



DRIVING
AGRICULTURAL
TRANSFORMATION

1st Quarterly Report 2024

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COMPANY INFORMATION

Board of Directors

Mr. Arif Habib

Chairman

Mr. Fawad Ahmed Mukhtar

Chief Executive Officer

Mr. Fazal Ahmed Sheikh

Director

Mr. Faisal Ahmed Mukhtar

Director

Mr. Muhammad Kashif Habib

Director

Mrs. Julie Jannerup

Independent Director

Mr. Tariq Jamali

Independent Director

Chief Operating Officer & Chief Financial Officer

Mr. Asad Murad

Director Legal & Company Secretary

Mr. Omair Mohsin

(communications@fatima-group.com)

Key Management

Mr. M. Abad Khan

Advisor to the CEO

Ms. Sadia Irfan

Director Human Resources

Mr. Iftikhar Mahmood Baig

Director Business Development

Mr. Ahsen-ud-Din

Director Technology Division

Mr. Ausaf Ali Qureshi

Advisor Projects

Mrs. Rabel Sadozai

Director Marketing and Sales

Mr. Atif Zaidi

Chief Information Officer

Mr. Salman Ahmad

Director Internal Audit

Mr. Pervez Fateh

G.M. Manufacturing

Mr. Faisal Jamal

Corporate HSE & Technical Support Manager

Audit Committee Members

Mr. Tariq Jamali

Chairman

Mr. Faisal Ahmed Mukhtar

Member

Mrs. Julie Jannerup

Member

Mr. Muhammad Kashif Habib

Member

HR and Remuneration Committee Members

Mrs. Julie Jannerup

Chairperson

Mr. Fawad Ahmed Mukhtar

Member

Mr. Muhammad Kashif Habib

Member

Nomination and Risk Management Committee Members

Mr. Fazal Ahmed Sheikh

Chairman

Mr. Muhammad Kashif Habib

Member

Mr. Tariq Jamali

Member

Legal Advisors

M/s. Chima & Ibrahim Advocates

1-A/245, Tufail Road, Lahore Cantt

Auditors

M/s. Yousuf Adil

Chartered Accountants, Lahore

134-A, Abu Bakar Block, New Garden Town, Lahore

Tel: +92 42 3591 3595-7, +92 42 3544 0520

Fax: +92 42 3544 0521

Registrar and Share Transfer Agent

CDC Share Registrar Services Limited

CDC House, 99-B, Block 'B'

S.M.C.H.S., Main Shahra-e-Faisal
Karachi-74400

Tel: Customer Support Services

(Toll Free) 0800-CDCPL (23275)

Fax: (92-21) 3432 6053

Email: info@cdcsrsl.com

Website: www.cdcsrsl.com

Bankers

Al-Baraka Bank (Pakistan) Limited

Allied Bank Limited

Askari Bank Limited

Bank of Khyber

Bank Alfalah Limited

Bank Al-Habib Limited

Bank Makramah Limited

BankIslami Pakistan Limited

Citibank N.A

Dubai Islamic Bank Pakistan Limited

Faysal Bank Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

Industrial & Commercial bank of China (ICBC)

JS Bank Limited

MCB Bank Limited

Meezan Bank Limited

National Bank of Pakistan

Pak Kuwait Investment Company Limited

Sindh Bank Limited

Soneri Bank Limited

Standard Chartered Bank (Pakistan) Limited

The Bank of Punjab

United Bank Limited

Registered Office / Head Office

E-110, Khayaban-e-Jinnah,

Lahore Cantt, Pakistan

UAN: 111-FATIMA (111-328-462)

Fax: +92 42 3662 1389

Plant Sites

Mukhtar Garh, Sadiqabad,

Distt. Rahim Yar Khan, Pakistan

Tel: 068 – 5951000

Fax: 068 – 5951166

Khanewal Road, Multan, Pakistan

Tel: 061 – 90610000

Fax: 061 – 92290021

28-KM Sheikhupura Road, Chichoki Mallian,
Pakistan

Tel: 042 – 37319200 – 99

Fax: 042 – 33719295

DIRECTORS' REPORT

On behalf of the Board of Directors of Fatima Fertilizer Company Limited, we are pleased to present unaudited condensed interim financial statements of the Company for the three months ended March 31, 2024, along with a brief overview on operational & financial performance.

The Economy

Post formation of the new government, the economic and financial position of the country has started to improve with the resumption of inflows from multilateral and bilateral partners. The government also succeeded in concluding the IMF's Stand-By Arrangement (SBA) program and securing a disbursement of \$1.1 billion. Headline inflation is on a downward trajectory. In March 2024 it dropped to 20.7% from 23.1% in February 2024. It is the first time in over three years that the CPI-inflation has dropped below the policy rate. Current Account posted a nine year high of \$619 million in March 2024. This is the third highest number in the history of our country. The overall current account balance for the first nine months of the fiscal year also improved by an impressive 87%, as it shrunk from \$4,054 million last year to \$508 million, largely reflecting an improvement in trade balance and prudent policy management.

Agriculture outlook is also promising. In Rabi season 2023-24, the wheat sowing surpassed the target of 8.998 million hectare. Going forward, this is expected to spur the recovery in LSM sector and post a modest growth compared to FY 2023.

It is hoped that with political stability, economic stability will follow with financial discipline, expenditure management, privatization of loss-making State-owned enterprises, broadening of tax base including improvement of overall tax structure and removal of untargeted subsidies.

Operational and Financial Performance

In Q1 2024, offtake in local fertilizer market improved to 2.51 million MT, posting a healthy growth of 12% (Q1 2023 : 2.25 million MT). Offtake improvement was primarily led by better availability of Nitrogenous fertilizers. Overall market share of your Company in period under review improved to 26% compared to 22% in same period last year.

Your Company continues its upward trajectory with highest ever production, sales volume and revenues achieved in the first quarter of a year. Enhanced operational efficiencies gained with consistent plant operations helped deliver period over period growth in Urea and CAN offtakes by 74% and 39%, respectively.

During the period, the Company acquired 38 KMT imported urea from National Fertilizer Marketing Limited, under a mechanism leveraging its robust network of distribution and dealerships to facilitate the farmers in availability of the product at affordable prices.

The combined production volumes during the period were higher by 68% over comparative period last year, mainly due to partial shutdown of Multan plant for turnaround activities and complete shutdown of Sheikhpura plant due to non-availability of natural gas and turnaround activities during the comparative period. The plant sites continue to build upon their reputation as the safest working sites with recorded accumulated 124.1 Safe Million Man-Hours with zero Total Recordable Incidence Rate for the quarter.

Products	Production		Sales	
	Jan - Mar 2024	Jan - Mar 2023*	Jan - Mar 2024	Jan - Mar 2023*
	Volume ('000' M. Tons)			
NP	223	137	170	177
CAN	219	164	227	163
Urea	297	138	236	136
Own Manufactured	739	439	633	477
Trading stock	82	-	43	20
Total	821	439	676	497

*Restated

During the period under review, the sales revenues from fertilizer business demonstrated a healthy growth of 75% and clocked in at Rs 65.25 billion viz-a-viz Rs 37.20 billion (restated) during the comparative period last year. This surge is primarily attributed to healthy growth of 74% and 39% in sales volumes of Urea and CAN respectively and firm product prices throughout the period. The volumetric growth was achieved due to improved product availability through consistent plant operations. Increase in production cost due to higher input costs and inflationary pressures was curtailed to 65% through various cost optimization and efficiency enhancement initiatives. Selling and distribution costs and administrative expenses were also impacted by volumetric growth and inflationary trends.

As a result, primarily led by its volumetric growth, the Company's fertilizer business posted Profit before Tax of Rs 15.95 billion compared to Rs 6.66 billion (restated) in the same period last year. The effective tax rate of 49% due to increase in super tax rate restricted the Profit after Tax to Rs 8.16 compared to Rs 3.88 billion (restated) in the same period last year, translating in EPS of Rs 3.88 against EPS of Rs 1.85 (restated) in the corresponding period.

	Financial Highlights (Standalone)	
	For the three months ended March 31	
	2024	2023 (Restated)
	Rupees in Million	
Revenue	65,247	37,201
Gross profit	26,927	14,005
Operating profit	14,302	6,278
Profit before tax	15,945	6,658
Profit after tax	8,156	3,877
EPS (Rs)	3.9	1.9

The Company's consolidated financial results include the performance of its wholly owned subsidiaries, Fatima Packaging Limited, Fatima Cement Limited and Fatimafert Limited. Consolidated financial highlights as at March 31, 2024 are as follows:

	Financial Highlights (Consolidated)	
	For the three months ended March 31	
	2024	2023 (Restated)
	Rupees in Million	
Revenue	66,039	38,086
Gross profit	27,438	14,507
Operating profit	14,659	6,618
Profit before tax	16,303	7,000
Profit after tax	8,394	4,041
EPS (Rs)	4.0	1.9

Future Outlook

With positive internal macro and micro economic indicators, stable exchange rate and controlled inflation, the domestic economy is expected to continue on its path to recovery. Sustained financial inflows and continuation of fiscal consolidation and prudent policy stance remain paramount in uplift of the country's overall economic confidence.

Due to increase in area under cultivation, demand for fertilizers in the country is increasing year by year. While addressing disparity in demand and supply of Urea, Govt. needs to ensure operations of all fertilizer plants at workable cost structures for uninterrupted supply of fertilizers to the farmers at affordable prices. A viable mechanism should be framed by the Govt. for supply of Urea to farmers by all the manufacturers at one retail price. Sufficient supply of Urea at one retail prices for farmers will eliminate market distortions being created by the middlemen causing significant losses to the farmers and Exchequer.

The year ahead looks very promising for the Company due to availability of healthy volumes with the Company and robust strategies put in place to ensure sustainable growth. With all the three plants in operations, your Company is committed to ensure continuous supply of its products to the farmers community. The management and the Board of Directors are committed to ensuring that the Company's financial position is further solidified and that the Company continues to play its positive role for economic well being of the Country.

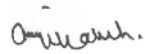
Acknowledgments

The Directors of the Company take pleasure in expressing their sincere gratitude and appreciation for the commitment and contribution of all the employees. The Board also appreciates and acknowledges the assistance, continued trust, guidance, and cooperation of all stakeholders including the Government of Pakistan, financial institutions, commercial banks, business associates, customers, and all others whose efforts and contributions strengthened the Company and hope that same spirit will prevail in the future as well.

For and on behalf of the Board



Fawad Ahmed Mukhtar
Chief Executive Officer



Arif Habib
Chairman

Lahore
April 29, 2024

CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

For the three months ended March 31, 2024

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

	Note	Un audited March 31, 2024	Audited December 31, 2023
(Rupees in thousand)			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized share capital 3,700,010,000 (December 31, 2023: 3,700,010,000) shares of Rs 10 each		37,000,100	37,000,100
Issued, subscribed and paid up share capital 2,100,000,000 (December 31, 2023: 2,100,000,000) ordinary shares of Rs 10 each		21,000,000	21,000,000
Reserves	4	105,521,614	97,365,983
		126,521,614	118,365,983
NON CURRENT LIABILITIES			
Long term finances	5	6,118,059	5,805,928
Subordinated redeemable preference Class A shares	6	1,530,170	1,473,323
Lease liabilities		95,571	107,377
Deferred taxation		26,175,661	27,110,658
Deferred liabilities		2,483,401	2,399,441
Long term deposits		399,714	466,658
		36,802,576	37,363,385
CURRENT LIABILITIES			
Trade and other payables		53,437,089	56,607,722
Accrued finance cost		221,540	517,441
Income tax payable		15,784,575	11,714,000
Short term loans from related parties		–	1,626,307
Payable to Privatization Commission of Pakistan		2,197,901	2,197,901
Unclaimed dividend		52,878	55,769
Current portion of long term liabilities	7	2,015,805	2,318,323
		73,709,788	75,037,463
CONTINGENCIES & COMMITMENTS			
	8		
		237,033,978	230,766,831

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

	Note	Un audited March 31, 2024	Audited December 31, 2023
(Rupees in thousand)			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	9	108,616,869	110,025,290
Intangible assets	10	217,518	2,007,996
Investment property	11	164,287	164,513
		108,998,674	112,197,799
Long term investments	12	8,617,691	7,912,211
Long term advances and deposits	13	4,519,955	3,962,186
		13,137,646	11,874,397
		122,136,320	124,072,196
CURRENT ASSETS			
Stores and spares	14	14,737,545	13,717,907
Stock in trade	15	44,595,379	32,414,846
Trade debts		11,071,225	9,506,925
Short term loans to related parties		4,847,533	5,099,723
Advances, deposits, prepayments and other receivables		19,603,244	20,040,816
Short term investments		14,682,640	18,819,553
Cash and bank balances		5,360,092	7,094,865
		114,897,658	106,694,635
		237,033,978	230,766,831



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (un audited)

For the three months ended March 31, 2024

	Note	March 31, 2024	Restated March 31, 2023
		(Rupees in thousand)	
Sales	16	65,246,795	37,200,625
Cost of sales	17	(38,319,605)	(23,195,146)
Gross profit		26,927,190	14,005,479
Selling and distribution expenses		(3,375,949)	(2,488,408)
Administrative expenses	18	(2,618,093)	(1,935,991)
		20,933,148	9,581,080
Finance cost	19	(737,839)	(1,147,125)
Other operating expenses		(5,893,698)	(2,155,876)
		14,301,611	6,278,079
Other income		2,303,349	463,685
Share of profit from associates		–	3,043
Other losses:			
- Unwinding of provision for GIDC		(32,261)	(53,036)
- Loss allowance on subsidy receivable from GoP		(627,648)	(33,680)
		(659,909)	(86,716)
Profit before tax		15,945,051	6,658,091
Taxation		(7,789,420)	(2,780,604)
Profit for the period		8,155,631	3,877,487
Earnings per share - basic and diluted (Rupees)	20	3.88	1.85

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (un audited)

For the three months ended March 31, 2024

	March 31, 2024	Restated March 31, 2023
	(Rupees in thousand)	
Profit for the period	8,155,631	3,877,487
Other comprehensive income	–	–
Total comprehensive income for the period	8,155,631	3,877,487

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the three months ended March 31, 2024

Ordinary share capital	Capital Reserve	Revenue Reserve	Post retirement benefit obligation reserve	Total
	Share premium	Unappropriated profit		

(Rupees in thousand)

Balance as at December 31, 2022 (Restated)	21,000,000	1,790,000	84,538,936	(239,752)	107,089,184
Profit for the period (Restated)	-	-	3,877,487	-	3,877,487
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	3,877,487	-	3,877,487
Balance as at March 31, 2023 (Un audited)	21,000,000	1,790,000	88,416,423	(239,752)	110,966,671
Balance as at December 31, 2023 (Audited)	21,000,000	1,790,000	95,913,335	(337,352)	118,365,983
Profit for the period	-	-	8,155,631	-	8,155,631
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	8,155,631	-	8,155,631
Balance as at March 31, 2024 (Un audited)	21,000,000	1,790,000	104,068,966	(337,352)	126,521,614

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (un audited)

For the three months ended March 31, 2024

	Note	March 31, 2024	Restated March 31, 2023
(Rupees in thousand)			
Cash flows from operating activities			
Cash generated from operations	22	2,849,641	16,717,780
Net (decrease) / increase in long term deposits		(66,944)	5,546
Finance cost paid		(1,004,123)	(1,561,876)
Taxes paid		(4,653,841)	(3,535,784)
Employee retirement benefits paid		(11,392)	(22,193)
Net cash (used in) / generated from operating activities		(2,886,659)	11,603,473
Cash flows from investing activities			
Additions in property, plant and equipment		(2,326,125)	(3,738,154)
Additions in intangible assets		(934)	(224)
Proceeds from disposal of property, plant and equipment		6,137	5,622
Short term loan to related party		252,190	-
Long term investments made		(387,662)	-
Short term investments made		(29,688)	-
Proceeds from short term investments		5,254,950	359,281
Profit received on loans and saving accounts		812,922	89,318
Dividend income received		125,889	52,083
Net (increase) / decrease in long term advances and deposits		(875,587)	89,966
Net cash generated from / (used in) investing activities		2,832,092	(3,142,108)
Cash flows from financing activities			
Proceeds from long term finances		1,000,000	-
Repayment of long term finances		(1,016,412)	(1,541,669)
Repayment of lease liabilities		(34,596)	(11,345)
Dividend paid		(2,891)	(477)
Repayment of short term loans from related parties		(1,626,307)	-
Net decrease in short term finances		-	(5,361,679)
Net cash used in financing activities		(1,680,206)	(6,915,170)
Net (decrease) / increase in cash and cash equivalents		(1,734,773)	1,546,195
Cash and cash equivalents at the beginning of the period		7,094,865	(3,887,973)
Cash and cash equivalents at the end of the period		5,360,092	(2,341,778)
Cash and cash equivalents comprises of following:			
Cash and bank balances		5,360,092	3,047,681
Running finance		-	(5,389,459)
Cash and cash equivalents at the end of the period		5,360,092	(2,341,778)

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



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un audited)

For the three months ended March 31, 2024

1 Legal status and nature of business

1.1 Fatima Fertilizer Company Limited ('the Company'), was incorporated in Pakistan on December 24, 2003 as a public company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company is listed on Pakistan Stock Exchange Limited. The principal activity of the Company is manufacturing, producing, buying, selling, importing and exporting fertilizers and chemicals.

Registered office of the Company is situated at E-110, Khayaban-e-Jinnah, Lahore Cantt. The manufacturing facilities of the Company are located at Mukhtargarh - Sadiqabad, Khanewal Road - Multan and Chichoki Mallian - Sheikhpura, Pakistan.

1.2 These condensed interim financial statements are the separate financial statements of the Company in which investment in subsidiary companies is accounted for on the basis of actual cost less impairment, if any, and investment in associates is accounted for under equity method. Consolidated condensed interim financial statements are prepared separately.

2 Basis of preparation

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) 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 and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2023. Comparative condensed interim statement of financial position is extracted from annual audited financial statements for the year ended December 31, 2023 and comparative 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 are extracted from un audited restated condensed interim financial statements for the three months ended March 31, 2023.

2.3 The Board of Directors of the Company, in their meeting held on December 5, 2022, had approved a comprehensive business expansion plan and the Scheme of Compromises, Arrangements and Reconstruction ('the Scheme') aimed at consolidation of the fertilizer business by amalgamating its associated company, Pakarab Fertilizers Limited ('PFL') with and into the Company with effect from July 01, 2022. The Scheme was sanctioned on June 27, 2023, through an order by the Lahore High Court.

Accordingly, the financial statements of the Company were restated as at March 31, 2023 reflecting the impacts of above transaction. Moreover, these financial statements are to be read in conjunction with the financial statements for the year ended December 31, 2023 which includes the details of assets and liabilities taken over by the Company.

2.4 These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

3 Significant accounting policies and estimates

The accounting policies, related judgments, estimates and related assumptions adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual financial statements of the Company for the year ended December 31, 2023.

	Note	Un audited March 31, 2024	Audited December 31, 2023
(Rupees in thousand)			
4 Reserves			
Capital reserve:			
Share premium		1,790,000	1,790,000
Revenue reserve:			
Unappropriated profit		104,068,966	95,913,335
Post retirement benefit obligation reserve		(337,352)	(337,352)
		105,521,614	97,365,983
5 Long term finances - secured			
From banking companies / financial institutions	5.1	7,963,343	7,935,333
Less: Current portion		1,845,284	2,129,405
		6,118,059	5,805,928
5.1 Movement of long term finances			
Opening balance		7,935,333	11,880,389
Disbursements during the period / year		1,000,000	-
Classified as deferred government grant		-	(704,444)
Repayments during the period / year		(1,016,412)	(3,521,364)
Accreditation of loan under SBP Temporary Economic Refinance Scheme		44,422	280,752
Closing balance		7,963,343	7,935,333

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un audited)

For the three months ended March 31, 2024

	Note	Un audited March 31, 2024	Audited December 31, 2023
(Rupees in thousand)			
6 Subordinated redeemable preference Class A shares			
Opening balance		1,473,323	1,266,286
Unwinding for the period / year		56,847	207,037
Closing balance		1,530,170	1,473,323
7 Current portion of long term liabilities			
Long term finances	5	1,845,284	2,129,405
Lease liabilities		93,309	111,706
Deferred government grant		77,212	77,212
		2,015,805	2,318,323

8 Contingencies and commitments

8.1 Contingencies

As at March 31, 2024, there is no material change in the status of contingencies as reported in the notes to the financial statements of the Company for the year ended December 31, 2023, except that of contingency reported in note 18, Sr. no (xiii) no longer remains outstanding due to the favourable orders issued by the higher appellate fora in the Company's favour.

	Note	Un audited March 31, 2024	Audited December 31, 2023
(Rupees in thousand)			
8.2 Commitments in respect of:			
(i) Contracts for capital expenditure		3,641,221	3,793,512
(ii) Contracts other than capital expenditure		15,202,916	15,498,800
(iii) The amount of future payments under ijarah rentals and short term / low value leases:			
- Not later than one year		1,312,945	1,252,635
- Later than one year but not later than five years		1,761,078	1,742,497
		3,074,023	2,995,132
9 Property, plant and equipment			
Operating fixed assets	9.1	102,240,545	104,643,032
Capital work in progress	9.2	6,376,324	5,382,258
		108,616,869	110,025,290

	Note	Un audited March 31, 2024	Audited December 31, 2023
(Rupees in thousand)			
9.1 Movement of operating fixed assets			
Opening book value		104,643,032	106,297,034
Additions during the period / year	9.1.1	1,332,059	9,451,485
		105,975,091	115,748,519
Less: Depreciation charged during the period / year		2,788,639	10,814,994
Impairment charged during the period / year		945,310	–
Book value of disposals during the period / year		597	290,493
Closing book value		102,240,545	104,643,032

9.1.1 Additions during the period / year

Freehold land		267,635	478,664
Building on freehold land		–	190,507
Plant and machinery		352,885	7,020,778
Catalysts		–	542,647
Furniture and fixtures		8,082	88,276
Office equipment		18,317	29,124
Electrical installations and appliances		358,612	493,541
Computers		272,228	133,308
Vehicles		54,300	474,640
		1,332,059	9,451,485

9.1.2 Operating fixed assets include right of use assets amounting to Rs 169.19 million (December 31, 2023: Rs 184.87 million).

	Un audited March 31, 2024	Audited December 31, 2023
(Rupees in thousand)		
9.2 Capital work in progress		
Civil works	728,496	610,030
Plant and machinery	919,875	790,266
Capital stores	4,727,953	3,981,962
	6,376,324	5,382,258

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un audited)

For the three months ended March 31, 2024

	Un audited March 31, 2024	Audited December 31, 2023
(Rupees in thousand)		
9.2.1 Movement of capital work in progress		
Opening balance	5,666,503	8,083,252
Additions during the period / year	994,066	2,581,928
	6,660,569	10,665,180
Less: Capitalization during the period / year	–	4,998,677
	6,660,569	5,666,503
Less: Provision for slow moving capital stores	284,245	284,245
Closing balance	6,376,324	5,382,258
10 Intangible assets		
Opening book value	2,007,996	3,786,096
Additions during the period / year	934	71,780
	2,008,930	3,857,876
Less: Amortization charged during the period / year	21,412	79,880
Impairment charged during the period / year	1,770,000	1,770,000
Closing book value	217,518	2,007,996
11 Investment property		
Opening book value	164,513	165,419
Less: Depreciation charged during the period / year	226	906
Closing book value	164,287	164,513

12 Long term investments

12.1 This includes investment in 57,333,833 shares of National Resources (Pvt) Limited. 34,833,833 shares were purchased from Reliance Commodities (Pvt) Limited at total cost of Rs 252.19 million, pursuant to approval of the shareholders in the Extra ordinary General Meeting held on December 12, 2023. While 22,500,000 shares were purchased during the period against rights offer amounting to Rs 225 million.

12.2 This also includes investment of Rs 317,817,680 in units issued by Sapphire Bay Islamic Development REIT at issue price of Rs 10 each.

13 Long term advances and deposits

This includes advances amounting to Rs 1,656.54 million (December 31, 2023: 1,738.04 million) paid for investments in shariah compliant development REIT schemes which are managed by Arif Habib Dolmen REIT Management Company Limited (RMC), a related party.

	Un audited March 31, 2024	Audited December 31, 2023
(Rupees in thousand)		
14 Stores and spares		
Stores	1,004,520	988,753
Spares	11,929,936	10,886,795
Catalyst and chemicals	5,118,860	4,708,130
	18,053,316	16,583,678
Less: Provision for slow moving stores and spares	3,315,771	2,865,771
	14,737,545	13,717,907
15 Stock in trade		
Raw materials {including in transit Rs 1,481.25 million (December 31, 2023: Rs 2,985.29 million)}	11,408,561	15,728,528
Packing materials	203,262	353,565
	11,611,823	16,082,093
Mid products		
Ammonia	327,061	335,489
Nitric acid	33,522	46,766
Others	5,028	7,632
	365,611	389,887
Finished goods		
Own manufactured		
Urea	3,783,046	630,764
NP	20,050,161	14,153,402
CAN	998,983	945,647
Others	4,073	4,073
	24,836,263	15,733,886
Purchased for resale	7,781,682	208,980
	44,595,379	32,414,846

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un audited)

For the three months ended March 31, 2024

	Note	For the three months ended	
		March 31, 2024	Restated March 31, 2023
		(Rupees in thousand)	
16 Sales			
Revenue from contracts with customers			
Own manufactured		63,935,342	33,541,616
Purchased for resale		4,286,772	4,166,231
Mid products		639,439	481,004
		68,861,553	38,188,851
Less: Sales tax		162,395	78,400
Federal excise duty		3,032,158	–
Discounts		420,205	909,826
		65,246,795	37,200,625
17 Cost of sales			
Raw material consumed		25,533,856	11,325,013
Packing material consumed		1,351,943	868,082
Salaries, wages and other benefits		3,246,575	2,360,790
Fuel and power		5,385,969	2,247,249
Chemicals and catalyst consumed		1,028,172	862,615
Stores and spares consumed		1,625,704	826,259
Technical assistance		107,125	43,173
Repair and maintenance		4,334,106	2,851,758
Insurance		547,548	519,881
Travelling and conveyance		90,082	72,481
Rent, rates and taxes		179,356	143,750
Vehicle running and maintenance		99,724	83,909
Depreciation		2,679,305	1,311,045
Others		50,560	10,623
Subsidy on RLNG released by GoP to SNGPL	17.1	(5,628,594)	(4,750,593)
Manufacturing cost		40,631,431	18,776,035
Opening stock of mid products		389,887	183,511
Closing stock of mid products		(365,611)	(187,696)
Cost of goods manufactured		40,655,707	18,771,850
Opening stock of finished goods		15,733,886	29,024,754
Closing stock of finished goods		(24,836,263)	(28,181,679)
Cost of sales - own manufactured		31,553,330	19,614,925
Cost of sales - purchased for resale		6,766,275	3,580,221
		38,319,605	23,195,146

17.1 This represents subsidy related to prior year, released by Government of Pakistan (GoP) to SNGPL, as the difference between full RLNG price billed to the Sheikhpura Plant of the Company by SNGPL and the gas price capped by GoP for fertilizer plants operating on RLNG.

18 Administrative expenses

This includes donation amounting to Rs 117.58 million (March 31, 2023: 118.55 million) to Mian Mukhtar A. Sheikh Trust, a related party.

	For the three months ended	
	March 31, 2024	Restated March 31, 2023
	(Rupees in thousand)	
19 Finance cost		
Markup on long term finances	384,337	407,952
Markup on short term finances	20,093	455,321
Markup on short term loans from related parties	94,567	75,389
Interest on lease liabilities	4,393	6,267
Bank charges and others	234,449	202,196
	737,839	1,147,125
20 Earnings per share - basic and diluted		
Profit attributable to ordinary shareholders (Rupees in thousand)	8,155,631	3,877,487
Weighted average number of shares (Number of shares)	2,100,000,000	2,100,000,000
Basic and diluted earnings per share (Rupees)	3.88	1.85

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un audited)

For the three months ended March 31, 2024

21 Transactions with related parties

The related parties comprise the associated undertakings, directors and other key management personnel of the Company. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under other receivables, trade and other payables. Significant transactions with related parties are as follows:

		For the three months ended	
		March 31, 2024	Restated March 31, 2023
		(Rupees in thousand)	
Relationship with the Company	Nature of transaction		
Subsidiary companies	Payments made on behalf	–	18,000
	Markup income	541	–
	Miscellaneous expenses	94,846	59,609
	Purchase of packing material	1,120,218	1,211,976
Associated companies	Investment in shares	477,193	–
	Fee for services	162,513	20,617
	Repayment of loan to related party	252,190	–
	Repayment of loans from related parties	1,626,307	–
	Markup expense	94,567	75,389
	Markup income	286,397	219,933
	Miscellaneous expenses	151	–
Other related party	Investment in units	317,818	–
Directors and key management personnel	Remuneration including benefits and perquisites	280,984	118,622
Retirement benefit plans	Retirement benefits	172,080	132,153

	Note	For the three months ended	
		March 31, 2024	Restated March 31, 2023
		(Rupees in thousand)	
22 Cash generated from operations			
Profit before tax		15,945,051	6,658,091
Adjustments for:			
Depreciation on property, plant and equipment	9.1	2,788,639	1,391,646
Amortization of intangible assets	10	21,412	17,820
Impairment of brand	10	1,770,000	885,000
Depreciation on investment property	11	226	226
Finance cost	19	737,839	1,147,125
Unwinding of provision for GIDC		32,261	53,036
Unwinding of payable against subordinated redeemable preference Class A shares		56,847	48,858
Provision for staff retirement benefits		114,550	85,488
Gain on remeasurement of investments classified as FVTPL		(750,774)	(78,567)
Loss allowance on subsidy receivable from GoP		627,648	33,680
Profit on loans to related parties		(286,938)	(219,933)
Dividend income		(125,889)	(52,083)
Share of profit from associates		-	(3,043)
Impairment of plant and machinery		945,310	-
Profit on short term investments and saving accounts		(1,082,416)	(110,545)
(Gain) / loss on disposal of property, plant and equipment		(5,540)	6,644
		4,843,175	3,205,352
Operating cash flows before working capital changes		20,788,226	9,863,443
Effect on cash flow due to working capital changes:			
(Increase) / decrease in current assets:			
Stores and spares		(1,019,638)	1,953,386
Stock in trade		(12,180,533)	4,986,153
Trade debts		(1,564,300)	1,910,301
Advances, deposits, prepayments and other receivables		28,781	237,960
Increase in creditors, accrued and other liabilities		(3,202,895)	(2,233,463)
		(17,938,585)	6,854,337
		2,849,641	16,717,780

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un audited)

For the three months ended March 31, 2024

23 Financial instruments

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

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

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

Level 3 - Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The following table presents the Company's financial assets which are carried at fair value:

	March 31, 2024 (Un audited)			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial assets at fair value				
Investment - FVTPL	6,250,136	-	941,400	7,191,536
Total assets at fair value	6,250,136	-	941,400	7,191,536

	December 31, 2023 (Audited)			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial assets at fair value				
Investment - FVTPL	5,974,626	-	941,400	6,916,026
Total assets at fair value	5,974,626	-	941,400	6,916,026

24 Date of authorization of issue

These financial statements have been authorized for issue on April 29, 2024 by the Board of Directors of the Company.

25 General

Figures have been rounded off to the nearest thousand of rupees unless stated otherwise.



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

	Note	Un audited March 31, 2024	Audited December 31, 2023
(Rupees in thousand)			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized share capital 3,700,010,000 (December 31, 2023: 3,700,010,000) shares of Rs 10 each		37,000,100	37,000,100
Issued, subscribed and paid up share capital 2,100,000,000 (December 31, 2023: 2,100,000,000) ordinary shares of Rs 10 each		21,000,000	21,000,000
Reserves	4	106,779,227	98,385,630
		127,779,227	119,385,630
NON CURRENT LIABILITIES			
Long term finances	5	6,177,958	5,865,827
Subordinated redeemable preference Class A shares	6	1,530,170	1,473,323
Lease liabilities		103,405	115,211
Deferred taxation		26,598,945	27,534,188
Deferred liabilities		2,539,075	2,451,303
Long term deposits		399,714	466,658
		37,349,267	37,906,510
CURRENT LIABILITIES			
Trade and other payables		53,435,697	57,351,905
Accrued finance cost		294,231	570,910
Income tax payable		15,576,435	11,404,954
Short term finances - secured	7	1,481,586	937,842
Short term loans from related parties		–	1,626,307
Payable to Privatization Commission of Pakistan		2,197,901	2,197,901
Unclaimed dividend		52,878	55,769
Current portion of long term liabilities	8	2,138,251	2,440,769
		75,176,979	76,586,357
CONTINGENCIES & COMMITMENTS			
	9		
		240,305,473	233,878,497

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

	Note	Un audited March 31, 2024	Audited December 31, 2023
(Rupees in thousand)			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	10	111,477,263	112,899,021
Intangible assets	11	217,518	2,007,996
Investment property	12	164,287	164,513
		111,859,068	115,071,530
Long term investments	13	6,532,183	5,826,702
Long term advances and deposits	14	4,531,683	3,973,497
		11,063,866	9,800,199
		122,922,934	124,871,729
CURRENT ASSETS			
Stores and spares	15	14,888,334	13,867,718
Stock in trade	16	45,355,843	33,377,002
Trade debts		12,347,341	10,354,747
Short term loans to related parties		4,847,533	5,099,723
Advances, deposits, prepayments and other receivables		19,682,268	20,005,103
Short term investments		14,829,257	18,964,855
Cash and bank balances		5,431,963	7,337,620
		117,382,539	109,006,768
		240,305,473	233,878,497



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (un audited)

For the three months ended March 31, 2024

	Note	March 31, 2024	Restated March 31, 2023
		(Rupees in thousand)	
Sales	17	66,039,314	38,086,400
Cost of sales	18	(38,600,839)	(23,579,187)
Gross profit		27,438,475	14,507,213
Selling and distribution expenses		(3,408,675)	(2,510,667)
Administrative expenses	19	(2,636,737)	(1,959,343)
		21,393,063	10,037,203
Finance cost	20	(821,813)	(1,223,324)
Other operating expenses		(5,912,424)	(2,196,208)
		14,658,826	6,617,671
Other income		2,304,496	466,078
Share of profit from associates		–	3,043
Other losses:			
- Unwinding of provision for GIDC		(32,261)	(53,036)
- Loss allowance on subsidy receivable from GoP		(627,648)	(33,680)
		(659,909)	(86,716)
Profit before tax		16,303,413	7,000,076
Taxation		(7,909,816)	(2,958,811)
Profit for the period		8,393,597	4,041,265
Earnings per share - basic and diluted (Rupees)	21	4.00	1.92

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (un audited)

For the three months ended March 31, 2024

	March 31, 2024	Restated March 31, 2023
	(Rupees in thousand)	
Profit for the period	8,393,597	4,041,265
Other comprehensive income	–	–
Total comprehensive income for the period	8,393,597	4,041,265

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended March 31, 2024

Ordinary share capital	Capital Reserve	Revenue Reserve	Post retirement benefit obligation reserve	Total
	Share premium	Unappropriated profit		

(Rupees in thousand)

Balance as at December 31, 2022 (Restated)	21,000,000	1,790,000	84,950,556	(239,752)	107,500,804
Profit for the period (Restated)	-	-	4,041,265	-	4,041,265
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	4,041,265	-	4,041,265
Balance as at March 31, 2023 (Un audited)	21,000,000	1,790,000	88,991,821	(239,752)	111,542,069
Balance as at December 31, 2023 (Audited)	21,000,000	1,790,000	96,933,972	(338,342)	119,385,630
Profit for the period	-	-	8,393,597	-	8,393,597
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	8,393,597	-	8,393,597
Balance as at March 31, 2024 (Un audited)	21,000,000	1,790,000	105,327,569	(338,342)	127,779,227

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (un audited)

For the three months ended March 31, 2024

	Note	March 31, 2024	Restated March 31, 2023
(Rupees in thousand)			
Cash flows from operating activities			
Cash generated from operations	23	2,215,737	17,352,496
Net (decrease) / increase in long term deposits		(66,944)	5,546
Finance cost paid		(1,068,875)	(1,656,653)
Taxes paid		(4,673,579)	(3,545,698)
Employee retirement benefits paid		(7,580)	(17,340)
Net cash (used in) / generated from operating activities		(3,601,241)	12,138,351
Cash flows from investing activities			
Additions in property, plant and equipment		(2,326,125)	(3,752,984)
Additions in intangible assets		(934)	(224)
Proceeds from disposal of property, plant and equipment		6,137	5,622
Short term loan to related party		252,190	-
Long term investments made		(387,663)	-
Short term investments made		(29,688)	-
Proceeds from short term investments		5,254,950	359,281
Profit received on loans and saving accounts		812,921	93,044
Dividend income received		126,262	52,106
Net (increase) / decrease in long term advances and deposits		(876,004)	115,228
Net cash generated from / (used in) investing activities		2,832,046	(3,127,927)
Cash flows from financing activities			
Proceeds from long term finances		1,000,000	-
Repayment of long term finances		(1,016,412)	(1,541,669)
Repayment of loan from directors		-	(18,000)
Repayment of lease liabilities		(34,596)	(11,345)
Dividend paid		(2,891)	(477)
Repayment of short term loans from related parties		(1,626,307)	-
Net increase / (decrease) in short term finances		155,791	(6,270,001)
Net cash used in financing activities		(1,524,415)	(7,841,492)
Net (decrease) / increase in cash and cash equivalents		(2,293,610)	1,168,932
Cash and cash equivalents at the beginning of the period		7,225,634	(4,095,306)
Cash and cash equivalents at the end of the period		4,932,024	(2,926,374)
Cash and cash equivalents comprises of following:			
Cash and bank balances		5,431,963	3,156,109
Running finance		(499,939)	(6,082,483)
Cash and cash equivalents at the end of the period		4,932,024	(2,926,374)

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

Chief Executive Officer

Director

Chief Financial Officer

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un audited)

For the three months ended March 31, 2024

1 Legal status and nature of business

1.1 Fatima Fertilizer Company Limited (the Holding Company) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and it is listed on Pakistan Stock Exchange Limited. Fatimafert Limited, Fatima Cement Limited, Fatima Packaging Limited and Pan-Africa Fertilizers Limited are wholly owned subsidiaries of the Holding Company. Fatimafert Limited, Fatima Cement Limited and Fatima Packaging Limited are incorporated in Pakistan under the Companies Act, 2017 and Pan-Africa Fertilizers Limited is incorporated in Kenya. Collectively, these would be referred to as 'the Group' in these condensed interim consolidated financial statements.

The principal activity of the Group is manufacturing, producing, buying, selling, importing and exporting fertilizers, chemicals, cement and polypropylene sacks, cloth, liner & bags. The registered office of the Holding Company, Fatimafert Limited, Fatima Packaging Limited and Fatima Cement Limited is situated at E-110, Khayaban-e-Jinnah, Lahore Cantt, whereas the registered office of Pan-Africa Fertilizers Limited is situated at Westlands District, Nairobi, Kenya. The manufacturing facilities of the Holding Company are located at Mukhtargarh - Sadiqabad, Khanewal Road - Multan and Chichoki Mallian - Sheikhpura, Pakistan.

2 Basis of preparation

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) 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 and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim consolidated financial statements do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended December 31, 2023. Comparative condensed interim consolidated statement of financial position is extracted from annual consolidated financial statements for the year ended December 31, 2023 and comparative condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed interim consolidated statement of cash flows are extracted from un audited condensed interim restated consolidated financial statements for the three months ended March 31, 2023.

2.3 The Board of Directors of the Holding Company, in their meeting held on December 5, 2022, had approved a comprehensive business expansion plan and the Scheme of Compromises, Arrangements and Reconstruction ('the Scheme') aimed at consolidation of the fertilizer business by amalgamating its associated company, Pakarab Fertilizers Limited ('PFL') with and into the Holding Company with effect from July 01, 2022. The Scheme was sanctioned on June 27, 2023, through an order by the Lahore High Court.

Accordingly, the consolidated financial statements of the Group were restated as at March 31, 2023 reflecting the impacts of above transaction. Moreover, these consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2023 which includes the details of assets and liabilities taken over by the Holding Company.

2.4 These condensed interim consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.

3 Significant accounting policies and estimates

The accounting policies, related judgments, estimates and related assumptions adopted for the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of annual consolidated financial statements of the Group for the year ended December 31, 2023.

	Note	Un audited March 31, 2024	Audited December 31, 2023
(Rupees in thousand)			
4 Reserves			
Capital reserve:			
Share premium		1,790,000	1,790,000
Revenue reserve:			
Unappropriated profit		105,327,569	96,933,972
Post retirement benefit obligation reserve		(338,342)	(338,342)
		106,779,227	98,385,630
5 Long term finances			
From banking companies / financial institutions	5.1	8,143,038	8,115,028
Less: Current portion		1,965,080	2,249,201
		6,177,958	5,865,827
5.1 Movement of long term finances			
Opening balance		8,115,028	12,179,880
Disbursements during the period / year		1,000,000	-
Classified as deferred government grant		-	(704,444)
Repayments during the period / year		(1,016,412)	(3,641,160)
Accreditation of loan under SBP Temporary Economic Refinance Scheme		44,422	280,752
Closing balance		8,143,038	8,115,028

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un audited)

For the three months ended March 31, 2024

	Un audited March 31, 2024	Audited December 31, 2023
(Rupees in thousand)		
6 Subordinated redeemable preference Class A shares		
Opening balance	1,473,323	1,266,286
Unwinding for the period / year	56,847	207,037
Closing balance	1,530,170	1,473,323

7 Short term finances - secured

The Group has obtained short term financing facilities from various banks for working capital requirements in the nature of Running Finance, Term finance, Cash Finance and Finance against Imported Merchandise.

The facilities are secured by pari passu charge on present and future current assets of the Group, pledge of raw materials and finished goods and personal guarantees of sponsoring directors.

These facilities carry mark up ranging from 21.86% to 24.24% (December 31, 2023: 16.11% to 25.86%) per annum for Running Finance, Cash Finance and Term finance and 22.48% to 22.55% (December 31, 2023: 17.18% to 23.97%) per annum for Finance against Imported Merchandise.

	Un audited March 31, 2024	Audited December 31, 2023
(Rupees in thousand)		
Note		
8 Current portion of long term liabilities		
Long term finances	1,965,080	2,249,201
Lease liabilities	95,959	114,356
Deferred government grant	77,212	77,212
	2,138,251	2,440,769

9 Contingencies and commitments

9.1 Contingencies

As at March 31, 2024, there is no material change in the status of contingencies as reported in the notes to the consolidated financial statements of the Group for the year ended December 31, 2023, except that of contingency reported in note 18, Sr. no (xiii) no longer remains outstanding due to the favourable orders issued by the higher appellate fora in the Holding Company's favour.

	Note	Un audited March 31, 2024	Audited December 31, 2023	
(Rupees in thousand)				
9.2 Commitments in respect of:				
(i)	Contracts for capital expenditure	3,641,221	3,793,512	
(ii)	Contracts other than capital expenditure	15,297,497	15,823,935	
(iii)	Letter of guarantees	62,100	62,100	
(iv)	The amount of future payments under ijarah rentals and short term / low value leases:			
	- Not later than one year	1,321,383	1,263,364	
	- Later than one year but not later than five years	1,779,800	1,764,546	
		3,101,183	3,027,910	
10 Property, plant and equipment				
	Operating fixed assets	10.1	105,055,537	107,471,361
	Capital work in progress	10.2	6,421,726	5,427,660
			111,477,263	112,899,021
10.1 Movement of operating fixed assets				
	Opening book value		107,471,361	109,139,931
	Additions during the period / year	10.1.1	1,332,059	9,492,357
			108,803,420	118,632,288
	Less: Depreciation charged during the period / year		2,801,976	10,870,387
	Impairment charged during the period / year		945,310	–
	Book value of disposals during the period / year		597	290,540
	Closing book value		105,055,537	107,471,361
10.1.1 Additions during the period / year				
	Freehold land		267,635	478,663
	Building on freehold land		–	190,507
	Plant and machinery		352,885	7,060,310
	Catalysts		–	542,647
	Furniture and fixtures		8,082	88,276
	Office equipment		18,317	30,465
	Electrical installations and appliances		358,612	493,541
	Computers		272,228	133,308
	Vehicles		54,300	474,640
			1,332,059	9,492,357

10.1.2 Operating fixed assets include right of use assets amounting to Rs 180.08 million (December 31, 2023: Rs 195.75 million).

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un audited)

For the three months ended March 31, 2024

	Un audited March 31, 2024	Audited December 31, 2023
(Rupees in thousand)		
10.2 Capital work in progress		
Civil works	728,527	610,062
Plant and machinery	964,844	835,234
Intangibles	402	402
Capital stores	4,727,953	3,981,962
	6,421,726	5,427,660
10.2.1 Movement of capital work in progress		
Opening balance	5,711,905	8,121,806
Additions during the period / year	994,066	2,588,776
	6,705,971	10,710,582
Less: Capitalization during the period / year	–	4,998,677
	6,705,971	5,711,905
Less: Provision for slow moving capital stores	284,245	284,245
Closing balance	6,421,726	5,427,660
11 Intangible assets		
Opening book value	2,007,996	3,786,096
Additions during the period / year	934	71,780
	2,008,930	3,857,876
Less: Amortization charged during the period / year	21,412	79,880
Impairment charged during the period / year	1,770,000	1,770,000
Closing book value	217,518	2,007,996
12 Investment property		
Opening book value	164,513	165,419
Less: Depreciation charged during the period / year	226	906
Closing book value	164,287	164,513
13 Long term investments		
13.1 This includes investment in 57,333,833 shares of National Resources (Pvt) Limited. 34,833,833 shares were purchased from Reliance Commodities (Pvt) Limited at total cost of Rs 252.19 million, pursuant to approval of the shareholders in the Extra ordinary General Meeting held on December 12, 2023. While 22,500,000 shares were purchased during the period against rights offer amounting to Rs 225 million.		

13.2 This also includes investment of Rs 317,817,680 in units issued by Sapphire Bay Islamic Development REIT at issue price of Rs 10 each.

14 Long term advances and deposits

This includes advances amounting to Rs 1,656.54 million (December 31, 2023: 1,738.04 million) paid for investments in shariah compliant development REIT schemes which are managed by Arif Habib Dolmen REIT Management Company Limited (RMC), a related party.

	Un audited March 31, 2024	Audited December 31, 2023
(Rupees in thousand)		
15 Stores and spares		
Stores	1,155,309	1,138,564
Spares	11,929,936	10,886,795
Catalyst and chemicals	5,118,861	4,708,130
	18,204,106	16,733,489
Less: Provision for slow moving stores and spares	3,315,772	2,865,771
	14,888,334	13,867,718
16 Stock in trade		
Raw materials {including in transit Rs 1,796.22 million (December 31, 2023: Rs 3,462.70 million)}	12,077,884	16,638,934
Packing materials	148,381	254,567
	12,226,265	16,893,501
Work in progress	100,928	115,941
Mid products		
Ammonia	327,061	335,489
Nitric acid	33,522	46,766
Others	5,028	7,632
	365,611	389,887
Finished goods		
Own manufactured		
Urea	3,783,046	630,764
NP	20,050,161	14,153,402
CAN	998,983	945,647
Others	49,167	38,880
	24,881,357	15,768,693
Purchased for resale	7,781,682	208,980
	45,355,843	33,377,002

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un audited)

For the three months ended March 31, 2024

	Note	For the three months ended	
		March 31, 2024	Restated March 31, 2023
		(Rupees in thousand)	
17 Sales			
Revenue from contracts with customers			
Local sales	17.1	66,011,732	38,051,619
Export sales		27,582	34,781
		66,039,314	38,086,400
17.1 Local sales			
Own manufactured		65,010,660	35,009,268
Purchased for resale		4,286,772	4,166,231
Mid products		639,439	481,004
		69,936,871	39,656,503
Less: Sales tax		472,776	695,058
Federal excise duty		3,032,158	–
Discounts		420,205	909,826
		66,011,732	38,051,619
18 Cost of sales			
Raw material consumed		26,589,505	12,282,535
Packing material consumed		358,489	137,947
Salaries, wages and other benefits		3,319,009	2,415,271
Fuel and power		5,481,540	2,303,900
Chemicals and catalyst consumed		1,028,172	862,615
Stores and spares consumed		1,644,878	848,975
Technical assistance		107,125	43,173
Repair and maintenance		4,334,924	2,852,099
Insurance		553,430	523,692
Travelling and conveyance		91,056	74,049
Rent, rates and taxes		180,661	146,734
Vehicle running and maintenance		100,938	85,625
Depreciation		2,692,293	1,323,705
Others		54,513	12,793
Subsidy on RLNG released by GoP to SNGPL	18.1	(5,628,594)	(4,750,593)
Manufacturing cost		40,907,939	19,162,520
Opening stock of work-in- process		115,941	58,123
Closing stock of work-in- process		(100,928)	(55,152)
Opening stock of mid products		389,887	183,511
Closing stock of mid products		(365,611)	(187,696)
Cost of goods manufactured		40,947,228	19,161,306

	For the three months ended	
	March 31, 2024	Restated March 31, 2023
	(Rupees in thousand)	
Opening stock of finished goods	15,768,693	29,050,164
Closing stock of finished goods	(24,881,357)	(28,230,472)
Cost of sales - own manufactured	31,834,564	19,980,998
Cost of sales - purchased for resale	6,766,275	3,598,189
	38,600,839	23,579,187

18.1 This represents subsidy related to prior year, released by Government of Pakistan (GoP) to SNGPL, as the difference between full RLNG price billed to the Shekhpura Plant of the Holding Company by SNGPL and the gas price capped by GoP for fertilizer plants operating on RLNG.

19 Administrative expenses

This includes donation amounting to Rs 117.58 million (March 31, 2023: 118.55 million) to Mian Mukhtar A. Sheikh Trust, a related party.

	For the three months ended	
	March 31, 2024	March 31, 2023
	(Rupees in thousand)	
20 Finance cost		
Markup on long term finances	398,590	420,329
Markup on short term finances	79,155	517,550
Markup on short term loans from related parties	94,567	75,389
Interest on lease liabilities	4,393	6,267
Bank charges and others	245,108	203,789
	821,813	1,223,324
21 Earnings per share - basic and diluted		
Profit attributable to ordinary shareholders (Rupees in thousand)	8,393,597	4,041,265
Weighted average number of shares (Number of shares)	2,100,000,000	2,100,000,000
Basic and diluted earnings per share (Rupees)	4.00	1.92

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un audited)

For the three months ended March 31, 2024

22 Transactions with related parties

The related parties comprise the associated undertakings, directors and other key management personnel of the Group. The Group in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under other receivables, trade and other payables. Significant transactions with related parties are as follows:

		For the three months ended	
		March 31, 2024	Restated March 31, 2023
		(Rupees in thousand)	
Relationship with the Group	Nature of transaction		
Associated companies	Investment in shares	477,193	–
	Fee for services	162,513	20,617
	Repayment of loan to related parties	252,190	–
	Repayment of loans from related parties	1,626,307	–
	Markup expense	94,567	75,389
	Markup income	286,397	219,933
	Miscellaneous expenses	151	175
	Sale of finished goods	488,576	94,263
Other related parties	Investment in units	317,818	–
Directors and key management personnel	Remuneration including benefits and perquisites	293,281	157,798
Retirement benefit plans	Retirement benefits	175,159	135,451

	Note	For the three months ended	
		March 31, 2024	Restated March 31, 2023
		(Rupees in thousand)	
23 Cash generated from operations			
Profit before tax		16,303,413	7,000,076
Adjustments for :			
Depreciation on property, plant and equipment	10.1	2,801,976	1,404,622
Amortization of intangible assets	11	21,412	17,820
Impairment of brand	11	1,770,000	885,000
Depreciation on investment property	12	226	226
Finance cost	20	821,813	1,223,324
Unwinding of provision for GIDC		32,261	53,036
Unwinding of payable against subordinated redeemable preference Class A shares		56,847	48,858
Provision for staff retirement benefits		114,550	85,488
Gain on remeasurement of investments classified as FVTPL		(752,089)	(78,681)
Loss allowance on subsidy receivable from GoP		627,648	33,680
Profit on loans to related parties		(286,397)	(219,933)
Dividend income		(126,262)	(52,106)
Share of profit from associates		-	(3,043)
Impairment of plant and machinery		945,310	-
Profit on short term investments and saving accounts		(1,082,416)	(112,802)
(Gain) / loss on disposal of property, plant and equipment		(5,540)	6,644
		4,939,339	3,292,133
Operating cash flows before working capital changes		21,242,752	10,292,209
Effect on cash flow due to working capital changes:			
(Increase) / decrease in current assets:			
Stores and spares		(1,020,616)	1,964,223
Stock in trade		(11,978,841)	5,509,827
Trade debts		(1,992,594)	1,704,701
Advances, deposits, prepayments and other receivables		(86,495)	269,416
Increase in creditors, accrued and other liabilities		(3,948,469)	(2,387,880)
		(19,027,015)	7,060,287
		2,215,737	17,352,496

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un audited)

For the three months ended March 31, 2024

24 Financial instruments

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

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

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

Level 3 - Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The following table presents the Group's financial assets which are carried at fair value:

	March 31, 2024 (Un audited)			
	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
Financial assets at fair value				
Investment - FVTPL	6,294,653	–	941,400	7,236,053
Total assets at fair value	6,294,653	–	941,400	7,236,053

	December 31, 2023 (Audited)			
	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
Financial assets at fair value				
Investment - FVTPL	6,017,828	–	941,400	6,959,228
Total assets at fair value	6,017,828	–	941,400	6,959,228

25 Date of authorization of issue

These financial statements have been authorized for issue on April 29, 2024 by the Board of Directors of the Holding Company.

26 General

Figures have been rounded off to the nearest thousand of rupees unless stated otherwise.



Chief Executive Officer



Director



Chief Financial Officer



www.fatima-group.com



 E-110, Khayaban-e-Jinnah
Lahore Cantt., Pakistan

 PABX : +92 42 111 328 462

 Fax : +92 42 3662 1389