



**Fauji Fertilizer Company Limited**  
**Condensed Interim Financial Statements**  
**Period Ended March 31, 2023**

# COMPANY INFORMATION

## **BOARD OF DIRECTORS**

Mr. Waqar Ahmed Malik  
Chairman

Mr. Sarfaraz Ahmed Rehman  
Managing Director & Chief Executive Officer

Dr. Nadeem Inayat

Mr. Saad Amanullah Khan

Ms. Maryam Aziz

Maj Gen Naseer Ali Khan, HI(M) (Retd)

Mr. Peter Bruun Jensen

Maj Gen Ahmad Mahmood Hayat, HI(M)  
(Retd)

Syed Bakhtiyar Kazmi

Mr. Shoaib Javed Hussain

Mr. Jehangir Shah

Dr. Ayesha Khan

Mr. Iftikhar Ali Sahoo

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## **CHIEF FINANCIAL OFFICER**

Syed Atif Ali  
Tel No. +92-51-8456101  
Fax No. +92-51-8459961  
E-mail: [atif\\_ali@ffc.com.pk](mailto:atif_ali@ffc.com.pk)

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## **COMPANY SECRETARY**

Brig Irfan Khan, TBt (Retd)  
Tel No. +92-51-8453101  
Fax No. +92-51-8459931  
E-mail: [secretary@ffc.com.pk](mailto:secretary@ffc.com.pk)

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## **REGISTERED OFFICE**

156 - The Mall, Rawalpindi Cantt,  
Pakistan  
Website: [www.ffc.com.pk](http://www.ffc.com.pk)  
Tel No. +92-51-111-332-111, 8450001  
Fax No. +92-51-8459925  
E-mail: [ffcrwp@ffc.com.pk](mailto:ffcrwp@ffc.com.pk)

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<b>PLANTSITES</b>	Goth Machhi, Sadiqabad (Distt: Rahim Yar Khan), Pakistan Tel No. +92-68-5954550-64 Fax No. +92-68-5954510-11  Mirpur Mathelo (Distt: Ghotki), Pakistan Tel No. +92-723-661500-09 Fax No. +92-723-661462
<b>MARKETING DIVISION</b>	Lahore Trade Centre, 11 Shahrah-e-Aiwan-e-Tijarat, Lahore, Pakistan Tel No. +92-42-36369137-40 Fax No. +92-42-36366324
<b>KARACHI OFFICE</b>	B-35, KDA Scheme No. 1 Karachi, Pakistan Tel No. +92-21-34390115-16 Fax No. +92-21-34390117 & 34390122
<b>AUDITORSS</b>	A.F.Ferguson & Co. Chartered Accountants 74 - East, Blue Area, Jinnah Avenue, Islamabad Tel No. +92-51-2273457-9, 2870045-85 Fax No. +92-51-2206473
<b>SHARES REGISTRAR</b>	CDC Share Registrar Services Limited CDC House, 99 - B, Block - B S.M.C.H.S., Main Shakra-e-Faisal Karachi - 74400 Tel: +92-0800-23275 Fax: +92-21-34326053

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# FAUJI FERTILIZER COMPANY LIMITED

## DIRECTORS' REVIEW

FOR THE PERIOD ENDED MARCH 31, 2023

### **Valued Shareholders,**

We are pleased to present our review on the operations and financial results of the Company for the first quarter ended March 31, 2023.

The production facilities operated at a combined efficiency of 124% and delivered 633 thousand tonnes of Sona Urea, which was in line with the corresponding quarter of 2022. Sona urea offtake was recorded at 631 thousand tonnes which was also same as last year.

Cost of sales increased mainly due to higher cost of imported fertilizers besides inflation, which touched one of the highest inflation rates of around 35%. Soaring interest rates resulted in increased finance cost of Rs1.4 billion, higher by 37% compared to last year. Shortage of foreign currency reserve and persistent Pak rupee devaluation continue to cause delay in procurement of essential spares and machinery besides escalating the cost of such items. The rates of General Sales Tax have also been increased by the Government further pressurizing the cost of the Company.

The increase in interest rates enabled the Company to earn income on deposits of Rs 3.5 billion compared to Rs 2.2 billion last year. This income included an unrealized exchange gain of Rs 930 million earned on the foreign exchange deposits of Company due to devaluation of Pak rupee. The net profitability of the company thus stood at Rs 7.7 billion compared to 6.2 billion last year with

# **FAUJI FERTILIZER COMPANY LIMITED**

## **DIRECTORS' REVIEW**

FOR THE PERIOD ENDED MARCH 31, 2023

earnings per share of Rs. 6.08 per share for the period under review against 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.

In view of commendable results, the Board of Directors is pleased to announce first interim dividend of 42.6 % (Rs 4.26 per share) for the period.

### **FUTURE OUTLOOK**

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 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.

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, whereas is also being asked not to pass on the impact of gas price escalation.

# FAUJI FERTILIZER COMPANY LIMITED

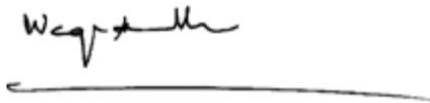
## DIRECTORS' REVIEW

FOR THE PERIOD ENDED MARCH 31, 2023

The setting up of gas Pressure Enhancement Facility (PEF) along with our other project of laying a new pipeline to connect SNGPL network with FFC plant site Mirpur Mathelo are progressing satisfactorily. These projects, however, face the risk of delays due to shortage of foreign exchange for purchase of requisite machinery and items.

We reiterate favorable Governmental actions in the form of conducive and consistent economic policies and resolution of long outstanding issues like subsidy and GST refunds. The Board, however, continues to work for augmenting agriculture growth through providing quality fertilizers to farming community of the country, besides safeguarding the interest of the stakeholders.

On behalf of the Board,



**Waqar Ahmed Malik**  
Chairman



**Sarfaraz Ahmed Rehman**  
Managing Director & Chief  
Executive Officer

Rawalpindi  
April 27, 2023



**Condensed Interim Financial Statements**  
**Period Ended March 31, 2023**

**FAUJI FERTILIZER COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2023**

	Un-audited March 31, 2023	Audited December 31, 2022
	(Rupees '000)	
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY AND RESERVES</b>		
Share capital	12,722,382	12,722,382
Capital reserves	160,000	160,000
General reserves	8,802,360	8,802,360
Unappropriated profit	32,987,689	29,265,107
(Deficit) / surplus on remeasurement of investments to fair value - net	(230,037)	(114,888)
	<b>54,442,394</b>	<b>50,834,961</b>

**NON - CURRENT LIABILITIES**

Long term borrowings - secured	14,470,000	16,295,000
Lease liabilities	20,628	17,437
Gas Infrastructure Development Cess (GIDC) payable	7,557,919	7,940,534
Deferred liabilities	3,281,377	3,272,408
	<b>25,329,924</b>	<b>27,525,379</b>

**CURRENT LIABILITIES**

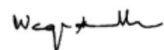
Current portion of long term borrowings - secured	5,695,000	5,445,000
Current portion of lease liabilities	5,448	15,743
Current portion of deferred government grant	-	-
Trade and other payables	89,695,798	89,836,138
Mark-up and profit accrued	987,505	1,505,936
Short term borrowings - secured	11,735,248	57,994,421
Unpaid dividend	4,496,691	478,676
Taxation	7,735,358	6,485,753
	<b>120,351,048</b>	<b>161,761,667</b>

**TOTAL EQUITY AND LIABILITIES**

<b>200,123,366</b>	<b>240,122,007</b>
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**CONTINGENCIES AND COMMITMENTS**

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



Chairman



Chief Executive



Director



Chief Financial Officer

	Un-audited March 31, 2023	Audited December 31, 2022
Note	(Rupees '000)	
<b>ASSETS</b>		
<b>NON - CURRENT ASSETS</b>		
Property, plant and equipment	9 30,070,293	27,631,051
Intangible assets	1,574,506	1,573,143
Long term investments	10 50,575,063	50,525,124
Long term loans and advances - secured	4,593,620	4,555,580
Long term deposits and prepayments	12,378	12,378
	<b>86,825,859</b>	<b>84,297,276</b>

**CURRENT ASSETS**

Stores, spares and loose tools	6,391,076	6,301,086
Stock in trade	13,755,736	19,487,801
Trade debts	723,139	371,540
Loans and advances - secured	4,968,242	952,546
Deposits and prepayments	443,978	301,327
Other receivables	11 26,108,439	26,620,590
Short term investments	12 59,653,865	100,269,870
Cash and bank balances	1,253,031	1,519,971
	<b>113,297,507</b>	<b>155,824,731</b>

**TOTAL ASSETS**

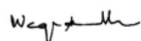
<b>200,123,366</b>	<b>240,122,007</b>
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**FAUJI FERTILIZER COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2023**

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


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



**Chairman**



**Chief Executive**



**Director**




**Chief Financial Officer**

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

	<u>Three month period ended</u>	
	<u>March 31,</u>	<u>March 31,</u>
	<u>2023</u>	<u>2022</u>
	(Rupees '000)	
<b>PROFIT FOR THE PERIOD</b>	<b>7,730,132</b>	<b>6,239,526</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that are reclassified subsequently to profit or loss		
Deficit on re-measurement of investments to fair value - net	(115,149)	(59,060)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u><u><b>7,614,983</b></u></u>	<u><u><b>6,180,466</b></u></u>

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

  
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**Chairman**

  
**Chief Executive**

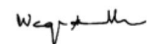
  
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**Director**

  
**Chief Financial Officer**

**FAUJI FERTILIZER COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2023**

	Note	Three month period ended	
		March 31, 2023	March 31, 2022
(Rupees '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations	14	12,745,922	6,333,517
Finance cost paid		(1,981,940)	(1,130,113)
Income taxes paid		(2,907,395)	(2,848,129)
		<b>(4,889,335)</b>	<b>(3,978,242)</b>
Net cash generated from / (used in) operating activities		<b>7,856,587</b>	2,355,275
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(3,037,388)	(741,732)
Proceeds from sale of operating fixed assets		5,838	5,793
Investment in Thar Energy Limited		-	(120,311)
Advance against issue of shares - Thar Energy Limited		(226,908)	(787,213)
Other investments - net		(102,719)	1,661,718
Interest and profit received		466,376	282,723
Dividend received		-	1,260,000
Net cash generated from / (used in) investing activities		<b>(2,894,801)</b>	1,560,978
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term financing:			
Repayments		(1,575,000)	(721,327)
Repayment of lease liabilities		(7,894)	(9,625)
Dividend paid		10,465	(5,927,078)
Net cash used in financing activities		<b>(1,572,429)</b>	<b>(6,658,030)</b>
Net decrease in cash and cash equivalents		<b>3,389,357</b>	(2,741,777)
<b>Cash and cash equivalents at beginning of the period</b>		<b>39,784,483</b>	55,178,417
Effect of exchange rate changes		929,566	99,681
<b>Cash and cash equivalents at end of the period</b>		<b>44,103,406</b>	<b>52,536,321</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		1,253,031	1,264,947
Short term borrowings		(11,735,248)	(28,491,365)
Short term highly liquid investments		54,585,623	79,762,739
		<b>44,103,406</b>	<b>52,536,321</b>

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



Chairman



Chief Executive



Director




Chief Financial Officer

**FAUJI FERTILIZER COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2023**

	Share capital	Capital reserves	Revenue reserves		(Deficit) / surplus on remeasurement of investments to fair value - net	Total
			General reserves	Unappropriated profit		
	(Rupees '000)					
<b>Balance as at January 1, 2022 (Audited)</b>	12,722,382	160,000	8,802,360	25,779,498	50,054	47,514,294
<b>Total comprehensive income</b>						
Profit for the period	-	-	-	6,239,526	-	6,239,526
Other comprehensive (loss) - net of tax	-	-	-	-	(59,060)	(59,060)
	-	-	-	6,239,526	(59,060)	6,180,466
<b>Transactions with owners of the Company</b>						
<b>Distributions:</b>						
Final dividend 2021: Rs 4.65 per share	-	-	-	(5,915,908)	-	(5,915,908)
Final dividend 2021: Rs 4.65 per share	-	-	-	(5,915,908)	-	(5,915,908)
<b>Balance as at March 31, 2022 (Un-audited)</b>	<u>12,722,382</u>	<u>160,000</u>	<u>8,802,360</u>	<u>26,103,116</u>	<u>(9,006)</u>	<u>47,778,852</u>
<b>Balance as at January 1, 2023 (Audited)</b>	<b>12,722,382</b>	<b>160,000</b>	<b>8,802,360</b>	<b>29,265,107</b>	<b>(114,888)</b>	<b>50,834,961</b>
<b>Total comprehensive income</b>						
Profit for the period	-	-	-	7,730,132	-	7,730,132
Other comprehensive (loss) - net of tax	-	-	-	-	(115,149)	(115,149)
	-	-	-	7,730,132	(115,149)	7,614,983
<b>Transactions with owners of the Company</b>						
<b>Distributions:</b>						
Final dividend 2022: Rs 3.15 per share	-	-	-	(4,007,550)	-	(4,007,550)
<b>Other changes in equity</b>						
Transfer to general reserves	-	-	-	-	-	-
<b>Balance as at March 31, 2022 (Un-audited)</b>	<u>12,722,382</u>	<u>160,000</u>	<u>8,802,360</u>	<u>32,987,689</u>	<u>(230,037)</u>	<u>54,442,394</u>

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

  
Chairman

  
Chief Executive

  
Director

  
Chief Financial Officer

**FAUJI FERTILIZER COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2023**

**1. THE COMPANY AND ITS OPERATIONS**

Fauji Fertilizer Company Limited (the Company) is a public company incorporated in Pakistan under the Companies Act, 1913, (now the Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange. The registered office of the Company is situated at 156 - The Mall, Rawalpindi, Pakistan. The Company is domiciled in Rawalpindi. The Principal activity of the Company is manufacturing, purchasing and marketing of fertilizers and chemicals, including investment in other fertilizer, chemical, cement, energy generation, food processing and banking operations.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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; 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2** The disclosures in these condensed interim financial statements do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements of the Company for the year ended December 31, 2022. Comparative condensed interim statement of financial position is extracted from annual financial statements as at December 31, 2022 whereas comparative condensed interim statement of profit or loss, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from un-audited condensed interim financial statements of the Company for the three month period ended March 31, 2022.

**2.3** These condensed interim financial statements are un-audited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

**3. Significant accounting policies**

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these condensed interim financial statements and financial risk management policy are the same as those applied in preparation of financial statements of the Company for the year ended December 31, 2022.

#### 4. SHARE CAPITAL

##### AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (December 31, 2022: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (December 31, 2022: Rs 15,000,000 thousand).

##### ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un-audited March 31, 2023	Audited December 31, 2022		Un-audited March 31, 2023	Audited December 31, 2022
(Number of shares)			(Rupees '000)	
<b>256,495,902</b>	256,495,902	Ordinary shares of Rs 10 each, issued for consideration in cash	<b>2,564,959</b>	2,564,959
<b>1,015,742,345</b>	1,015,742,345	Ordinary shares of Rs 10 each, issued as fully paid bonus shares	<b>10,157,423</b>	10,157,423
<b>1,272,238,247</b>	<b>1,272,238,247</b>		<b>12,722,382</b>	<b>12,722,382</b>

- 4.1 Fauji Foundation holds 44.35% (December 31, 2022: 44.35%) ordinary shares of the Company at the period end.

	Note	Un-audited March 31, 2023	Audited December 31, 2022
(Rupees '000)			
<b>5. LONG TERM BORROWINGS - SECURED</b>			
From conventional banks	5.1	<b>11,165,000</b>	11,740,000
From Islamic banks	5.2	<b>9,000,000</b>	10,000,000
		<b>20,165,000</b>	21,740,000
Less: Current portion shown under current liabilities			
From conventional banks		<b>3,445,000</b>	3,445,000
From Islamic banks		<b>2,250,000</b>	2,000,000
		<b>5,695,000</b>	5,445,000
		<b>14,470,000</b>	16,295,000

##### 5.1 Movement during the period / year is as follows:

Opening balance		<b>11,740,000</b>	10,785,000
Draw-downs during the period / year		-	3,000,000
Repayments during the period / year		<b>(575,000)</b>	(2,045,000)
Closing balance	5.1.1	<b>11,165,000</b>	11,740,000

- 5.1.1 The borrowings are secured by way of hypothecation of Company's assets including plant, machinery, tools & spares and other movable properties, ranking pari passu with each other with 25% margin.

These carry mark-up ranging between 6 month KIBOR + 0.05% to 0.15% per annum (2022: 6 month KIBOR + 0.05% to 0.15% per annum) and are repayable up to December 2027 (2022: December 2027).

	<b>Note</b>	<b>Un-audited March 31, 2023</b>	<b>Audited December 31, 2022</b>
(Rupees '000)			
<b>5.2 Movement during the period / year is as follows:</b>			
Opening balance		<b>10,000,000</b>	2,000,000
Draw-downs during the period / year		-	6,000,000
Repayments during the period / year		<b>(1,000,000)</b>	-
Closing balance	5.2.1	<b>9,000,000</b>	<b>10,000,000</b>

**5.2.1** The borrowings are secured by way of hypothecation of Company's assets including plant, machinery, tools & spares and other movable properties, ranking pari passu with each other with 25% margin.

These carry profit rates ranging between 6 month KIBOR + 0% to 0.10% per annum (2022:6 month KIBOR + 0% to 0.10% per annum) and are repayable up to September 2027.

	<b>Note</b>	<b>Un-audited March 31, 2023</b>	<b>Audited December 31, 2022</b>
(Rupees '000)			
<b>6. GAS INFRASTRUCTURE DEVELOPMENT CESS (GIDC) PAYABLE</b>			
Balance at the beginning		<b>61,276,887</b>	59,158,374
Movement during the year		-	-
		<b>61,276,887</b>	59,158,374
Gain on extinguishment of original GIDC liability - credited to profit or loss		-	-
Unwinding of GIDC liability		<b>382,614</b>	2,118,513
		<b>61,659,501</b>	61,276,887
Less: Current portion of GIDC payable	6.1	<b>(54,101,582)</b>	(53,336,353)
Long-term portion of GIDC payable		<b>7,557,919</b>	7,940,534

**6.1** This amount is included in trade and other payables.

**7. SHORT TERM BORROWINGS - SECURED**

From conventional banks	7.1	<b>5,973,948</b>	51,991,252
From Islamic banks	7.2	<b>5,761,300</b>	6,003,169
		<b>11,735,248</b>	57,994,421

- 7.1** Short term borrowings are available from various banking companies under mark-up arrangements against facilities amounting to Rs 55,504,290 thousands (December 31, 2021: Rs 52,861,600 thousands) which represent the aggregate of all facility agreements between the Company and respective banks. The per annum rates of mark-up are 1 week KIBOR + 0.05%, 1 month KIBOR + 0.02% to 1 month KIBOR + 0.35% and 3 month KIBOR + 0% to 0.35% (December 31, 2021: 1 week KIBOR minus 2.37%, 1 month KIBOR minus 0.05% to 1 month KIBOR + 0.35% and 3 month KIBOR + 0% to 0.35%).

The facilities are secured by pari passu / ranking hypothecation charges on movable assets of the Company besides lien on mutual fund investments and PIBs in certain cases. The facilities have various maturity dates upto December 29, 2023.

- 7.2** Shariah Compliant short term borrowings are available from various banking companies under profit arrangements against facilities amounting to Rs 4,000,000 thousand (December 31, 2020: Rs 4,000,000 thousand) which represent the aggregate of all facility agreements between the Company and respective banks. The facilities have various maturity dates upto May 31, 2022 (December 31, 2021: May 31, 2022).

The facilities are secured by ranking hypothecation charges on assets of the Company besides lien over PIBs in certain cases. The per annum rates of profit is 3 month KIBOR + 0% to 0.10% (December 31, 2021: 3 month KIBOR + 0% to 0.10%).

	Un-audited March 31, 2023	Audited December 31, 2022
	(Rupees '000)	
<b>8. CONTINGENCIES AND COMMITMENTS</b>		
<b>8.1 Contingencies:</b>		
i) Guarantees issued by banks on behalf of the Company	7,629,951	6,762,374
ii) Claims against the Company and / or potential exposure not acknowledged as debt	50,696	50,696
iii) The Company has issued corporate bank guarantee in favour of its subsidiary i.e. Fauji Fresh n Freeze Limited amounting to Rs 2,545,000 thousand (2022: Rs 2,545,000 thousand) in addition to letter of comfort amounting to Rs 900,000 thousand (2022: Rs 900,000 thousand).		
iv) Penalty of Rs 5,500,000 thousand imposed by the Competition Commission of Pakistan (CCP) in 2013, for alleged unreasonable increase in urea prices, which was set aside by the Competition Appellate Tribunal, in appeal filed by the Company, who also remanded the case back to CCP to decide the case afresh under guidelines provided by the Tribunal. CCP did not challenge this order before the Supreme Court of Pakistan in appeal within the stipulated time, thus making the appeal time barred. However, in last year, CCP under the said Tribunal guidelines, resumed the proceedings and the Company, duly joined these proceedings through Counsel. The Company filed writ petition before Islamabad High Court which was disposed of, directing CCP to proceed with regular hearings. CCP is yet to initiate its proceedings and the Company is awaiting hearing notice. The Company remains confident of successfully defending these unreasonable claims.		
	Un-audited March 31, 2023	Audited December 31, 2022
<b>8.2 Commitments in respect of:</b>	(Rupees '000)	
i) Capital expenditure	3,307,242	7,144,635
ii) Purchase of fertilizer, stores, spares and other operational item	4,274,278	4,899,193
iii) Investment in Thar Energy Limited	90,784	421,392
iv) Contracted out services	589,738	661,513
v) Arrangement with SNGPL for pipeline for supply of RLNG	560,000	2,420,000
vi) Revolving credit facilities to:		
- Foundation Wind Energy Limited - I	1,500,000	1,500,000
- FFC Energy Limited	1,700,000	1,700,000



	Note	Un-audited March 31, 2023	Audited December 31, 2022
(Rupees '000)			
<b>9. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	9.1	25,830,773	25,316,719
Capital work in progress	9.2	4,225,851	2,297,168
Right of use assets	9.3	13,668	17,164
		<u>30,070,293</u>	<u>27,631,051</u>
<b>9.1 Operating fixed assets</b>			
Opening written down value		25,316,719	21,943,479
Additions during the period / year		1,105,981	5,780,046
Written down value of disposals		-	(198)
Depreciation during the period / year		(591,927)	(2,406,608)
		<u>25,830,773</u>	<u>25,316,719</u>
<b>9.1.1</b>	Additions in and depreciation on property, plant and equipment during the three month period ended March 31, 2022 were Rs 1,250,860 thousand and Rs 620,684 thousand respectively.		
		Un-audited March 31, 2023	Audited December 31, 2022
		(Rupees '000)	
<b>9.2 Capital work in progress</b>			
Opening value		2,297,168	2,008,135
Additions during the period / year		2,082,110	1,769,225
Transfers during the period / year		(153,426)	(1,480,192)
		<u>4,225,851</u>	<u>2,297,168</u>
<b>9.3 Right of use assets</b>			
Opening value		17,164	35,672
Additions during the period / year		-	-
Depreciation during the period / year		(3,496)	(18,508)
		<u>13,668</u>	<u>17,164</u>
<b>9.4 Depreciation charge has been allocated as follows:</b>			
Cost of sales		571,846	2,328,141
Distribution cost		21,054	81,602
Other expenses		195	2,108
Charged to FFBL under the Company Services Agreement		2,329	13,265
		<u>595,423</u>	<u>2,425,116</u>

10. LONG TERM INVESTMENTS	Note	Un-audited March 31, 2023	Audited December 31, 2022
(Rupees '000)			
<b>Investments held at cost</b>			
<b>In associated companies (Quoted)</b>			
Fauji Cement Company Limited		1,500,000	1,500,000
Fauji Fertilizer Bin Qasim Limited		7,152,693	7,152,693
Askari Bank Limited		10,461,921	10,461,921
		<b>19,114,614</b>	<b>19,114,614</b>
<b>In associated company (Unquoted)</b>			
Thar Energy Limited		5,135,658	4,828,700
Advance against issue of shares		851,250	931,300
		<b>5,986,908</b>	<b>5,760,000</b>
<b>In joint venture (Unquoted)</b>			
Pakistan Maroc Phosphore S.A., Morocco		705,925	705,925
<b>In subsidiary companies (Unquoted)</b>			
FFC Energy Limited		2,438,250	2,438,250
Fauji Fresh n Freeze Limited			
Investment at cost		6,335,500	6,335,500
Less: Impairment loss		(2,100,000)	(2,100,000)
		<b>4,235,500</b>	<b>4,235,500</b>
Fauji Wind Energy Limited - I		7,493,051	7,493,051
Fauji Wind Energy Limited - II		6,019,288	6,019,288
Olive Technical Services (Pvt) Limited			
Investment at cost		-	-
Advance against issue of shares		20,000	20,000
		<b>20,000</b>	<b>20,000</b>
		<b>20,206,089</b>	<b>20,206,089</b>
		<b>46,013,536</b>	<b>45,786,628</b>
<b>Investments measured at fair value through other comprehensive income</b>			
Term Deposit Receipts - from conventional bank		63,831	64,710
Term Finance Certificates - from conventional bank		485,423	485,029
Pakistan Investment Bonds		4,411,822	4,574,399
		<b>4,961,076</b>	<b>5,124,138</b>
		<b>50,974,612</b>	<b>50,910,766</b>
<b>Less: Current portion shown under short term investments - fair value through other comprehensive income</b>			
Term Deposit Receipts - from conventional bank		38,507	27,070
Pakistan Investment Bonds		361,042	358,572
		<b>399,549</b>	<b>385,642</b>
		<b>50,575,063</b>	<b>50,525,124</b>

## 11. OTHER RECEIVABLES

Other receivables include Rs 6,961,878 thousand (December 31, 2022: Rs 6,961,878 thousand) on account of subsidy receivable and Rs 18,086,738 thousand (December 31, 2022: Rs 18,421,786 thousand) on account of sales tax receivable from the Government.

	Note	Un-audited March 31, 2023	Audited December 31, 2022
<b>12. SHORT TERM INVESTMENTS</b>		(Rupees '000)	
<b>Amortised cost - conventional investments</b>			
Term deposits with banks and financial institutions			
Local currency		-	-
Foreign currency		4,668,693	3,625,295
		<u>4,668,693</u>	<u>3,625,295</u>
<b>Investments at fair value through profit or loss</b>			
Conventional investments		46,802,015	94,127,281
Shariah compliant investments		7,783,608	2,131,652
		<u>54,585,623</u>	<u>96,258,933</u>
<b>Current maturity of long term investments</b>			
Fair value through other comprehensive income	10	399,549	385,642
		<u>59,653,865</u>	<u>100,269,870</u>
		Three month period ended	
		Un-audited March 31, 2023	Un-audited March 31, 2022
<b>13. TURNOVER - NET</b>		(Rupees '000)	
Manufactured urea		29,666,447	21,883,948
Manufactured urea - export		-	-
Purchased and packaged fertilizers		6,759,035	4,976,414
Turnover		36,425,482	26,860,362
Sales tax		(19,666)	(545,011)
Trade discount		-	-
		<u>(19,666)</u>	<u>(545,011)</u>
		<u>36,405,816</u>	<u>26,315,351</u>
<b>14. CASH GENERATED FROM OPERATIONS</b>			
<b>Profit before taxation</b>		11,943,132	8,301,526
<b>Adjustments for:</b>			
Depreciation		595,423	624,009
Amortization		1,361	824
Unwinding of GIDC liability		382,614	529,749
Finance cost		1,464,299	1,072,181
Gain on disposal of operating fixed assets		(5,838)	(5,738)
Interest and profit on loans, deposits and investments		(307,950)	(167,392)
Amortization of Government grant		-	(16,170)
Exchange (gain) / loss - net		(929,566)	(99,681)
Gain on re-measurement of investments at fair value through profit or loss		(939,798)	(1,430,328)
Dividend income		-	(1,260,000)
		<u>260,545</u>	<u>(752,546)</u>
		12,203,678	7,548,980
<b>Changes in:</b>			
Stores, spares and loose tools		(89,990)	(584,473)
Stock in trade		5,732,065	(4,080,276)
Trade debts		(351,599)	189,625
Loans and advances		(4,015,696)	(337,362)
Deposits and prepayments		(142,651)	(277,989)
Other receivables		353,725	(613,261)
Trade and other payables		(905,569)	5,047,429
		<u>580,284</u>	<u>(656,307)</u>
Changes in long term loans and advances		(38,040)	(360,409)
Changes in long term deposits and prepayments		-	2,075
Changes in deferred liabilities		-	(200,822)
		<u>12,745,922</u>	<u>6,333,517</u>

## 15. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2022. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended December 31, 2022.

The carrying amount of all financial assets and liabilities are estimated to approximate their fair values.

## 16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Significant transactions and balances with the related parties are as follows:

### HOLDING COMPANY

#### Transactions

	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Dividend	<b>1,777,348</b>	2,623,705
Cost Recharge	<b>238,248</b>	60,768
Sale of fertilizer	-	2,199
Others	-	47

#### Balances

Balance payable - unsecured *	<b>1,963,574</b>	52,024
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### SUBSIDIARY COMPANIES

#### Transactions

Interest income	<b>38,528</b>	-
Sale of Fertilizer	<b>1,287</b>	-
Rental income	<b>8,839</b>	2,967
Dividend income	-	1,260,000
Expenses incurred on behalf of subsidiary companies	<b>36,058</b>	34,388
Receipt against expenses on behalf of subsidiary companies	<b>6,172</b>	28,656

#### Balances

Balances receivable - unsecured *	<b>1,984,505</b>	184,215
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### ASSOCIATED UNDERTAKINGS / COMPANIES DUE TO COMMON DIRECTORSHIP

#### Transactions

Expenses charged on account of marketing of fertilizer on behalf of associated company	<b>245,328</b>	223,225
Commission on sale of products	<b>4,307</b>	4,622
Consideration paid for acquisition of subsidiaries - FWEL I & II	-	-
Payments under consignment account - net	<b>36,157,143</b>	19,918,852
Payments against purchase of gas as feed and fuel stock	<b>8,040,295</b>	7,998,225
Equity investment	<b>226,908</b>	120,311
Advance against issue of shares	-	787,213
Services and materials provided	<b>11,778</b>	1,754
Donations	<b>776,670</b>	252,550
Interest expense	<b>201,138</b>	57,319
Interest income	<b>1,639</b>	1,912

#### Three month period ended

March 31, 2023	March 31, 2022
-------------------	-------------------

(Rupees '000)

	<b>Three month period ended</b>	
	<b>March 31, 2023</b>	<b>March 31, 2022</b>
	<b>(Rupees '000)</b>	
<b>Balances</b>		
Long term investments *	<b>63,831</b>	64,710
Short term borrowings *	<b>729,058</b>	29,871,241
Running finance *	<b>166,430</b>	247,622
Balances receivable - unsecured *	<b>372,684</b>	362,543
Balances payable - unsecured *	<b>70,679,340</b>	68,537,591

#### **KEY MANAGEMENT PERSONNEL**

Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2023: 1 and 501 (2022: 1 and 420) respectively

<b>1,595,759</b>	1,252,814
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#### **STAFF RETIREMENT BENEFITS**

##### **Contributions**

Employees' Provident Fund Trust	<b>139,184</b>	119,896
Employees' Gratuity Fund Trust	<b>266,333</b>	253,339
Employees' Pension Fund Trust	-	148,611
Employees' Funds as Dividend on equity holding of 0.25% (2022: 0.15%)	<b>8,415</b>	14,614

##### **Balances**

Payable to Gratuity Fund Trust *	<b>459,875</b>	659,625
Receivable - Pension Fund Trust *	-	759,001

\* Comparative figures of receivable / payable balances are as at December 31, 2022.

#### **17. NON ADJUSTING EVENTS AFTER REPORTING DATE**

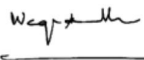
**17.1** The Board of Directors of the Company in its meeting held on April 27, 2023 proposed first interim dividend of Rs 4.26 per share.

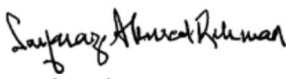
#### **18. GENERAL**

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

**18.2** Corresponding figures have been rearranged and reclassified, wherever necessary, to conform to current year basis and presentation.

**18.3** These condensed interim financial statements have been authorized for issue by the Board of Directors of the Company on April 27, 2023.

  
Chairman

  
Chief Executive

  
Director

  
Chief Financial Officer

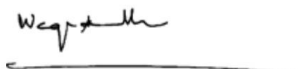



**Condensed Interim Consolidated  
Financial Statements  
Period Ended March 31, 2023**


**FAUJI FERTILIZER COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2023**

	Note	Un-audited March 31, 2023	Audited December 31, 2022		Note	Un-audited March 31, 2023	Audited December 31, 2022
(Rupees '000)				(Rupees '000)			
<b>EQUITY AND LIABILITIES</b>				<b>ASSETS</b>			
<b>EQUITY</b>				<b>NON - CURRENT ASSETS</b>			
Share capital	4	12,722,382	12,722,382	Property, plant and equipment	10	60,694,586	57,922,335
Capital reserves		9,869,772	10,404,430	Intangible assets		1,942,045	1,936,471
Revenue reserves	5	100,969,440	95,931,773	Long term investments	11	89,721,364	83,787,839
(Deficit) / surplus on remeasurement of investments to fair value - net		(986,019)	(1,791,255)	Long term loans and advances - secured		4,593,620	4,555,580
Non-controlling interest		2,924,229	2,848,187	Long term deposits and prepayments		30,638	30,638
		<u>125,499,804</u>	<u>120,115,517</u>			<u>156,982,253</u>	<u>148,232,863</u>
Share in revaluation reserve of associates - net		1,465,450	1,430,348				
<b>NON - CURRENT LIABILITIES</b>				<b>CURRENT ASSETS</b>			
Long term borrowings - secured	6	15,902,300	17,821,360	Stores, spares and loose tools		6,687,655	6,558,678
Lease liabilities		79,971	86,933	Stock in trade		16,074,260	20,116,730
Deferred government grant		127,565	136,851	Trade debts		14,282,078	12,827,643
Gas Infrastructure Development Cess (GIDC) payable		7,557,919	7,940,534	Loans and advances		4,968,242	1,347,334
Deferred liabilities		10,670,324	10,388,531	Deposits and prepayments		454,917	305,823
		<u>34,338,079</u>	<u>36,374,209</u>	Other receivables	12	28,470,602	28,772,312
<b>CURRENT LIABILITIES</b>				Short term investments	13	63,457,727	107,755,999
Current portion of long term borrowings - secured	6	7,042,048	6,702,578	Cash and bank balances		1,567,593	2,001,240
Current portion of lease liabilities		4,580,684	3,687,205			<u>135,963,074</u>	<u>179,685,759</u>
Current portion of deferred government grant		38,008	38,438				
Trade and other payables		92,209,629	92,159,106				
Mark-up and profit accrued		1,386,717	1,556,279				
Short term borrowings - secured	8	14,056,736	58,812,649				
Unpaid dividend		4,496,691	478,676				
Taxation		7,831,481	6,563,617				
		<u>131,641,994</u>	<u>169,998,548</u>				
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>292,945,327</u></u>	<u><u>327,918,622</u></u>	<b>TOTAL ASSETS</b>		<u><u>292,945,327</u></u>	<u><u>327,918,622</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	9						

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

  
Chairman

  
Chief Executive

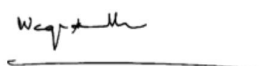
  
Director

  
Chief Financial Officer

**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
<b>GROSS PROFIT</b>		<b>15,744,867</b>	<b>10,169,738</b>
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
<b>PROFIT BEFORE TAX</b>		<b>12,569,317</b>	<b>11,241,228</b>
Provision for taxation		4,237,064	2,646,444
<b>PROFIT FOR THE PERIOD</b>		<b>8,332,253</b>	<b>8,594,784</b>
<b>ATTRIBUTABLE TO:</b>			
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.



**Chairman**



**Chief Executive**



**Director**



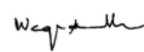
**Chief Financial Officer**



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

	<b>Three month period ended</b>	
	<b>March 31,</b>	<b>March 31,</b>
	<b>2023</b>	<b>2022</b>
	<b>(Rupees '000)</b>	
<b>PROFIT FOR THE PERIOD</b>	<b>8,332,253</b>	<b>8,594,784</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that are reclassified subsequently to profit or loss		
Surplus on re-measurement of investments to fair value - net of tax	<b>(115,149)</b>	<b>(59,060)</b>
Share of equity accounted investees - share of OCI, net of tax	<b>1,143,776</b>	<b>(1,173,365)</b>
	<b>1,028,627</b>	<b>(1,232,425)</b>
Items that will not be subsequently reclassified to profit or loss		
Equity accounted investees - share of OCI, net of tax	<b>30,957</b>	<b>(6,795)</b>
<b>Comprehensive income taken to equity</b>	<b>9,391,837</b>	<b>7,355,564</b>
<b>Comprehensive income not recognised in equity</b>		
Items that may be subsequently reclassified to profit or loss		
Share in revaluation reserve of associates - net	<b>35,102</b>	<b>92,201</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>9,426,939</b>	<b>7,447,765</b>

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

  
**Chairman**

  
**Chief Executive**

  
**Director**

  
**Chief Financial Officer**


**FAUJI FERTILIZER COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2023**

	Capital reserves				Revenue reserves		(Deficit) / surplus on remeasurement of investments to fair value - net	Non - Controlling interest	Total	
	Share capital	Share premium	Capital redemption reserve	Translation reserve	Statutory reserve	General reserve (Rupees '000)				Unappropriated profit
<b>Balance at January 1, 2022</b>	12,722,382	40,000	120,000	3,221,252	4,810,818	8,802,360	66,706,905	(96,563)	2,094,240	98,421,394
<b>Total comprehensive income</b>										
Profit for the period	-	-	-	-	-	-	8,551,526	-	43,258	8,594,784
Other comprehensive income - net of tax	-	-	-	208,111	-	-	(6,795)	(1,440,536)	-	(1,239,220)
	-	-	-	208,111	-	-	8,544,731	(1,440,536)	43,258	7,355,564
<b>Transactions with owners of the Company</b>										
<b>Distributions:</b>										
Final dividend 2021: Rs 4.65 per share	-	-	-	-	-	-	(5,915,908)	-	-	(5,915,908)
<b>FWEL-II dividends to non-controlling interest holders:</b>										
Interim dividend 2022: Rs 1.98 per share	-	-	-	-	-	-	-	-	(140,000)	(140,000)
<b>Other changes in equity</b>										
Transfer to statutory reserve	-	-	-	-	(1,045,987)	-	1,045,987	-	-	-
<b>Balance as at March 31, 2022</b>	<u>12,722,382</u>	<u>40,000</u>	<u>120,000</u>	<u>3,429,363</u>	<u>3,764,831</u>	<u>8,802,360</u>	<u>70,381,715</u>	<u>(1,537,099)</u>	<u>1,997,498</u>	<u>99,721,050</u>
<b>Balance at January 1, 2023</b>	<b>12,722,382</b>	<b>40,000</b>	<b>120,000</b>	<b>4,532,385</b>	<b>5,712,045</b>	<b>8,802,360</b>	<b>87,129,413</b>	<b>(1,791,255)</b>	<b>2,848,187</b>	<b>120,115,517</b>
<b>Total comprehensive income</b>										
Profit for the period	-	-	-	-	-	-	8,256,211	-	76,042	8,332,253
Other comprehensive income / (loss) - net of tax	-	-	-	223,391	-	-	30,957	805,236	-	1,059,584
	-	-	-	223,391	-	-	8,287,168	805,236	76,042	9,391,837
<b>Transactions with owners of the Company</b>										
<b>Distributions:</b>										
<b>FFC dividends:</b>										
Final dividend 2022: Rs 3.15 per share	-	-	-	-	-	-	(4,007,550)	-	-	(4,007,550)
<b>Other changes in equity</b>										
Transfer to statutory reserve	-	-	-	-	(758,049)	-	758,049	-	-	-
<b>Balance as at March 31, 2023</b>	<u>12,722,382</u>	<u>40,000</u>	<u>120,000</u>	<u>4,755,776</u>	<u>4,953,996</u>	<u>8,802,360</u>	<u>92,167,080</u>	<u>(986,019)</u>	<u>2,924,229</u>	<u>125,499,804</u>

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

  
Chairman

  
Chief Executive

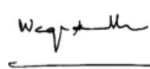
  
Director


  
Chief Financial Officer

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

	Note	March 31, 2023	March 31, 2022
(Rupees '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations	16	12,042,025	5,856,566
Finance cost paid		(1,907,379)	(1,209,542)
Income tax paid		(2,971,196)	(2,614,827)
Other comprehensive income - net of tax		(4,878,575)	(3,824,369)
Net cash generated from operating activities		7,163,450	2,032,197
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(3,085,181)	(900,646)
Proceeds from sale of property, plant and equipment		5,873	6,992
Investment in Fauji Foods Limited		(4,650,000)	(120,311)
Advance against issue of shares in Thar Energy Limited		(226,908)	(787,213)
Other investments - net		(3,497,438)	2,735,262
Interest and profit received		515,419	342,178
Dividend received		-	-
Net cash (used in) / generated from investing activities		(10,938,235)	1,276,262
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term financing - drawdowns		9,717	6,701
- repayments		(1,590,000)	(728,935)
Repayment of lease liabilities		(67,452)	49,972
Grant received during the year		-	2,309
Dividend paid		10,465	(6,067,078)
Net cash used in financing activities		(1,637,270)	(6,737,031)
Net decrease in cash and cash equivalents		(5,412,055)	(3,428,572)
<b>Cash and cash equivalents at beginning of the period</b>		46,933,653	57,704,815
Effect of exchange rate changes		929,211	99,681
<b>Cash and cash equivalents at end of the period</b>		42,450,809	54,375,924
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		1,567,593	1,623,550
Short term highly liquid investments		54,939,952	81,623,739
Short term borrowings - secured		(14,056,736)	(28,871,365)
		42,450,809	54,375,924

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

  
 \_\_\_\_\_  
**Chairman**

  
**Chief Executive**

  
**Director**

  
**Chief Financial Officer**

**FAUJI FERTILIZER COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2023**

**1. THE COMPANY AND ITS OPERATIONS**

**1.1** Fauji Fertilizer Company Limited (the Group) comprises of Fauji Fertilizer Company Limited (FFC) and its subsidiaries, FFC Energy Limited (FFCEL), Fauji Fresh n Freeze Limited (FFF), Foundation Wind Energy - I Limited (FWEL-I) and Foundation Wind Energy - II Limited (FWEL-II) and OLIVE Technical Services (Private) Limited. The shares of FFC are quoted on Pakistan Stock Exchange.

The principal activity of FFC is manufacturing, purchasing and marketing of fertilizers and chemicals including investment in chemical, other manufacturing and banking operations. FFCEL has setup a 49.5 MW wind energy power project. FFF is principally engaged in the business of processing fresh, frozen fruits, vegetables, fresh meat, frozen cooked and semi cooked food. FWEL-I and FWEL-II individually operate setups of 50MW wind energy power projects. OLIVE Technical Services (Private) Limited is engaged in provision of Technical, Operations, Maintenance, Inspection and IT Services.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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; 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The applicable framework for banks also includes the Banking Companies Ordinance 1962 and the provisions of and directives issued by the State Bank of Pakistan.

**2.2** The disclosures in these condensed interim consolidated financial statements do not include the information reported for full annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2022. Comparative figures of condensed interim statement of financial position is extracted from audited consolidated financial statements as at December 31, 2022 whereas comparative figures of condensed interim statement of profit or loss account, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from unaudited condensed interim consolidated financial information of the Group for the three month period ended March 31, 2021.

**2.3** These condensed interim consolidated financial statements are unaudited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

**3 Significant accounting policies**

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these condensed interim consolidated financial statements and financial risk management policy are the same as those applied in preparation of financial statements of the Group for the year ended December 31, 2022.

**4. SHARE CAPITAL**

**AUTHORISED SHARE CAPITAL**

This represents 1,500,000,000 (2022: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2022: Rs 15,000,000 thousand).

**ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

Un-audited March 31, 2023	Audited December 31, 2022		Un-audited March 31, 2023	Audited December 31, 2022
(Number of shares)			(Rupees '000)	
256,495,902	256,495,902	Ordinary shares of Rs 10 each, issued for consideration in cash	2,564,959	2,564,959
1,015,742,345	1,015,742,345	Ordinary shares of Rs 10 each issued as fully paid bonus shares	10,157,423	10,157,423
<u>1,272,238,247</u>	<u>1,272,238,247</u>		<u>12,722,382</u>	<u>12,722,382</u>
		<b>Note</b>	<b>Un-audited March 31, 2023</b>	<b>Audited December 31, 2022</b>
			(Rupees '000)	

**5. REVENUE RESERVES**

General reserve	8,802,360	8,802,360
Unappropriated profit	92,167,080	87,129,413
	<u>100,969,440</u>	<u>95,931,773</u>

**6. LONG TERM BORROWINGS - secured**

**From conventional banks**

Fauji Fertilizer Company Limited	6.1	11,165,000	11,740,000
Fauji Fresh n Freeze Limited	6.2	1,883,039	1,888,322
Foundation Wind Energy - I Limited (FWEL - I)	6.3	465,619	464,926
Foundation Wind Energy - II Limited (FWEL - II)	6.4	430,690	430,690

**From Islamic banks**

Fauji Fertilizer Company Limited	6.5	9,000,000	10,000,000
		<u>22,944,348</u>	<u>24,523,938</u>

**Less: Current portion shown under current liabilities**

From conventional banks	4,792,048	4,702,578
From Islamic banks	2,250,000	2,000,000
	<u>7,042,048</u>	<u>6,702,578</u>
	<u>15,902,300</u>	<u>17,821,360</u>

**6.1 Movement during the period / year is as follows:**

Opening balance	11,740,000	10,785,000
Draw-downs during the period / year	-	3,000,000
Repayments during the period / year	(575,000)	(2,045,000)
Closing balance	<u>11,165,000</u>	<u>11,740,000</u>

**6.1.1** The borrowings are secured by way of hypothecation of Company's assets including plant, machinery, tools & spares and other movable properties, ranking pari passu with each other with 25% margin.

These carry mark-up ranging between 6 month KIBOR + 0.05% to 0.15% per annum (2022: 6 month KIBOR + 0.05% to 0.15% per annum) and are repayable up to December 2027 (2022: December 2027).

	<b>Un-audited March 31, 2023</b>	<b>Audited December 31, 2022</b>
	<b>(Rupees '000)</b>	
<b>6.2 Movement during the period / year is as follows:</b>		
Opening balance	<b>1,888,322</b>	1,607,112
Draw-downs during the period / year	<b>9,717</b>	344,364
Repayments during the period / year	<b>(15,000)</b>	(63,154)
	<b>1,883,039</b>	1,888,322
Closing balance	<b>1,883,039</b>	1,888,322

- 6.2.1** This facility was obtained under "Temporary Economic Refinance Facility" introduced by the State Bank of Pakistan in order to support sustainable economic growth especially in the backdrop of challenges being faced by the industry in post pandemic scenario. The Company obtained this facility for enhancement of its production capacity by installing new French fries production line along with allied equipment. This facility is secured by way of first pari passu hypothecation charge over all present and future fixed assets (excluding land and building) with 25% margin and corporate guarantee of FFC. The differential markup between markup as per agreement and market based markup has been recognised as deferred government grant, which will be amortised to interest income over the period of the facilities.

	Un-audited March 31, 2023	Audited December 31, 2022
(Rupees '000)		
<b>6.3 Movement during the period / year is as follows:</b>		
Opening balance	465,402	465,402
Draw-downs during the period / year	-	-
Repayments during the period / year	-	-
	<b>465,402</b>	465,402
Less: Transaction cost -		
Initial transaction cost	(476)	(4,481)
Amortized during the period / year	693	4,005
	<b>217</b>	(476)
Closing balance	<b>465,619</b>	464,926

- 6.3.1** This represents the Musharka Finance Facility of Rs. 3,000 million (2021: Rs. 3,000 million) which has been arranged from a consortium of three banks comprising of National Bank of Pakistan, Faysal Bank Limited and United Bank Limited with participation of Rs. 1,000 million each. This facility has been arranged to meet the remaining debt finance requirements for the project cost as stated above. The rate of markup is six months KIBOR plus 2.95%. The facility is repayable in 19 semi-annual installments, the first such payment commencing on January 1, 2015 and then on rental payment date (each January 1 and July 1) until and including the final maturity date on January 1, 2024.

The facility is secured by first pari passu hypothecation charge on all of present and future, fixed and current, tangible and intangible undertakings and properties of FWEL - I (excluding the mortgaged immovable properties as defined in the memorandum of deposit of title deeds, the Security Accounts (including the amounts deposited therein) and FWEL - I LC account (including the amounts deposited therein)) for an amount of Rs. 4,000 million in favour of United Bank Limited being the Security Trustee of FWEL - I, first exclusive assignment over receivable, pledge of share, lien on project accounts and all other secured obligations owed to local secured lenders.

	Un-audited March 31, 2023	Audited December 31, 2022
(Rupees '000)		
<b>6.4 Movement during the period / year is as follows:</b>		
Opening balance	430,398	430,398
Draw-downs during the period / year	-	-
Repayments during the period / year	-	-
	<b>430,398</b>	430,398
Less: Transaction cost -		
Initial transaction cost	292	(2,690)
Amortized during the period / year	-	2,982
	<b>292</b>	292
	<b>430,690</b>	430,690

- 6.4.1** This represents the Musharka Finance Facility of Rs. 3,000 million (2021: Rs 3,000 million) which has been arranged from a consortium of three banks comprising of National Bank of Pakistan, Allied Bank Limited and Meezan Bank Limited with participation of Rs. 1,000 million each. This facility has been arranged to meet the remaining debt finance requirements for the project cost as stated above. The rate of markup is six months KIBOR plus 2.95%. The facility is now repayable in 19 semi-annual installments, the first such payment commencing on January 1, 2015 and then on rental payment date (each January 1 and July 1) until and including the final maturity date on January 1, 2024.

The facility is secured by first pari passu hypothecation charge on all of present and future, fixed and current, tangible and intangible undertakings and properties of FWEL - II (excluding the mortgaged immovable properties as defined in the memorandum of deposit of title deeds, the Security Accounts (including the amounts deposited therein) and FWEL - II LC account (including the amounts deposited therein)) for an amount of Rs. 4,000 million in favour of Allied Bank Limited being the Security Trustee of FWEL - II, first exclusive assignment over receivable, pledge of share, lien on project accounts and all other secured obligations owed to local secured lenders.

	Un-audited March 31, 2023	Audited December 31, 2022
(Rupees '000)		
<b>6.5 Movement during the period / year is as follows:</b>		
Opening balance	10,000,000	8,000,000
Draw-downs during the period / year	-	2,000,000
Repayments during the period / year	(1,000,000)	-
Closing balance	<u>9,000,000</u>	<u>10,000,000</u>

**6.5.1** The borrowings are secured by way of hypothecation of Company's assets including plant, machinery, tools & spares and other movable properties, ranking pari passu with each other with 25% margin.

These carry profit rates ranging between 6 month KIBOR + 0% to 0.10% per annum (2022:6 month KIBOR + 0% to 0.10% per annum) and are repayable up to September 2027.

	Note	Un-audited March 31, 2023	Audited December 31, 2022
(Rupees '000)			
<b>7. GAS INFRASTRUCTURE DEVELOPMENT CESS (GIDC) PAYABLE</b>			
Balance at the beginning		59,158,374	56,716,885
Movement during the year		-	-
		<u>59,158,374</u>	<u>56,716,885</u>
Gain on extinguishment of original GIDC liability - credited to profit or loss		-	-
Unwinding of remeasurement gain on GIDC liability		529,749	2,441,489
		<u>59,688,123</u>	<u>59,158,374</u>
Less: Current portion of GIDC payable	7.1	(41,184,941)	(38,356,404)
Long-term portion of GIDC payable		<u>18,503,182</u>	<u>20,801,970</u>
<b>MARK-UP AND PROFIT ACCRUED</b>			
On borrowings from conventional banks		1,296,538	750,300
On borrowings from Islamic banks		90,179	805,979
		<u>1,386,717</u>	<u>1,556,279</u>

**7.1** This amount is included in trade and other payables.

**8. SHORT TERM BORROWINGS - secured**

From conventional banks	8,295,436	52,809,480
From Islamic banks	5,761,300	6,003,169
	<u>14,056,736</u>	<u>58,812,649</u>

**9. CONTINGENCIES AND COMMITMENTS**

**9.1 Contingencies:**

i) Guarantees issued by banks on behalf of the Group companies	7,629,951	6,762,374
ii) Claims against Group and/or potential exposure not acknowledged as debt	50,696	50,696
iii) Group's share of contingencies in Fauji Fertilizer Bin Qasim Limited	35,433,895	28,254,374
iv) Group's share of contingencies in Fauji Cement Company Limited as at December 31, 2022 (2022: September 30, 2022)	198,498	181,574
v) Group's share of contingencies in Askari Bank Limited as at December 31, 2022 (2022: September 30, 2022)	135,471,238	119,086,167
vi) Penalty of Rs 5,500,000 thousand imposed by the Competition Commission of Pakistan (CCP) in 2013, for alleged unreasonable increase in urea prices, which was set aside by the Competition Appellate Tribunal, in appeal filed by the Company, who also remanded the case back to CCP to decide the case afresh under guidelines provided by the Tribunal. CCP did not challenge this order before the Supreme Court of Pakistan in appeal within the stipulated time, thus making the appeal time barred. However, in last year, CCP under the said Tribunal guidelines, resumed the proceedings and the Company, duly joined these proceedings through Counsel. The Company filed writ petition before Islamabad High Court which was disposed of, directing CCP to proceed with regular hearings. CCP is yet to initiate its proceedings and the Company is awaiting hearing notice. The Company remains confident of successfully defending these unreasonable claims.		



	Note	Un-audited March 31, 2023	Audited December 31, 2022
(Rupees '000)			
<b>9.2 Commitments in respect of:</b>			
i) Capital expenditure		3,307,242	3,408,551
ii) Purchase of fertilizer, stores, spares and other operational items		4,274,278	4,044,711
iii) Investment in Thar Energy Limited		90,784	1,285,618
iv) Contracted out services		589,738	271,742
v) Group's share of commitments of PMP as at December 31, 2022 (2022: September 30, 2022)		47,386	43,349
vi) Group's share of commitments of FCCL as at December 31, 2022 (2022: September 30, 2022)		3,005	2,952
vii) Group's share of commitments of FFBL as at March 31, 2023 (2022: March 31, 2022)		5,918,053	654,479
viii) Group's share of commitments of Askari Bank Limited as at December 31, 2022 (2022: September 30, 2022)		204,348,826	170,921,643
ix) Group's share of commitments of TEL as at December 31, 2022 (2022: September 30, 2022)		1,247,460	6,188,949
v) Arrangement with SNGPL for pipeline for supply of RLNG		560,000	-

## 10. PROPERTY PLANT AND EQUIPMENT

Operating fixed assets	10.1	41,353,745	41,473,957
Capital work in progress	10.2	4,403,162	2,461,172
Right of use assets	10.3	14,937,679	13,987,206
		<u>60,694,586</u>	<u>57,922,335</u>

### 10.1 Operating fixed assets

Opening written down value	41,473,957	38,200,331
Additions on acquisition of subsidiaries - FWEL - I & FWEL - II	-	-
Additions during the period / year	1,135,339	7,234,007
Written down value of disposals / adjustments	-	(12,661)
Transfers / adjustments	-	-
Depreciation during the period / year	(1,255,551)	(3,947,720)
Impairment charge	-	-
	<u>41,353,745</u>	<u>41,473,957</u>

10.1.1 Additions in and depreciation on operating fixed assets during the three month period ended March 31, 2022 were Rs 1,277,165 thousand and Rs 936,613 thousand respectively.

	Un-audited March 31, 2023	Audited December 31, 2022
(Rupees '000)		
<b>10.2 Capital work in progress</b>		
Opening value	2,461,172	3,072,404
Additions during the period / year	2,107,221	3,492,333
Transfers during the period / year	(165,231)	(4,103,565)
	<u>4,403,162</u>	<u>2,461,172</u>
<b>10.3 Right of use assets</b>		
Opening balance	13,987,206	13,684,932
Additions on acquisition of subsidiaries - FWEL - I & FWEL - II	-	-
Additions during the period / year	-	-
Exchange loss - net	953,969	1,413,957
Depreciation during the period / year	(3,496)	(1,111,683)
	<u>14,937,679</u>	<u>13,987,206</u>
<b>10.4 Depreciation charge has been allocated as follows:</b>		
Cost of sales	1,235,470	4,882,763
Administrative and distribution expenses	21,054	161,267
Other expenses	195	2,108
Charged to FFBL under the Company Services Agreement	2,329	13,265
	<u>1,259,048</u>	<u>5,059,403</u>

	Note	Un-audited March 31, 2023	Audited December 31, 2022
(Rupees '000)			
<b>11. LONG TERM INVESTMENTS</b>			
Equity accounted investments	11.1	85,159,837	79,049,343
Other long term investments	11.2	4,561,527	4,738,496
		89,721,364	83,787,839
<b>11.1 Equity accounted investments</b>			
<b>Investment in associated companies - under equity method</b>			
<b>Fauji Cement Company Limited</b>			
Balance at the beginning		3,085,305	2,441,515
Share of profit for the period / year		118,597	314,154
Gain on dilution of interest		-	329,636
		3,203,902	3,085,305
<b>Fauji Fertilizer Bin Qasim Limited</b>			
Balance at the beginning		32,621,347	28,503,794
Share of loss for the period / year		(2,311,519)	3,815,473
Share of OCI for the period / year		19,479	302,080
		30,329,307	32,621,347
<b>Fauji Foods Limited</b>			
Balance at the beginning		-	-
Investment during the period / year	11.3	4,650,000	-
Share of profit for the period / year		-	-
Share of OCI for the period / year		-	-
Dividend received		-	-
		4,650,000	-
<b>Askari Bank Limited</b>			
Balance at the beginning		31,594,433	26,691,561
Share of profit for the period / year		1,448,789	5,917,459
Share of OCI for the period / year		1,229,645	(1,014,587)
Dividend received		-	-
		34,272,867	31,594,433
<b>Thar Energy Limited</b>			
Balance at the beginning		5,730,558	3,552,457
Investment during the period / year		-	1,245,742
Advance against issue of right shares		226,908	931,300
Share of profit for the period / year		772,364	660
Share of OCI for the period / year		-	399
		6,729,830	5,730,558
<b>Investment in joint venture - under equity method</b>			
<b>Pakistan Maroc Phosphore S.A., Morocco</b>			
Balance at the beginning		6,017,700	4,462,290
Share of profit for the period / year		(288,269)	2,392,508
Gain on translation of net assets		244,500	512,321
Dividend received		-	(1,349,419)
		5,973,931	6,017,700
		85,159,837	79,049,343

Note	Un-audited March 31, 2023	Audited December 31, 2022
(Rupees '000)		
<b>11.2 Other long term investments</b>		
<b>Investment at fair value through other comprehensive income</b>		
Term Deposit Receipts - from conventional bank	63,831	64,710
Bank Alfalah Term Finance Certificate	485,423	485,029
Pakistan Investment Bonds	4,411,822	4,574,399
	<b>4,961,076</b>	<b>5,124,138</b>
<b>Less: Current portion shown under short term investments</b>		
<b>Investment at fair value through other comprehensive income</b>		
Term Deposit Receipts - from conventional bank	38,507	27,070
Pakistan Investment Bonds	361,042	358,572
13	<b>399,549</b>	<b>385,642</b>
	<b>4,561,527</b>	<b>4,738,496</b>

**11.3** During the period, FFC Energy Limited (FFCEL) made an investment in 465,000 thousand fully paid ordinary shares of Rs 10 each in the share capital of Fauji Foods Limited (FFL).

**12. OTHER RECEIVABLES**

These include Rs 6,961,878 thousand (2022: Rs 6,961,878 thousand) on account of subsidy receivable and Rs 18,191,022 thousand (2022: Rs 17,438,083 thousand) on account of sales tax receivable from the Government.

Note	Un-audited March 31, 2023	Audited December 31, 2022
(Rupees '000)		
<b>13. SHORT TERM INVESTMENTS</b>		
<b>Amortized cost - conventional instruments</b>		
Foreign currency	4,668,693	3,625,295
	<b>4,668,693</b>	<b>3,625,295</b>
<b>Investments at fair value through profit or loss</b>		
Conventional investments	50,504,710	100,608,222
Shariah compliant investments	7,884,775	3,136,840
	<b>58,389,485</b>	<b>103,745,062</b>
<b>Current maturity of long term investments</b>		
Investments measured at fair value through other comprehensive income	399,549	385,642
11	<b>63,457,727</b>	<b>107,755,999</b>

	Three month period ended	
	March 31, 2023	March 31, 2022
(Rupees '000)		
<b>14. TURNOVER - NET</b>		
Fertilizer	36,425,482	26,860,362
Power	2,080,012	1,741,137
Food	1,622,349	755,329
Technical services	41,111	1,953
	<u>40,168,954</u>	<u>29,358,781</u>
Sales tax	<u>(409,565)</u>	<u>(786,393)</u>
Trade discount	<u>(70,717)</u>	<u>(46,443)</u>
	<u>(480,282)</u>	<u>(832,836)</u>
	<u><u>39,688,672</u></u>	<u><u>28,525,945</u></u>

**15. SEGMENT INFORMATION**

The detail of utilization of the Group assets by the segments as well as related liabilities is as follows:

	Reportable segments				Total
	Fertilizers*	Power	Food	Technical Services	
(Rupees '000)					
<b>March 31, 2023 (Un-audited)</b>					
<b>Assets</b>					
Segment assets (Total)	150,241,503	50,756,406	6,714,623	72,958	207,785,490
Equity accounted investees	85,159,837	-	-	-	85,159,837
<b>Liabilities</b>					
Segment liabilities (Total)	152,916,774	7,786,981	5,259,729	16,589	165,980,073
<b>Capital expenditure</b>	3,034,665	15,029	27,635	-	3,077,329
<b>Depreciation</b>	595,424	560,116	103,419	89	1,259,048
<b>December 31, 2022 (Audited)</b>					
<b>Assets</b>					
Segment assets (Total)	240,122,007	48,840,260	4,969,283	47,768	293,979,318
Equity accounted investees	79,049,343	-	-	-	79,049,343
<b>Liabilities</b>					
Segment liabilities (Total)	196,193,149	6,719,830	3,448,964	10,814	206,372,757
<b>Capital expenditure</b>	6,069,079	64,279	1,384,038	753	7,518,149
<b>Depreciation</b>	2,451,643	2,245,715	361,888	157	5,059,403

\* net of consolidated adjustments / eliminations

	<b>March 31, 2023</b>	<b>March 31, 2022</b>
	<b>(Rupees '000)</b>	
<b>16. CASH GENERATED FROM OPERATIONS</b>		
<b>Profit before tax</b>	<b>12,569,317</b>	11,241,228
<b>Adjustments for:</b>		
Depreciation	<b>1,259,047</b>	1,177,109
Amortization	<b>2,277</b>	1,185
Unwinding of GIDC liability	<b>382,614</b>	529,749
Amortization of transaction cost	<b>693</b>	2,269
Finance cost	<b>1,737,817</b>	1,288,860
Gain on sale of property, plant and equipment	<b>(5,873)</b>	(5,764)
Income on loans, deposits and investments	<b>(373,446)</b>	(292,160)
Share of profit of associated companies and joint venture	<b>260,038</b>	(3,612,849)
Amortization of deferred government grant	<b>(9,717)</b>	(26,659)
Exchange (gain) / loss - net	<b>(929,211)</b>	(99,681)
Gain on remeasurement of investments at fair value through profit or loss	<b>(960,710)</b>	(1,471,282)
	<b>1,363,529</b>	(2,509,223)
	<b>13,932,846</b>	8,732,005
<b>Changes in:</b>		
Stores and spares	<b>(115,845)</b>	(587,779)
Stock in trade	<b>4,042,470</b>	(4,710,503)
Trade debts	<b>(1,454,435)</b>	(1,013,031)
Loans and advances	<b>(3,620,908)</b>	(426,740)
Deposits and prepayments	<b>(149,094)</b>	(330,737)
Other receivables	<b>159,737</b>	(570,926)
Trade and other payables	<b>(714,706)</b>	5,325,072
	<b>(1,852,781)</b>	(2,314,644)
Changes in long term loans and advances	<b>(38,040)</b>	(360,409)
Changes in long term deposits and prepayments	-	436
Changes in deferred liabilities	-	(200,822)
	<b>12,042,025</b>	5,856,566

## 17. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The Groups's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements for the year ended December 31, 2022. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited consolidated financial statements of the Company for the year ended December 31, 2022.

The carrying amount of all financial assets and liabilities are estimated to approximate their fair values.

March 31, 2023	March 31, 2022
(Rupees '000)	

## 18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Significant transactions and balances with the related parties are as follows:

### HOLDING COMPANY

#### Transactions

Dividend	1,777,348	2,623,705
Cost Recharge	238,248	60,768
Sale of fertilizer	-	2,199
Others	-	44,549

#### Balances

Balance payable - unsecured *	1,963,574	52,024
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### ASSOCIATED UNDERTAKINGS / COMPANIES DUE TO COMMON DIRECTORSHIP

#### Transactions

Expenses charged on account of marketing of fertilizer on behalf of associated company	245,328	223,225
Commission on sale of products	8,307	4,622
Payment under consignment account - net	36,157,143	19,918,852
Payments against purchase of gas as feed and fuel stock	8,040,295	7,998,225
Equity investment	226,908	120,311
Advance against issue of shares	-	787,213
Services and materials provided	11,778	1,754
Donation	776,670	252,550
Interest expense	201,138	61,451
Interest income	9,744	5,952

#### Balances

Long term investments *	63,831	64,710
Short term investments *	-	-
Long term borrowings *	1,142,670	6,701
Short term borrowings *	82,128	29,871,241
Bank Balance *	67,780	79,629
Running finance *	166,430	247,622
Balances receivable - unsecured *	372,684	362,543
Balances payable - unsecured *	70,679,340	68,537,591

### KEY MANAGEMENT PERSONNEL

Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2023: 1 and 515 (2022: 1 and 423) respectively	1,648,465	1,300,976
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	March 31, 2023	March 31, 2022
	(Rupees '000)	
<b>STAFF RETIREMENT BENEFITS</b>		
<b>Contributions</b>		
Employees' Provident Fund Trust	141,530	122,540
Employees' Gratuity Fund Trust	266,333	258,999
Employees' Pension Fund Trust	-	148,611
Employees' Funds as Dividend on equity holding of 0.25% (2022: 0.25%)	8,415	14,614
<b>Balances</b>		
Balance payable to Gratuity Fund Trust *	459,875	661,629
Balance receivable - Pension Fund Trust *	-	759,001

\* Comparative figures of receivable / payable balances are as of December 31, 2022.

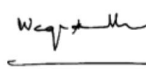
## 19. NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of FFC in its meeting held on April 27, 2023 proposed first interim dividend of Rs 4.26 per share.

## 20. GENERAL

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

20.2 These condensed interim consolidated financial statements have been authorized for issue by the Board of Directors of FFC on April 27, 2023.



**Chairman**



**Chief Executive**



**Director**



**Chief Financial Officer**