

Ref. No. 13.1/Sectt/C

26 April 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 Quarter Ended 31 March 2023**

Dear Sir,

1. It is informed that the Board of Directors of our Company, in their meeting held at FFBL Tower, DHA-II, Islamabad on 26 April 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 quarter ended 31 March 2023, comprising of Statement of Profit or Loss (Unconsolidated as Annex-A and Consolidated as Annex-B) are attached.

3. **FINANCIAL RESULTS – OVERVIEW**

- The Company faced adverse financial effects during the first quarter of 2023 due to exogenous shocks such as devaluation of Rupee, increase in interest rate, high inflation, and continuation of 5%-18% GST on locally produced DAP, whereas GST has been exempted on imported DAP, thus no level playing field.
- The Rupee depreciated from PKR 226/ USD on 1st January 2023 to PKR 284/ USD as at 31 March 2023, which resulted in an exchange loss of PKR 4.6 Billion in this quarter as compared to PKR 0.6 Billion in the same quarter of last year (SQLY), due to settlement of all over-due and due foreign exchange liabilities emanating from import of basic raw material, i.e. phosphoric acid. Over-due payments were pending since July 2022 due to scarcity of foreign exchange in the banking system.



# FFBL

Fauji Fertilizer Bin Qasim Limited

- c. SBP policy rate increased to 20% at 31 March 2023 as compared to 9.75% on 31 March 2022. The Company was already carrying higher DAP inventory because of demand disruption last year, consequent to the massive floods and war in Ukraine. This has resulted in finance cost of PKR 2.5 Billion during the quarter as compared to PKR 0.7 Billion in SQLY.
- d. Inflation stood at 35% as on 31 March 2023 compared to 11% on 31 March 2022, which significantly increased the cost of production. Additionally, the GOP's discriminatory GST policy continued to favour DAP importers over the local producer, which resulted in additional cost of PKR 0.7 Billion during the quarter. Concurrently, FFBL gas availability was also curtailed by 51% during the quarter under review as compared to 9% during SQLY.
- e. On operational basis the business did well by selling 127 KMt DAP during this quarter as compared to 114 KMt during SQLY, hence significantly reducing the inventory that was carried over from 2022. Though margins remained under pressure, through prudent financial management, the Company achieved an operating profit of PKR 1.3 Billion as against PKR 3.3 Billion during SQLY. However, due to the exogenous shocks mentioned above, the Company reported a loss after tax of PKR 5.4 Billion as compared to a profit after tax of PKR 1.6 Billion in SQLY.
- f. On a consolidated basis, the Group has reported a loss after tax of PKR 4.6 Billion as compared to a profit after tax of PKR 3.2 Billion in SQLY, mainly due to exchange loss of PKR 4.9 Billion (SQLY: PKR 0.6 Billion), finance cost of PKR 3.4 Billion (SQLY: PKR 1.4 Billion), and GST of PKR 0.7 Billion on local produce of DAP by FFBL.

4. The quarterly report of the Company for the period ended 31 March 2023 will be transmitted through PUCARS separately, within the specified time.

Regards

Brig Khurram Shahzada SI(M), (Retd)  
Company Secretary



**FAUJI FERTILIZER BIN QASIM LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

Annex-A

	Quarter ended March 31,	
	2023	2022
	(Rupees '000)	
Sales - net	31,522,701	24,783,967
Cost of sales	(29,278,278)	(19,394,673)
<b>Gross profit</b>	<b>2,244,423</b>	<b>5,389,294</b>
Selling and distribution expenses	(686,542)	(1,686,818)
Administrative expenses	(273,722)	(355,105)
	<b>1,284,159</b>	<b>3,347,371</b>
Finance costs	(2,487,988)	(705,566)
Exchange loss	(4,619,834)	(565,524)
Other expenses	(1,316)	(383,535)
Other income	898,275	1,115,800
	<b>(4,926,704)</b>	<b>2,808,546</b>
Unwinding cost on GIDC payable	(162,632)	(257,942)
<b>(Loss) / Profit before taxation</b>	<b>(5,089,336)</b>	<b>2,550,604</b>
Taxation	(339,877)	(923,741)
<b>(Loss) / Profit after taxation</b>	<b>(5,429,213)</b>	<b>1,626,863</b>
<b>(Loss) / Earnings per share - basic and diluted (Rupees)</b>	<b>(4.20)</b>	<b>1.26</b>

  
**Brig Khurram Shahzada, SI(M), (Retd)**  
**Company Secretary**  
**Fauji Fertilizer Bin Qasim Limited**  
**FFBL Tower, DHA-II, Islamabad**

FAUJI FERTILIZER BIN QASIM LIMITED  
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2023

Annex-B

	Quarter ended March 31,	
	2023	2022
	(Rupees '000)	
Sales - net	39,741,636	28,953,847
Cost of sales	(34,604,244)	(22,008,357)
<b>Gross profit</b>	<b>5,137,392</b>	<b>6,945,490</b>
Selling and distribution expenses	(1,139,598)	(2,065,471)
Administrative expenses	(576,098)	(576,145)
	<b>3,421,696</b>	<b>4,303,874</b>
Finance costs	(3,381,946)	(1,401,810)
Exchange loss	(4,859,627)	(577,672)
Unwinding of GIDC payable	(162,632)	(257,942)
Other operating expenses	(66,278)	(246,799)
	<b>(5,048,787)</b>	<b>1,819,651</b>
<i>Other income</i>		
Share of profit of associate and joint venture - net	138,634	1,877,207
Others	914,137	855,748
	<b>1,052,771</b>	<b>2,732,955</b>
<b>(Loss) / Profit before taxation</b>	<b>(3,996,016)</b>	<b>4,552,606</b>
Taxation - net	(638,144)	(1,351,208)
<b>(Loss) / Profit after taxation</b>	<b>(4,634,160)</b>	<b>3,201,398</b>
<b>(Loss) / Profit attributable to:</b>		
- Owners of the Holding Company	(4,854,881)	3,194,833
- Non-controlling interest	220,721	6,565
	<b>(4,634,160)</b>	<b>3,201,398</b>
<b>(Loss) / Earnings per share - basic and diluted (Rupees)</b>	<b>(3.76)</b>	<b>2.47</b>

  
Brig Khurram Shahzada, SI(M), (Retd)  
Company Secretary  
Faui Fertilizer Bin Qasim Limited  
FFBL Tower, DHA-II, Islamabad