira Nasir

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

CHIEF FINANCIAL OFFICER
Mr Muhammad Javed Akhtar

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WEB PRESENCE
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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
Samba Bank Limited
Zarai Taraqiati 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
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We are delighted to inform our valued shareholders that, Alhamdulillah, your company has earned the highest ever profit before tax of PKR 8.8 Billion in the history of the Company.

While high levels of international prices of DAP culminated in the highest ever revenue for our Company, proactive management and strong financial discipline were drivers of this excellent result in uncertain times.

Dear Shareholders, you are aware that our beloved country is going through an economic crisis for various external and internal factors. Accordingly, our Government had to resort to stringent fiscal measures, which included 400 basis point increase in the policy rate during the period and imposition of super tax at 10% on profits of last year and 4% for the current year.

The impact on our company because of additional taxes is PKR 2.7 Billion. Setting aside this additional burden, our normal profit after tax for this period is PKR 6.1 Billion, the highest ever in the history of the Company.

We further wish to inform you that FFBL is continuously improving its credit quality over the past couple of years based on its financial performance. During the period, VIS credit rating agency has upgraded FFBL in long-term entity rating to AA (double A) from AA- (double A minus), which signifies high credit quality with strong protection.

PLANT OPERATIONS

The plant operations remained efficient and secure as we achieved 23.24 Million safe-man-hours in line with our commitment towards health and safety of our people. In order to ensure sufficient availability of fertilizer in local market, while giving due consideration to plant efficiencies, the Company has deferred the annual maintenance plan.

DAP

The plant recorded highest ever DAP production of 449 KT for the period, representing 31% increase, in comparison to 343 KT of SPLY.

Urea

Production was 262 KT, representing 14% increase, in comparison to 231 KT in SPLY.

MARKET PERFORMANCE

DAP

International DAP market remained undersupplied with a bullish price trend, on account of China export restrictions, commodity super cycle and ongoing Russia-Ukraine war. We saw fertilizer prices soaring to new all-time highs, prompting concerns over global food shortage.

As far as domestic market is concerned, Pakistan meets around half of its demand through imports and remaining through local production by FFBL, which is also dependent on imported raw material. Therefore, surge in DAP and Phos Acid prices internationally, increasing freight cost, high inflation and significant Pak Rupee devaluation led to hike in DAP price in domestic market and adversely impacted the demand. Consequently, domestic DAP market is estimated to have declined by 10%, at 544 KT during the period from 606 KT in SPLY.

FFBL's perfectly synchronized production and marketing strategy coupled with importers' reluctance driven by tight availability and market volatility, helped us in achieving highest ever DAP sales of 311 KT as against 231 KT in SPLY, representing 35% growth and 57% market share as against a share of 38% in SPLY.

UREA

International Urea market demand remained low and price witnessed a downward trend despite challenges being faced by Russian producers to access markets.

Domestic Urea market is estimated to have grown by 12% to 3,246 KT as against 2,898 KT of SPLY. This growth is partly due to imbalanced use of fertilizer by the farmers, owing to significantly high DAP prices i.e. substituting the use of DAP for less expensive Urea.

FFBL's Urea sales increased to 261 KT as against 219 KT of SPLY, representing a growth of 19%. The Company achieved 8% market share as against 7.6% in SPLY.

FINANCIAL PERFORMANCE

We are pleased to present the half yearly results as under:

Description	2022 (PKR- Million)	2021 (PKR- Million)	% change
Revenue	70,933	29,917	137%
Gross Profit	14,180	5,973	137%
Operating Profit	10,420	3,111	235%
Profit before tax	8,812	4,670	89%
Profit after tax	3,410	3,876	-12%

As already explained, the profit after tax has been reduced by additional taxes of PKR 2.7 Billion imposed by the Government of Pakistan.

On consolidated basis, the Group achieved ever highest results in all aspects from top to bottom. Sales revenue was at PKR 80 Billion (108% increase from SPLY) and profit after tax arrived at PKR 4 Billion (117% increase from SPLY), despite taking a hit of PKR 6 Billion in tax expense.

SUBSIDIARIES AND JOINT VENTURE

The management of Fauji Foods Limited (FFL) is continuously working to improve its operations and has restructured its Route to Market (RTM) model, planning to add digital business solutions with sales automation and is undertaking resource and efficiency optimization measures. Since FFL is operating in a highly competitive food sector, it has also invested in marketing and branding campaigns during the period and managed to increase revenue by 7% in comparison to SPLY, as its products are picking up in market share.

During the period, on one hand, FFL has faced increase in cost of raw material and inputs due to ongoing inflationary pressure as well as devaluation of Pak Rupee and on the other hand it was not able to completely pass it on to the consumer due to their reduced purchasing power.

Furthermore, during the period, as a result of change in tariff code of one of FFL's products, which was earlier exempt from sales tax, is now subject to sales tax, impact of which could not be passed on to the consumer. FFL and other companies, impacted by this change, have appealed against the decision. As a result, FFL closed the period with loss of PKR 1,253 Million (June 2021: PKR 758 Million).

FFBL Power Company Limited operations remained consistent and in line with safety parameters. Fauji Meat Limited is undergoing optimization in operations and has managed to reduce its loss.

Our Joint venture, Pakistan Maroc Phosphore S.A in Morocco is also performing well. FFBL has recorded dividend of PKR 2.5 Billion during the period under review.

OUTLOOK

Going forward, local DAP production is facing serious challenges and it is crucial for the Government to adopt holistic and progressive measures to contain the damage to agriculture sector and food security of Pakistan. On one hand, global economic situation and geopolitical tensions are exerting pressure on our business operations and, on the other hand, the Government's policy measures have made the situation difficult for Pakistan's sole DAP producer. The Government must acknowledge the strategic significance of local DAP production. It reduces reliance on volatile international markets, protects valued foreign exchange and always comes to rescue in times of short supplies. Thus, it inherently strengthens nation food security.

The Government's recent decision to exempt fertilizer from output sales tax has put FFBL at a severe competitive disadvantage vis-à-vis commercial importers, as input sales tax has become a part of the cost for FFBL and there is no such impact on the cost of importers. The Government should immediately intervene and take appropriate measure in order to protect local DAP production and remove disparity.

Another looming threat to crop yields of Pakistan is a shift in the fertilizer consumption attitude of the farming community i.e. substituting costly but highly recommended DAP with less expensive and highly subsidized Urea. It is imperative that the Government plays its role in promoting the balanced use of fertilizer and considers subsidizing DAP in an appropriate manner. This will ensure balanced nutrients in soil and improve crop yields in line with international standards and thus ensure food security.

Furthermore, it is also expected from the Government to take all stakeholders into confidence when taking policy decisions, particularly on pricing of gas for fertilizer sector. It must be taken into consideration that increase in gas price may exacerbate food inflation. Policies conducive for future investments in the sector will go a long way to ensure food security of Pakistan.

In the face of adversity, we are determined to deliver on our commitment to operate responsibly and feed the nation.

For and on behalf of the Board

Waqar Ahmed Malik	**Arif-ur-Rehman**
Chairman	Chief Executive Officer

Place: Islamabad

25 July 2022

نے فیصلے کے خلاف اپیل کی ہے۔ نتیجے کے طور پر، FFL نے اس مدت میں 1.25 بلین روپے (جون 2021: 0.76 بلین روپے) کا نقصان کیا۔

ایف ایف بی ایل پاور کمپنی لمیٹڈ کے آپریشنز مسلسل اور حفاظتی پیرامیٹرز کے مطابق رہے۔ فوجی میٹ لمیٹڈ آپریشنز میں اصلاح سے گزر رہا ہے اور اپنے نقصان کو کم کرنے میں کامیاب رہاہے۔

ہمارا مشترکہ منصوبہ، مراکش میں Pakistan Maroc Phosphore S.A بھی اچھی کارکردگی کا مظاہرہ کر رہا ہے۔ FFBL نے زیر جائزہ مدت کے دوران 2.5 بلین روپے کا ڈیویڈنڈ ریکارڈ کیا ہے۔

آؤٹ لک

آگے بڑھتے ہوئے، مقامی ڈی اے پی کی پیداوار کو سنگین چیلنجز کا سامنا ہے اور حکومت کے لیے یہ بہت ضروری ہے کہ وہ پاکستان کے زرعی شعبے اور غذائی تحفظ کو پہنچنے والے نقصان پر قابو پانے کے لیے جامع اور ترقی پسند اقدامات کرے۔ ایک طرف عالمی معاشی صورتحال اور جغرافیائی سیاسی تناؤ ہمارے کاروباری آپریشنز پر دباؤ ڈال رہے ہیں اور دوسری طرف حکومت کے پالیسی اقدامات نے پاکستان کے واحد DAP پروڈیوسر کے لیے صورتحال کو مشکل بنا دیا ہے۔ حکومت کو مقامی ڈی اے پی کی پیداوار کی سٹریٹجک اہمیت کو تسلیم کرنا چاہیے۔ یہ غیر مستحکم بین الاقوامی منڈیوں پر انحصار کو کم کرتا ہے، قیمتی زرمبادلہ کی حفاظت کرتا ہے اور کم سپلائی کے وقت کام آتا ہے۔ اس طرح، یہ فطری طور پر قوم کی غذائی تحفظ کو مضبوط کرتا ہے۔

کھاد کو آؤٹ پٹ سیلز ٹیکس سے مستثنیٰ کرنے کے حکومت کے حالیہ فیصلے نے تجارتی درآمد کنندگان کے مقابلے FFBL کو شدید مسابقتی نقصان میں ڈال دیا ہے کیونکہ ان پٹ سیلز ٹیکس FFBL کے لیے لاگت کا ایک حصہ بن گیا ہے اور درآمد کنندگان کی لاگت پر اس کا کوئی اثر نہیں پڑا۔ حکومت کو فوری طور پر مداخلت کرنی چاہیے اور مقامی DAP کی پیداوار کے تحفظ اور تفاوت کو دور کرنے کے لیے مناسب اقدام کرنے چاہیں۔

پاکستان کی فصلوں کی پیداوار کے لیے ایک اور خطرہ کاشتکار برادری کے کھاد کے استعمال کے رویے میں تبدیلی ہے یعنی کم مہنگی اور انتہائی سبسڈی والے یوریا کو انتہائی تجویز کردہ DAP کے متبادل کے طورپر استعمال کرنا۔ یہ ضروری ہے کہ حکومت کھاد کے متوازن استعمال کو فروغ دینے کے لیے اپنا کردار ادا کرے اور مناسب طریقے سے DAP پر سبسڈی دینے پر غور کرے۔ یہ مٹی میں متوازن غذائیت کو یقینی بنائے گا اور بین الاقوامی معیارات کے مطابق فصل کی پیداوار کو بہتر بنائے گا اور اس طرح غذائی تحفظ کو یقینی بنائے گا۔

مزید برآں، حکومت سے یہ بھی توقع کی جاتی ہے کہ وہ پالیسی فیصلے کرتے وقت تمام اسٹیک ہولڈرز کو اعتماد میں لے، خاص طور پر کھاد کے شعبے کے لیے گیس کی قیمتوں کے تعین پر۔ اس بات کو مدنظر رکھا جانا چاہیے کہ گیس کی قیمتوں میں اضافے سے اشیائے خوردونوش کی مہنگائی میں اضافہ ہو سکتا ہے۔ اس شعبے میں مستقبل کی سرمایہ کاری کے لیے سازگار پالیسیوں کے پاکستان کی غذائی تحفظ کو یقینی بنانے کے لیے دور رس اثرات مرتب ہونگے۔

اس مشکل وقت میں، ہم ذمہ داری سے کام کرنے اور قوم کو خوراک کی فراہمی کے اپنے ارادے کو پورا کرنے کے لیے پرعزم ہیں۔

منجانب بورڈ

وقار احمد ملک
چیئرمین

عارف الرحمن
چیف ایگزیکٹو آفیسر

اسلام آباد
25 جولائی 2022

ڈائریکٹرز کا تجزیہ

30 جون 2022 کو ختم ہونے والی ششماہی کے لیے

یوریا

بین الاقوامی یوریا مارکیٹ کی طلب کم رہی اور روسی پروڈیوسروں کو منڈیوں تک رسائی کے لیے درپیش چیلنجوں کے باوجود قیمت میں کمی کا رجحان دیکھا گیا۔

مقامی یوریا کی مارکیٹ گزشتہ سال کی اسی مدت کے 2,898KT کے مقابلے میں 12فیصد بڑھ کر 3,246KT ہونے کا تخمینہ ہے۔ یہ نمو جزوی طور پر کسانوں کی طرف سے کھاد کے غیر متوازن استعمال کی وجہ سے ہے، جس کی وجہ ڈی اے پی کی کافی زیادہ قیمتیں ہیں یعنی سستی یوریا کوڈی اے پی کے متبادل کے طورپر استعمال کرنا۔

FFBL کی یوریا کی فروخت گزشتہ سال کی اسی مدت کے 219KT کے مقابلے میں 19فیصد اضافے کے ساتھ 261KT تک بڑھ گئی ۔ کمپنی نے گزشتہ سال کی اسی مدت کے 7.6فیصد کے مقابلے میں 8فیصد کا مارکیٹ شیئر حاصل کیا۔

مالیاتی کارکردگی

ہمیں ششماہی کے نتائج کو حسب ذیل پیش کرتے ہوئے خوشی ہو رہی ہے:

تفصیل	2022 (روپے ملین میں)	2021 (روپے ملین میں)	فیصد (%) تبدیلی
آمدنی	70,933	29,917	137%
کل منافع	14,180	5,973	137%
آپریٹنگ منافع	10,420	3,111	235%
قبل از ٹیکس منافع	8,812	4,670	89%
بعد از ٹیکس منافع	3,410	3,876	-12%

جیسا کہ پہلے ہی واضح کیا جا چکا ہے، حکومت پاکستان کی طرف سے عائد کردہ 2.7 بلین روپے کے اضافی ٹیکسوں سے بعد از ٹیکس منافع کم ہو گیا ہے۔

مجموعی طور پرگروپ نے آمدن سے منافع تک تمام پہلوؤں میں اب تک کے اعلیٰ ترین نتائج حاصل کیے ہیں۔ سیلز ریونیو 80 بلین روپے تھا (گزشتہ سال کی اسی مدت سے 108فیصد اضافہ) اور بعدازٹیکس منافع ٹیکس کے اخراجات میں 6 بلین روپے کا نقصان اٹھانے کے باوجود 4 بلین روپے (گزشتہ سال کی اسی مدت سے 117فیصد اضافہ) پر پہنچ گیا۔

ذیلی ادارے اور جوائنٹ وینچر

فوجی فوڈز لمیٹڈ (FFL) کی انتظامیہ اپنے کاموں کو بہتر بنانے کے لیے مسلسل کام کر رہی ہے اور اس نے اپنے روٹ ٹو مارکیٹ (RTM) ماڈل کی تشکیل نو، سیلز آٹومیشن کے ساتھ ڈیجیٹل بزنس سلوشنز شامل کرنے کی منصوبہ بندی کی ہے اور وسائل اور کارکردگی کو بھی بہتر بنانے کے اقدامات اٹھا رہی ہے۔ چونکہ FFL ایک انتہائی مسابقتی غذائی شعبہ میں کام کر رہا ہے، اس لیے اس نے اس عرصے کے دوران مارکیٹنگ اور برانڈنگ مہموں میں بھی سرمایہ کاری کی ہے اور گزشتہ سال کی اسی مدت کے مقابلے میں 7فیصد ریونیو بڑھانے میں کامیاب رہی ہے، کیونکہ اس کی مصنوعات مارکیٹ شیئر میں تیزی سے بڑھ رہی ہیں۔

اس عرصے کے دوران، ایک طرف FFL کو جاری مہنگائی کے دباؤ کے ساتھ ساتھ روپے کی قدر میں کمی کی وجہ سے خام مال اور ان پٹس کی قیمتوں میں اضافے کا سامنا کرنا پڑا اور دوسری طرف وہ اسے مکمل طور پر صارفین کی قوت خرید میں کمی کی جہ سے ان تک منتقل نہیں کرپایا۔

مزید برآں، اس عرصے کے دوران، FFL کی مصنوعات میں سے ایک کے ٹیرف کوڈ میں تبدیلی کے نتیجے میں، جو پہلے سیلز ٹیکس سے مستثنیٰ تھا، اب سیلز ٹیکس کے تابع ہےاوراسکا اثر صارفین تک نہیں پہنچایا جا سکا۔ اس تبدیلی سے متاثر ہونے والی FFL اور دیگر کمپنیوں

ڈائریکٹرز کا تجزیہ

30 جون 2022 کو ختم ہونے والی ششماہی کے لیے

ہمیں اپنے قابل قدر شیئر ہولڈرز کو یہ بتاتے ہوئے خوشی محسوس ہورہی ہے کہ الحمدللہ، آپ کی کمپنی نے کمپنی کی تاریخ میں اب تک کا سب سے زیادہ 8.8 بلین روپے کاقبل از ٹیکس منافع کمایا ہے۔

اگرچہ DAP کی بین الاقوامی قیمتوں کی بلند ترین سطح ہماری کمپنی کے لیے اب تک کی سب سے زیادہ آمدنی پر منتج ہوئی، فعال انتظام اور مضبوط مالیاتی نظم و ضبط، غیر یقینی کے اس وقت میں، بہترین نتائج کے محرکات تھے۔

محترم شیئر ہولڈرز، آپ جانتے ہیں کہ ہمارا پیارا ملک مختلف بیرونی اور اندرونی عوامل کی وجہ سے معاشی بحران سے گزر رہا ہے۔ اس وجہ سے ہماری حکومت کو سخت مالیاتی اقدامات کا سہارا لینا پڑا، جس میں اس مدت کے دوران پالیسی ریٹ میں 400 بنیادی پوائنٹ اضافہ اور گزشتہ سال کے منافع پر 10فیصد اور موجودہ سال کے لیے 4 فیصد سپر ٹیکس کا نفاذ شامل تھا۔

اضافی ٹیکسوں کی وجہ سے ہماری کمپنی پر 2.7 بلین روپے کا اثر پڑا۔ اس اضافی بوجھ کو ایک طرف رکھتے ہوئے، اس مدت کے لیے کمپنی کی تاریخ میں اب تک کا ہمارا سب سے زیادہ بعداز ٹیکس منافع 6.1 بلین روپے ہے۔

ہم آپ کو مزید بتانا چاہتے ہیں کہ FFBL اپنی مالی کارکردگی کی بنیاد پر گزشتہ چند سالوں میں اپنے کریڈٹ کے معیار کو مسلسل بہتر بنا رہا ہے۔ اس مدت کے دوران، VIS کریڈٹ ریٹنگ ایجنسی نے FFBL کو طویل مدتی اینٹیٹی کی درجہ بندی میں -AA (ڈبل اے مائنس) سے AA (ڈبل اے) میں اپ گریڈ کیا ہے، جو کہ مضبوط تحفظ کے ساتھ اعلی کریڈٹ کوالٹی کی نشاندہی کرتا ہے۔

پلانٹ آپریشنز

پلانٹ کے آپریشنز موثر اور محفوظ رہے اور ہم نے اپنے لوگوں کی صحت اور حفاظت کے لیے اپنے عزم کے مطابق 23.24 ملین سیف مین آورز حاصل کیے۔ مقامی مارکیٹ میں کھاد کی دستیابی کو یقینی بنانے کے لیے، پلانٹ کی افادیت کو مدنظر رکھتے ہوئے، کمپنی نے سالانہ دیکھ بھال کے منصوبے کو موخر کر دیا۔

ڈی اے پی

پلانٹ نے اس مدت کے لئے449KT کی اب تک کی سب سے زیادہ ڈی اے پی کی پیداوار حاصل کی، جوگزشتہ سال کی اسی مدت کے343KT کے مقابلے میں 31فیصد اضافہ کی نمائندگی کرتا ہے۔

یوریا

یوریا کی پیداوارگزشتہ سال کی اسی مدت کے 231KT کے مقابلے میں 14فیصد اضافےکے ساتھ 262KT رہی۔

مارکیٹ کی کارکردگی

ڈی اے پی

چین کی برآمدی پابندیوں، اجناس کے سپر سائیکل اور روس یوکرائن کی جاری جنگ کی وجہ سے بین الاقوامی ڈی اے پی مارکیٹ میں تیزی کے رجحان کے ساتھ سپلائی کم رہی۔ ہم نے کھاد کی قیمتوں کو نئی بلندیوں تک بڑھتے دیکھا، جس سے عالمی سطح پر خوراک کی قلت پر تشویش پیدا ہوئی۔

جہاں تک مقامی مارکیٹ کا تعلق ہے، پاکستان اپنی تقریباً نصف طلب کو درآمدات کے ذریعے پورا کرتا ہے اور باقی ماندہ FFBL کی مقامی پیداوار سے، جس کا انحصار بھی درآمدی خام مال پر ہے۔ لہٰذا، بین الاقوامی سطح پر ڈی اے پی اور فاسفورک ایسڈ کی قیمتوں میں اضافہ، مال برداری کی بڑھتی ہوئی لاگت، بلند افراط زر اور پاکستانی روپے کی قدر میں نمایاں کمی نے مقامی مارکیٹ میں ڈی اے پی کی قیمت میں اضافہ کیا اور طلب پر منفی اثر ڈالا۔ نتیجتاً، مقامی ڈی اے پی مارکیٹ میں گزشتہ سال کی اسی مدت کے606KT سے اس مدت کے دوران544KT پر 10فیصد کمی کا تخمینہ لگایا گیا۔

FFBL کی مکمل طور پر مطابقت پذیر پیداوار اور مارکیٹنگ کی حکمت عملی کے ساتھ درآمد کنندگان کی ہچکچاہٹ کے ساتھ دستیابی اور مارکیٹ کے اتار چڑھاؤ نے ہمیں گزشتہ سال کی اسی مدت کے231KT کے مقابلے میں311KT کی اب تک کی سب سے زیادہ ڈی اے پی فروخت حاصل کرنے میں مدد کی، جو کہ 35فیصد نمو اور گزشتہ سال کی اسی مدت کے 38 فیصد کے مقابلے میں 57فیصد مارکیٹ شیئر کی نمائندگی کرتی ہے۔

CONDENSED INTERIM FINANCIAL STATEMENTS

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TO THE MEMBERS OF FAUJI FERTILIZER BIN QASIM LIMITED

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Fauji Fertilizer Bin Qasim Limited as at 30 June 2022, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

Conclusion

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

Other matters

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-month period ended 30 June 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended 30 June 2022.

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

Chartered Accountants
Place: Islamabad
Date:
UDIN:

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

	Note	June 30, 2022 (Un - audited)	December 31, 2021 (Audited)
		(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		**9,295,538**	5,885,488
		23,840,796	20,430,746
NON CURRENT LIABILITIES			
Long term loans	6	**13,500,012**	16,233,345
Deferred liabilities	7	**7,085,758**	9,462,291
		20,585,770	25,695,636
CURRENT LIABILITIES			
Trade and other payables	8	**76,808,032**	46,785,563
Advances from customers		**2,172,263**	5,764,548
Unpaid dividend		**10,846**	10,954
Unclaimed dividend		**116,867**	116,867
Provision for income tax - net		**2,947,529**	501,559
Accrued interest		**466,140**	224,197
Short term borrowings		**7,931,540**	10,987,861
Current portion of long term loans	6	**5,245,830**	4,691,661
		95,699,047	69,083,210
		140,125,613	115,209,592
CONTINGENCIES AND COMMITMENTS	9		

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

	Note	June 30, 2022 (Un - audited)	December 31, 2021 (Audited)
		(Rupees '000)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	10	**10,239,928**	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		**20,874**	39,113
Long term deposits		**78,643**	78,643
		40,251,179	39,802,773
CURRENT ASSETS			
Stores and spares		**1,838,938**	1,794,030
Stock in trade	13	**42,876,886**	8,388,200
Trade debts		**1,754,672**	94,238
Advances		**338,369**	577,065
Trade deposits and short term prepayments		**53,647**	124,609
Interest accrued		**760,284**	756,119
Other receivables	14	**13,346,242**	4,613,235
Sales tax refundable - net		**16,754,957**	12,487,644
Short term investments	15	**483,938**	10,441,700
Cash and bank balances		**21,666,501**	36,129,979
		99,874,434	75,406,819
		140,125,613	115,209,592

CHAIRMAN CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

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

FOR THE HALF YEAR ENDED JUNE 30, 2022

		Quarter ended June 30,		Half year ended June 30,	
		2022	2021	2022	2021
	Note	(Rupees '000)		(Rupees '000)	
Sales - net	16	**46,148,964**	16,912,106	**70,932,931**	29,917,238
Cost of sales	17	**(37,358,207)**	(13,416,725)	**(56,752,880)**	(23,944,561)
Gross profit		**8,790,757**	3,495,381	**14,180,051**	5,972,677
Selling and distribution expenses		**(1,321,920)**	(1,328,792)	**(3,008,738)**	(2,240,417)
Administrative expenses		**(396,231)**	(331,379)	**(751,376)**	(621,333)
Operating profit		**7,072,606**	1,835,210	**10,419,937**	3,110,927
Finance costs		**(906,632)**	(609,200)	**(1,612,198)**	(1,260,052)
Unwinding cost of GIDC payable	7	**(233,628)**	(322,872)	**(491,570)**	(668,758)
Other expenses	18	**(2,921,622)**	(422,024)	**(3,870,641)**	(549,872)
		3,010,724	481,114	**4,445,528**	632,245
Other income	19	**3,250,646**	2,483,162	**4,366,446**	4,038,163
Profit before taxation		**6,261,370**	2,964,276	**8,811,974**	4,670,408
Taxation - net	20	**(4,478,183)**	(354,882)	**(5,401,924)**	(794,610)
Profit after taxation		**1,783,187**	2,609,394	**3,410,050**	3,875,798
Earnings per share - basic and diluted (Rupees)		**1.38**	2.03	**2.64**	3.01

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

CHAIRMAN

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2022

	Quarter ended June 30,		Half year ended June 30,	
	2022	2021	2022	2021
	(Rupees '000)		(Rupees '000)	
Profit after taxation	**1,783,187**	2,609,394	**3,410,050**	3,875,798
Other comprehensive income				
items that will not be reclassified subsequently to profit or loss				
Remeasurement of post employment benefit obligation	-	24,104	-	24,104
Total comprehensive income	**1,783,187**	2,633,498	**3,410,050**	3,899,902

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

CHAIRMAN CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2022

	Share capital	Advance against issue of shares	Capital reserve	Accumulated profit	Total
			(Rupees '000)		
Balance as at January 01, 2021 - audited	9,341,100	4,885,787	228,350	(495,832)	13,959,405
Total comprehensive income					
Profit after taxation for the period	-	-	-	3,875,798	3,875,798
Other comprehensive income for the period	-	-	-	24,104	24,104
Total comprehensive income for the period	-	-	-	3,899,902	3,899,902
Advance against issue of shares	-	114,213	-	-	114,213
Issue of share capital	3,571,429	(5,000,000)	1,428,571	-	-
Transaction costs	-	-	(24,192)	-	(24,192)
Balance as at June 30, 2021	12,912,529	-	1,632,729	3,404,070	17,949,328
Balance as at January 01, 2022 - audited	**12,912,529**	**-**	**1,632,729**	**5,885,488**	**20,430,746**
Total comprehensive income					
Profit after taxation for the period	**-**	**-**	**-**	**3,410,050**	**3,410,050**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the period	**-**	**-**	**-**	**3,410,050**	**3,410,050**
Balance as at June 30, 2022	**12,912,529**	**-**	**1,632,729**	**9,295,538**	**23,840,796**

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

CHAIRMAN	CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2022

	Note	Half year ended June 30, 2022	Half year ended June 30, 2021
		(Rupees '000)	(Rupees '000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operating activities	21	**(14,896,610)**	(1,755,670)
Income tax paid		**(3,030,315)**	(1,333,124)
Finance costs paid		**(1,369,004)**	(1,394,269)
Compensated absences paid		**(15,486)**	(102,134)
Payment to Workers' (Profit) Participation Fund		**(131,344)**	(261,665)
Net cash used in operating activities		**(19,442,759)**	(4,846,862)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures and advances		**(135,923)**	(250,780)
Sale proceeds from disposal of property, plant and equipment		**23,149**	21,316
Investment at fair value through profit and loss - net		**8,305,762**	-
Investment at amortized cost - net		**(483,938)**	-
Dividend received		**-**	2,826,248
Long term loans disbursed		**(801,452)**	(2,315,198)
Profit received on bank balances and term deposits		**1,207,276**	484,677
Net cash generated from investing activities		**8,114,874**	766,263
CASH FLOWS FROM FINANCING ACTIVITIES			
Advance against issuance of shares - net of transaction cost		**-**	90,021
Long term loan - receipt		**-**	2,000,000
Long term loan - repaid		**(2,179,164)**	(3,429,164)
Short term borrowings - net		**(200,000)**	(2,360,516)
Dividend paid / returned for prior periods		**(108)**	153
Net cash used in financing activities		**(2,379,272)**	(3,699,506)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(13,707,157)**	(7,780,105)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**29,442,118**	13,676,354
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**15,734,961**	5,896,249
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the condensed interim statement of cash flows comprise the following condensed interim statement of financial position amounts:			
- Cash and bank balances		**21,666,501**	18,701,959
- Short term running finance		**(5,931,540)**	(12,805,710)
		15,734,961	5,896,249

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

CHAIRMAN	CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

1 THE COMPANY AND ITS OPERATIONS

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

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

2 BASIS OF PREPARATION

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

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

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

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

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

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

b) Recoverable value of equity investment in Fauji Meat Limited (FML) – Updation of discount rate resulting from changes in economic conditions and lapse of time.

c) Recoverable value of equity investment in Fauji Foods Limited (FFL) – Updation of discount rate and updated long term cashflow projections resulting from changes in economic conditions.

4 IMPACT OF COVID-19

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

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

5 SHARE CAPITAL

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

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

	Note	June 30, 2022 (Un - audited)	December 31, 2021 (Audited)
		(Rupees '000)	
6 LONG TERM LOANS			
Loans from banking companies - secured		**18,745,842**	20,925,006
Less: Current portion shown under current liabilities		**5,245,830**	4,691,661
		13,500,012	16,233,345
7 DEFERRED LIABILITIES			
Compensated leave absences		**491,227**	493,240
Deferred taxation	7.1	**1,075,939**	1,150,299
Payable against GIDC	7.2	**5,518,592**	7,818,752
		7,085,758	9,462,291
7.1 The balance of deferred tax is in respect of the following taxable / (deductible) temporary differences:			
Accelerated tax depreciation		**1,632,178**	1,487,686
Remeasurement gain on GIDC		**328,497**	431,236
Provision for inventory obsolescence		**(92,076)**	(76,565)
Allowance of expected credit loss against other receivables		**(427,259)**	(370,948)
Provision against allowance for input sales tax		**(365,401)**	(321,110)
		1,075,939	1,150,299

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

		Note	June 30, 2022 (Un - audited)	December 31, 2021 (Audited)
			(Rupees '000)	
7.2	**Payable against GIDC**			
	Opening balance		**20,846,828**	19,592,989
	Unwinding cost of GIDC		**491,570**	1,253,839
			21,338,398	20,846,828
	Current portion of GIDC	8	**(15,819,806)**	(13,028,076)
			5,518,592	7,818,752

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

		Note	June 30, 2022 (Un - audited)	December 31, 2021 (Audited)
			(Rupees '000)	
8	**TRADE AND OTHER PAYABLES**			
	Creditors	8.1	**52,389,595**	26,686,510
	Payable against GIDC	7.2	**15,819,806**	13,028,076
	Accrued liabilities		**6,449,399**	5,170,574
	Workers' (Profit) Participation Fund		**472,229**	130,093
	Workers' Welfare Fund		**1,209,156**	1,048,768
	Payable to gratuity fund		**227,922**	197,715
	Payable to provident fund		**-**	370
	Security deposits		**86,513**	18,500
	Other payables		**153,412**	504,957
			76,808,032	46,785,563

8.1 Creditors include payables to related parties amounting to Rs. 49,527,293 thousands (December 31, 2021: Rs. 25,535,207 thousands) against purchase of raw material, steam and power; including provision of Rs. 471,960 thousands (December 31, 2021: Rs. Nil) in respect of change in in prior years and current period rate applicable for purchase of power in prior years and current period, pursunat to provision of Power Purchase Agreement.

		Note	June 30, 2022 (Un - audited)	December 31, 2021 (Audited)
			(Rupees '000)	
9	**CONTINGENCIES AND COMMITMENTS**			
	Contingencies			
	i) Guarantees issued by banks on behalf of the Company	9.1	**237,163**	73,200
	Commitments			
	i) Capital expenditure - contracted		**251,357**	164,044
	ii) Letters of credit for purchase of stores, spares and raw materials		**1,149,184**	1,128,973

For further commitments refer note 22.

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

			June 30, 2022 (Un - audited)	December 31, 2021 (Audited)
			(Rupees '000)	
10	**PROPERTY, PLANT AND EQUIPMENT**			
	Opening written down value		**10,574,734**	11,252,052
	Additions during the period / year		**154,162**	307,670
	Transfer upon amalgamation of subsidary		**-**	831
	Cost of disposals during the period / year		**(27,257)**	(102,360)
	Depreciation charged during the period / year		**(483,952)**	(964,056)
	Accumulated depreciation on disposals during the period / year		**22,241**	80,597
			10,239,928	10,574,734
11	**LONG TERM INVESTMENTS**			
	Joint venture	**11.1**	**1,411,150**	1,411,150
	Associated companies	**11.2**	**5,230,991**	5,230,991
	Subsidiary companies	**11.3**	**22,999,351**	18,967,391
	Other long term investments	**11.4**	**-**	-
			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)
		11.5	**12,526,766**	12,526,766
	Un-quoted			
	Fauji Meat Limited			
	Gross value	**11.6**	**10,916,960**	6,885,000
	Impairment in value of investment		**(6,885,000)**	(6,885,000)
		12.1	**4,031,960**	-
	FFBL Power Company Limited		**6,440,625**	6,440,625
			22,999,351	18,967,391
11.4	**Investment - available for sale - unquoted**			
	Arabian Sea Country Club Limited (ASCCL) 300,000 ordinary shares of Rs.10 each		**3,000**	3,000
	Impairment in value of investment		**(3,000)**	(3,000)
			-	-

11.5 As at reporting date, the Company performed impairment testing for its investment in Fauji Foods Limited (FFL) owing to developments in economic environment and inflatory impacts. The Company calculated value-in-use for its equity investment in FFL, on the basis of the expectation of cashflows from operations, as reflected in the updated cashflow projections approved by the Board of Directors of FFL. Discount rate of 13.10% (2021: 12.99%) and long term growth rate of 6.5% (2021: 5%) upon restructuring of growth in future cash flows. Based on the calcuations, the recoverable amount was higher than the carrying amount of the investment. Accordingly, no impairment charge was recognized in the condensed interim statement of profit or loss.

11.6 Pursuant to the approval in Board meeting of the Company, held on January 26, 2022, the Company communicated its intention, to the Board of Directors of Fauji Meat Limited (FML), to exercise the option to convert its sub-ordinated loan and related accrued mark-up, amounting to Rs. 7,000,000 thousand and Rs. 581,094 thousand, respectively, into 758,109,400 ordinary shares of FML, at their face value, resulting in total holding of shares to 1,446,609,400 (95.07%). 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.

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

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

13 STOCK IN TRADE

This includes finished goods stock amounting to Rs. 23,231,312 thousands (December 31, 2021: Rs. 125,185 thousands) and raw material in transit amounting to Rs. 13,050,155 thousands (December 31, 2021: Rs. 5,314,957 thousands).

14 OTHER RECEIVABLES

This includes an amount of Rs. 8,239,197 thousands (December 31, 2021: Rs. 2,523,902 thousands) receivable from Fauji Fertilizer Company Limited (FFCL), an associated company, on account of amounts received from customers against sales of the Company's products by FFCL under an inter-company services agreement.

			June 30, 2022 (Un - audited)	December 31, 2021 (Audited)
			(Rupees '000)	
15	**SHORT TERM INVESTMENTS**			
	Amortized cost			
	Term deposits with banks and financial institutions	**15.1**	**-**	2,100,000
	Treasury bills	**15.2**	**483,938**	-
	Investments at fair value through profit or loss			
	Mutual Funds		**-**	8,341,700
			483,938	10,441,700

15.1 These deposits carried interest rate at 10.75% to 14.25% per annum and were encashed during the period.

15.2 These are 3 months treasury bills maturing on August 11, 2022 and carry interest rate at 14.42% per annum.

			Quarter ended June 30,		Half year ended June 30,	
			2022	2021	2022	2021
		Note	(Rupees '000)		(Rupees '000)	
16	**SALES - NET**					
	Gross sales		**47,092,147**	17,260,959	**72,379,201**	30,517,695
	Less:					
	Sales tax		**936,367**	343,591	**1,434,832**	591,465
	Commission	**16.1**	**6,816**	5,262	**11,438**	8,992
			943,183	348,853	**1,446,270**	600,457
			46,148,964	16,912,106	**70,932,931**	29,917,238

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 June 30,		Half year ended June 30,	
		2022	2021	2022	2021
		(Rupees '000)		(Rupees '000)	
17	**COST OF SALES**				
	Raw materials consumed	**39,128,893**	16,512,781	**67,425,492**	24,301,642
	Packing materials consumed	**345,611**	320,734	**634,294**	454,347
	Fuel and power	**5,122,949**	3,189,669	**9,250,976**	5,313,601
	Chemicals and supplies consumed	**59,495**	49,055	**108,751**	88,810
	Salaries, wages and benefits	**482,881**	803,067	**1,039,837**	1,110,891
	Rent, rates and taxes	**12,345**	75,907	**24,649**	90,806
	Insurance	**37,981**	29,829	**72,281**	66,661
	Travel and conveyance	**41,126**	29,427	**81,022**	56,998
	Repairs and maintenance	**501,328**	202,484	**678,419**	539,967
	Communication, establishment and other expenses	**57,119**	77,792	**115,650**	121,981
	Provision for slow moving stores and spares	**7,500**	18,000	**15,000**	36,000
	Provision for sales tax	**-**	400,000	**-**	400,000
	Depreciation	**206,392**	204,271	**411,433**	402,564
	Opening stock - work in process	**30,666**	84,552	**42,120**	100,364
	Closing stock - work in process	**(40,917)**	(85,466)	**(40,917)**	(85,466)
	Cost of goods manufactured	**45,993,369**	21,912,102	**79,859,007**	32,999,166
	Opening stock - finished goods	**14,596,150**	780,360	**125,185**	221,132
	Closing stock - finished goods	**(23,231,312)**	(9,275,737)	**(23,231,312)**	(9,275,737)
		37,358,207	13,416,725	**56,752,880**	23,944,561
18	**OTHER EXPENSES**				
	Workers' (Profit) Participation Fund	**334,353**	159,877	**472,229**	252,083
	Workers' Welfare Fund	**91,338**	73,392	**160,388**	119,168
	Expected credit loss against other receivable and accrued mark-up	**9,906**	132,000	**185,711**	132,000
	Exchange loss	**2,484,867**	56,493	**3,050,391**	45,609
	Others	**1,158**	262	**1,922**	1,012
		2,921,622	422,024	**3,870,641**	549,872
19	**OTHER INCOME**				
	Dividend from PMP	**2,511,075**	547,511	**2,511,075**	547,511
	Dividend from FPCL	**-**	1,350,000	**-**	1,350,000
	Dividend from AKBL	**-**	-	**-**	815,652
	Dividend from FWEL-I & FWEL-II	**-**	-	**-**	218,750
	Profit on bank balances and term deposits	**285,102**	204,873	**815,833**	484,679
	Fair value gain and related income on mutual funds	**136,656**	-	**333,585**	-
	Mark-up on sub-ordinated loans	**-**	181,011	**179,248**	333,809
	Income from subsidiaries	**211,589**	138,977	**353,462**	199,486
	Guarantee fee	**3,739**	7,478	**32,548**	14,876
	Scrap sale and other receipts	**85,065**	51,040	**122,562**	70,482
	Gain on disposal of property, plant and equipment	**17,420**	2,272	**18,133**	2,918
		3,250,646	2,483,162	**4,366,446**	4,038,163

	Quarter ended June 30,		Half year ended June 30,	
	2022	2021	2022	2021
	(Rupees '000)		(Rupees '000)	
20 TAXATION - NET				
Current tax				
- Current period	**2,156,120**	629,400	**3,186,883**	1,133,843
- Prior period	**2,289,402**	-	**2,289,402**	-
Deferred tax	**32,661**	(274,518)	**(74,361)**	(339,233)
	4,478,183	354,882	**5,401,924**	794,610

	Note	Half year ended June 30, 2022	Half year ended June 30, 2021
		(Rupees '000)	
21 CASH USED IN OPERATIONS			
Profit before taxation		**8,811,974**	4,670,408
Adjustment for non-cash charges and other items:			
Provision for gratuity		**30,207**	29,894
Exchange loss		**3,050,391**	45,609
Provision for compensated absences		**13,474**	27,037
Provision for input tax		**-**	400,000
Allowance for other receivable and accrued mark-up		**185,711**	132,000
Provision for obsolete stores and spares		**15,000**	36,000
Provision for Workers' (Profit) Paricipation Fund		**472,229**	252,083
Provision for Workers' Welfare Fund		**160,388**	119,168
Unwinding cost of GIDC	7.2	**491,570**	668,758
Depreciation		**483,952**	472,718
Finance costs		**1,612,198**	1,260,052
Dividend from joint venture		**(2,511,075)**	(547,511)
Dividend from associates		**-**	(1,034,402)
Dividend from subsidary		**-**	(1,350,000)
Profit on bank balances and term deposits		**(815,833)**	(484,679)
Fair value gain and related income on mutual funds		**(333,585)**	-
Gain on disposal of property, plant and equipment		**(18,133)**	(2,918)
Mark-up on sub-ordinated loans		**(179,248)**	(333,809)
Guarantee fee		**(32,548)**	(14,876)
Operating profit before working capital changes		**11,436,672**	4,345,532
Changes in working capital			
Stores and spares		**(59,908)**	161,474
Stock in trade		**(34,488,686)**	(12,025,446)
Trade debts		**(1,660,434)**	160,857
Advances		**238,696**	131,742
Trade deposits and short term prepayments		**70,962**	76,292
Other receivables		**(6,221,932)**	779,119
Sales tax refundable		**(4,267,313)**	(2,000,021)
Trade and other payables		**23,647,618**	7,382,478
Advances from customers		**(3,592,285)**	(767,697)
		(26,333,282)	(6,101,202)
Cash used in operations		**(14,896,610)**	(1,755,670)

22 RELATED PARTY TRANSACTIONS

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

	Half year ended June 30,		
	2022	2021	
	(Rupees '000)		
Transactions with Fauji Foundation:			
Services received	**42,074**	60,140	
Services provided	**886**	-	
Payments against services	**46,440**	20,240	
Donation paid	**44,330**	12,400	
Balance payable	**18,750**	24,002	*
Transactions with subsidiary companies:			
Fauji Meat Limited			
Balance receivable	**83,772**	68,179	*
Material / services provided	**15,593**	18,148	
Guarantee fee	**-**	7,438	
Receipt against guarantee fee and markup	**34,240**	-	
Mark-up on sub-ordinated loan	**179,248**	71,425	
Conversion into equity investment	**4,031,960**	-	
Guarantee fee and mark-up receivable	**-**	436,086	*
FFBL Power Company Limited			
Material / services provided	**882,895**	339,934	
Material / services received	**10,495,905**	4,916,362	
Balance payable	**2,580,121**	1,530,560	*
Balance receivable	**618,963**	112,857	*
Receipts against material / services	**376,789**	307,001	
Payments against material / services	**9,446,344**	5,449,125	
Dividend received	**-**	1,350,000	
Fauji Foods Limited			
Material / services provided	**7,479**	6,655	
Material / services received	**8**	98	
Receipts against material / services	**1,511**	7,579	
Balance receivable	**5,960**	-	*
Guarantee fee	**7,438**	7,438	
Receipt against guarantee fee	**26,790**	-	
Mark-up on sub-ordinated loan	**-**	262,384	
Guarantee fee and mark-up receivable	**731,188**	750,540	*

	Half year ended June 30, 2022	2021	
	(Rupees '000)		
Transactions with associates:			
Fauji Fertilizer Company Limited			
Services and material received	**591,332**	527,722	
Services and material provided	**-**	1,017	
Receipts under consignment account	**60,161,223**	30,107,408	
Commission charged	**11,438**	8,992	
Balance receivable	**8,239,197**	2,523,902	*
Askari Bank Limited			
Balances at bank	**7,965,382**	16,264,836	*
Profit on bank balances	**266,667**	206,782	
Long term loans	**166,667**	250,000	*
Mark-up on long term loans	**5,644**	14,589	
Mark-up payable on long term loans	**5,644**	5,381	*
Dividend received	**-**	815,652	
Pakistan Maroc Phosphore S.A, Morocco			
Purchase of raw materials	**67,149,521**	21,970,342	
Expenses incurred on behalf of joint venture	**5,229**	485	
Balance payable - secured	**46,947,172**	24,004,647	*
Balance receivable - unsecured	**2,521,519**	8,852	*
Dividend received	**-**	441,847	
Other related parties:			
Contribution to provident fund	**33,782**	33,408	
Payment to Workers' (Profit) Participation Fund	**131,344**	261,665	
Meeting fee to directors	**8,900**	15,850	
Balance payable - unsecured (WPPF & WWF)	**1,681,385**	1,178,861	*
Payable to gratuity fund	**227,922**	197,715	*
Remuneration of key management personnel			
Short term benefits	**133,416**	85,615	
Post employment benefits	**12,350**	16,279	

* 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.

(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. During the period, the Company's members have approved roll-over of accrued mark-up for a period of one year.

23 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

23.1 Financial risk factors

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

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

23.2 Fair value estimation

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

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

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

24 GENERAL

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

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

24.3 These condensed interim financial statements were authorized for issue on July 25, 2022 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 JUNE 30, 2022

	Note	June 30, 2022 (Un - audited)	December 31, 2021 (Audited)
		(Rupees '000)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	5	**12,912,529**	12,912,529
Capital reserve			
Share premium		**1,632,729**	1,632,729
Statutory reserve		**2,561,499**	2,352,571
Revenue reserves			
Translation reserve		**4,327,672**	4,055,119
Revaluation reserve on available for sale investments, net of tax		**(1,331,214)**	(517,348)
Accumulated profit		**11,547,174**	8,115,887
		31,650,389	28,551,487
Non controlling interest		**4,823,327**	4,380,785
		36,473,716	32,932,272
NON CURRENT LIABILITIES			
Long term loans	6	**29,480,418**	33,516,088
Lease liabilities		**120,017**	156,403
Deferred liabilities	7	**10,605,862**	12,669,019
		40,206,297	46,341,510
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	8	**76,545,220**	48,543,202
Advances from customers		**2,361,929**	5,908,825
Unpaid dividend		**10,954**	10,954
Unclaimed dividend		**117,725**	117,833
Provision for income tax - net		**1,277,408**	-
Accrued interest		**1,018,258**	830,481
Short term borrowings		**15,081,194**	18,922,181
Current portion of long term loans	6	**7,754,215**	7,028,305
Current portion of lease liabilities		**72,173**	67,162
		104,239,076	81,428,943
		180,919,089	160,702,725
CONTINGENCIES AND COMMITMENTS	9		

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

	Note	June 30, 2022 (Un - audited)	December 31, 2021 (Audited)
		(Rupees '000)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	10	**47,200,311**	47,848,922
Intangible assets		**401,940**	410,856
Long term investments	11	**20,652,209**	20,468,042
Investment property	12	**270,242**	270,242
Long term advances		**20,874**	39,113
Long term deposits		**85,249**	85,249
		68,630,825	69,122,424
CURRENT ASSETS			
Stores and spares		**2,720,361**	2,594,274
Stock in trade	13	**45,804,478**	12,621,736
Trade debts		**5,328,834**	2,061,629
Advances		**735,657**	962,732
Trade deposits and short term prepayments		**157,859**	307,491
Interest accrued		**34,098**	5,579
Other receivables	14	**12,743,449**	4,524,065
Income tax refundable - net		**-**	1,213,785
Sales tax refundable - net		**18,150,030**	13,995,728
Short term investments	15	**2,258,938**	13,943,049
Cash and bank balances		**24,354,560**	39,350,233
		112,288,264	91,580,301
		180,919,089	160,702,725

CHAIRMAN CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

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

FOR THE HALF YEAR ENDED JUNE 30, 2022

	Note	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Half year ended June 30, 2022	Half year ended June 30, 2021
		(Rupees '000)		(Rupees '000)	
Sales - net	16	**51,397,315**	21,151,387	**80,310,579**	38,607,295
Cost of sales	17	**(40,505,970)**	(15,682,548)	**(62,494,907)**	(28,983,443)
Gross profit		**10,891,345**	5,468,839	**17,815,672**	9,623,852
Selling and distribution expenses		**(1,736,196)**	(1,776,168)	**(3,801,667)**	(2,967,434)
Administrative expenses		**(622,254)**	(531,200)	**(1,198,399)**	(980,771)
Operating profit		**8,532,895**	3,161,471	**12,815,606**	5,675,647
Finance costs		**(1,728,330)**	(1,238,450)	**(3,130,140)**	(2,535,496)
Unwinding cost of GIDC payable	7	**(233,628)**	(322,872)	**(491,570)**	(668,758)
Other expenses	18	**(3,193,483)**	(2,046,661)	**(4,019,926)**	(2,214,533)
		3,377,454	(446,512)	**5,173,970**	256,860
Other income	19				
Share of profit of associates and joint venture - net		**1,502,968**	1,134,563	**3,380,175**	1,889,885
Others		**633,328**	361,505	**1,510,242**	786,398
		2,136,296	1,496,068	**4,890,417**	2,676,283
Profit before taxation		**5,513,750**	1,049,556	**10,064,387**	2,933,143
Taxation - net	20	**(4,629,611)**	(393,028)	**(5,980,819)**	(1,054,316)
Profit after taxation		**884,139**	656,528	**4,083,568**	1,878,827
Attributable to:					
- Owners of the Holding Company		**861,643**	534,395	**4,054,507**	1,656,383
- Non controlling interest		**22,496**	122,133	**29,061**	222,444
		884,139	656,528	**4,083,568**	1,878,827
Earnings per share - basic and diluted (Rupees)		**0.67**	0.41	**3.14**	1.29

The annexed notes, from 1 to 25, 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 HALF YEAR ENDED JUNE 30, 2022

	Quarter ended June 30,		Half year ended June 30,	
	2022	2021	2022	2021
	(Rupees '000)		(Rupees '000)	
Profit after taxation	**884,139**	656,528	**4,083,568**	1,878,827
Other comprehensive income / (loss)				
Exchange difference on translating a joint venture	**21,336**	(351,569)	**230,682**	(320,076)
Effect of translation - share of associate	**27,550**	(20,709)	**41,871**	(41,533)
Revaluation reserve on available for sale investments	**(286,870)**	(401,119)	**(957,490)**	(558,576)
Related deferred tax	**43,031**	60,167	**143,624**	83,786
	(243,839)	(340,952)	**(813,866)**	(474,790)
Items that will not be reclassified to profit or loss				
Remeasurement of post employment benefits obligation	**-**	24,104	**-**	24,104
Total comprehensive income / (loss)	**689,186**	(32,598)	**3,542,255**	1,066,532
Attributable to:				
- Owners of the Holding Company	**666,690**	(154,731)	**3,513,194**	844,088
- Non controlling interest	**22,496**	122,133	**29,061**	222,444
	689,186	(32,598)	**3,542,255**	1,066,532

The annexed notes, from 1 to 25, 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 HALF YEAR ENDED JUNE 30, 2022

			Capital reserve		Revenue reserve				
	Share capital	Advance against issue of shares	Share Premium	Statutory reserve	Translation reserve	Revaluation reserve on available for sale investments	Accumulated profit	Non controlling interest	Total
					(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	-	-	-	-	-	-	1,656,383	222,444	1,878,827
Other comprehensive loss for the period	-	-	-	-	(361,609)	(474,790)	24,104	-	(812,295)
Total comprehensive income for the period	-	-	-	-	(361,609)	(474,790)	1,680,487	222,444	1,066,532
Transfer to statutory reserve	-	-	-	224,178	-	-	(224,178)	-	-
Advance against issue of shares	-	114,213	-	-	-	-	-	-	114,213
Issue of share capital	3,571,429	(5,000,000)	1,428,571	-	-	-	-	-	-
Share issuance cost	-	-	(24,192)	-	-	-	-	-	(24,192)
Transactions with owners recorded directly in equity									
FPCL - Interim dividend for half year ended June 30, 2021	-	-	-	-	-	-	-	(450,000)	(450,000)
Balance as at June 30, 2021	12,912,529	-	1,632,729	2,104,888	3,213,849	(507,635)	1,664,535	2,133,729	23,154,624
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	**-**	**-**	**-**	**-**	**-**	**-**	**4,054,507**	**29,061**	**4,083,568**
Other comprehensive loss for the period	**-**	**-**	**-**	**-**	**272,553**	**(813,866)**	**-**	**-**	**(541,313)**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**272,553**	**(813,866)**	**4,054,507**	**29,061**	**3,542,255**
Transfer to statutory reserve	**-**	**-**	**-**	**208,928**	**-**	**-**	**(208,928)**	**-**	**-**
Transaction cost	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(811)**	**(811)**
NCI acquisition (note 5.2)	**-**	**-**	**-**	**-**	**-**	**-**	**(414,292)**	**414,292**	**-**
Balance as at June 30, 2022	12,912,529	-	1,632,729	2,561,499	4,327,672	(1,331,214)	11,547,174	4,823,327	36,473,716

The annexed notes, from 1 to 25, 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 HALF YEAR ENDED JUNE 30, 2022

	Note	Half year ended June 30, 2022	2021
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	21	**(13,789,506)**	(1,587,584)
Income tax paid		**(3,117,980)**	(1,511,297)
Payment to gratuity fund		**(17,243)**	(24,688)
Finance cost paid		**(2,911,742)**	(2,383,188)
Compensated absences paid		**(7,815)**	(113,079)
Payment to Workers' Welfare Fund		**(1,251)**	(5,876)
Payment to Workers' (Profit) Participation Fund		**(138,801)**	(280,400)
Net cash used in operating activities		**(19,984,338)**	(5,906,112)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures and advances		**(733,310)**	(416,999)
Intangibles		**-**	(1,133)
Dividend received		**-**	1,476,248
Sale proceeds of property, plant and equipment		**28,151**	136,541
Investment at fair value through profit or loss - net		**8,305,762**	-
Investment at amortized cost - net		**(483,938)**	-
Profit received on bank balances and term deposits		**1,258,600**	547,257
Net cash generated from investing activities		**8,375,265**	1,741,914
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		**(200,000)**	(2,137,861)
Long term loans		**(3,326,234)**	(3,327,183)
Advance against issue of shares - net of transaction cost		**-**	90,021
Finance lease liability		**(45,620)**	(48,080)
Dividend paid for prior periods		**(108)**	(449,847)
Net cash used in financing activities		**(3,571,962)**	(5,872,950)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(15,181,035)**	(10,037,148)
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		**13,277,340**	1,636,652
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		**24,354,560**	20,656,831
- Short term highly liquid investments	15	**1,775,000**	21,487
- Short term running finance		**(12,852,220)**	(19,041,666)
		13,277,340	1,636,652

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

CHAIRMAN CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

1 THE GROUP AND ITS OPERATIONS

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

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

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

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

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

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

1.2 During the period ended 30 June 2022, FFL has incurred a loss after tax of Rs. 1,253.47 million (30 June 2021: Rs. 758.29 million), resulting in accumulated losses of Rs. 17,602.10 million (31 December 2021: Rs. 16,395.50 million) as of that date. Further, FFL's current liabilities exceed its current assets by Rs. 179.6 million (31 December 2021: current assets exceeded current liabilities by Rs 1,182.4 million). Accordingly, FFL's operations are being financed via further sponsor support / equity injection and high level of external debt. As at 30 June 2022, the FFL's total debt amounts to Rs. 7,945.94 million (31 December 2021: Rs. 7,972.41 million).

The Parent Company has committed the necessary continued financial support to FFL, including (but not limited to) equity injections and providing working capital as and when required. Further, the Parent Company is currently not demanding payments for interest accrued on FFL's borrowings, previously obtained from it. FFL's Sponsors have also provided security, on behalf of FFL, in respect of FFL's syndicate loan facility (amounting to Rs. 5,988.15 million, in the form of (a) a letter of credit amounting to Rs. 1 billion from Askari Bank Limited, a related party, and (b) a revolving corporate guarantee). FFL has also formulated business plan and is undertaking margin improvement initiatives and a differentiated marketing strategy to build efficiencies in the distribution channels. Based upon the above, the management has concluded that there is no uncertainity 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 complete annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2021. The comparative Consolidated Statement of Financial Position is extracted from the annual consolidated financial statements, as of December 31, 2021, whereas the Consolidated Statement of Profit or Loss and the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity are extracted from the unaudited condensed interim consolidated financial statements, for the half year ended June 30, 2021.

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

3 ACCOUNTING POLICIES, SIGNIFICANT ESTIMATES AND JUDGEMENTS

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

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

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

4 IMPACT OF COVID-19

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

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

5 SHARE CAPITAL

5.1 Group consists of following subsidiary companies:

	Ownership in 2022	Ownership in 2021
Fauji Meat Limited (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 Pursuant to the approval in Board meeting of the Holding Company, held on January 26, 2022, the Holding Company communicated its intention, to the Board of Directors of Fauji Meat Limited (FML), to exercise the option to convert its sub-ordinated loan and related accrued mark-up, amounting to Rs. 7,000,000 thousand and Rs. 581,094 thousand, respectively, into 758,109,400 ordinary shares of FML, at their face value, resulting in total holding of shares to 1,446,609,400 (95.07%). Accordingly, FML, after completing the necessary regulatory requirements and pursuant to approval of its members, has allocated 758,109,400 ordinary shares to the Holding Company, on March 25, 2022.

	June 30, 2022 (Un - audited)	December 31, 2021 (Audited)
	(Rupees '000)	
6 LONG TERM LOANS		
Loans from banking companies - secured	**37,234,633**	40,544,393
Less: Current portion shown under current liabilities	**7,754,215**	7,028,305
	29,480,418	33,516,088

		Note	June 30, 2022 (Un - audited)	December 31, 2021 (Audited)
			(Rupees '000)	
7	**DEFERRED LIABILITIES**			
	Compensated leave absences		**694,059**	685,082
	Deferred taxation	7.1	**4,393,211**	4,165,185
	Payable against Gas Infrastructure Development Cess (GIDC)	7.2	**5,518,592**	7,818,752
			10,605,862	12,669,019
7.1	**DEFERRED TAXATION - NET**			
	The balance of deferred tax is in respect of the following taxable / (deductible) temporary differences:			
	Accelerated tax depreciation		**3,180,257**	3,015,798
	Share of profit of joint venture and associates - net		**1,751,957**	1,621,591
	Share of profit of subsidiary		**1,285,055**	1,043,004
	Remeasurement gain on GIDC		**328,498**	431,236
	Provision for inventory obsolescence		**(129,643)**	(116,245)
	Provision for doubtful other receivables		**(399,614)**	(351,176)
	Deferred tax on revaluation of available for sale investments		**(245,901)**	(102,277)
	Provision against allowance for input sales tax		**(365,401)**	(321,110)
	Unabsorbed losses, tax credits and others		**(1,011,997)**	(1,055,636)
			4,393,211	4,165,185

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

		Note	June 30, 2022 (Un - audited)	December 31, 2021 (Audited)
			(Rupees '000)	
7.2	**Payable against GIDC**			
	Opening balance		**20,846,828**	19,592,989
	Unwinding cost of GIDC		**491,570**	1,253,839
			21,338,398	20,846,828
	Current portion of GIDC	8	**(15,819,806)**	(13,028,076)
			5,518,592	7,818,752

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

		Note	June 30, 2022 (Un - audited)	December 31, 2021 (Audited)
			(Rupees '000)	
8	**TRADE AND OTHER PAYABLES**			
	Creditors	8.1	**50,832,958**	27,194,489
	Payable against GIDC	7.2	**15,819,806**	13,028,076
	Accrued liabilities		**7,285,753**	6,121,059
	Workers' (Profit) Participation Fund		**560,582**	137,980
	Workers' Welfare Fund		**1,215,165**	1,051,034
	Payable to gratuity fund		**294,810**	271,085
	Payable to provident fund		**17,749**	14,366
	Security deposits		**102,038**	51,329
	Withholding tax payable		**122,210**	99,679
	Sales tax payable		**6,890**	9,928
	Other payables		**287,259**	564,177
			76,545,220	48,543,202

8.1 Creditors include payables to a related party amounting to Rs. 46,947,172 thousands (December 31, 2021: Rs. 24,004,647 thousands) against purchase of raw material.

		Note	June 30, 2022 (Un - audited)	December 31, 2021 (Audited)
			(Rupees '000)	
9	**CONTINGENCIES AND COMMITMENTS**			
	Contingencies			
	i) Guarantees issued by banks on behalf of FFBL	9.1	**237,163**	73,200
	ii) Group's share of contingent liabilities of Askari Bank Limited as at March 31, 2022 (September 30, 2021)		**59,898,310**	56,970,121
	iii) Contingent liabilities of FML		**365,188**	365,188
	iv) Contingent liabilities of FFL		**370,432**	523,282
	v) Contingent liabilities of FPCL		**-**	585,773
	Commitments			
	i) Capital expenditures - FFBL		**251,357**	164,044
	ii) Letters of credit - FFBL		**1,149,184**	1,128,973
	iii) Group's share of commitments of PMP as at March 31, 2022 (September 30, 2021)		**100,396**	76,951
	iv) Group's share of commitments of Askari Bank Limited as at March 31, 2022 (September 30, 2021)		**100,832,675**	91,593,283
	v) Commitments of FPCL		**2,267,579**	1,645,239
	vi) Commitments of FFL		**41,270**	7,510

For further commitments refer note 22.

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

		June 30, 2022 (Un - audited)	December 31, 2021 (Audited)
		(Rupees '000)	
10	**PROPERTY, PLANT AND EQUIPMENT**		
	Opening written down value	**47,848,922**	50,286,924
	Additions during the period / year	**751,549**	598,655
	Termination of lease	**-**	(136,943)
	Disposals during the period / year	**(46,437)**	(329,039)
	Depreciation during the period / year	**(1,389,697)**	(2,761,263)
	Depreciation charged on disposals during the period / year	**34,628**	224,047
	Adjustments during the period / year	**1,346**	(33,459)
		47,200,311	47,848,922
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	**1,974,257**	2,668,508
	Dividend	**(2,511,074)**	(577,634)
	Effect of translation	**230,684**	457,679
	Closing balance	**8,642,984**	8,949,117
	Investment in associate - equity method		
	Askari Bank Limited		
	Opening balance	**11,518,925**	10,842,709
	Share of profit	**1,405,918**	2,039,888
	Dividend	**-**	(815,652)
	Revaluation reserve of available for sale investments	**(957,489)**	(570,002)
	Effect of translation	**41,871**	21,982
	Closing balance	**12,009,225**	11,518,925
	Investment - available for sale - unquoted		
	Arabian Sea Country Club Limited (ASCCL) 300,000 ordinary shares of Rs. 10 each	**3,000**	3,000
	Impairment in value of investment	**(3,000)**	(3,000)
		-	-
		20,652,209	**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. 23,524,857 thousands (December 31, 2021: Rs. 454,715 thousands) and raw material in transit amounting to Rs. 13,112,266 thousands (December 31, 2021: Rs. 5,337,421 thousands).

14 OTHER RECEIVABLES

This includes an amount of Rs. 8,239,197 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.

		Note	June 30, 2022 (Un - audited)	December 31, 2021 (Audited)
			(Rupees '000)	
15	**SHORT TERM INVESTMENTS**			
	Amortized cost			
	Term deposits with banks and financial institutions	**15.1**	**1,775,000**	5,601,349
	Treasury bills	**15.2**	**483,938**	-
	Investments at fair value through profit or loss			
	Mutual funds		**-**	8,341,700
			2,258,938	13,943,049

15.1 These deposits carry interest at rates ranging from 14% to 17.3% per annum (December 31, 2021: 5% to 15% per annum) maturing on various dates.

15.2 These are 3 months treasury bills maturing on August 11, 2022 and carry interest rate at 14.42% per annum.

		Note	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Half Year ended June 30, 2022	Half Year ended June 30, 2021
			(Rupees '000)		(Rupees '000)	
16	**SALES - NET**					
	Gross sales		**53,305,738**	22,574,610	**83,852,306**	41,233,682
	Less:					
	Sales tax		**1,661,389**	1,210,703	**3,059,392**	2,195,132
	Trade discount		**114,019**	147,786	**236,809**	289,855
	Advance tax u/s 235		**126,199**	59,472	**234,088**	132,408
	Commission	**16.1**	**6,816**	5,262	**11,438**	8,992
			1,908,423	1,423,223	**3,541,727**	2,626,387
			51,397,315	21,151,387	**80,310,579**	38,607,295

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.

		Quarter ended June 30,		Half Year ended June 30,	
		2022	2021	2022	2021
		(Rupees '000)		(Rupees '000)	
17	**COST OF SALES**				
	Raw materials consumed	**45,461,397**	20,238,517	**78,511,634**	31,668,224
	Packing materials consumed	**772,055**	699,984	**1,510,432**	1,426,632
	Fuel and power	**488,753**	344,733	**921,263**	624,833
	Ash dumping	**5,376**	4,790	**7,133**	8,219
	Stores and supplies consumed	**113,188**	116,981	**234,041**	241,903
	Salaries, wages and benefits	**775,243**	1,041,351	**1,615,200**	1,604,879
	Repairs and maintenance	**564,280**	317,920	**886,497**	749,322
	Travel and conveyance	**57,131**	43,091	**114,023**	82,193
	Rent, rates and taxes	**12,351**	76,198	**24,678**	91,097
	Insurance	**79,656**	75,050	**156,985**	151,993
	Utilities	**32,567**	36,631	**75,630**	115,367
	Provision for obsolete stores & spares	**7,500**	18,000	**15,000**	36,000
	Allowance for input tax	**-**	400,000	**-**	400,000
	Communication, establishment and other expenses	**89,268**	102,932	**165,506**	173,575
	Depreciation and amortization	**647,495**	630,285	**1,291,176**	1,254,939
	Opening stock - work in process	**119,885**	261,107	**160,307**	273,371
	Closing stock - work in process	**(122,770)**	(242,257)	**(122,770)**	(242,257)
	Cost of goods manufactured	**49,103,375**	24,165,313	**85,566,735**	38,660,290
	Opening stock - finished goods	**14,898,635**	1,528,778	**424,212**	334,696
	Closing stock - finished goods	**(23,496,040)**	(10,011,543)	**(23,496,040)**	(10,011,543)
		40,505,970	15,682,548	**62,494,907**	28,983,443
18	**OTHER EXPENSES**				
	Workers' (Profit) Participation Fund	**387,829**	217,425	**560,152**	360,424
	Workers' Welfare Fund	**93,687**	75,618	**164,131**	122,919
	Impairment - FWEL- I	**-**	880,716	**-**	880,716
	Impairment - FWEL- II	**-**	784,773	**-**	784,773
	Exchange loss - net	**2,710,809**	87,473	**3,291,680**	64,240
	Others	**1,158**	656	**3,963**	1,461
		3,193,483	2,046,661	**4,019,926**	2,214,533
19	**OTHER INCOME**				
	Share of profit from joint venture and associates				
	Pakistan Maroc Phosphore S.A	**724,629**	384,414	**1,974,257**	624,380
	Foundation Wind Energy - I Limited	**-**	78,518	**-**	50,872
	Foundation Wind Energy - II Limited	**-**	74,264	**-**	45,482
	Askari Bank Limited	**778,339**	597,367	**1,405,918**	1,169,151
		1,502,968	1,134,563	**3,380,175**	1,889,885
	Profit on bank balances & term deposits	**330,016**	219,410	**917,595**	546,725
	Fair value gain and related income on mutual funds	**136,656**	-	**333,585**	-
	Scrap sale and other receipts	**95,468**	60,070	**143,421**	97,891
	Gain on disposal of property, plant and equipment	**16,342**	20,174	**16,342**	44,662
	Miscellaneous income	**54,846**	61,851	**99,299**	97,120
		633,328	361,505	**1,510,242**	786,398
		2,136,296	1,496,068	**4,890,417**	2,676,283

	Quarter ended June 30,		Half Year ended June 30,	
	2022	2021	2022	2021
	(Rupees '000)		(Rupees '000)	
20 TAXATION - NET				
Current tax				
- Current period	**2,234,176**	698,387	**3,319,771**	1,267,738
- Prior period	**2,289,402**	-	**2,289,402**	-
Deferred tax	**106,033**	(305,359)	**371,646**	(213,422)
	4,629,611	393,028	**5,980,819**	1,054,316

	Half year ended June 30,	
	2022	2021
	(Rupees '000)	
21 CASH USED IN OPERATIONS		
Profit before taxation	**10,064,387**	2,933,143
Adjustment for non-cash charges and other items:		
Provision for gratuity	**40,964**	49,038
Exchange loss - net	**3,291,680**	64,240
Provision for compensated absences	**16,793**	50,578
Provision for Workers' (Profit) Participation Fund	**560,152**	122,919
Provision for Workers' Welfare Fund	**164,131**	360,424
Unwinding cost of GIDC	**491,570**	668,758
Provision for input tax	**-**	400,000
Loss on Investment held for sale	**-**	1,665,489
Provision for subsidy	**-**	132,000
Amortization of transaction cost of long term finance	**16,474**	19,433
Transaction cost	**2,041**	-
Depreciation	**1,389,697**	1,377,745
Amortization	**8,844**	16,752
Provision for obsolete stores & spares	**15,000**	36,000
Lease charges	**12,896**	16,355
Finance costs	**3,100,770**	2,499,709
Profit on bank balances and term deposits	**(917,595)**	(546,725)
Fair value gain and related income on mutual funds	**(333,585)**	-
Profit from joint venture and associates - net	**(3,380,175)**	(1,889,885)
Gain on disposal of property, plant and equipment	**(16,342)**	(44,662)
Operating profit before working capital changes	**14,527,702**	7,931,311
Changes in working capital:		
Stores and spares	**(141,088)**	170,204
Stock in trade	**(33,182,742)**	(13,050,602)
Trade debts	**(3,267,204)**	(1,296,844)
Advances	**227,075**	339,000
Trade deposits and short term prepayments	**149,629**	159,700
Other receivables	**(5,708,309)**	821,260
Sales tax refundable	**(4,154,302)**	(2,089,844)
Trade and other payables	**21,306,629**	6,303,234
Advances from customers	**(3,546,896)**	(875,003)
	(28,317,208)	(9,518,895)
Cash used in operations	**(13,789,506)**	(1,587,584)

22 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.

	Half year ended June 30,		
	2022	**2021**	
	(Rupees '000)		
Transactions with Fauji Foundation (FF)			
Dividend paid	**-**	450,000	
Services received	**44,319**	67,088	
Services provided	**886**	-	
Payment against services	**46,440**	20,240	
Donation paid	**44,330**	36,020	
Balance payable	**18,750**	24,002	*
Transactions with associated undertakings due to common directorship			
Fauji Fertilizer Company Limited			
Services and material acquired	**591,332**	527,722	
Services and material provided	**-**	1,017	
Receipts under consignment account	**60,161,223**	30,107,408	
Commission charged	**11,438**	8,992	
Balance receivable at period end	**8,239,197**	2,523,902	*
Askari Bank Limited			
Balances at bank and TDR	**8,765,635**	17,719,439	*
Profit on bank balances	**313,657**	213,347	
Long term loans	**563,117**	646,544	*
Mark-up on long term loans	**5,644**	14,589	
Mark-up payable on long term loans	**5,644**	42,371	*
Finance cost charged	**42,305**	13,417	
Dividend received	**-**	815,652	
Transactions with joint venture			
Purchase of raw materials	**67,149,521**	21,970,342	
Expenses incurred on behalf of joint venture	**5,229**	485	
Balance payable - secured	**46,947,172**	24,004,647	*
Balance receivable - unsecured	**2,521,519**	8,852	*
Dividend received	**-**	441,847	

	Half year ended June 30, 2022	2021	
	(Rupees '000)		
Other related parties			
Contribution to provident fund	**75,636**	82,929	
Payment to gratuity fund	**17,243**	24,688	
Payment to Workers' (Profit) Participation Fund and Workers' Welfare Fund	**140,052**	286,276	
Meeting fee to directors	**17,125**	21,590	
Balance payable - unsecured (WPPF and WWF)	**1,775,747**	1,189,014	*
Payable to gratuity fund	**294,810**	271,085	*
Payable to provident fund	**17,749**	14,366	*
Expenses on behalf of Fauji Cereals	**-**	5,381	
Payment to Fauji Security Services (Private) Limited	**-**	232	
Noon Sugar Mills for purchase of sugar	**16,030**	14,139	
Remuneration of key management personnel			
Short term benefits	**251,964**	187,521	
Post employment benefits	**23,518**	22,093	

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

23 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)					
June 30, 2022						
Revenue	**70,932,931**	**4,796,601**	**28,819**	**13,159,585**	**(8,607,357)**	**80,310,579**
Profit / (loss) after tax	**3,410,050**	**(1,199,689)**	**(411,750)**	**1,613,671**	**671,286**	**4,083,568**
June 30, 2021						
Revenue	29,917,238	4,492,567	62,349	9,043,055	(4,907,914)	38,607,295
Profit / (loss) after tax	3,875,798	(721,429)	(546,261)	2,046,697	(2,775,978)	1,878,827
June 30, 2022						
Assets	**140,125,613**	**12,026,650**	**6,815,961**	**36,394,719**	**(14,443,854)**	**180,919,089**
Liabilities	**116,284,817**	**11,268,089**	**196,462**	**19,240,187**	**(2,544,182)**	**144,445,373**
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

24 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

24.1 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.

24.2 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)	
June 2022 - unaudited			
ASSETS			
Financial assets at fair value through profit and loss			
- Short term investments	-	-	-
December 2021 - audited			
ASSETS			
Financial assets at fair value through profit and loss			
- Short term investments	8,341,700	-	-

25 GENERAL

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

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

25.3 These condensed interim consolidated financial statements were authorized for issue on July ____ , 2022 by the Board of Directors of the Holding Company.

CHAIRMAN	CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

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