



**(HEAD OFFICE)**  
**Secretariat (Corporate Affairs)**

**UNDER SEALED COVER**

Ref No. 6.12-KSE/S/FFC  
January 26, 2024

**To :** **The General Manager**  
Pakistan Stock Exchange Limited  
Stock Exchange Building, Stock Exchange Road  
Karachi - Fax No. 021-111-573-329 E-mail: [info@psx.com.pk](mailto:info@psx.com.pk)

**Director / HOD (Offsite-II Department)**  
Supervision Division  
Securities and Exchange Commission of Pakistan  
63, NIC Building, Jinnah Avenue, Blue Area,  
Islamabad - Fax No. 051-9100454 E-mail: [info@secp.gov.pk](mailto:info@secp.gov.pk)

**Subject:** **Financial Results for the Year Ended December 31, 2023**

Dear Sir,

1. We have to inform you that the Board of Directors of our Company in their Meeting held on 26/01/2024 at 1030 hours at FFC Head Office, Rawalpindi recommended the following:-

- a. Cash Dividend. A final Cash Dividend for the year ended December 31, 2023 at Rs. 4.10 per share i.e. 41%. This is in addition to Interim Dividends already paid at Rs. 11.39 per share i.e. 113.90%.
- b. Bonus Shares. NIL
- c. Right Shares. NIL
- d. Any other Entitlement / Corporate Action. NIL
- e. Any other price sensitive information. NIL

2. The Financial Results of the Company are attached as Annexure 'A'.

3. Financial Performance

- 3.1 The year 2023 faced high inflation and interest rates while the Pak Rupee also continued its downward trajectory against US dollar, resulting in higher operating and financing costs of the Company. The retrospective increase in Super Tax levy led to higher effective tax rate of 45% compared to 40% last year, further pressurizing Company profitability.
- 3.2 Gas prices for the fertilizer sector were also increased significantly by 75%, however, the Company only passed on a partial impact in urea price during 2023, to offer urea at most economical rates to the farmers.
- 3.3 Urea selling prices exhibited significant variations within the fertilizer industry, with FFC offering urea at lower selling prices by around Rs 200-500 per bag during most part of the year. Sona urea prices towards the close of 2023 stood at around Rs 3,400 per bag in contrast to international prices hovering around Rs 6,200 per bag.



- 3.4 FFC ensured fertilizer supply across the country through its nationwide network of warehouses and dealers, and also to avoid unscrupulous practices by some elements through equitable fertilizer distribution and real time monitoring fertilizer shipments and dealer stock. Dealerships were sensitized to market fertilizers at FFC suggested rates, while the farmers were also made aware to purchase product through registered dealers at prescribed rates. To further ease out urea availability and pricing issues for the farmers, the Company along with the Industry has coordinated a plan with Government to import urea and distribute it during 2024.
- 3.5 Urea production stood at an outstanding 2,521 thousand tonnes, 5% higher than last year while maintaining high reliability factors and optimum standards of Health, Safety and Environment.
- 3.6 The profitability for 2023 barely covers the Company's requirement to build up reserves for the capital-intensive and foreign exchange denominated nodal compression project in addition to essential maintenance of plants at world class level. The Company is about to kick off phase II of the critical Nodal Compression Project with capital outlay of over USD 100 million.
- 3.7 Profit after tax stood at Rs 29.67 billion and it includes Rs. 17.1 billion of other income. The earnings in dollar terms, however, registered negative growth compared to 2021 and stood at the level of 2017.
- 3.8 FFC also continued its significant contribution towards the national exchequer through taxes and levies of Rs 36 billion compared to Rs 30 billion last year. The Company also enabled savings of around USD 1 billion foreign exchange to the Country via import substitution during 2023 with aggregate savings of around USD 4.8 billion during the last five years.
4. The Annual General Meeting of the Company will be held on 26/03/2024 at 1000 hours.
5. The above entitlement will be paid to the shareholders whose names will appear in the Register of Members on 22/03/2024. The Share Transfer Books of the Company will be closed from 24/03/2024 to 26/03/2024 (both days inclusive). Transfers received at the CDC Share Registrar Services Limited, CDC House 99-B, Block 'B', S.M.C.H.S Main Shakra-e-Faisal, Karachi-74400 at the close of business on 22/03/2024 will be treated in time for the purpose of above entitlement to the transferees.
6. The Annual Report of the Company will be transmitted through PUCARS at least 21 days before holding of Annual General Meeting.

  
Company Secretary  
**Brig Irfan Khan (Retd)**

cc: M-IS\_FFC

**FAUJI FERTILIZER COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**Annexure-A**

|   | <u>Note</u> | <u>2023</u>              | <u>2022</u>              |
|---|-------------|--------------------------|--------------------------|
|   |             | (Rupees '000)            |                          |
| Turnover - net                                  | 28          | 159,471,951              | 109,363,817              |
| Cost of sales                                   | 29          | <u>(95,219,741)</u>      | <u>(69,317,471)</u>      |
| <b>GROSS PROFIT</b>                             |             | <b>64,252,210</b>        | <b>40,046,346</b>        |
| Distribution cost                               | 30          | <u>(12,683,864)</u>      | <u>(10,107,758)</u>      |
|   |             | <b>51,568,346</b>        | <b>29,938,588</b>        |
| Finance cost                                    | 31          | <b>(5,623,775)</b>       | <b>(4,868,390)</b>       |
| Other losses                                    |             |                          |                          |
| - Unwinding of GIDC liability                   |             | <b>(1,160,336)</b>       | <b>(2,118,513)</b>       |
| - Loss allowance on subsidy receivable from GoP |             | <b>(2,900,000)</b>       | <b>(670,000)</b>         |
|   |             | <b>(4,060,336)</b>       | <b>(2,788,513)</b>       |
| Other expenses                                  | 32          | <b>(5,433,935)</b>       | <b>(3,037,024)</b>       |
| Other income                                    | 33          | <u>17,096,950</u>        | <u>14,441,849</u>        |
| <b>PROFIT BEFORE TAXATION</b>                   |             | <b>53,547,250</b>        | <b>33,686,510</b>        |
| Provision for taxation                          | 34          | <u>(23,873,902)</u>      | <u>(13,637,000)</u>      |
| <b>PROFIT FOR THE YEAR</b>                      |             | <u><b>29,673,348</b></u> | <u><b>20,049,510</b></u> |
| Earnings per share - basic and diluted (Rupees) | 35          | <u><b>23.32</b></u>      | <u><b>15.76</b></u>      |

The annexed notes 1 to 45 form an integral part of these financial statements.

**FAUJI FERTILIZER COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**Annexure- B**

|  | 2023          | 2022                     |                          |
|--|---------------|--------------------------|--------------------------|
| Note   | (Rupees '000) |                          |                          |
| Turnover - net   | 29            | 181,382,237              | 125,678,385              |
| Cost of sales  | 30            | <u>(104,545,753)</u>     | <u>(75,989,405)</u>      |
| <b>GROSS PROFIT</b>                                    |               | <b>76,836,484</b>        | <b>49,688,980</b>        |
| Administrative and distribution expenses               | 31            | <u>(13,812,200)</u>      | <u>(11,232,215)</u>      |
|  |               | <b>63,024,284</b>        | <b>38,456,765</b>        |
| Finance cost   | 32            | <u>(6,587,191)</u>       | <u>(5,926,201)</u>       |
| Other losses   |               |                          |                          |
| - Unwinding of GIDC liability                          | 10            | <u>(1,160,336)</u>       | <u>(2,118,513)</u>       |
| - Loss allowance on subsidy receivable from GoP        | 26            | <u>(2,900,000)</u>       | <u>(670,000)</u>         |
|  |               | <b>(4,060,336)</b>       | <b>(2,788,513)</b>       |
| Other expenses   | 33            | <u>(5,444,696)</u>       | <u>(3,046,517)</u>       |
| Other income   | 34            | <b>16,357,989</b>        | <b>11,498,166</b>        |
| Share of profit of associates and joint venture        |               | <u>11,236,942</u>        | <u>12,440,254</u>        |
| <b>PROFIT BEFORE TAXATION</b>                          |               | <b>74,526,992</b>        | <b>50,633,954</b>        |
| Provision for taxation                                 | 35            | <u>(27,074,722)</u>      | <u>(16,263,067)</u>      |
| <b>PROFIT FOR THE YEAR</b>                             |               | <u><b>47,452,270</b></u> | <u><b>34,370,887</b></u> |
| <b>ATTRIBUTABLE TO:</b>                                |               |                          |                          |
| Equity Holders of Fauji Fertilizer Company Limited     |               | <b>46,511,179</b>        | <b>33,745,413</b>        |
| Non - Controlling Interest                             |               | <u><b>941,091</b></u>    | <u><b>625,474</b></u>    |
|  |               | <u><b>47,452,270</b></u> | <u><b>34,370,887</b></u> |
| <b>Earnings per share - basic and diluted (Rupees)</b> | 36            | <u><b>37.30</b></u>      | <u><b>27.02</b></u>      |

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.