

CATALYSING GREEN REVOLUTION

3rd Quarterly Report 2023



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COMPANY INFORMATION

Board of Directors

Mr. Arif Habib

Chairman

Mr. Fawad Ahmed Mukhtar

Chief Executive Officer

Mr. Fazal Ahmed Sheikh

Director

Mr. Faisal Ahmed Mukhtar

Director

Mr. Muhammad Kashif Habib

Director

Ms. Julie Jannerup

Independent Director

Mr. Tariq Jamali

Independent Director

Chief Operating Officer & Chief Financial Officer

Mr. Asad Murad

Director Legal & Company Secretary

Mr. Omair Mohsin

(communications@fatima-group.com)

Key Management

Mr. M. Abad Khan

Advisor to the CEO

Ms. Sadia Irfan

Director Human Resources

Mr. Iftikhar Mahmood Baig

Director Business Development

Mr. Ahsen-ud-Din

Director Technology Division

Mr. Ausaf Ali Qureshi

Advisor Special Projects

Mr. Hassan Altaf

Director Strategy

Mrs. Rabel Sadozai

Director Marketing and Sales

Mr. Atif Zaidi

Chief Information Officer

Mr. Salman Ahmad

Director Internal Audit

Mr. Pervez Fateh

G.M. Manufacturing

Mr. Faisal Jamal

Corporate HSE & Technical Support Manager

Audit Committee Members

Mr. Tariq Jamali

Chairman

Mr. Faisal Ahmed Mukhtar

Member

Ms. Julie Jannerup

Member

Mr. Muhammad Kashif Habib

Member

HR and Remuneration Committee Members

Ms. Julie Jannerup

Chairperson

Mr. Fawad Ahmed Mukhtar

Member

Mr. Muhammad Kashif Habib

Member

Nomination and Risk Management Committee Members

Mr. Fazal Ahmed Sheikh

Chairman

Mr. Muhammad Kashif Habib

Member

Mr. Tariq Jamali

Member

Legal Advisors

M/s. Chima & Ibrahim Advocates

1-A/245, Tufail Road, Lahore Cantt

Auditors

M/s. Yousuf Adil

Chartered Accountants, Lahore

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

Lahore

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

Fax: +92 42 3544 0521

Registrar and Share Transfer Agent

CDC Share Registrar Services Limited
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi-74400
Tel: Customer Support Services
(Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 3432 6053
Email: info@cdcsrcsl.com
Website: www.cdcsrcsl.com

Bankers

Al-Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank of Khyber
Bank Alfalah Limited
Bank Al-Habib Limited
BankIslami Pakistan Limited
Citibank N.A
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial & Commercial bank of China (ICBC)
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Sindh Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
The Bank of Punjab
United Bank Limited

Registered Office / Head Office

E-110, Khayaban-e-Jinnah,
Lahore Cantt, Pakistan
UAN: 111-FATIMA (111-328-462)
Fax: +92 42 3662 1389

Plant Sites

Mukhtar Garh, Sadiqabad,
Distt. Rahim Yar Khan, Pakistan
Tel: 068 – 5951000
Fax: 068 – 5951166

Khanewal Road, Multan, Pakistan
Tel: 061 – 90610000
Fax: 061 – 92290021

28-KM Sheikhpura Road, Chichoki Mallian,
Pakistan
Tel: 042 – 37319200 – 99
Fax: 042 – 33719295

DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present the unaudited condensed interim consolidated & standalone financial statements of the Company and brief overview on operational & financial performance for the nine months ended September 30, 2023.

The Economy

Pakistan's economy encapsulates a blend of challenges and opportunities. During the last few years, it has faced large trade deficit, high inflation, soaring energy prices, unprecedented high discount rate, loss of investors' confidence and substantial debt burden. These challenges are further accelerated due to political uncertainty. In the last quarter, the Government has been able to get support from IMF and friendly countries which has resulted in some ease on economic fronts. Further, recently Rupee has started its upward trajectory against US Dollar because of exceptional regulatory and administrative measures taken by the Government and is expected to stabilize in near future. By addressing economic hurdles through comprehensive reforms, concentrated efforts and capitalizing on growth opportunities, Pakistan can embark on a path towards sustainable development, enhanced prosperity and a brighter economic future.

Operational and Financial Performance

During the first nine months of the year 2023, the Company has delivered strong business performance. All the manufacturing facilities maintained their commitment for being the most secure workplace and have contributed significantly to safe million man hours accumulating to 117.23 million hours, along with successfully executing scheduled turnarounds, leading to improved plant reliability and increased production. Moreover, several noteworthy projects were effectively accomplished, encompassing initiatives such as ammonia energy conservation, the modernization of control and shutdown systems, enhancements to compressor control systems, and comprehensive overhaul of various machines. Further, concentrated efforts have been put in place to enhance local fabrication and thus reducing foreign dependency. The Company also secured multiple awards and recognitions from local and international organizations on Health, Safety & Environment and has contributed to various CSR activities across the country.

The combined production volumes during the period recorded 15% decrease, primarily attributed to scheduled plant turnarounds and unavailability of gas at the Sheikhpura plant in the first quarter of the year. Despite lower availability of Urea, sales volumes experienced healthy growth of 16% increase, driven by a higher demand for NP. The Company maintained its overall market share primarily due to increased share in phosphate market by 8%.

Products	Production		Sales	
	Jan - Sep 2023	Jan - Sep 2022*	Jan - Sep 2023	Jan - Sep 2022*
	Volume ('000' M. Tons)			
NP	511	645	802	466
CAN	606	646	600	598
Urea	681	812	644	733
Trading stock	-	7	49	9
Total	1,798	2,110	2,095	1,806

*Includes toll manufacturing operations during Jan-Jun 2022

As per the scheme sanctioned by Lahore High Court, Pakarab Fertilizers Limited has been amalgamated with and into Fatima Fertilizer Company Limited w.e.f. July 01, 2022. The comparative results of 2022 have been restated accordingly.

During the period under review, fertilizer business of the Company has achieved sales revenue of Rs 159.46 billion, in contrast to Rs 99.67 billion (restated) during the corresponding period in the prior year. This surge is primarily attributed to the growth in NP volumes. However, directly and indirectly attributable input costs have risen significantly, mainly due to substantial inflation, higher fuel costs, sharp rupee depreciation and swell in interest rates.

As a result, the Company's fertilizer business posted Profit before Tax of Rs 30.09 billion compared to Rs 25.88 billion (restated) in the same period last year. Imposition of super tax on profits for the current year as well as previous year has resulted in an effective tax rate of 58%. Hence, Profit after Tax for the nine months of the year has been registered at Rs 12.65 billion as compared to Rs 10.26 billion (restated) in the same period last year. This has resulted in an EPS of Rs 6.02 as compared to an EPS of Rs 4.88 (restated) in the corresponding period. Comparative standalone financial highlights as at September 30, 2023 along with restated highlights as at September 30, 2022 are as follows:

Financial Highlights (Standalone)			
	For the nine months ended September 30		
	2023	2022 (Restated)	2022
	Rupees in million		
Revenue	159,460	99,666	98,920
Gross profit	50,432	41,531	41,178
Operating profit	27,857	24,897	24,857
Profit before tax	30,091	25,884	25,994
Profit after tax	12,647	10,257	9,899
EPS (Rs)	6.02	4.88	4.71

The Company's consolidated financial results include the performance of its wholly owned subsidiaries, Fatima Packaging Limited, Fatima Cement Limited, and Fatimafert Limited. Consolidated financial highlights as at September 30, 2023 along with restated financial highlights as at September 30, 2022 have been summarized below.

Financial Highlights (Consolidated)			
	For the nine months ended September 30		
	2023	2022 (Restated)	2022
	Rupees in million		
Revenue	161,430	100,262	98,920
Gross profit	51,752	41,635	41,178
Operating profit	28,741	24,879	24,851
Profit before tax	30,907	26,428	26,000
Profit after tax	12,992	10,812	9,906
EPS (Rs)	6.19	5.15	4.72

We are pleased to inform that subsequent to the receipt of 'no objection certificate' from State Bank of Pakistan (SBP) earlier this year for incorporating a digital retail bank namely KT Bank Pakistan Limited, the SBP has now granted 'in principle' approval to KT Bank Pakistan Limited for attaining operational readiness to launch digital financial services prior to seeking SBP's approval for pilot operations under the given framework. Fatima Fertilizer Company Limited, as part of a consortium consisting of Kuda Technologies Limited and City Schools (Pvt.) Limited, has undertaken to subscribe 25% shareholding in the Bank.

Moreover, the Board of Directors has authorized the Company to invest in an arrangement pertaining to the mining of minerals in Balochistan and to acquire shareholding in an associated company, National Resources (Pvt.) Limited (NRL), which has been awarded an exploration license for carrying out exploration of minerals. After completing regulatory requirements, shareholding in NRL would be acquired by the Company via acquisition of shares of NRL from an associated company Reliance Commodities (Pvt.) Limited.

Future Outlook

The agricultural sector has been the backbone of the economy, safeguarding the nation's food security and reducing import costs significantly. By promoting a Green Revolution in Pakistan through the adoption of advanced precision technology in farming, the utilization of hybrid seeds, and the implementation of cutting edge agricultural practices, we can enhance national food security and bolster the country's economic well-being. This will also go a long way in addressing fiscal and current account deficits. The demand for fertilizers is anticipated to stay

consistent for the rest of the year. Despite the demanding business landscape, the Company is well prepared to achieve steady growth in 2023, due to availability of healthy volumes and robust strategies put in place.

With the continuous supply of gas to its plants, the Company is geared up to operate at its maximum capacity to ensure availability of its products to maximize contribution to the agriculture sector of the country. This commitment ensures the timely availability of domestically produced fertilizers to farmers at affordable prices, leading to hundreds of millions of US dollars savings in foreign exchange for the country by replacing costly imported fertilizers. The Board of Directors is focused towards offering value addition for the stakeholders and will continue to provide leadership and strategic guidance to the Company.

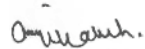
Acknowledgments

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

For and on behalf of the Board



Fawad Ahmed Mukhtar
Chief Executive Officer



Arif Habib
Chairman

Lahore
October 25, 2023

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended
September 30, 2023

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN AUDITED)

As at September 30, 2023

	Note	September 30, 2023	Restated December 31, 2022
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized share capital 3,700,010,000 (December 31, 2022: 3,700,010,000) shares of Rs 10 each	4	37,000,100	37,000,100
Issued, subscribed and paid up share capital 2,100,000,000 (December 31, 2022: 2,100,000,000) ordinary shares of Rs 10 each		21,000,000	21,000,000
Reserves	5	88,467,959	86,500,734
		109,467,959	107,500,734
NON CURRENT LIABILITIES			
Long term finances - secured	6	6,466,606	8,766,424
Subordinated redeemable preference Class A shares	7	1,418,589	1,266,286
Lease liabilities		124,662	163,227
Deferred taxation		29,523,037	24,692,436
Deferred government grant		522,083	–
Deferred liabilities		2,078,454	2,965,763
Long term deposits		521,732	435,348
		40,655,163	38,289,484
CURRENT LIABILITIES			
Trade and other payables		63,181,518	59,652,316
Accrued finance cost		864,527	1,143,959
Income tax payable		8,396,644	3,169,896
Short term finances - secured	8	3,508,158	16,467,085
Short term loans from associated companies	9	1,626,307	1,626,307
Loan from directors		–	18,000
Payable to Privatisation Commission of Pakistan		2,197,901	2,197,901
Unclaimed dividend		72,755	46,429
Current portion of long term liabilities	10	2,864,635	3,543,390
		82,712,445	87,865,283
CONTINGENCIES & COMMITMENTS			
	11		
		232,835,567	233,655,501

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

		September 30, 2023	Restated December 31, 2022
	Note	(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	12	119,561,038	119,556,402
Intangible assets	13	2,456,923	3,786,096
Investment property	14	164,740	165,419
		122,182,701	123,507,917
Long term investments		1,468,224	1,469,179
Long term advances and deposits		2,099,529	1,179,737
		3,567,753	2,648,916
		125,750,454	126,156,833
CURRENT ASSETS			
Stores and spares	15	16,098,789	15,991,238
Stock in trade	16	30,856,989	45,775,134
Trade debts		17,343,259	13,794,362
Short term loans to associated companies		5,099,723	4,999,723
Advances, deposits, prepayments and other receivables		21,143,703	19,969,882
Short term investments		4,635,007	4,226,509
Cash and bank balances		11,907,643	2,741,820
		107,085,113	107,498,668
		232,835,567	233,655,501

Chief Executive Officer

Director

Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN AUDITED)

For the nine months ended September 30, 2023

	Note	Three months ended		Nine months ended	
		September 30, 2023	Restated September 30, 2022	September 30, 2023	Restated September 30, 2022
		(Rupees in thousand)			
Sales	17	76,161,574	37,978,263	161,429,848	100,261,849
Cost of sales	18	(53,560,060)	(24,646,045)	(109,678,044)	(58,626,579)
Gross profit		22,601,514	13,332,218	51,751,804	41,635,270
Selling and distribution expenses		(3,750,790)	(1,974,391)	(8,302,233)	(5,301,136)
Administrative expenses	19	(1,909,197)	(1,879,887)	(5,444,241)	(4,365,054)
		16,941,527	9,477,940	38,005,330	31,969,080
Finance cost	20	(1,058,572)	(984,149)	(3,850,030)	(2,158,717)
Other operating expenses		(2,207,201)	(1,753,351)	(5,414,074)	(4,931,794)
		13,675,754	6,740,440	28,741,226	24,878,569
Other income		1,432,432	980,206	2,543,518	1,866,496
Share of (loss) / profit from associates		(6,978)	(22,523)	(954)	2,665
Other losses:					
- Unwinding of provision for GIDC		(50,654)	(85,243)	(178,530)	(234,473)
- Loss allowance on subsidy receivable from GoP		(66,028)	(29,913)	(198,084)	(84,775)
		(116,682)	(115,156)	(376,614)	(319,248)
Profit before tax		14,984,526	7,582,967	30,907,176	26,428,482
Taxation		(7,226,339)	(2,628,417)	(17,914,951)	(15,616,886)
Profit for the period		7,758,187	4,954,550	12,992,225	10,811,596
Earnings per share - basic and diluted (Rupees)	21	3.69	2.36	6.19	5.15

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN AUDITED)

For the nine months ended September 30, 2023

	Three months ended		Nine months ended	
	September 30, 2023	Restated September 30, 2022	September 30, 2023	Restated September 30, 2022
(Rupees in thousand)				
Profit for the period	7,758,187	4,954,550	12,992,225	10,811,596
Other comprehensive income:				
Items that may not be reclassified subsequently to profit or loss:				
Remeasurement of post retirement benefits obligation	–	–	–	(100,242)
Related tax thereon	–	–	–	33,080
Share of other comprehensive loss from associates	–	–	–	(7,725)
Related tax thereon	–	–	–	1,159
Other comprehensive income - net of tax	–	–	–	(73,728)
Total comprehensive income for the period	7,758,187	4,954,550	12,992,225	10,737,868

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended September 30, 2023

	Ordinary share capital	Capital reserve	Revenue reserve	Post retirement benefit obligation reserve	Total
	Share premium	Unappropriated profit			
(Rupees in thousand)					
Balance as at December 31, 2021 (Audited)	21,000,000	1,790,000	77,593,347	(120,083)	100,263,264
Profit for the period (Restated)	-	-	10,811,596	-	10,811,596
Other comprehensive income (Restated)	-	-	(6,566)	(67,162)	(73,728)
Total comprehensive income (Restated)	-	-	10,805,030	(67,162)	10,737,868
Transaction with owners:					
- Final dividend for the year ended December 31, 2021 @ Rs 3.50 per share	-	-	(7,350,000)	-	(7,350,000)
Balance as at September 30, 2022 (Un audited) (Restated)	21,000,000	1,790,000	81,048,377	(187,245)	103,651,132
Balance as at December 31, 2022 (Restated)	21,000,000	1,790,000	84,950,556	(239,822)	107,500,734
Profit for the period	-	-	12,992,225	-	12,992,225
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	12,992,225	-	12,992,225
Transaction with owners:					
- Final dividend for the year ended December 31, 2022 @ Rs 3.50 per share	-	-	(7,350,000)	-	(7,350,000)
- Interim dividend for the year ending December 31, 2023 @ Rs 1.75 per share	-	-	(3,675,000)	-	(3,675,000)
Balance as at September 30, 2023 (Un audited)	21,000,000	1,790,000	86,917,781	(239,822)	109,467,959

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN AUDITED)

For the nine months ended September 30, 2023

	Note	Nine months ended	
		September 30, 2023	Restated September 30, 2022
(Rupees in thousand)			
Cash flows from operating activities			
Cash generated from operations	23	51,477,636	20,281,754
Net increase in long term deposits		86,384	225,001
Finance cost paid		(4,007,290)	(1,992,849)
Taxes paid		(7,857,601)	(5,834,257)
Employee retirement benefits paid		(225,793)	(147,230)
Net cash generated from operating activities		39,473,336	12,532,419
Cash flows from investing activities			
Additions in property, plant and equipment		(4,281,679)	(7,343,924)
Additions in intangible assets		(56,671)	(116,595)
Proceeds from disposal of property, plant and equipment		15,722	22,103
Short term loan given		(100,000)	-
Long term investments made		-	(750,001)
Short term investments made		-	(2,988,685)
Proceeds from short term investments		314,111	183,544
Profit received on loans and saving accounts		927,257	130,700
Dividend income received		386,367	168,305
Cash and cash equivalents acquired as a result of:			
- asset acquisition		-	(2,219,918)
- addition of subsidiary		-	(298,932)
Net increase in long term advances and deposits		(919,792)	(419,420)
Net cash used in investing activities		(3,714,685)	(13,632,823)
Cash flows from financing activities			
Proceeds from long term finances		-	5,235,655
Repayment of long term finances		(2,562,435)	(2,524,622)
Repayment of loan from directors		(18,000)	-
Repayment of lease liabilities		(54,792)	(110,193)
Dividend paid		(10,998,674)	(9,082,007)
Net decrease in short term finances		(7,916,674)	(1,336,206)
Net cash used in financing activities		(21,550,575)	(7,817,373)
Net increase / (decrease) in cash and cash equivalents		14,208,076	(8,917,777)
Cash and cash equivalents at the beginning of the period		(5,400,238)	5,642,936
Cash and cash equivalents at the end of the period		8,807,838	(3,274,841)
Cash and cash equivalents comprises of following:			
Cash and bank balances		11,907,643	2,508,987
Running finance		(3,099,805)	(5,783,828)
Cash and cash equivalents at the end of the period		8,807,838	(3,274,841)

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



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN AUDITED)

For the nine months ended September 30, 2023

1 Legal status and nature of business

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

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

2 Basis of preparation

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

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34 and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim consolidated financial statements do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended December 31, 2022. Comparative condensed interim consolidated statement of financial position is extracted from annual restated consolidated financial statements for the year ended December 31, 2022 and comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from un audited condensed interim restated consolidated financial statements for the nine months ended September 30, 2022.

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

Accordingly, the consolidated financial statements of the Group were restated as at September 30, 2022 and December 31, 2022 reflecting the impacts of above transaction. Moreover, these consolidated financial statements are to be read in conjunction with the consolidated financial statements for the period ended June 30, 2023 which includes the details of assets and liabilities taken over by the Holding Company.

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

3 Significant accounting policies and estimates

The accounting policies, related judgments, estimates and related assumptions adopted for the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of annual consolidated financial statements of the Group for the year ended December 31, 2022. Moreover, following new policies have been adopted:

3.1 Acquisition of assets

The group of assets (including the liabilities assumed) acquired as a result of any arrangement that does not meet the definition of a business are recognized under the asset acquisition method.

Upon the acquisition of net assets, the Group identifies and recognizes the assets acquired and liabilities assumed at their fair values as of the acquisition date. Any difference between the net assets acquired and the fair value of the consideration is allocated to non monetary long lived assets, and no gain or loss is recorded on the date of acquisition, whereas the current assets and liabilities are measured at fair values on the acquisition date.

3.2 Redeemable preference shares

Redeemable preference shares are classified as financial liability if they meet the criteria for liability as per relevant accounting standard.

Upon issuance, the Group recognizes redeemable preference shares as a financial liability in its consolidated statement of financial position at the present value of the future cash outflows associated with the redemption. Subsequent to the initial recognition, these are measured at amortised cost and the effect of unwinding is recognised in the consolidated statement of profit or loss.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN AUDITED)

For the nine months ended September 30, 2023

4 Authorized share capital

September 30, 2023	Restated December 31, 2022		September 30, 2023	Restated December 31, 2022
(Number of shares)			(Rupees in thousand)	
2,700,010,000	2,700,010,000	Ordinary shares of Rs 10 each	27,000,100	27,000,100
1,000,000,000	1,000,000,000	Subordinated redeemable preference Class A shares of Rs 10 each	10,000,000	10,000,000
3,700,010,000	3,700,010,000		37,000,100	37,000,100

	Note	September 30, 2023	Restated December 31, 2022
		(Rupees in thousand)	
5 Reserves			
Capital reserve:			
Share premium		1,790,000	1,790,000
Revenue reserve:			
Unappropriated profit		86,917,781	84,950,556
Post retirement benefit obligation reserve		(239,822)	(239,822)
		88,467,959	86,500,734
6 Long term finances - secured			
From banking companies / financial institutions 6.1		9,122,701	12,179,880
Less: Current portion		2,656,095	3,413,456
		6,466,606	8,766,424
6.1 Movement of long term finances			
Opening balance		12,179,880	7,064,604
Disbursements during the period / year		-	5,622,520
Classified as deferred government grant		(704,444)	-
Addition as a result of asset acquisition		-	1,963,437
Addition as a result of acquisition of a subsidiary		-	382,168
Repayments during the period / year		(2,562,435)	(2,888,757)
Accreditation of loan under SBP Temporary Economic Refinance Facility		209,700	35,908
Closing balance		9,122,701	12,179,880

	September 30, 2023	Restated December 31, 2022
	(Rupees in thousand)	
7 Subordinated redeemable preference Class A shares		
Opening balance	1,266,286	–
Liability against subordinated redeemable preference Class A shares (270,000,000 shares of Rs 10 each)	–	2,700,000
Remeasurement at present value at acquisition date	–	(1,526,053)
	1,266,286	1,173,947
Unwinding for the period / year	152,303	92,339
	1,418,589	1,266,286

8 Short term finances - secured

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

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

These facilities carry mark up ranging from 16.11% to 25.41% (December 31, 2022: 8.87% to 18.77%) per annum for Running Finance, Term Finance and Cash Finance and 17.18% to 23.97% (December 31, 2022: 8.30% to 17.51%) per annum for Finance against Imported Merchandise.

9 Short term loans from associated companies

This represents short term loans obtained from associated companies for a period of one year commencing from March 29, 2022 to finance working capital requirements. As per the terms of the agreements, the loans will be repayable within a period of 30 days of notice of demand unless renewed by mutual consent by the parties. The markup rate on the said loan is 6 months KIBOR plus 1.8% per annum, payable quarterly. Effective rate of markup charged ranged from 18.86% to 24.70% (December 31, 2022: 17.12% to 17.51%).

		September 30, 2023	Restated December 31, 2022
	Note	(Rupees in thousand)	
10 Current portion of long term liabilities			
Long term finances	6	2,656,095	3,413,456
Lease liabilities		131,328	129,934
Government grant		77,212	–
		2,864,635	3,543,390

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN AUDITED)

For the nine months ended September 30, 2023

11 Contingencies and commitments

11.1 Contingencies

As at September 30, 2023, there is no material change in the status of contingencies as reported in the notes to the financial statements of the Group for the year ended December 31, 2022 and period ended June 30, 2023, except for the following:

The Holding Company has filed an appeal before the CIR (A) in September, 2023 against the order dated August 18, 2023 issued u/s 11 of the STA. The assessing officer raised a demand of Rs 2,531 Million against the Company by disallowing the admissibility of sales tax on various items claimed during December 2021 to June 2022 and invoking the provisions of section 8 of STA.

Note	September 30, 2023	Restated December 31, 2022	
	(Rupees in thousand)		
11.2 Commitments in respect of			
(i) Contracts for capital expenditure	3,825,192	1,227,199	
(ii) Contracts other than capital expenditure	12,546,630	3,129,344	
(iii) Letter of guarantees	62,100	62,100	
(iv) The amount of future payments under ijarah rentals and short term / low value leases:			
- Not later than one year	1,177,170	934,687	
- Later than one year but not later than five years	1,675,922	1,284,040	
	2,853,092	2,218,727	
12 Property, plant and equipment			
Operating fixed assets	12.1	112,615,498	109,139,930
Capital work in progress	12.2	6,945,540	10,416,472
		119,561,038	119,556,402
12.1 Movement of operating fixed assets			
Opening book value		109,139,930	99,741,174
Additions during the period / year	12.1.1	7,752,611	5,257,360
Additions as a result of asset acquisition		–	8,801,955
Additions as a result of acquisition of subsidiaries		–	2,193,615
Elimination as a result of asset acquisition (right of use asset)		–	(1,138,236)
		116,892,541	114,855,868
Less: Depreciation charged during the period / year		4,255,618	5,471,235
Book value of disposals during the period / year		21,425	244,703
Closing book value		112,615,498	109,139,930

	September 30, 2023	Restated December 31, 2022
	(Rupees in thousand)	
12.1.1 Additions during the period / year		
Freehold land	369,553	1,604,281
Building on freehold land	61,311	61,019
Plant and machinery	5,971,082	2,267,607
Catalysts	542,647	57,067
Furniture and fixtures	41,983	52,328
Office equipment	22,700	41,108
Electric installations and appliances	408,461	456,087
Computers	103,766	221,924
Vehicles	231,108	343,626
Right of use assets	–	152,313
	7,752,611	5,257,360

12.1.2 Operating fixed assets include right of use assets of Rs 212.86 million (December 31, 2022: Rs 264.62 million).

	September 30, 2023	Restated December 31, 2022
	(Rupees in thousand)	
12.2 Capital work in progress		
Civil works	653,306	430,396
Plant and machinery	798,856	3,300,265
Capital stores	3,695,794	4,348,937
Intangible asset	402	402
Advances:		
- Freehold land	416,702	379,986
- Plant and machinery	1,380,480	1,956,486
	1,797,182	2,336,472
	6,945,540	10,416,472

13 Intangible assets

Opening book value	3,786,096	3,608,877
Addition as a result of asset acquisition	–	82,915
Additions during the period / year	56,671	148,109
	3,842,767	3,839,901
Less: Amortization charged during the period / year	58,344	53,805
Impairment charged during the period / year	1,327,500	–
Closing book value	2,456,923	3,786,096

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN AUDITED)

For the nine months ended September 30, 2023

	September 30, 2023	Restated December 31, 2022
	(Rupees in thousand)	
14 Investment property		
Opening book value	165,419	775,339
Less: Transfers during the period / year	–	609,014
	165,419	166,325
Less: Depreciation charged during the period / year	679	906
Closing book value	164,740	165,419
15 Stores and spares		
Stores	1,211,846	1,041,522
Spares	10,701,397	10,830,053
Catalyst and chemicals	4,605,912	4,514,849
	16,519,155	16,386,424
Less: Provision for slow moving stores and spares	420,366	395,186
	16,098,789	15,991,238
16 Stock in trade		
Raw materials {including in transit Rs 3,251.31 million (December 31, 2022: Rs 3,908.2 million)}	14,252,083	6,919,091
Packing materials	339,649	78,112
Work in process	150,301	58,123
Mid products		
Ammonia	443,184	161,252
Nitric acid	100,532	19,941
Others	3,157	2,318
	546,873	183,511
Finished goods		
Own manufactured		
Urea	1,625,107	59,323
NP	12,614,210	28,885,503
CAN	310,455	32,477
Others	75,646	30,051
Certified emission reductions	–	42,810
	14,625,418	29,050,164
Purchased for resale	942,665	9,486,133
	30,856,989	45,775,134

	Note	Three months ended		Nine months ended	
		September 30, 2023	Restated	September 30, 2023	Restated
			September 30, 2022		September 30, 2022
(Rupees in thousand)					
17 Sales					
Revenue from contracts with customers					
Local sales	17.1	76,161,574	37,978,263	161,395,067	100,015,207
Export sales		–	–	34,781	–
Certified emission reductions		–	–	–	246,642
		76,161,574	37,978,263	161,429,848	100,261,849

	Note	Three months ended		Nine months ended	
		September 30, 2023	Restated	September 30, 2023	Restated
			September 30, 2022		September 30, 2022
(Rupees in thousand)					
17.1 Local sales					
Own manufactured		76,742,687	37,812,320	158,182,885	80,278,162
Toll manufacturing		–	–	–	20,185,447
Purchased for resale		4,196,619	378,576	9,735,740	1,705,031
Mid products		654,024	494,872	1,690,720	1,182,756
		81,593,330	38,685,768	169,609,345	103,351,396
Less: Sales tax		600,230	288,427	1,384,869	1,676,305
Federal excise duty		3,593,734	–	3,593,734	–
Discounts		1,237,792	419,078	3,235,675	1,659,884
		76,161,574	37,978,263	161,395,067	100,015,207

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN AUDITED)

For the nine months ended September 30, 2023

	Three months ended		Nine months ended	
	September 30, 2023	Restated September 30, 2022	September 30, 2023	Restated September 30, 2022
	(Rupees in thousand)			
Note				
18 Cost of sales				
Raw material consumed	22,788,248	24,381,101	54,689,337	53,654,314
Packing material consumed	130,077	249,807	347,199	1,766,601
Salaries, wages and other benefits	2,811,041	2,016,384	7,655,297	5,908,210
Fuel and power	3,222,665	3,966,434	8,703,717	8,548,405
Chemicals and catalyst consumed	994,857	755,316	2,613,753	2,230,016
Stores and spares consumed	2,184,493	996,111	3,834,161	2,804,976
Technical assistance	107,756	110,707	244,807	308,033
Repair and maintenance	3,329,847	886,166	6,405,293	3,441,124
Insurance	491,288	279,787	1,536,362	803,912
Travelling and conveyance	100,794	77,339	258,271	184,702
Rent, rates and taxes	233,910	130,912	651,023	408,796
Vehicle running and maintenance	88,631	71,321	260,717	175,164
Depreciation	1,348,626	1,306,952	3,999,883	3,810,538
Others	249,478	80,358	295,584	236,252
Subsidy on RLNG released by GOP to SNGPL	18.1	-	(4,750,593)	(7,892,654)
Manufacturing cost	38,081,711	35,308,695	86,744,811	76,388,389
Opening stock of work in process	-	-	58,123	-
Addition as a result of acquisition of a subsidiary	-	65,264	-	65,264
Closing stock of work in process	(33,981)	(76,510)	(150,301)	(76,510)
Opening stock of mid products	-	185,202	183,511	122,564
Addition as a result of asset acquisition	-	1,509	-	1,509
Closing stock of mid products	(398,282)	(201,729)	(546,873)	(201,729)
Cost of goods manufactured	37,649,448	35,282,431	86,289,271	76,299,487
Opening stock of finished goods	(5,644)	13,484,256	29,044,520	5,514,312
Addition as a result of asset acquisition and acquisition of a subsidiary	-	7,987,437	-	7,987,437
Closing stock of finished goods	11,968,795	(32,354,044)	(14,486,688)	(32,354,044)
Cost of sales - own manufactured	49,612,599	24,400,080	100,847,103	57,447,192
Cost of sales - purchased for resale	3,947,461	245,965	8,830,941	1,179,387
	53,560,060	24,646,045	109,678,044	58,626,579

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

19 Administrative expenses

This includes donation amounting to Rs 331.71 million to Mian Mukhtar A. Sheikh Trust, a related party.

	Three months ended		Nine months ended	
	September 30, 2023	Restated September 30, 2022	September 30, 2023	Restated September 30, 2022
(Rupees in thousand)				
20 Finance cost				
Markup on long term finances	486,278	422,383	1,349,914	816,267
Markup on short term finances	453,668	367,803	1,817,493	642,626
Markup on short term loans from associated companies	80,019	69,720	252,740	69,720
Interest on lease liabilities	4,617	9,953	17,621	86,545
Bank charges and others	33,990	114,290	412,262	543,559
	1,058,572	984,149	3,850,030	2,158,717
21 Earnings per share - basic and diluted				
Profit attributable to ordinary shareholders	7,758,187	4,954,550	12,992,225	10,811,596
(Number of shares)				
Weighted average number of shares	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
(Rupees)				
Basic and diluted earnings per share (Rupees)	3.69	2.36	6.19	5.15

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN AUDITED)

For the nine months ended September 30, 2023

22 Transactions with related parties

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

		Nine months ended	
		September 30, 2023	Restated September 30, 2022
		(Rupees in thousand)	
Relationship with the Group	Nature of transaction		
Associated companies	Purchase of packing material	–	1,537,521
	Purchase of raw material	–	1,438,446
	Purchase of stores and spares	–	653,451
	Sale of finished goods	919,696	491,811
	Sale of mid products	–	73,240
	Lease rental and license fee	271,200	79,200
	Payment against sales collection	–	25,736,267
	Toll manufacturing revenue	–	20,185,447
	Fee for services	442,820	2,236,430
	Short term loan given	100,000	–
	Miscellaneous expenses	1,286	65,844
	Markup income	786,564	871,213
	Markup expense	272,812	–
Directors and key management personnel	Remuneration including benefits and perquisites	615,893	420,538
Retirement benefit plans	Retirement benefits	474,810	320,318

	Note	Nine months ended	
		Restated	
		September 30, 2023	September 30, 2022
		(Rupees in thousand)	
23 Cash generated from operations			
Profit before tax		30,907,176	26,428,482
Adjustments for:			
Depreciation on property, plant and equipment	12.1	4,255,618	4,018,633
Amortization of intangible assets	13	58,344	36,423
Impairment of brand	13	1,327,500	1,770,000
Depreciation on investment property	14	679	679
Finance cost	20	3,850,030	2,158,717
Unwinding of provision for GIDC		178,530	234,473
Unwinding of liability of subordinated redeemable preference shares	7	152,303	45,295
Loss allowance on subsidy receivable from GoP		198,084	84,775
Provision for staff retirement benefits		315,898	188,486
Gain as a result of elimination due to asset acquisition		–	(171,436)
Bargain purchase as a result of acquisition of subsidiaries		–	(562,223)
Provision for slow moving stores and spares (Gain) / loss on remeasurement of investments classified as FVTPL		18,843	50,578
		(722,609)	643,966
Profit on loans to associated companies		(862,178)	(871,213)
Dividend income		(386,367)	(168,305)
Share of loss / (profit) from associates		954	(2,665)
Profit on short term investments and saving accounts		(530,852)	(187,894)
Loss on disposal of property, plant and equipment		5,703	2,477
		7,860,480	7,270,766
Operating cash flows before working capital changes		38,767,656	33,699,248
Effect on cash flow due to working capital changes:			
(Increase) / decrease in current assets:			
Stores and spares		(126,394)	(4,160,120)
Stock in trade		14,918,145	(17,420,282)
Trade debts		(3,548,897)	1,454,671
Advances, deposits, prepayments and other receivables		(906,132)	(1,328,786)
Increase in creditors, accrued and other liabilities		2,373,258	8,037,023
		12,709,980	(13,417,494)
		51,477,636	20,281,754

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN AUDITED)

For the nine months ended September 30, 2023

24 Financial instruments

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

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

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

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

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

	September 30, 2023			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial assets at fair value				
Investment - FVTPL	4,568,397	–	–	4,568,397
Investment - FVTOCI	–	600,000	–	600,000
Total assets at fair value	4,568,397	600,000	–	5,168,397
	December 31, 2022 (Restated)			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial assets at fair value				
Investment - FVTPL	4,159,899	–	–	4,159,899
Investment - FVTOCI	–	600,000	–	600,000
Total assets at fair value	4,159,899	600,000	–	4,759,899

25 Date of authorization of issue

These financial statements have been authorised for issue on October 25, 2023 by the board of directors of the Holding Company.

26 General

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

For the nine months ended
September 30, 2023

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN AUDITED)

As at September 30, 2023

		September 30, 2023	Restated December 31, 2022
	Note	(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized share capital 3,700,010,000 (December 31, 2022: 3,700,010,000) shares of Rs 10 each	4	37,000,100	37,000,100
Issued, subscribed and paid up share capital 2,100,000,000 (December 31, 2022: 2,100,000,000) ordinary shares of Rs 10 each		21,000,000	21,000,000
Reserves	5	87,711,003	86,089,184
		108,711,003	107,089,184
NON CURRENT LIABILITIES			
Long term finances - secured	6	6,346,810	8,586,731
Subordinated redeemable preference Class A shares	7	1,418,589	1,266,286
Lease liabilities		117,307	152,896
Deferred taxation		29,117,111	24,366,344
Deferred government grant		522,083	-
Deferred liabilities		2,027,049	2,927,257
Long term deposits		521,732	435,348
		40,070,681	37,734,862
CURRENT LIABILITIES			
Trade and other payables		62,846,650	59,394,984
Accrued finance cost		799,817	1,071,771
Income tax payable		8,607,999	3,602,313
Short term finances - secured	8	2,429,455	14,909,740
Short term loans from associated companies	9	1,626,307	1,626,307
Payable to Privatisation Commission of Pakistan		2,197,901	2,197,901
Unclaimed dividend		72,755	46,429
Current portion of long term liabilities	10	2,738,768	3,421,126
		81,319,652	86,270,571
CONTINGENCIES & COMMITMENTS			
	11		
		230,101,336	231,094,617

The annexed explanatory notes from 1 to 29 form an integral part of these condensed interim financial statements.

		September 30, 2023	Restated December 31, 2022
	Note	(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	12	116,683,545	116,674,951
Intangible assets	13	2,456,923	3,786,096
Investment property	14	164,740	165,419
		119,305,208	120,626,466
Long term investments	15	3,553,733	2,454,688
Long term advances and deposits	16	2,090,066	2,116,913
		5,643,799	4,571,601
		124,949,007	125,198,067
CURRENT ASSETS			
Stores and spares	17	15,960,864	15,861,618
Stock in trade	18	29,897,269	44,837,187
Trade debts		16,853,973	13,332,110
Short term loans to associated companies		5,099,723	4,999,723
Advances, deposits, prepayments and other receivables	19	21,072,577	20,029,456
Short term investments		4,540,544	4,133,750
Cash and bank balances		11,727,379	2,702,706
		105,152,329	105,896,550
		230,101,336	231,094,617

Chief Executive Officer

Director

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN AUDITED)

For the nine months ended September 30, 2023

	Note	Three months ended		Nine months ended	
		September 30, 2023	Restated September 30, 2022	September 30, 2023	Restated September 30, 2022
		(Rupees in thousand)			
Sales	20	75,482,818	37,382,764	159,460,156	99,666,350
Cost of sales	21	(53,338,114)	(24,154,983)	(109,027,820)	(58,135,517)
Gross profit		22,144,704	13,227,781	50,432,336	41,530,833
Selling and distribution expenses		(3,727,215)	(1,954,144)	(8,236,463)	(5,280,889)
Administrative expenses	22	(1,890,529)	(1,852,756)	(5,374,453)	(4,337,100)
		16,526,960	9,420,881	36,821,420	31,912,844
Finance cost	23	(995,977)	(908,166)	(3,656,771)	(2,082,734)
Other operating expenses		(2,164,254)	(1,754,534)	(5,307,317)	(4,932,977)
		13,366,729	6,758,181	27,857,332	24,897,133
Other income		1,431,817	429,137	2,610,965	1,303,659
Share of (loss) / profit from associates		(6,978)	(22,523)	(954)	2,665
Other losses:					
- Unwinding of provision for GIDC		(50,654)	(85,243)	(178,530)	(234,473)
- Loss allowance on subsidy receivable from GoP		(66,028)	(29,913)	(198,084)	(84,775)
		(116,682)	(115,156)	(376,614)	(319,248)
Profit before tax		14,674,886	7,049,639	30,090,729	25,884,209
Taxation		(7,154,593)	(2,638,584)	(17,443,910)	(15,627,217)
Profit for the period		7,520,293	4,411,055	12,646,819	10,256,992
Earnings per share - basic and diluted (Rupees)	24	3.58	2.10	6.02	4.88

The annexed explanatory notes from 1 to 29 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN AUDITED)

For the nine months ended September 30, 2023

	Three months ended		Nine months ended	
	September 30, 2023	Restated September 30, 2022	September 30, 2023	Restated September 30, 2022
(Rupees in thousand)				
Profit for the period	7,520,293	4,411,055	12,646,819	10,256,992
Other comprehensive income:				
Items that may not be reclassified subsequently to profit or loss:				
Remeasurement of post retirement benefits obligation	–	–	–	(100,242)
Related tax thereon	–	–	–	33,080
Share of other comprehensive loss from associates	–	–	–	(7,725)
Related tax thereon	–	–	–	1,159
Other comprehensive income - net of tax	–	–	–	(73,728)
Total comprehensive income for the period	7,520,293	4,411,055	12,646,819	10,183,264

The annexed explanatory notes from 1 to 29 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine months ended September 30, 2023

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

(Rupees in thousand)

Balance as at December 31, 2021 (Audited)	21,000,000	1,790,000	77,593,523	(120,083)	100,263,440
Profit for the period (Restated)	-	-	10,256,992	-	10,256,992
Other comprehensive income (Restated)	-	-	(6,566)	(67,162)	(73,728)
Total comprehensive income (Restated)	-	-	10,250,426	(67,162)	10,183,264
Transaction with owners:					
- Final dividend for the year ended December 31, 2021 @ Rs 3.50 per share	-	-	(7,350,000)	-	(7,350,000)
Balance as at September 30, 2022 (Un audited) (Restated)	21,000,000	1,790,000	80,493,949	(187,245)	103,096,704
Balance as at December 31, 2022 (Restated)	21,000,000	1,790,000	84,538,936	(239,752)	107,089,184
Profit for the period	-	-	12,646,819	-	12,646,819
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	12,646,819	-	12,646,819
Transaction with owners:					
- Final dividend for the year ended December 31, 2022 @ Rs 3.50 per share	-	-	(7,350,000)	-	(7,350,000)
- Interim dividend for the year ending December 31, 2023 @ Rs 1.75 per share	-	-	(3,675,000)	-	(3,675,000)
Balance as at September 30, 2023 (Un audited)	21,000,000	1,790,000	86,160,755	(239,752)	108,711,003

The annexed explanatory notes from 1 to 29 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN AUDITED)

For the nine months ended September 30, 2023

	Note	Nine months ended	
		September 30, 2023	Restated September 30, 2022
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	26	50,643,007	20,686,624
Net increase in long term deposits		86,384	225,001
Finance cost paid		(3,806,553)	(1,946,710)
Taxes paid		(7,687,455)	(6,208,386)
Employee retirement benefits paid		(397,604)	(147,361)
Net cash generated from operating activities		38,837,779	12,609,168
Cash flows from investing activities			
Additions in property, plant and equipment		(4,245,952)	(6,840,580)
Additions in intangible assets		(56,671)	(116,595)
Proceeds from disposal of property, plant and equipment		15,722	22,103
Short term loan given		(100,000)	-
Long term investments made		(1,100,000)	(1,050,031)
Short term investments made		-	(2,988,685)
Proceeds from short term investments		314,111	195,644
Profit received on loans and saving accounts		986,195	130,700
Dividend income received		383,558	168,305
Cash and cash equivalents acquired as a result of asset acquisition		-	(2,219,918)
Net decrease / (increase) in long term advances and deposits		26,847	(605,986)
Net cash used in investing activities		(3,776,190)	(13,305,043)
Cash flows from financing activities			
Proceeds from long term finances		-	5,235,656
Repayment of long term finances		(2,502,536)	(2,511,427)
Repayment of lease liabilities		(55,421)	(123,556)
Dividend paid		(10,998,674)	(9,082,007)
Net decrease in short term finances		(8,611,211)	(1,327,713)
Net cash used in financing activities		(22,167,842)	(7,809,047)
Net increase / (decrease) in cash and cash equivalents		12,893,747	(8,504,922)
Cash and cash equivalents at the beginning of the period		(3,595,823)	5,642,736
Cash and cash equivalents at the end of the period		9,297,924	(2,862,186)
Cash and cash equivalents comprises of following:			
Cash and bank balances		11,727,379	2,484,247
Running finance		(2,429,455)	(5,346,433)
Cash and cash equivalents at the end of the period		9,297,924	(2,862,186)

The annexed explanatory notes from 1 to 29 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

For the nine months ended September 30, 2023

1 Legal status and nature of business

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

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

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

2 Basis of preparation

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

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34 and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2022. Comparative condensed interim statement of financial position is extracted from annual restated financial statements for the year ended December 31, 2022 and comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from un audited restated condensed interim financial statements for the nine months ended September 30, 2022.

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

Accordingly, the financial statements of the Company were restated as at September 30, 2022 and December 31, 2022 reflecting the impacts of above transaction. Moreover, these financial statements are to be read in conjunction with the financial statements for the period ended June 30, 2023 which includes the details of assets and liabilities taken over by the Company.

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

3 Significant accounting policies and estimates

The accounting policies, related judgments, estimates and related assumptions adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual financial statements of the Company for the year ended December 31, 2022. Moreover, following new policies have been adopted:

3.1 Acquisition of assets

The group of assets (including the liabilities assumed) acquired as a result of any arrangement that does not meet the definition of a business are recognized under the asset acquisition method.

Upon the acquisition of net assets, the Company identifies and recognizes the assets acquired and liabilities assumed at their fair values as of the acquisition date. Any difference between the net assets acquired and the fair value of the consideration is allocated to non monetary long lived assets, and no gain or loss is recorded on the date of acquisition, whereas the current assets and liabilities are measured at fair values on the acquisition date.

3.2 Redeemable preference shares

Redeemable preference shares are classified as financial liability if they meet the criteria of liability as per relevant accounting standard.

Upon issuance, the Company recognizes redeemable preference shares as a financial liability in its statement of financial position at the present value of the future cash outflows associated with the redemption. Subsequent to the initial recognition, these are measured at amortised cost and the effect of unwinding is recognised in the statement of profit or loss.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

For the nine months ended September 30, 2023

4 Authorized share capital

September 30, 2023	Restated December 31, 2022		September 30, 2023	Restated December 31, 2022
(Number of shares)			(Rupees in thousand)	
2,700,010,000	2,700,010,000	Ordinary shares of Rs 10 each	27,000,100	27,000,100
1,000,000,000	1,000,000,000	Subordinated redeemable preference Class A shares of Rs 10 each	10,000,000	10,000,000
3,700,010,000	3,700,010,000		37,000,100	37,000,100

	Note	September 30, 2023	Restated December 31, 2022
		(Rupees in thousand)	
5 Reserves			
Capital reserve:			
Share premium		1,790,000	1,790,000
Revenue reserve:			
Unappropriated profit		86,160,755	84,538,936
Post retirement benefit obligation reserve		(239,752)	(239,752)
		87,711,003	86,089,184
6 Long term finances - secured			
From banking companies / financial institutions 6.1		8,883,109	11,880,389
Less: Current portion		2,536,299	3,293,658
		6,346,810	8,586,731
6.1 Movement of long term finances			
Opening balance		11,880,389	7,064,604
Disbursements during the period / year		–	5,622,520
Classified as deferred government grant		(704,444)	–
Addition as a result of asset acquisition		–	1,963,437
Repayments during the period / year		(2,502,536)	(2,805,271)
Accreditation of loan under SBP Temporary Economic Refinance Facility		209,700	35,099
Closing balance		8,883,109	11,880,389

	September 30, 2023	Restated December 31, 2022
	(Rupees in thousand)	
7 Subordinated redeemable preference Class A shares		
Opening balance	1,266,286	–
Liability against subordinated redeemable preference class A shares (270,000,000 shares of Rs 10 each)	–	2,700,000
Remeasurement at present value at acquisition date	–	(1,526,053)
	1,266,286	1,173,947
Unwinding for the period / year	152,303	92,339
	1,418,589	1,266,286

8 Short term finances - secured

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

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

These facilities carry mark up ranging from 16.11% to 25.41% (December 31, 2022: 8.87% to 18.77%) per annum for Running Finance and Cash Finance and 17.18% to 23.97% (December 31, 2022: 8.30% to 17.51%) per annum for Finance against Imported Merchandise.

9 Short term loans from associated companies

This represents short term loans obtained from associated companies for a period of one year commencing from March 29, 2022 to finance working capital requirements. As per the terms of the agreements, the loans will be repayable within a period of 30 days of notice of demand unless renewed by mutual consent by the parties. The markup rate on the said loan is 6 months KIBOR plus 1.8% per annum, payable quarterly. Effective rate of markup charged during the year ranged from 18.86% to 24.70% (December 31, 2022: 17.12% to 17.51%).

		September 30, 2023	Restated December 31, 2022
	Note	(Rupees in thousand)	
10 Current portion of long term liabilities			
Long term finances	6	2,536,299	3,293,658
Lease liabilities		125,257	127,468
Government grant		77,212	–
		2,738,768	3,421,126

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

For the nine months ended September 30, 2023

11 Contingencies and commitments

11.1 Contingencies

As at September 30, 2023, there is no material change in the status of contingencies as reported in the notes to the financial statements of the Company for the year ended December 31, 2022 and period ended June 30, 2023, except for the following:

The Company has filed an appeal before the CIR (A) in September, 2023 against the order dated August 18, 2023 issued u/s 11 of the STA. The assessing officer raised a demand of Rs 2,531 Million against the Company by disallowing the admissibility of sales tax on various items claimed during December 2021 to June 2022 and invoking the provisions of section 8 of STA.

		September 30, 2023	Restated December 31, 2022
(Rupees in thousand)			
11.2 Commitments in respect of :			
(i)	Contracts for capital expenditure	3,825,192	1,227,199
(ii)	Contracts other than capital expenditure	12,546,630	3,019,144
(iii)	The amount of future payments under ijarah rentals and short term / low value leases:		
	- Not later than one year	1,177,170	928,973
	- Later than one year but not later than five years	1,675,922	1,269,832
		2,853,092	2,198,805
12 Property, plant and equipment			
	Operating fixed assets	12.1 109,785,256	106,297,034
	Capital work in progress	12.2 6,898,289	10,377,917
		116,683,545	116,674,951
12.1 Movement of operating fixed assets			
	Opening book value	106,297,034	99,741,174
	Additions during the period / year	12.1.1 7,725,580	4,580,310
	Additions as a result of asset acquisition	-	8,801,955
	Elimination as a result of asset acquisition (right of use asset)	-	(1,138,236)
		114,022,614	111,985,203
	Less: Depreciation charged during the period / year	4,215,933	5,443,466
	Book value of disposals during the period / year	21,425	244,703
	Closing book value	109,785,256	106,297,034

	September 30, 2023	Restated December 31, 2022
	(Rupees in thousand)	
12.1.1 Additions during the period / year		
Freehold land	369,553	951,989
Building on freehold land	61,311	61,019
Plant and machinery	5,944,084	2,243,770
Catalysts	542,647	57,067
Furniture and fixtures	41,983	52,328
Office equipment	22,667	40,187
Electric installations and appliances	408,461	456,087
Computers	103,766	221,924
Vehicles	231,108	343,626
Right of use assets	–	152,313
	7,725,580	4,580,310

12.1.2 Operating fixed assets include right of use assets of Rs 200.54 million (December 31, 2022: Rs 250.86 million).

	September 30, 2023	Restated December 31, 2022
	(Rupees in thousand)	
12.2 Capital work in progress		
Civil works	653,292	430,395
Plant and machinery	752,021	3,262,113
Capital stores	3,695,794	4,348,937
Advances:		
- Freehold land	233,650	379,986
- Plant and machinery	1,563,532	1,956,486
	1,797,182	2,336,472
	6,898,289	10,377,917

13 Intangible assets

Opening book value	3,786,096	3,608,877
Addition as a result of asset acquisition	–	82,915
Additions during the period / year	56,671	148,109
	3,842,767	3,839,901
Less: Amortization charged during the period / year	58,344	53,805
Impairment charged during the period / year	1,327,500	–
Closing book value	2,456,923	3,786,096

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

For the nine months ended September 30, 2023

	September 30, 2023	Restated December 31, 2022
	(Rupees in thousand)	
14 Investment property		
Opening book value	165,419	775,339
Less: Disposals during the period / year	—	609,014
	165,419	166,325
Less: Depreciation charged during the period / year	679	906
Closing book value	164,740	165,419

15 Long term investments

This includes an additional investment of Rs 1,100 million in 110,000,000 fully paid ordinary shares of Rs 10 each of its wholly owned subsidiary, Fatima Cement Limited, as approved by the Board of Directors of the Company in their meeting held on June 02, 2023.

16 Long term advances and deposits

This includes Nil (December 31, 2022: Rs 946.14 million) as advance to Fatima Cement Limited, a wholly owned subsidiary of the Company.

	September 30, 2023	Restated December 31, 2022
	(Rupees in thousand)	
17 Stores and spares		
Stores	1,080,866	1,041,522
Spares	10,694,452	10,700,433
Catalyst and chemicals	4,605,912	4,514,849
	16,381,230	16,256,804
Less: Provision for slow moving stores and spares	420,366	395,186
	15,960,864	15,861,618

	September 30, 2023	Restated December 31, 2022
	(Rupees in thousand)	
18 Stock in trade		
Raw materials {including in transit Rs 3,003.80 million (December 31, 2022: Rs 3,657.52 million)}	13,375,483	6,059,033
Packing materials	478,379	83,756
Mid products		
Ammonia	443,184	161,252
Nitric acid	100,532	19,941
Others	3,157	2,318
	546,873	183,511
Finished goods		
Own manufactured		
Urea	1,625,107	59,323
NP	12,614,210	28,885,503
CAN	310,455	32,477
Others	4,097	4,641
Certified emission reductions	–	42,810
	14,553,869	29,024,754
Purchased for resale	942,665	9,486,133
	29,897,269	44,837,187

19 Advances, deposits, prepayments and other receivables

This includes Rs 10.60 million (December 31, 2022: Rs 10.45 million) receivable from Fatimafert Limited, a wholly owned subsidiary company, in the normal course of business.

	Note	Three months ended		Nine months ended	
		Restated		Restated	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
(Rupees in thousand)					
20 Sales					
Revenue from contracts with customers					
Local sales	20.1	75,482,818	37,382,764	159,460,156	99,419,708
Certified emission reductions		–	–	–	246,642
		75,482,818	37,382,764	159,460,156	99,666,350

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

For the nine months ended September 30, 2023

	Three months ended		Nine months ended	
	September 30, 2023	Restated September 30, 2022	September 30, 2023	Restated September 30, 2022
	(Rupees in thousand)			
Note				
20.1 Local sales				
Own manufactured	75,779,899	37,004,900	155,347,284	79,470,742
Toll manufacturing	–	–	–	20,185,447
Purchased for resale	4,196,619	378,576	9,735,740	1,705,031
Mid products	654,024	494,872	1,690,720	1,182,756
	80,630,542	37,878,348	166,773,744	102,543,976
Less: Sales tax	316,198	76,506	484,179	1,464,384
Federal excise duty	3,593,734	–	3,593,734	–
Discounts	1,237,792	419,078	3,235,675	1,659,884
	75,482,818	37,382,764	159,460,156	99,419,708
21 Cost of sales				
Raw material consumed	21,668,699	23,300,907	51,422,971	52,574,120
Packing material consumed	1,294,888	937,962	3,461,940	2,454,756
Salaries, wages and other benefits	2,745,656	1,962,679	7,467,335	5,854,505
Fuel and power	3,331,598	3,917,275	8,703,717	8,499,246
Chemicals and catalyst consumed	994,857	755,316	2,613,753	2,230,016
Stores and spares consumed	2,162,232	991,294	3,771,678	2,800,159
Technical assistance	107,756	110,707	244,807	308,033
Repair and maintenance	3,329,674	886,043	6,404,198	3,441,001
Insurance	487,532	276,186	1,524,097	800,311
Travelling and conveyance	94,278	76,182	249,240	183,545
Rent, rates and taxes	238,251	128,093	648,013	405,977
Vehicle running and maintenance	87,260	69,330	256,631	173,173
Depreciation	1,336,128	1,286,048	3,962,187	3,789,634
Others	84,635	77,898	127,350	233,792
Subsidy on RLNG released by GOP to SNGPL	21.1	–	(4,750,593)	(7,892,654)
Manufacturing cost	37,963,444	34,775,920	86,107,324	75,855,614
Opening stock of mid products	148,591	185,202	183,511	122,564
Addition as a result of asset acquisition	–	1,509	–	1,509
Closing stock of mid products	(546,873)	(201,729)	(546,873)	(201,729)
Cost of goods manufactured	37,565,162	34,760,902	85,743,962	75,777,958
Opening stock of finished goods	26,379,360	13,484,256	29,024,754	5,514,312
Addition as a result of asset acquisition	–	7,961,419	–	7,961,419
Closing stock of finished goods	(14,553,869)	(32,297,559)	(14,553,869)	(32,297,559)
Cost of sales - own manufactured	49,390,653	23,909,018	100,214,847	56,956,130
Cost of sales - purchased for resale	3,947,461	245,965	8,812,973	1,179,387
	53,338,114	24,154,983	109,027,820	58,135,517

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

22 Administrative expenses

This includes donation amounting to Rs 331.71 million to Mian Mukhtar A. Sheikh Trust, a related party.

	Three months ended		Nine months ended	
	September 30, 2023	Restated September 30, 2022	September 30, 2023	Restated September 30, 2022
	(Rupees in thousand)			
23 Finance cost				
Markup on long term finances	472,461	410,152	1,310,059	804,036
Markup on short term finances	406,309	305,213	1,669,683	580,036
Markup on short term loans from associated companies	80,019	69,720	252,740	69,720
Interest on lease liabilities	5,378	9,911	17,621	86,503
Bank charges and others	31,810	113,170	406,668	542,439
	995,977	908,166	3,656,771	2,082,734
24 Earnings per share - basic and diluted				
Profit attributable to ordinary shareholders	7,520,293	4,411,055	12,646,819	10,256,992
	(Number of shares)			
Weighted average number of shares	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
	(Rupees)			
Basic and diluted earnings per share (Rupees)	3.58	2.10	6.02	4.88

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

For the nine months ended September 30, 2023

25 Transactions with related parties

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

Relationship with the Company	Nature of transaction	Nine months ended	
		September 30, 2023	Restated September 30, 2022
		(Rupees in thousand)	
Subsidiary companies	Acquisition of shares	1,100,000	300,030
	Long term advance given	–	191,651
	Payments made on behalf	18,000	–
	Markup income	76,024	–
	Miscellaneous expenses	171,512	49,159
	Purchase of packing material	3,670,503	767,089
Associated companies	Purchase of packing material	–	1,537,521
	Purchase of raw material	–	1,438,446
	Purchase of stores and spares	–	653,451
	Sale of mid products	–	73,240
	Lease rental and license fee	271,200	79,200
	Payment against sales collection	–	25,736,267
	Toll manufacturing revenue	–	20,185,447
	Fee for services	442,820	2,236,430
	Short term loan given	100,000	–
	Miscellaneous expenses	1,286	65,844
	Markup income	786,564	871,213
Markup expense	272,812	–	
Directors and key management personnel	Remuneration including benefits and perquisites	615,893	420,538
Retirement benefit plans	Retirement benefits	474,810	320,702

	Note	Nine months ended	
		Restated	
		September 30, 2023	September 30, 2022
		(Rupees in thousand)	
26 Cash generated from operations			
Profit before tax		30,090,729	25,884,209
Adjustments for:			
Depreciation on property, plant and equipment	12.1	4,215,933	3,997,671
Amortization of intangible assets	13	58,344	36,423
Impairment of brand	13	1,327,500	1,770,000
Depreciation on investment property	14	679	679
Finance cost	23	3,656,771	2,082,734
Unwinding of provision for GIDC		178,530	234,473
Unwinding of liability of subordinated redeemable preference shares	7	152,303	45,295
Loss allowance on subsidy receivable from GoP		198,084	84,775
Provision for staff retirement benefits		474,810	188,486
Provision for slow moving stores and spares		18,843	50,578
(Gain) / loss on remeasurement of investments classified as FVTPL		(720,904)	643,966
Profit on loans to associated companies		(862,178)	(871,213)
Dividend income		(383,558)	(168,305)
Share of loss / (profit) from associates		954	(2,665)
Profit on short term investments and saving accounts		(602,812)	(187,894)
Gain as a result of elimination due to asset acquisition		-	(171,436)
Loss on disposal of property, plant and equipment		5,703	2,477
		7,719,001	7,736,044
Operating cash flows before working capital changes		37,809,730	33,620,253
Effect on cash flow due to working capital changes:			
(Increase) / decrease in current assets:			
Stores and spares		(118,089)	(4,154,441)
Stock in trade		14,939,918	(17,530,859)
Trade debts		(3,521,863)	1,454,552
Advances, deposits, prepayments and other receivables		(762,411)	(1,422,329)
Increase in creditors, accrued and other liabilities		2,295,721	8,719,448
		12,833,277	(12,933,629)
		50,643,007	20,686,624

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

For the nine months ended September 30, 2023

27 Financial instruments

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

	September 30, 2023			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial assets at fair value				
Investment - FVTPL	4,473,934	–	–	4,473,934
Investment - FVTOCI	–	600,000	–	600,000
Total assets at fair value	4,473,934	600,000	–	5,073,934
	December 31, 2022 (Restated)			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial assets at fair value				
Investment - FVTPL	4,067,140	–	–	4,067,140
Investment - FVTOCI	–	600,000	–	600,000
Total assets at fair value	4,067,140	600,000	–	4,667,140

28 Date of authorization of issue

These financial statements have been authorized for issue on October 25, 2023 by the Board of Directors of the Company.

29 General

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



Chief Executive Officer



Director



Chief Financial Officer



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