



(HEAD OFFICE)
Secretariat (Corporate Affairs)

UNDER SEALED COVER

Ref No. 6.12-KSE/S/FFC
April 27, 2023

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

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

Subject: Financial Results for the Quarter Ended March 31, 2023

Dear Sir,

1. We have to inform you that the Board of Directors of our Company in their Meeting held on 27/04/2023 at 1100 hours at FFC Head Office, Rawalpindi recommended the following:-

- a. **Cash Dividend**
An Interim Cash Dividend for the quarter ended March 31, 2023 at **Rs. 4.26 per share i.e. 42.60%**.
- b. **Bonus Shares**. NIL
- c. **Right Shares**. NIL
- d. **Any other Price-Sensitive Information**. NIL.

2. **Financial Performance**

- 2.1. Urea production by the Company stood at 633 thousand tonnes whereas sales were recorded at 631 thousand tonnes, same as last year.
- 2.2. The Country continues to face socio economic uncertainty and turmoil with inflation touching one of the highest levels at 35%, high interest rates of around 22%, increased GST rates of 18% to 25%, besides continued devaluation of the Pak rupee, negatively impacting the costs of the Company. Shortage of foreign currency reserves have also caused delay in procurement of essential spares and machinery.
- 2.3. The increase in interest rates enabled the Company to earn income on deposits of Rs 3.5 billion. This income included an unrealized exchange gain of Rs 930 million earned on the foreign exchange deposits of the Company due to devaluation of Pak rupee. The net profitability of the Company thus stood at Rs 7.7 billion with earnings per share of Rs. 6.07



per share compared to Rs 4.90 per share for 2022. The profitability in dollar terms however declined to USD 30 million compared to USD 35 million last year.

- 2.4. Gas prices are expected to increase and the Government is considering application of WACOG under the premise of price unification. This would result in excessive increase of FFC's gas cost and thereby would make this business **unsustainable** whereas cost of other fertilizer manufacturers is not expected to be impacted materially. The Company has been consistently contesting for a level playing field with the Government on the one hand, is also being asked Not to pass on the impact of gas price escalation on the other.
- 2.5. Setting up of the new projects including Pressure Enhancement Facility (PEF) along with SNGPL pipeline are progressing satisfactorily. These projects, however, face the **risk of delays** due to shortage of foreign exchange for purchase of requisite machinery and items.

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

3. The above entitlement will be paid to the shareholders whose names will appear in the Register of Members on May 09, 2023. The Share Transfer Books of the Company will be closed from May 10 to May 12, 2023 (both days inclusive). Transfers received at the CDC Share Registrar Services Limited, Share Registrar Department, CDC House 99-B, Block 'B', S.M.C.H.S Main Shakra-e-Faisal, Karachi-74400 at the close of business on May 09, 2023 will be treated in time for the purpose of above entitlement to the transferees.

4. The quarterly report for the period ended 31-03-2023 will be transmitted through PUCARS separately, within specified time.


Company Secretary
Brig Irfan Khan (Retd)

cc: **M-IS.FFC**

Annexure-A

FAUJI FERTILIZER COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2023

	Note	Three month period ended	
		March 31, 2023	March 31, 2022
(Rupees '000)			
Turnover - net	13	36,405,816	26,315,351
Cost of sales		<u>(21,831,206)</u>	<u>(16,957,064)</u>
GROSS PROFIT		14,574,610	9,358,287
Distribution cost		<u>(3,055,823)</u>	<u>(2,186,342)</u>
		11,518,786	7,171,945
Finance cost		<u>(1,464,299)</u>	<u>(1,072,181)</u>
Unwinding of GIDC liability		<u>(382,614)</u>	<u>(529,749)</u>
Loss allowance on subsidy receivable from GoP		<u>(200,000)</u>	-
Other expenses		<u>(1,073,360)</u>	<u>(727,270)</u>
		8,398,513	4,842,745
Other income		<u>3,544,619</u>	<u>3,458,781</u>
PROFIT BEFORE TAXATION		11,943,132	8,301,526
Provision for taxation		<u>(4,213,000)</u>	<u>(2,062,000)</u>
PROFIT FOR THE PERIOD		<u>7,730,132</u>	<u>6,239,526</u>
Earnings per share - basic and diluted (Rupees)		<u>6.08</u>	<u>4.90</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

Annexure-B

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

	Note	Three month period ended	
		March 31, 2023	March 31, 2022
(Rupees '000)			
Turnover - net	14	39,688,672	28,525,945
Cost of sales		23,943,805	18,356,207
GROSS PROFIT		15,744,867	10,169,738
Administrative and distribution expenses		3,346,735	2,357,997
		12,398,132	7,811,741
Finance cost		1,737,817	1,288,860
Unwinding of remeasurement gain on GIDC liability		382,614	529,749
Expected Credit Loss		200,000	-
Other expenses		1,073,360	733,017
		9,004,341	5,260,115
Other income		3,825,014	2,368,264
Share of profit of associates and joint venture		(260,038)	3,612,849
PROFIT BEFORE TAX		12,569,317	11,241,228
Provision for taxation		4,237,064	2,646,444
PROFIT FOR THE PERIOD		8,332,253	8,594,784
ATTRIBUTABLE TO:			
Equity Holders of Fauji Fertilizer Company Limited		8,256,211	8,551,526
Non - Controlling Interest		76,042	43,258
		8,332,253	8,594,784
Earnings per share - basic and diluted (Rupees)		6.55	6.76

The annexed notes 1 to 20 form an integral part of these condensed interim consolidated financial statements.