

Ref. No. 11.8/Sectt/C

30 January 2023

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road,
Karachi - 74000, Pakistan

Director/HOD (Enforcement Department)
Securities and Exchange Commission of Pakistan
NIC Building, Jinnah Avenue,
Islamabad - 44000, Pakistan

Subject: Financial Results for the Year Ended 31 December 2022

Dear Sir,

1. We have to inform you that the Board of Directors of our Company in their meeting, held at Fauji Towers, 68 Tipu Road, Rawalpindi on 30 January 2023, recommended the following:-

a.	Cash Dividend	:	Nil
b.	Bonus Issue	:	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 for the year ended 31 December 2022, comprising of Statement of Profit or Loss (Unconsolidated as Annex-A and Consolidated as Annex-B) are attached.

3. FINANCIAL RESULTS – OVERVIEW

- 3.1. The year 2022 was a challenging year for many reasons - severe economic crisis resulting in significant devaluation of PKR, severe inflation and high interest rates, coupled with domestic floods resulting in tragic loss of life and livelihood. Businesses across the country have suffered from the challenges with many temporarily or permanently closing down. The DAP business faced an even bigger challenge due to the havoc played by Ukrainian war on International DAP prices. Consequent to DAP prices touching an all-time high of Rs. 14,931 / bag, the demand collapsed to 1,175 KT in 2022, industry receding to 2012 levels, resulting in FFBL carrying forward 188 KT to 2023.
- 3.2. The improved Operating Profit of the Company was impacted by higher interest rates and first-time 10% Super Tax of PKR 2.8 Bn (on profits of 2021 and 2022), collectively impacting the bottom line by Rs. 5.3 Bn. Despite all these challenges the Company remained in the black with a year end PAT of Rs. 2.3 Bn.

	2022	2021
	(PKR M)	
Profit after tax - as reported in Annex A	2,328	6,391
Net Finance cost	2,428	289
Super tax	2,849	-
Profit after tax – adjusted	7,605	6,680

- 3.3. On consolidated basis, the group achieved revenue of PKR 183 Bn, Gross Profit of PKR 35 Bn and Operating Profit of PKR 24 Bn. After accounting for Super Tax of PKR 2.8 Bn, the Group achieved profit after tax of PKR 8 Bn (2021: PKR 9.2 Bn), as reported in Annex B.
- 3.4. Challenges continued to multiply for DAP. The Government perhaps ignoring the importance of DAP on agricultural yields is pursuing policies which have further marginalized the domestic DAP business, removing GST on imports, delayed announcement of Kissan package and wheat support price. All of this has resulted in significant stocks at the year-end followed by a temporary closure of PMP plant in Morocco and DAP Plant in Pakistan. We are expecting to resume production in Feb/Mar 2023.
- 3.5. Unavailability of Foreign Exchange and further devaluation of the rupee continue to have significant adverse financial impact. The business faces a further challenge now due to declining International DAP prices resulting in reduced margins on inventory held at the year end.
- 3.6. Though the Management is making all efforts to manage the situation, GoP needs to provide a level playing field by imposing equivalent taxes/duties on import of DAP and support in establishing LCs for raw material and other essentials. This will ensure DAP availability throughout the year at competitive prices.
4. The Annual Report of the Company for the year ended 31 December 2022 will be transmitted through PUCARS separately, within the specified time.

Regards



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

FAUJI FERTILIZER BIN QASIM LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	2022 (Rupees '000)	2021
Sales - net	26	159,225,963	110,452,174
Cost of sales	27	(133,357,409)	(88,300,535)
GROSS PROFIT		25,868,554	22,151,639
Selling and distribution expenses	28	(7,120,753)	(5,640,407)
Administrative expenses	29	(1,352,080)	(1,592,757)
		(8,472,833)	(7,233,164)
		17,395,721	14,918,475
Finance cost	30	(5,143,968)	(2,338,107)
Other expenses	31	(7,776,274)	(2,555,605)
Other income	32	6,341,920	9,110,971
		10,817,399	19,135,734
Unwinding cost on GIDC payable	7	(891,198)	(1,253,839)
Allowance for expected credit losses	33	(241,940)	(4,254,304)
Impairment of equity investment	14	(1,179,000)	(2,102,788)
PROFIT BEFORE TAXATION		8,505,261	11,524,803
Taxation	34	(6,177,327)	(5,133,842)
PROFIT FOR THE YEAR		2,327,934	6,390,961
Earnings per share - basic and diluted (Rupees)	35	1.80	4.96

The annexed notes, from 1 to 40, form an integral part of these financial statements.

Brig Asif Ali (Retd)
 Company Secretary

FAUJI FERTILIZER BIN QASIM LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2022

		2022	2021
	Note	(Rupees '000)	
Sales - net	27	183,128,626	128,235,849
Cost of sales	28	(148,363,443)	(99,124,791)
GROSS PROFIT		34,765,183	29,111,058
Selling and distribution expenses	29	(8,755,347)	(6,846,633)
Administrative expenses	30	(2,333,413)	(2,457,213)
		(11,088,760)	(9,303,846)
		23,676,423	19,807,212
Finance costs	31	(8,553,316)	(4,811,006)
Other expenses	32	(8,605,247)	(5,447,160)
Allowance for expected credit losses	33	(236,912)	(751,353)
Other income	34	3,620,513	1,919,141
Share of profit of joint venture and associates - net		6,980,449	5,526,104
		16,881,910	16,242,938
Unwinding cost / remeasurement gain on GIDC payable	9	(891,198)	(1,253,839)
PROFIT BEFORE TAXATION		15,990,712	14,989,099
Taxation - net	35	(7,963,200)	(5,764,114)
PROFIT FOR THE YEAR		8,027,512	9,224,985
Attributable to:			
- Equity holders of the Holding Company		7,649,305	8,956,848
- Non controlling interest		378,207	268,137
		8,027,512	9,224,985
Earnings per share - basic and diluted (Rupees)	36	5.92	6.95

The annexed notes, from 1 to 42 form an integral part of these consolidated financial statements.

Brig Asif Ali (Retd)
 Company Secretary